CIRCULAR DATED 26 SEPTEMBER 2013

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.

If you have sold or transferred all your ordinary shares in the capital of Hartawan Holdings Limited ("**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or the transferee. If you have sold or transferred all your Shares (as defined herein) represented by physical share certificate(s), you should forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or the transferee.

Neither the Monetary Authority of Singapore ("**Authority**") nor the Singapore Exchange Securities Trading Limited ("**SGX-ST**") has examined or approved the contents of this Circular. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Circular, including the correctness of any statements or opinions made or reports contained in this Circular. The lodgement of this Circular by the SGX-ST as agent acting on behalf of the Authority does not imply that the SFA or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, has been complied with.

The Company is a sponsored company listed on Catalist board of the SGX-ST ("**Catalist**"). Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the Shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional advisers.

An application has been made to the SGX-ST for permission for the Advisory Shares and the Consideration Shares to be listed for quotation on Catalist. The listing and quotation, if issued by the SGX-ST, is not to be taken as an indication of the merits of, *inter alia*, the Proposed Transactions, the Company, the Hartawan Group, the Target Group, the Enlarged Group, the Shares, the Consolidated Shares, the Consideration Shares and/or the Advisory Shares.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's financial adviser and sponsor, Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the SGX-ST. Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this Circular.

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

The contact person for the Sponsor is Chia Beng Kwan, Deputy Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road, #21-02, Singapore 068896, telephone (65) 6854 6160.

Following Completion, the core business of the Enlarged Group will be that of the Target Group, which is in gold mining. As at the Latest Practicable Date, the Target Group has not commenced production of gold dore. The Enlarged Group may not progress to the next stage of development or to a stage where it is able to generate revenue. Please refer to the Section 11 entitled "Risk Factors – Risks relating to the Business and Industry of the Target Group" for more information on risks relating to the business and industry of the Target Group, in particular, the following risks: "The Target Group may not be able to discover new Ore Reserves in the Concession Blocks or acquire new concessions to maintain a commercially viable mining operation", "The Target Group has a limited operating history and it does not have track record of carrying out production operations as a mine owner", "The Target Group's business, revenues and profits will be affected by the volatility of prices for gold and the global economy", "The Target Group's actual operating costs may differ significantly from estimates, which may have an adverse impact on its financial performance and condition and results of operations" and "The Target Group's actual ore processing capacity and production schedule may differ significantly from the Target Group's management's expectations".

YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" OF THIS CIRCULAR WHICH YOU SHOULD REVIEW CAREFULLY.

HARTAWAN
HOLDINGS LIMITED

HARTAWAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200300950D)

CIRCULAR TO SHAREHOLDERS

in relation to

(1) THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WILTON RESOURCES HOLDINGS PTE. LTD. FOR THE PURCHASE CONSIDERATION OF S$300 MILLION;

(2) THE PROPOSED CONSOLIDATION OF EVERY 12 EXISTING SHARES INTO 10 CONSOLIDATED SHARES;

(3) THE PROPOSED ALLOTMENT AND ISSUANCE OF 1,500,000,000 CONSIDERATION SHARES TO THE VENDORS AND/OR THEIR DESIGNATED HOLDERS IN SATISFACTION OF THE PURCHASE CONSIDERATION;

(4) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM THE VENDORS AND/OR THEIR CONCERT PARTIES;

(5) THE PROPOSED PUT OPTION AS AN INTERESTED PERSON TRANSACTION;

(6) THE PROPOSED ALLOTMENT AND ISSUANCE OF ADVISORY SHARES;

(7) THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM "HARTAWAN HOLDINGS LIMITED" TO "WILTON RESOURCES CORPORATION LIMITED";

(8) THE PROPOSED CHANGE OF CORE BUSINESS OF THE HARTAWAN GROUP TO THE BUSINESS OF THE TARGET GROUP; AND

(9) THE APPOINTMENT OF THE PROPOSED DIRECTORS UPON COMPLETION.

Financial Adviser and Sponsor to the Company

CANACCORD Genuity

CANACCORD GENUITY SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200713620D)

Independent Financial Adviser in relation to the Proposed Whitewash Resolution and the Proposed Put Option

PRIME Partners

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200207389D)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	19 October 2013 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	21 October 2013 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Hotel Re! @ Pearl's Hill Re!Joice 175A Chin Swee Road Singapore 169879

CONTENTS

CONTENTS

CONTENTS

CONTENTS

CORPORATE INFORMATION

CURRENT BOARD OF DIRECTORS	:	Winstedt Chong Thim Pheng	(*Executive Chairman*)
		Cynthia Tan Kwee Hiang	(*Executive Director*)
		Er Kwong Wah	(*Lead Independent and Non-Executive Director*)
		Dr Tan Eng Liang	(*Independent and Non-Executive Director*)
		Chng Hee Kok	(*Non-Executive Director*)
		Wong Kok Hoe	(*Non-Executive Director*)
		Tan Sin Huat Dennis	(*Non-Executive Director*)
PROPOSED NEW BOARD OF DIRECTORS (to be appointed subject to and upon Completion)	:	Wijaya Lawrence	(*President and Executive Chairman*)
		Chong Chin Fan	(*Vice President (Finance) and Executive Director*)
		Ngiam Mia Je Patrick	(*Non-Executive Director*)
		Teo Kiang Kok	(*Lead Independent Director*)
		Tan Cher Liang	(*Independent Director*)
		Seah Seow Kang Steven	(*Independent Director*)
COMPANY SECRETARIES	:	Chew Kok Liang	(LL.B. (Hons))
		Teo Soo Lin	(A member of the Institute of Singapore Chartered Accountants)
REGISTERED OFFICE OF HARTAWAN	:	175A Chin Swee Road Singapore 169879	
SHARE REGISTRAR AND SHARE TRANSFER AGENT	:	**Boardroom Corporate & Advisory Services Pte. Ltd.** 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623	
FINANCIAL ADVISER TO THE COMPANY IN RELATION TO THE PROPOSED ACQUISITION AND SPONSOR TO THE COMPANY	:	**Canaccord Genuity Singapore Pte. Ltd.** 77 Robinson Road #21-02 Singapore 068896	
AUDITOR AND REPORTING ACCOUNTANT TO THE COMPANY	:	**Ernst and Young LLP** **Public Accountants and Chartered Accountants** One Raffles Quay Level 18 North Tower Singapore 048583	
		Partner-in-charge:	Low Bek Teng (a practicing member of the Institute of Singapore Chartered Accountants)
AUDITOR AND REPORTING ACCOUNTANT TO THE TARGET GROUP	:	**Ernst and Young LLP** **Public Accountants and Chartered Accountants** One Raffles Quay Level 18 North Tower Singapore 048583	
		Partner-in-charge:	Low Bek Teng (a practicing member of the Institute of Singapore Chartered Accountants)

AUDITOR TO THE TARGET SUBSIDIARIES	:	**Purwantono Suherman & Surja** Indonesia Stock Exchange Building Tower 2, 7th Floor Jl. Jend Sudirman Jakarta 12190, Indonesia Partner-in-charge: Feniwati Chendana (a practising member of the Indonesia Institute of Certified Public Accountants)
LEGAL ADVISER TO THE COMPANY IN RELATION TO THE PROPOSED ACQUISITION AND ON SINGAPORE LAW	:	**RHTLaw Taylor Wessing LLP** Six Battery Road #10-01 Singapore 049909
LEGAL ADVISER TO THE COMPANY ON INDONESIA LAW	:	**Hanafiah Ponggawa & Partners** Wisma 46 – Kota BNI 32nd, 41st Fl. (Main Reception) Jl. Jend. Sudirman Kav. 1 Jakarta 10220, Indonesia
LEGAL ADVISER TO THE VENDORS AND THE TARGET COMPANY ON SINGAPORE LAW	:	**Shook Lin & Bok LLP** 1 Robinson Road #18-00 AIA Tower Singapore 048542
INDEPENDENT FINANCIAL ADVISER IN RELATION TO THE PROPOSED WHITEWASH RESOLUTION AND THE PROPOSED PUT OPTION	:	**PrimePartners Corporate Finance Pte. Ltd.** 20 Cecil Street #21-02 Equity Plaza Singapore 049705
INDEPENDENT QUALIFIED PERSON	:	**SRK Consulting (China) Ltd** B1205, COFCO Plaza No. 8 Jianguomennei Dajie Dongcheng District Beijing, 100005, China
INDEPENDENT VALUER	:	**Greater China Appraisal Limited** Room 2703-08, Shui On Centre 6-8 Harbour Road, Wanchai Hong Kong

In this Circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

Hartawan Group and Enlarged Group Companies

"Enlarged Group"	:	The group comprising the Hartawan Group and the Target Group, upon Completion
"Hartawan" or "Company"	:	Hartawan Holdings Limited
"Hartawan Group"	:	The group comprising Hartawan and the Hartawan Subsidiaries
"Hartawan Subsidiaries"	:	The subsidiaries of the Company, comprising: (i) Hartawan Property Management Pte. Ltd.; (ii) Hotel Re! Pte. Ltd.; and (iii) Wallich Development Pte. Ltd. (struck off)
"PT LTC"	:	P.T. Liektucha Ciemas
"PT WI"	:	P.T. Wilton Investment
"PT WWI"	:	P.T. Wilton Wahana Indonesia
"Target Group" or "Wilton Group"	:	The group comprising the Target Company and the Target Subsidiaries
"Target Subsidiaries"	:	The subsidiaries of Wilton, comprising: (i) PT WI; (ii) PT WWI; and (iii) PT LTC, and each, a "**Target Subsidiary**"
"Wilton" or "Target Company"	:	Wilton Resources Holdings Pte. Ltd.

Other Companies, Corporations or Organisations

"ACRA"	:	The Accounting and Corporate Regulatory Authority of Singapore
"CDP"	:	The Central Depository (Pte) Limited
"Financial Adviser", "Sponsor" or "Canaccord Genuity"	:	Canaccord Genuity Singapore Pte. Ltd.
"GCA" or "Independent Valuer"	:	Greater China Appraisal Limited
"IFA" or "PrimePartners"	:	PrimePartners Corporate Finance Pte. Ltd.
"HPRP"	:	Hanafiah Ponggawa & Partners
"*SGX-ST*"	:	Singapore Exchange Securities Trading Limited

"*SIC*"	:	The Securities Industry Council
"*SRK*" or *"Independent Qualified Person"*	:	SRK Consulting (China) Ltd.

General

"9M"	:	Nine-month financial period ended or ending 31 March, as the case may be
"*Act*" or "*Companies Act*"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Advisory Shares"	:	The 4,362,290 Consolidated Shares to be allotted and issued by the Company to Canaccord Genuity in satisfaction of a part of its professional fees in respect of the financial advisory services rendered to the Company in connection with the Proposed Acquisition
"Announcements"	:	The announcements made by the Company on 31 October 2011, 4 November 2011, 17 April 2012, 2 August 2012, 14 August 2012, 21 August 2012, 24 October 2012, 28 February 2013 and 2 July 2013 in relation to the Proposed Acquisition
"ASEAN"	:	Association of Southeast Asian Nations
"Associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or (b) In relation to a substantial shareholder or a controlling shareholder (being a company), means any company which is its subsidiary or holding company or is a subsidiary of such holding company; or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Authority"	:	The Monetary Authority of Singapore
"Board"	:	The board of Directors of Hartawan
"Books Closure Date"	:	The time and date to be determined by the Board, on which the Register of Members and share transfer books of the Company will be closed to determine the entitlements of the Consolidated Shares of Shareholders pursuant to the Proposed Share Consolidation

"Business Day"	:	A day on which commercial banks are open for business in Singapore and Indonesia, other than Saturdays, Sundays and days which have been gazetted as public holidays in Singapore and Indonesia
"Catalist"	:	The Catalist board of the SGX-ST
"Catalist Rules"	:	Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"Circular"	:	This circular dated 26 September 2013 to Shareholders
"Code"	:	The Singapore Code on Take-overs and Mergers
"Completion"	:	The completion of the Proposed Acquisition pursuant to the Sale and Purchase Agreement
"Completion Date"	:	The date falling 14 Market Days after the fulfillment (or waiver, as the case may be) of the last of the conditions precedent in the Sale and Purchase Agreement, such date being in any event not later than the Longstop Date, or such other date as the Parties may agree in writing
"Compliance Placement"	:	Has the meaning given in Section 2.6(b) herein
"Concession Block 1"	:	The 2,878.5 hectares gold exploitation concession located in Ciemas and Mekarjaya Village Ciemas District, Cihaur Village Simpenan District, Sukabumi Regency, West Java Province, Indonesia, held by PT WWI
"Concession Block 2"	:	The 200 hectares gold exploitation concession located in Block Pasir Manggu, Mekarjaya Village, Ciemas District, Sukabumi Regency, West Java Province, Indonesia, held by PT LTC
"Concession Blocks" or "Ciemas Gold Project"	:	Concession Block 1 and Concession Block 2
"Consideration Shares"	:	The 1,500,000,000 Consolidated Shares to be allotted and issued by the Company to the Vendors and/or their designated holders at an Issue Price of S$0.20 for each Consolidated Share, in satisfaction of the Purchase Consideration
"Consolidated Shares"	:	Ordinary shares in the capital of the Company pursuant to the Proposed Share Consolidation
"Consultancy Agreement"	:	The consultancy agreement dated 24 May 2013 entered into between the Target Company and Fortune Asia Investments Holdings Limited
"Controlling Shareholder"	:	A person who: (i) holds directly or indirectly 15% or more of all the voting shares in a company; or (ii) in fact exercises control over a company

"Convertible Loan"	:	The loan of an aggregate amount of up to S$12 million, convertible into new shares representing 10% of the enlarged share capital of either Wilton (where the Proposed Restructuring Exercise is completed) or PT WI (where only the Indonesian Restructuring had been completed), immediately after Conversion of the Convertible Loan, to be issued and credited as fully paid-up upon Conversion pursuant to the Convertible Loan Agreement
"Convertible Loan Agreement"	:	The convertible loan agreement dated 29 October 2011 entered into between the Company, the Target Company and PT WI, pursuant to which the Company extended the Convertible Loan to the Target Company, as amended and varied by supplemental agreements dated 12 March 2012, 17 April 2012, 31 July 2012 and 1 July 2013
"Conversion"	:	The allotment and issuance of the Conversion Shares to the Company by way of conversion of the Convertible Loan or any part thereof in accordance with the terms of the Convertible Loan Agreement
"Conversion Notice"	:	The notice to be served upon Wilton by the Company, to convert the whole of the outstanding Convertible Loan or any part thereof, in the form as set out in schedule 1 of the Convertible Loan Agreement
"Conversion Period"	:	Means the period of 30 days after the Longstop Date
"Conversion Shares"	:	Upon Conversion of the Convertible Loan, such number of new shares, representing 10% of the enlarged share capital of either Wilton (where the Proposed Restructuring Exercise is completed) or PT WI (where only the Indonesian Restructuring had been completed), immediately after Conversion of the Convertible Loan, to be issued and credited as fully paid-up upon Conversion
"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	Central Provident Fund
"Deposits"	:	The four (4) gold deposits within the Concession Blocks identified as Pasir Manggu, Cibatu, Sekolah and Cikadu that are the subject of the Independent Qualified Person's Report, and each a "**Deposit**"
"Directors"	:	The directors of the Company for the time being, namely, Winstedt Chong Thim Pheng, Cynthia Tan Kwee Hiang, Er Kwong Wah, Dr Tan Eng Liang, Chng Hee Kok, Wong Kok Hoe and Tan Sin Huat Dennis
"Effective Trading Date"	:	Has the meaning given in Section 3.3(a) herein
"EGM"	:	The extraordinary general meeting of the Company to be convened, notice of which is set out in the Section entitled "Notice of Extraordinary General Meeting" of this Circular
"Enlarged Share Capital"	:	The enlarged issued share capital of the Company upon Completion, immediately after the allotment and issuance of the Consideration Shares and the Advisory Shares

"EPS"	:	Earnings per Share
"Existing Business"	:	The existing business of the Hartawan Group, comprising, *inter alia*, the property leasing and the management and hospitality businesses
"Exploration IUP"	:	Exploration mining business licence (*Izin Usaha Pertambangan Eksplorasi*) or special exploration mining business licence (*Izin Usaha Pertambangan Eksplorasi Khusus*) which covers the general survey, exploration and feasibility study stages
"Fair Market Value"	:	The amount of money (or the cash equivalent or some other consideration) determined by the expert in accordance with the provisions of the VALMIN Code for which the mineral or petroleum asset or security should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an arms' length transaction, with each party acting knowledgeably, prudently and without compulsion
"FY"	:	Financial year ended or ending 30 June, as the case may be
"IFA Letter"	:	The letter from the IFA to the Independent Directors dated 26 September 2013 in relation to the Proposed Whitewash Resolution and the Proposed Put Option, entitled "Letter of Advice from PrimePartners Corporate Finance Pte. Ltd. to the Independent Directors" as set out in Appendix XII of this Circular
"Investors"	:	Independent investors, being Christopher Chong Meng Tak, James Koh Jyl Gang, Tan Thiam Hee, Ang Kok Eng, Ang Kok Leong, Ang Kok Tian and Ang Sin Liu, who have entered into an investment agreement dated 5 May 2011 with PT WWI and the Vendor, Wijaya Lawrence
"IUP"	:	Abbreviation for *Izin Usaha Pertambangan*, which is a mining business licence issued by the Indonesian government for conducting of mining business activities in commercial mining business areas (*Wilayah Usaha Pertambangan*) in Indonesia pursuant to the enactment of the New Mining Law. IUPs have two (2) stages, which comprise (i) Exploration IUP; and (ii) Production Operations IUP
"Independent Directors"	:	Directors who are considered independent for the purpose of making recommendations in relation to: (i) the Proposed Whitewash Resolution, namely, Winstedt Chong Thim Pheng, Cynthia Tan Kwee Hiang, Er Kwong Wah, Dr Tan Eng Liang, Chng Hee Kok, Wong Kok Hoe and Tan Sin Huat Dennis; and (ii) the Proposed Put Option, namely, Er Kwong Wah, Dr Tan Eng Liang, Chng Hee Kok, Wong Kok Hoe and Tan Sin Huat Dennis
"Independent Shareholders"	:	Shareholders who are considered independent for the purpose of the Proposed Whitewash Resolution and the Proposed Put Option

"Independent Qualified Person's Report"	:	The independent qualified person's report dated September 2013 prepared by SRK in relation to the technical review of the Deposits that meets (i) the standards of the JORC Code; and (ii) the requirements for mineral, oil and gas companies as set out in the Catalist Rules, as set out in Appendix XIII of this Circular
"Independent Valuation Report"	:	The independent valuation report dated 26 September 2013 prepared by GCA in relation to the valuation analysis of the Fair Market Value of the Ciemas Gold Project that meets (i) the standards of the VALMIN Code; and (ii) the requirements for mineral, oil and gas companies as set out in the Catalist Rules, as set out in Appendix XIV of this Circular
"Indonesia"	:	Republic of Indonesia
"Indonesian Restructuring"	:	Has the meaning given in Section 8 herein
"Issue Price"	:	S$0.20 for each Consideration Share
"JORC Code"	:	The standard of reporting under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, promulgated by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
"Land Borrow Agreements"	:	The land borrow and use agreements dated 25 March 2013, supplemented by way of a letter dated 15 July 2013 entered between PT WWI and each of Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono respectively, and further acknowledged by PT LTC, in relation to an aggregate of approximately 28.3 hectares of land situated in the Concession Blocks
"Latest Practicable Date"	:	16 September 2013, being the latest practicable date prior to the printing of this Circular
"Letter"	:	The letter from the board of directors of Wilton to the Shareholders
"LQN"	:	The receipt and non-withdrawal of the listing and quotation notice from the SGX-ST for, among other things, the listing and quotation of the Consolidated Shares, the Consideration Shares and the Advisory Shares on Catalist
"Longstop Date"	:	31 October 2013
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"NAV"	:	Net asset value
"N.A." or "n.a."	:	Not applicable
"New Mining Law"	:	Law No.4 of 2009 on Mineral and Coal Mining
"New Share Certificates"	:	Has the meaning given in Section 3.3(c) herein
"NTA"	:	Net tangible assets

"Old Share Certificates"	:	Has the meaning given in Section 3.3(c) herein
"Option Assets"	:	Such number of shares representing the entire issued and paid-up share capital of each of the Hartawan Subsidiaries at an aggregate consideration equivalent to the total NAV of the Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the Notice of EGM
"Option Period"	:	The period commencing on the date on which the conditions set out in Section 2.5(l)(i) herein are satisfied to the date falling 60 days thereafter
"Parties"	:	Collectively, the Company and the Vendors, and "**Party**" means any of them
"Period Under Review"	:	The period which comprises FY2010, FY2011, FY2012 and 9M2013
"Permits"	:	Any licence, permit, order, approval of or any required registration with any governmental body
"PMA"	:	Abbreviation for *Perusahaan Modal Asing,* or foreign investment company, which is a status for a company in Indonesia having all or parts of its shares owned by foreign investor by use of all foreign capital or by engagement in a joint venture with a domestic investor as regulated under Indonesian Law No. 25 of 2007 concerning investments and its implementing regulations
"PRC"	:	The People's Republic of China
"Production Operations IUP"	:	Production operations mining business licence (*Izin Usaha Pertambangan Operasi Produksi*) or special production operations mining business licence (*Izin Usaha Pertambangan Operasi Produksi Khusus*) covering the stages of construction, mining, processing, refinery as well as transportation and sales
"*Proposed Acquisition*"	:	The proposed acquisition by the Company of the entire issued and paid-up share capital of Wilton from the Vendors for the Purchase Consideration to be satisfied by the allotment and issuance of the Consideration Shares, subject to the terms and conditions of the Sale and Purchase Agreement
"Proposed Change of Name"	:	The proposed change of name of the Company from "Hartawan Holdings Limited" to "Wilton Resources Corporation Limited", following completion of the Proposed Transactions, details of which are set out in the Section 7.1 entitled "Proposed Change of Name" of this Circular
"Proposed Executive Officers"	:	The new executive officers proposed to be appointed by the Company following Completion, namely, Nicco Darmasaputra Lawrence, Yusuf Hermawan Jatikusumo and Amnah Tarigan
"Proposed Independent Directors"	:	The new independent directors proposed to be appointed to the Board following Completion, namely, Teo Kiang Kok, Tan Cher Liang and Seah Seow Kang Steven

"Proposed Directors"	:	The new directors proposed to be appointed to the Board following Completion, namely, Wijaya Lawrence, Chong Chin Fan, Ngiam Mia Je Patrick, Teo Kiang Kok, Tan Cher Liang and Seah Seow Kang Steven
"Proposed Put Option"	:	The put option granted by the Undertaking Shareholder to the Company on the terms and subject to the conditions of the Sale and Purchase Agreement, under which the Company has the right to require the Undertaking Shareholder to purchase the Option Assets from the Company. Further details are set out in the Section 5 entitled "Proposed Put Option" of this Circular
"Proposed Restructuring Exercise"	:	Has the meaning given in Section 2.5(b) herein
"Proposed Share Consolidation"	:	The proposed consolidation of every 12 existing Shares in the capital of the Company held by Shareholders as at the Books Closure Date into 10 Consolidated Shares, details of which are set out in the Section 3 entitled "Proposed Share Consolidation" of this Circular
"Proposed Transactions"	:	The proposed transactions of this Circular, comprising: (i) the Proposed Acquisition; (ii) the Proposed Share Consolidation; (iii) the proposed allotment and issuance of Consideration Shares; (iv) the Proposed Whitewash Resolution; (v) the Proposed Put Option as an Interested Person Transaction; (vi) the proposed allotment and issuance of Advisory Shares (vii) the Proposed Change of Name; (viii) the proposed change of core business of the Hartawan Group to the business of the Target Group; and (ix) the appointment of the Proposed Directors upon Completion
"Proposed Whitewash Resolution"	:	The proposed resolution for the Independent Shareholders to waive their rights to receive a general offer from the Vendors and/or their Concert Parties for all the Shares in issue not already owned, controlled or agreed to be acquired by the Vendors and/or their Concert Parties following Completion
"Purchase Consideration"	:	The purchase consideration of S$300 million payable to the Vendors by the Company for the Proposed Acquisition by way of the allotment and issuance of the Consideration Shares by the Company to the Vendors and/or their designated holders
"Put Option Agreement"	:	The put option agreement entered into between the Undertaking Shareholder and the Company dated 1 July 2013, in relation to the Proposed Put Option

"Register of Members"	:	The register of members of the Company
"Sale and Purchase Agreement"	:	The conditional sale and purchase agreement dated 29 October 2011 entered into among the Company, the Vendors and Wilton, as varied by the supplemental agreements dated 31 July 2012, 28 February 2013 and 1 July 2013 in relation to the Proposed Acquisition
"Sale Shares"	:	1,000 ordinary shares in the capital of Wilton, legally and beneficially owned by the Vendors, representing the entire issued and paid-up share capital of Wilton as at Completion
"Securities Account"	:	Securities account maintained by Depositor with CDP but does not include a securities sub-account
"Service Agreements"	:	Has the meaning given in Section 10.8 herein
"SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"Shares"	:	Ordinary shares in the capital of the Company
"Shareholders"	:	Registered holders of the Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with Shares
"Shareholder's Undertakings"	:	Has the meaning given in Section 2.5(n) herein
"Singapore"	:	Republic of Singapore
"Substantial Shareholder"	:	A person who has an interest in the voting shares of a company where the total votes attached to such shares is not less than 5% of the aggregate votes attached to all the voting shares of a company
"Tranche 1 Drawdown Date"	:	The date of the release and disbursement of the Tranche 1 Loan Amount by the Company to the Target Company, being 3 November 2011
"Tranche 1 Loan Amount"	:	A sum of S$6 million, which comprises part of the Convertible Loan
"Tranche 2 Drawdown Date"	:	The date of the release and disbursement of the Tranche 2 Loan Amount by the Company to the Target Company, being 14 August 2012
"Tranche 2 Loan Amount"	:	A sum of S$6 million, which comprises part of the Convertible Loan
"Undertaking Shareholder"	:	Winstedt Chong Thim Pheng
"VALMIN Code"	:	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2005 Edition, prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry

		Consultants Association with the participation of the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector
"Vendors"	:	Wijaya Lawrence and Ngiam Mia Je Patrick and each, a "**Vendor**"
"Vendors and/or their Concert Parties"	:	Has the meaning given in Section 2.1 herein
"Vendors' Moratorium"	:	Has the meaning given in Section 2.6 herein
"Whitewash Waiver"	:	The waiver granted by SIC on 23 February 2012 in respect of the obligations of the Vendors and/or their Concert Parties to make a general offer, subject to the approval of the Independent Shareholders for the Proposed Whitewash Resolution at the EGM and such other conditions that SIC had imposed or may impose

Currencies, Units and Others

"IDR" or "Rp"	:	Indonesian Rupiah
"SGD", "S$" or "$" and "cents"	:	Singapore dollars and cents, respectively
"US$" and "US cents"	:	United States dollars and cents, respectively
"g"	:	Grams
"kg"	:	Kilograms
"m"	:	Metres
"oz"	:	Troy ounces
"sq m"	:	Square metres
"tpa"	:	Tonnes per annum
"tpd"	:	Tonnes per day
"%" or "per cent."	:	Per centum or percentage

The terms "associate", "group", "subsidiary" and "substantial shareholder" shall have the meanings ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 and the Companies Act.

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The terms "acting in concert", "concert parties", "associates" and "Whitewash Resolution" shall have the meanings ascribed to them respectively in the Code.

The terms "associated company", "entity at risk", "interested person" and "interested person transaction" shall have the meanings ascribed to them respectively in the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*.

Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being, as amended or re-enacted from time to time. Any word defined under the Companies Act, the Catalist Rules, the Code, the SFA or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Catalist Rules, the Code, the SFA or statutory modification as the case may be.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day in this Circular shall be a reference to Singapore time and dates unless otherwise stated.

All discrepancies in the tables in this Circular between the sum of listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of the Target Group, the following glossary provides a description of some of the technical terms and abbreviations commonly used in the Target Group's industry. The terms and their assigned meanings may not correspond to standard industry or common meanings or usage of these terms:

"Au"	:	The symbol for gold in the periodic table of elements
"concentrate"	:	A powdery product containing an upgraded mineral content resulting from initial processing of mined ore to remove some waste materials. A concentrate is an intermediary product, which would still be subject to further processing, such as smelting, to effect recovery of metal
"core"	:	The long cylindrical piece of rock, about an inch in diameter, brought to surface by diamond core drilling
"cut-off"	:	The lowest grade or assay value of ore in a deposit that will recover mining costs; the cut-off grade which determines the workable tonnage of an ore
"deposit" or "mineral deposit"	:	A body of mineralisation containing a sufficient average grade of metal or metals to warrant further exploration and/or development expenditure
"exploration"	:	An activity to prove the location, volume and quality of an ore body
"geochemical"	:	Pertaining to the chemical composition of the Earth
"geological"	:	Pertaining to the materials of the Earth and structure of those materials
"geological mapping"	:	A tool to communicate or decode information relating to the surface of the Earth. It is mainly used for the interpretation of the structure, mineralogy, stratigraphy, and paleontology of the Earth's crust. It is also used in locating energy resources, such as petroleum, coal, natural gas and geothermal resources, and is used for the exploration of mineral deposits such as gold, copper, iron and construction aggregate
"geophysical"	:	Matters concerning the physics of the Earth and its environment, including the physics of fields such as meteorology, oceanography and seismology
"Indicated Mineral Resources"	:	According to the JORC Code, are such mineral resources for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed

"Inferred Mineral Resources"	:	According to the JORC Code, are such mineral resources for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
"Measured Mineral Resources"	:	According to the JORC Code, are such mineral resources for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
"mineral processing"	:	The treatment of mineral products into concentrate
"Mineral Resource"	:	A concentration or occurrence of material of intrinsic economic interest in and on the Earth's crust in such form, quality and quantity that there are reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a resource are known, estimated or interpreted from specific geological evidence and knowledge
"mineralisation"	:	Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. It covers all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition
"mining dilution"	:	The reduction of grade for mined ore due to the inclusion of waste material in the mined ore
"ore"	:	A type of rock that contains mineral that can be mined for sale
"Ore Reserve"	:	The economically mineable part of a Measured Mineral Resource and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined
"Pb"	:	The symbol for lead in the periodic table of elements
"Proved Ore Reserve"	:	According to the JORC Code, is the economically mineable part of a measured mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and government factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified

"Probable Ore Reserve"	:	According to the JORC Code, is the economically mineable part of an indicated mineral resource, and in some circumstances, measured mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and government factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
"pulp"	:	A mixture of crushed ore and water
"trenches"	:	A long, narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure
"Zn"	:	The symbol for zinc in the periodic table of elements

EXCHANGE RATES

The highest and lowest exchange rates between the IDR and the S$ for each of the past six (6) months prior to the Latest Practicable Date were as follows:

	IDR to S$1.00	
	Highest	**Lowest**
March 2013	7,844.01	7,749.79
April 2013	7,879.41	7,825.54
May 2013	7,912.21	7,714.59
June 2013	7,906.91	7,777.88
July 2013	8,128.54	7,757.03
August 2013	8,562.81	8,067.77

The following table sets forth, for the Period Under Review, the average and closing exchange rates between the IDR and the S$ that have been used to translate the consolidated financial statements of the Target Group for the respective financial periods set out in this Circular. The above exchange rates are quoted from Bank Indonesia[(1)] and should not be construed as representations that the IDR amounts actually represent such amounts or could be converted into the S$ at the rate indicated, or at any other rate, or at all. Where applicable, the exchange rates in this table are used for the Target Group's financial statements disclosed elsewhere in this Circular.

	IDR to S$1.00	
	Average	**Closing**
1 July 2009 to 30 June 2010	6,721.59	6,481.17
1 July 2010 to 30 June 2011	6,852.08	6,984.61
1 July 2011 to 30 June 2012	7,143.40	7,415.24
1 July 2012 to 31 March 2013	7,774.00	7,816.16

As at the Latest Practicable Date, the closing exchange rate between the IDR and the S$ is IDR9,051.53 to S$1.00.

Fluctuations in the exchange rates between the IDR and the S$ will affect the IDR equivalent of the S$ price of the Shares on the SGX-ST and the S$ equivalent of any cash dividend paid by the Company in the IDR. Where applicable, the exchange rates in these tables are used for the Target Group's financial information disclosed elsewhere in this Circular. In certain parts of this Circular, the IDR amounts have been converted into the S$ amounts for the convenience of the Shareholders, as appropriate.

The above exchange rates have not been verified by the Company or the Vendors or the Target Group. The Company, the Vendors and the Target Group have included the above exchange rates in their proper form and context in this Circular. Bank Indonesia has not consented to the inclusion of the exchange rates quoted under this section and is thereby not liable for the relevant exchange rates under Sections 253 and 254 of the SFA.

Note:

(1) The information is derived from the website of the Bank Indonesia, (http://www.bi.go.id/web/en/Moneter/Kurs+Bank+Indonesia/Kurs+Transaksi/). Bank Indonesia has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information extracted from the relevant reports and is therefore not liable for such information under Sections 253 and 254 of the SFA. While reasonable actions have been taken to ensure that the information from the relevant reports issued by Bank Indonesia is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such reports, an independent review of the information contained in such reports has not been conducted and the accuracy of the contents of the relevant information has not been verified.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

All statements contained in this Circular, statements made in press releases and oral statements that may be made by the Company, the Directors, the Executive Officers or employees acting on behalf of the Company, and/or by the Vendors, the Proposed Directors, the directors, officers or employees acting on behalf of Wilton or any of the Target Group that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "forecast", "if", "possible", "probable", "project", "should" and "could" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategies, plans and prospects of the Company, the Hartawan Group, the Target Group and/or the Enlarged Group are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to:

- revenue and profitability;
- expected growth in demand;
- expected industry trends and development;
- future expansion plans;
- anticipated completion and start-up dates for projects; and
- other matters discussed in this Circular regarding matters that are not historical facts,

and are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, the Hartawan Group, the Target Group and/or the Enlarged Group, to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, among others, the following:

- changes in political, social and economic and stock or securities market conditions and the regulatory environment in the relevant jurisdictions that the Company, the Hartawan Group, the Target Group and/or the Enlarged Group operate in;
- changes in market price for gold;
- changes in currency exchange or interest rates;
- the successful implementation of the anticipated growth strategies of the Enlarged Group;
- changes in customers' preferences;
- changes in competitive conditions and their ability to compete under such conditions;
- changes in the future capital needs and the availability of financing and capital to fund these needs;
- other factors beyond their control; and
- the factors described in Section 11, entitled "Risk Factors", of this Circular.

All forward-looking statements made by or attributable to the Company, the Hartawan Group, the Target Group and/or the Enlarged Group and/or their respective directors, officers or employees contained in this Circular are expressly qualified in their entirety by such factors.

These factors are discussed in greater detail in this Circular, in particular, but not limited, to the discussions under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Position of the Target Group" as set out in Sections 11 and B12, respectively of this Circular. Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Hartawan Group or the Target Group or the Enlarged Group to be materially different from that expected, expressed or implied by the forward-looking statements in this Circular, undue reliance must not be placed on these statements which apply only as at the date of this Circular. Neither the Company, the Hartawan Group, the Target Group nor the Enlarged Group represents or warrants to you that the actual future results, performance or achievements of the Company, the Hartawan Group, the Target Group and/or the Enlarged Group will be as those discussed in those statements. Further, the Company, the Hartawan Group, the Target Group and/or the Enlarged Group disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect their future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

Upon Completion, the Enlarged Group will be subject to the Catalist Rules regarding corporate disclosure and continuing listing requirements.

HARTAWAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200300950D)

DIRECTORS	REGISTERED OFFICE
Winstedt Chong Thim Pheng (Executive Chairman) Cynthia Tan Kwee Hiang (Executive Director) Er Kwong Wah (Independent and Non-Executive Director) Dr Tan Eng Liang (Independent and Non-Executive Director) Chng Hee Kok (Non-Executive Director) Wong Kok Hoe (Non-Executive Director) Tan Sin Huat Dennis (Non-Executive Director)	175A Chin Swee Road Singapore 169879

26 September 2013

To: The Shareholders

Dear Sir/Madam,

(1) THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WILTON RESOURCES HOLDINGS PTE. LTD. FOR THE PURCHASE CONSIDERATION OF S$300 MILLION;

(2) THE PROPOSED CONSOLIDATION OF EVERY 12 EXISTING SHARES INTO 10 CONSOLIDATED SHARES;

(3) THE PROPOSED ALLOTMENT AND ISSUANCE OF 1,500,000,000 CONSIDERATION SHARES TO THE VENDORS AND/OR THEIR DESIGNATED HOLDERS IN SATISFACTION OF THE PURCHASE CONSIDERATION;

(4) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM THE VENDORS AND/OR THEIR CONCERT PARTIES;

(5) THE PROPOSED PUT OPTION AS AN INTERESTED PERSON TRANSACTION;

(6) THE PROPOSED ALLOTMENT AND ISSUANCE OF ADVISORY SHARES;

(7) THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM “HARTAWAN HOLDINGS LIMITED” TO “WILTON RESOURCES CORPORATION LIMITED”;

(8) THE PROPOSED CHANGE OF CORE BUSINESS OF THE HARTAWAN GROUP TO THE BUSINESS OF THE TARGET GROUP; AND

(9) THE APPOINTMENT OF THE PROPOSED DIRECTORS UPON COMPLETION.

1. INTRODUCTION

1.1 Background

On 31 October 2011, the Board announced that the Company had, on 29 October 2011, entered into the Sale and Purchase Agreement with the Vendors and the Target Company, pursuant to which the Company has agreed to acquire and the Vendors have agreed to sell, the entire issued and paid-up share capital of Wilton for a Purchase Consideration of S$300 million, subject to adjustments under certain circumstances, in accordance to the terms and subject to the conditions of the Sale and Purchase Agreement. The conditions precedent of the Proposed Acquisition are set out in Section 2.5 of this Circular.

Contemporaneous with the signing of the Sale and Purchase Agreement, the Company entered into the Convertible Loan Agreement with the Target Company for a Convertible Loan of up to S$12 million, comprising the Tranche 1 Loan Amount and the Tranche 2 Loan Amount, to be advanced by the Company to the Target Company on the terms and conditions set out in the Convertible Loan Agreement.

As announced on 17 April 2012, the Company was later made aware by the Vendors that certain conditions precedent may not be met by the longstop date as set out in the Sale and Purchase Agreement. The Company was informed that the preparation of the Independent Qualified Person's Report and the Independent Valuation Report were still in progress. The field works which were necessary for the preparation and issue of the Independent Qualified Person's Report and the Independent Valuation Report were delayed due to inclement weather experienced at the Concession Blocks during the period between November 2011 and March 2012, and additional verification drilling works were still being carried out. PT WWI and/or PT LTC had not then commenced the extraction of gold ore from the Concession Blocks. Hence, the Company, the Vendors and the Target Company agreed to make relevant variations regarding the longstop date and conditions precedent of the Sale and Purchase Agreement and the Convertible Loan Agreement.

On 2 August 2012, the Board announced that the Company had, on 31 July 2012, entered into the supplemental agreement to the Sale and Purchase Agreement, which supplemented, changed and amended the Sale and Purchase Agreement, including the extension of the longstop date. On 28 February 2013, the Board announced that the Company and the Vendors entered into a second supplemental agreement to the Sale and Purchase Agreement to further amend the longstop date to 30 June 2013. On 1 July 2013, a third supplemental agreement was entered into to amend, among others, the Longstop Date to 31 October 2013.

The Company has appointed Canaccord Genuity as its Financial Adviser in respect of the Proposed Acquisition and PrimePartners as the IFA to the Independent Directors in relation to the Proposed Whitewash Resolution and the Proposed Put Option.

1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Transactions at the EGM. Specifically, approval by way of ordinary resolutions will be sought for each of the resolutions (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) and (13). Approval by way of a special resolution will be sought for resolution (14).

Shareholders should note that the passing of resolution (1) is conditional on resolution (4). The passing of the other resolutions are conditional on resolution (1).

This Circular has been prepared solely for the aforesaid purposes and may not be relied upon by any persons (other than Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

2. THE PROPOSED ACQUISITION

2.1 Purchase Consideration

Pursuant to the Sale and Purchase Agreement, the consideration of the Proposed Acquisition shall be S$300 million, which shall be fully satisfied by the allotment and issuance of an aggregate of 1,500,000,000 Consolidated Shares to the Vendors and/or their designated holders, at an Issue Price of S$0.20 for each Consideration Share. The Consideration Shares will be credited as fully paid-up and will be allotted and issued free from any encumbrances and together with all rights attaching or accruing thereto. The Consideration Shares will rank *pari passu* with the existing issued Shares of the Company as at the Completion Date as well as the Advisory Shares.

The Vendors have indicated that the Consideration Shares will be allotted and issued to the Vendors and/or their designated holders as follows:

No.	Name	Relationship with the respective Vendor(s)	Number of Consolidated Shares	Percentage of shareholding in the Enlarged Share Capital of the Company (%)[1]
1	Wijaya Lawrence	Brother-in-law of Ngiam Mia Je Patrick	582,640,000	26.71
2	Ngiam Mia Je Patrick	Brother-in-law of Wijaya Lawrence	364,150,000	16.70
3	Lauw Hui Kun	Sister of Wijaya Lawrence and sister-in-law of Ngiam Mia Je Patrick	189,358,000	8.68
4	Lauw Hui Chin	Sister of Wijaya Lawrence and sister-in-law of Ngiam Mia Je Patrick	101,962,000	4.67
5	Ngiam Shi Yun Joyce	Niece of Ngiam Mia Je Patrick and daughter of Benjamin Ngiam, Ngiam Mia Je Patrick's brother	81,933,750	3.76
6	Ngiam Mia Hai Bernard	Brother of Ngiam Mia Je Patrick	54,622,500	2.50
7	Ngiam Mia Hong Alfred	Brother of Ngiam Mia Je Patrick	54,622,500	2.50
8	Ngiam Hian Yong Jeffrey	Nephew of Ngiam Mia Je Patrick and son of Benjamin Ngiam, Ngiam Mia Je Patrick's brother	27,311,250	1.25
9	Nicco Investment Pte. Ltd. ("**SPC**")	Sole shareholder is Nicco Darmasaputra Lawrence, the son of Wijaya Lawrence and nephew of Ngiam Mia Je Patrick	37,000,000	1.70
10	Christopher Chong Meng Tak	Unrelated third party	1,920,000	0.09
11	James Koh Jyl Gang	Unrelated third party	1,280,000	0.05
12	Tan Thiam Hee	Unrelated third party	640,000	0.03
13	Ang Kok Eng	Unrelated third party	640,000	0.03
14	Ang Kok Leong	Unrelated third party	640,000	0.03
15	Ang Kok Tian	Unrelated third party	640,000	0.03
16	Ang Sin Liu	Unrelated third party	640,000	0.03
	Total		1,500,000,000	68.77

Note:

(1) The percentage of shareholding is computed based on the Enlarged Share Capital of 2,181,145,130 Consolidated Shares after the allotment and issuance of the Consideration Shares and the Advisory Shares.

Wijaya Lawrence, Ngiam Mia Je Patrick, Lauw Hui Kun, Lauw Hui Chin, Ngiam Shi Yun Joyce, Ngiam Mia Hai Bernard, Ngiam Mia Hong Alfred, Ngiam Hian Yong Jeffrey and the SPC are collectively referred to as the "**Vendors and/or their Concert Parties**".

The sole shareholder of the SPC is Nicco Darmasaputra Lawrence, who is the son of the Vendor, Wijaya Lawrence, and nephew of the Vendor, Ngiam Mia Je Patrick. The directors of the SPC are Nicco Darmasaputra Lawrence and Chong Chin Fan, who is the proposed Vice President (Finance) and Executive Director of the Enlarged Group. The SPC was incorporated on 19 September 2013 for the sole purpose of acting as the designated holder of 37,000,000 Consideration Shares ("**Incentive Shares**"), which will serve as a share incentive scheme for the benefit of the key management of the Enlarged Group following Completion ("**Share Incentive Scheme**"). Under the Share Incentive Scheme, the Incentive Shares will be allotted to key management personnel to attract, retain and provide incentives to key management staff. The Incentive Shares may also be awarded to give recognition for past contributions and services as well as motivate other staff to contribute towards the Enlarged Group's long-term prospects. As the SPC is holding the Incentive Shares for the benefit of the Share Incentive Scheme, it will not, in the interim, exercise any of its voting rights in respect of the Incentive Shares prior to allocation of any of the Incentive Shares. In the event that the Vendors decide that the Incentive Shares are not to be distributed pursuant to the Share Incentive Scheme, such shares will be allotted to Ngiam Mia Hai Bernard, Ngiam Mia Hong Alfred, Ngiam Shi Yun Joyce, Ngiam Hian Yong Jeffrey, Lauw Hui Kun and Lauw Hui Chin (collectively, the "**Holders**"). In such event, the relevant Holders will consequently observe any implications of the Code. Any allocation under the Share Incentive Scheme will only be made after the Vendors' Moratorium.

The Enlarged Group will comply with the relevant Catalist Rules for the implementation of the Share Incentive Scheme.

The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis, taking into consideration the Fair Market Value of the Concession Blocks.

The Independent Valuer was appointed by the Target Group to provide a valuation on the Concession Blocks and the Independent Valuation Report is annexed hereto in Appendix XIV. Shareholders are advised to read the Independent Valuation Report carefully, including the section entitled "Key Assumptions and Limitations" therein. The Fair Market Value of the Concession Blocks as at 31 May 2013 was US$341 million.

2.2 Issue Price

The Issue Price of S$0.20 per Consideration Share represents a premium of 65.3% to the volume weighted average price of S$0.121 per Share for trades transacted on Catalist on 27 October 2011, being the full Market Day immediately preceding the date of the Sale and Purchase Agreement.

2.3 Rationale for the Proposed Acquisition

The Directors believe that the Proposed Acquisition is an investment opportunity that would be in the interests of the Company for the following reasons:

(i) Transform the Company into a gold mining company

The Proposed Acquisition would enable the Company to venture into the gold mining business, transforming it from a property leasing and management and hospitality group. The Board has considered the risks associated with the Proposed Acquisition and the prospects of the gold mining business of the Target Group with the potential benefits of the Proposed Acquisition, including, among others, potential earnings once the Target Group commences mining operations.

Please refer to the Letter for more information on the business, prospects and financial information of the Target Group.

(ii) Better core business for the Company

The Hartawan Group has been incurring losses in its Existing Business and continues to face challenges in the future. The Hartawan Group reported a net loss of S$6.9 million and S$0.3 million in FY2011 and FY2012 respectively. With the Proposed Put Option, the Hartawan Subsidiaries may be disposed and the Existing Business may be terminated. Hartawan Dormitory Management Pte. Ltd. and Green Mountain Marine Shipping Pte. Ltd., both subsidiaries of Hartawan, had been struck off on 6 September 2012. The entire shareholding interest of another subsidiary of Hartawan, Whitehouse Holdings Private Limited, comprising 2,400,000 ordinary shares, was disposed to HSR Global Limited in the sale and purchase agreement dated 25 September 2012. The disposal was completed on 28 September 2012. On 16 October 2012, the Company announced that it would apply for the striking off of Wallich Development Pte. Ltd. ("**Wallich**") and accordingly Wallich was struck off on 15 August 2013.

The Hartawan Group has been actively seeking new investment opportunities. By venturing into the gold mining business, the Board believes that it could enhance the value of the Company and improve Shareholders' return.

The Directors are of the view that gold, being a relatively scarce and valuable resource, has high commercial value and relatively stable demand despite the recent global economic uncertainties and volatility in gold prices. Based on the volumetric information as stated in the Independent Qualified Person's Report on the Concession Blocks and the prevailing market price of gold, the Directors consider the Proposed Acquisition to be a good opportunity for the Hartawan Group to enter into the gold mining business as the Company's new core business.

(iii) Enhance investment profile of the Enlarged Group

Upon Completion, the Proposed Acquisition will have the potential to significantly increase the market capitalisation, as well as the value, of the Company and widen the investor base for the Shares. This would in turn enable the Company to attract more extensive analyst coverage, leading to an overall increase in investor interest and trading liquidity in the Company's Shares.

2.4 The Proposed Acquisition as a "Very Substantial Acquisition" or "Reverse Takeover"

Based on the audited consolidated financial statements of the Hartawan Group for FY2011 and the unaudited pro forma consolidated financial information of the Target Group for FY2011, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006(a)	
Net asset value of the assets to be disposed of	
Net asset value of the Hartawan Group	Not applicable
Relative figure	
Rule 1006(b)	
Net loss attributable to the Target Group for FY2011	S$5,545.8[(1)]
Net loss of the Hartawan Group for FY2011	S$6.9 million
Relative figure	0.08%
Rule 1006(c)	
Aggregate value of consideration to be given	S$300.0 million
The Company's market capitalisation	S$98.3 million[(2)]
Relative figure	305.19%

Rule 1006(d)

Number of equity securities to be issued by the Company as consideration for the Proposed Acquisition	1,500,000,000
Number of equity securities in issue	676,782,840[3]
Relative figure	221.64%

Rule 1006(e)

Aggregate volume or amount of proved and probable reserves to be disposed of	
Aggregate of the Target Group's proved and probable reserves	Not applicable[4]
Relative figure	

Notes:

(1) Based on the average exchange rate of S$1.00:IDR6,852.08 for FY2011.

(2) The Company's market capitalisation of approximately S$98.3 million was computed based on the Company's issued share capital of 812,139,411 shares and the volume weighted average price of the Shares of S$0.121 traded on Catalist on 27 October 2011 (being the full Market Day immediately preceding the date of the Sale and Purchase Agreement).

(3) Based on 676,782,840 Consolidated Shares after the Proposed Share Consolidation, but prior to Completion.

(4) Not applicable as the Hartawan Group is not involved in the mining business, including that of gold mining.

As the relative figures under Rules 1006 (c) and (d) of the Catalist Rules exceed 100%, the Proposed Acquisition constitutes a "Very Substantial Acquisition" or "Reverse Takeover" transaction, as defined under Chapter 10 of the Catalist Rules. In addition, as the Vendors and/or their Concert Parties will collectively hold 68.48% of the Enlarged Share Capital, a change in control of the Company will arise as a result.

Accordingly, the Proposed Acquisition is subject to, among others, the approval of Shareholders by way of an ordinary resolution at the EGM and the LQN being obtained.

2.5 Conditions Precedent

Completion is conditional upon, *inter alia*, the fulfillment of the following conditions precedent on or before the Longstop Date, as set out under the Sale and Purchase Agreement:

(a) Satisfactory due diligence

The results of such legal and financial due diligence investigations on the Target Group conducted by the Company and its advisers over the Concession Blocks, business, affairs, operations, assets and liabilities, financial condition (including the adequacy of cashflow for the operations of the Target Group subsequent to Completion), prospects and records of the Target Group, being satisfactory to the Company in its absolute discretion and are in compliance with the requirements of the Catalist Rules.

(b) Completion of restructuring

The completion of the restructuring of the Target Group, namely (i) Wilton being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WI, (ii) PT WI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WWI, and (iii) PT WWI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT LTC ("**Proposed Restructuring Exercise**").

(c) Gold reserves / Fair Market Value

The issue of the Independent Valuation Report stating that the Fair Market Value of a 100% interest in the Ciemas Gold Project is not less than US$280,500,000.

(d) Convertible Loan Agreement

(i) The Convertible Loan shall have been disbursed in full; and

(ii) Wilton is not in breach of any material term of the Convertible Loan Agreement.

(e) Production of gold

PT WWI and/or PT LTC shall have commenced the extraction of gold ore from the Concession Block 2, as confirmed by the Company's qualified professional mining engineers and the Company, by September 2012.

(f) Renewal of the IUP

The period of validity of the IUP in respect of the Concession Block 2 shall have been validly extended to at least 2028.

(g) Waiver or release of the Target Group's indebtedness to its shareholders

(i) the present shareholders of the Target Subsidiaries giving such waivers and releases in favour of the Target Subsidiaries (in such form and substance satisfactory to the Company) and releasing the Target Subsidiaries from all debts and liabilities due, incurred and owing by each Target Subsidiary to its respective shareholders up to the Completion Date, pursuant to any shareholders' loan; and

(ii) Wijaya Lawrence executing a guarantee and indemnity in favour of the Company and the Target Group (in such form and substance satisfactory to the Company), to secure any liabilities, and indemnify the Company and the Target Group against any liabilities, incurred by the Target Group up to the Completion Date.

(h) Lease of the land by Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono, to the Target Company

The lease in the name of a subsidiary of the Target Company through the Land Borrow Agreements, in accordance with the laws, rules and regulations of Indonesia, of approximately 28.3 hectares of land on the Concession Blocks purchased by Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono.

(i) Compliance with Permits

Such Permits as are necessary for the Target Group's operations having been obtained and remaining valid and subsisting, and each of the Target Company and the Target Subsidiaries are not in material breach of the terms and conditions of such Permits.

(j) Fixed assets, leases and employees

(i) All fixed assets, plant, machinery and equipment, necessary for the business and operations of the Target Group and currently owned or to be acquired by the Vendors or their nominees (if any), being transferred at no extra cost and free of encumbrances to the Target Group;

(ii) the leases for all fixed assets, plant, machinery and equipment, necessary for the business and operations of the Target Group, entered or to be entered into by the Vendors or their nominees (if any), being novated to the Target Group on terms reasonably satisfactory to the Company; and

(iii) the contracts of employment entered or to be entered into by the Vendors or their nominees with personnel, necessary for the business and operations of the Target Group (if any), being novated to the Target Group on terms reasonably satisfactory to the Company.

(k) Representations and covenants

The warranties of the Vendors, Wilton and the Company contained in the Sale and Purchase Agreement shall be true in all material respects on and as of the Completion Date with the same force and effect as though made on and as of the Completion Date. The Vendors, Wilton and the Company shall have performed and complied with all covenants and agreements required by the Sale and Purchase Agreement to be performed or complied with by the Vendors, Wilton and the Company, on or prior to, the Completion Date.

(l) Consents and approvals

All consents and approvals required shall have been obtained without restrictions or limitations whatsoever unacceptable to the Company and the Vendors, and be in full force and effect, and the Company and the Vendors shall have been furnished with evidence reasonably satisfactory to them of the granting of such consents and approvals, in particular, and without limitation:

(i) the approval of the Shareholders at a general meeting and its Board (as appropriate) in respect of:

(aa) the Proposed Acquisition;

(bb) the proposed allotment and issuance of the Consideration Shares;

(cc) the Proposed Share Consolidation;

(dd) the Proposed Put Option;

(ee) the Proposed Change of Name; and

(ff) the proposed change of core business of the Hartawan Group to the business of the Target Group.

(ii) the receipt and non-withdrawal of the LQN;

(iii) any conditions attached to the LQN which is required to be fulfilled on or before Completion having been fulfilled on or before Completion to the satisfaction or the SGX-ST or otherwise waived by the SGX-ST;

(iv) the receipt and non-withdrawal of the approval of SIC granted to the Vendors and/or their Concert Parties to dispense with the requirements of Rule 14 of the Code to make an offer to the Shareholders arising from the allotment and issuance of the Consideration Shares to the Vendors and/or their Concert Parties, subject to the conditions set out in SIC's approval; and

(v) the Proposed Whitewash Resolution.

(m) The Company remaining on the SGX-ST

(i) the Company shall remain listed on Catalist from the date of the Sale and Purchase Agreement until the date of the transfer of the Sale Shares to the Company and the allotment and issuance of the Consideration Shares; and

(ii) the Company and the Vendors having secured such number of placees for such number of Consideration Shares pursuant to the Compliance Placement as is necessary to satisfy the Company's shareholdings spread and distribution requirements so as to maintain the Company's listing status after Completion.

(n) Shareholder's Undertakings

The Company shall within seven (7) days from the date of the Sale and Purchase Agreement procure a written undertaking from the Undertaking Shareholder, *inter alia*, that as at the date of the EGM to approve the Proposed Acquisition, he will be a shareholder holding (directly or indirectly) not less than 185,897,411 Shares representing not less than 22.89% of the issued and paid-up share capital of the Company based on the issued share capital of 812,139,411 Shares, and he will vote in favour of all the resolutions set forth in the Company's Circular.

(o) Independent Financial Adviser's opinion

An IFA to the Independent Directors is appointed by the Company and the IFA is of the opinion that the Proposed Put Option and the Proposed Whitewash Resolution are not prejudicial to the interests of the Company and its Independent Shareholders.

(p) No breach of warranties

There being no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect of any of the warranties of the Vendors, Wilton and the Company contained in the Sale and Purchase Agreement if they were repeated on and as of the date of Completion.

As at the Latest Practicable Date, save for conditions (b), (g) and (l), all the conditions precedent have been fulfilled. An announcement will be made by the Company to notify Shareholders of the fulfillment of all the conditions precedent in due course.

2.6 Other Salient Terms

(a) Moratorium

Each of the Vendors has undertaken and, if necessary, shall procure their designated holders to undertake, not to sell, realise, transfer or otherwise dispose of (i) any part of their shareholdings in the Company immediately after Completion for a period of twelve (12) months commencing from the listing of the Consideration Shares on Catalist, and (ii) more than 50% of their shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision) (the "**Vendors' Moratorium**"), provided that the Vendors' Moratorium shall not apply to the Compliance Placement. Each of the Vendors has further undertaken and shall procure their designated holder(s) to further undertake that they shall abide by such other conditions as may be imposed by the SGX-ST for the transaction contemplated under the Sale and Purchase Agreement, provided that such conditions are not onerous and shall be reasonably acceptable to such Vendor.

(b) Compliance Placement

Upon Completion and the allotment and issuance of the Consideration Shares in favour of the Vendors and/or their designated holders, in the event the percentage of the Shares that are held in public hands falls below the minimum free float requirements under the Catalist Rules, the Vendors (and/or their designated holders) and/or the Company shall carry out a placement in the form of vendor sales of the then existing issued shares of the Company and/or allotment of new Shares of the Company to public investors (together, the "**Compliance Placement**") to enable the Company to comply with the shareholding spread and distribution requirements set out in the Catalist Rules.

2.7 Information on the Vendors

The Vendor, Wijaya Lawrence, is an Indonesian citizen and the proposed President and Executive Chairman of the Enlarged Group. The other Vendor, Ngiam Mia Je Patrick, is a Singapore citizen and the chairman and chief executive officer of IPC Corporation Limited. As at the Latest Practicable Date, Wijaya Lawrence and Ngiam Mia Je Patrick own 60% and 40% of the issued and paid-up share capital of the Target Company, respectively and are collectively the legal and beneficial owners of the 1,000 issued and paid-up share capital of the Target Company.

Please refer to the Letter for more information on the Vendors.

2.8 Information on the Target Group

Wilton is an investment holding company and was incorporated on 21 October 2011 in Singapore. Pursuant to the Proposed Restructuring Exercise to be undertaken in connection with the Proposed Acquisition, Wilton will be the ultimate holding company of the Target Subsidiaries. The Target Group is in the business of the exploration and mining of gold mines, and the production of gold dore.

Please refer to the Letter for more information on the Target Group and its business.

3. THE PROPOSED SHARE CONSOLIDATION

3.1 Details of the Proposed Share Consolidation

The Company proposes to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every 12 existing Shares into 10 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

For illustrative purposes, if a Shareholder holds 1,000 Shares as at the Books Closure Date, following the Proposed Share Consolidation and rounding down to the nearest whole Consolidated Share and disregarding any fractions of Consolidated Shares arising from the Proposed Share Consolidation, the Shareholder will be entitled to 833 Consolidated Shares. Each Consolidated Share shall rank *pari passu* in all respects with the then existing Shares and with each other, and will be traded in board lots of 1,000 Consolidated Shares.

3.2 Rationale for the Proposed Share Consolidation

In conjunction with the Proposed Acquisition and to fulfill the condition precedent under the Sale and Purchase Agreement, it is proposed that every 12 existing Shares be consolidated into 10 Consolidated Shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises 812,139,411 Shares. After the completion of the Proposed Share Consolidation, the issued and paid-up share capital will comprise up to 676,782,840 Consolidated Shares. The implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM.

3.3 Administrative Procedures

(a) General

Fractional Shares will be disregarded such that the aggregate number of Consolidated Shares before Completion will comprise up to 676,782,840 Consolidated Shares.

The Proposed Share Consolidation will not involve any diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital to the Company and has no effect on the Shareholders' funds of the Hartawan Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

The Company will, in due course, make an announcement to notify Shareholders of the Books Closure Date and the date on which the Consolidated Shares will commence trading on the SGX-ST (the "**Effective Trading Date**").

(b) Updating of Register of Members and Depository Register

If the Shareholders approve the Proposed Share Consolidation at the EGM, the Register of Members of the Company and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders and depositors based on their shareholdings in the Company as at the Books Closure Date.

(c) Deposit of share certificates with CDP

Shareholders who hold physical share certificates in their own names (the "**Old Share Certificates**") and wish to deposit them with CDP and have their Consolidated Shares credited to their Securities Account must deposit the Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, at least twelve (12) Market Days before the Books Closure Date.

After the Books Closure Date, CDP will only accept for deposit new share certificates of Consolidated Shares (the "**New Share Certificates**"). Shareholders who wish to deposit their New Share Certificates with CDP after the Books Closure Date, must first deliver their Old Share Certificates to the Share Registrar, **Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623** for cancellation and issuance of replacement New Share Certificates as described below.

(d) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days before the Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the exchange of New Share Certificates.

Shareholders who have not deposited or do not wish to deposit their Old Share Certificates with CDP, are advised to forward all such Old Share Certificates to the Share Registrar as soon as possible after they have been notified of the Books Closure Date, and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar for the receipt of the Old Share Certificates. The New Share Certificates will be sent by ordinary mail to their registered addresses at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is the later.

The New Share Certificates will not be issued to Shareholders unless Shareholders have tendered their Old Share Certificates to the Share Registrar for cancellation. Shareholders should notify the Share Registrar if they have lost any of their existing Old Share Certificates or if there is a change in their address from that reflected in the Register of Members.

Shareholders are to deliver their Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out above only after the announcement of the Books Closure Date.

(e) Share Certificates not valid for settlement of trades on the SGX-ST

Shareholders are reminded that their Old Share Certificates are not valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, their Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issuance of New Share Certificates in replacement thereof for an indefinite period. Notwithstanding, the New Share Certificates will also not be valid for delivery for trades done on the SGX-ST, although they will continue to be prima facie evidence of legal title.

No fees will be payable by Shareholders for the update of the Register of Members and Depository Register for the Consolidated Shares and for the issue of the New Share Certificates.

(f) Trading arrangements for the Shares and Odd Lots

(i) Trading arrangements for the Shares

Subject to Shareholders' approval for the Proposed Share Consolidation, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 1,000 Consolidated Shares. Trading in the Existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(ii) Trading arrangements for odd lots of Consolidated Shares

The Shares are currently traded in board lots of 1,000 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts maintained with CDP of Shareholders may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 1,000 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in odd lots on the SGX-ST should note that the unit share market has been set up to allow trading in odd lots with a minimum size of one (1) Consolidated Share on the SGX-ST. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares in the ready market.

4. THE PROPOSED WHITEWASH RESOLUTION

4.1 General Offer Requirements under the Code

As at the Latest Practicable Date, the Vendors and/or their Concert Parties do not hold any Shares or instruments convertible into, rights to subscribe for and options in respect of the Shares. On 14 December 2011, the Vendors submitted a letter of confirmation to SIC declaring that it had not acquired and will not acquire any Shares prior to the Proposed Acquisition.

Prior to the Proposed Acquisition and the Proposed Share Consolidation, existing Shareholders of the Company, who collectively hold 812,139,411 Shares, own 100% of the issued share capital of the Company. Upon Completion and the Proposed Share Consolidation, existing Shareholders (excluding the Vendors and/or their designated holders) shall have their ownership diluted to 31.03% of the Enlarged Share Capital.

Upon allotment and issuance of the Consideration Shares to the Vendors and/or their Concert Parties following Completion, the Vendors and/or their Concert Parties will hold 1,493,600,000 Consideration Shares, representing approximately 68.48% of the Enlarged Share Capital.

Pursuant to Rule 14 of the Code and Section 139 of the SFA, the Vendors and/or their Concert Parties will be required to make a general offer for all the remaining issued Shares not owned, controlled or agreed to be acquired by the Vendors and/or their Concert Parties at the highest price paid or agreed to be paid by the Vendors and/or their Concert Parties for the Shares in the past six (6) months from the date the Consideration Shares are issued to the Vendors, unless such obligation is waived by SIC.

Shareholders should note that the Proposed Acquisition is conditional upon the approval for the Proposed Whitewash Resolution, and hence the Proposed Acquisition will NOT be completed in the event that the Proposed Whitewash Resolution is not approved.

4.2 Conditional Waiver of the General Offer Requirement by SIC

SIC had, on 23 February 2012, exempted the Vendors and/or their Concert Parties from the requirement under Rule 14 of the Code to make a mandatory offer for the Company in the event that the Vendors and/or their Concert Parties increase their percentage of total voting rights to more than 30% in the Company based on its enlarged issued capital as a result of the Vendors and/or their Concert Parties acquiring the Consideration Shares, subject to the following conditions:

(a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the Proposed Acquisition, approve by way of a poll the Proposed Whitewash Resolution, to waive their rights to receive a general offer from the Vendors and their Concert Parties;

(b) the Proposed Whitewash Resolution is separate from other resolutions;

(c) the Vendors, their Concert Parties as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;

(d) the Vendors and their Concert Parties did not acquire and are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):

    (i) during the period after the date of the announcement of the Proposed Acquisition and the date Shareholders' approval is obtained for the Proposed Whitewash Resolution; and

(ii) in the six (6) months prior to the date of the announcement of the Proposed Acquisition, but subsequent to negotiations, discussion or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Acquisition;

(e) the Company appoints an independent financial adviser to advise its Independent Shareholders on the Proposed Whitewash Resolution;

(f) the Company sets out clearly in its Circular to the Shareholders:

(i) details of the Proposed Acquisition;

(ii) the dilution effect to existing holders of voting rights in the Company upon the issuance of the Consideration Shares to the Vendors and their Concert Parties;

(iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of shares in the Company held by the Vendors and their Concert Parties as at the Latest Practicable Date;

(iv) the number and percentage of voting rights to be acquired by the Vendors and their Concert Parties upon the issuance of the Consideration Shares;

(v) specific and prominent reference to the fact that the Proposed Acquisition would result in the Vendors and their Concert Parties holding shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Vendors and their Concert Parties will be free to acquire further the shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company; and

(vi) a specific and prominent statement that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Vendors and their Concert Parties at the highest price paid or agreed to be paid by the Vendors and their Concert Parties for the voting rights in the Company in the six (6) months preceding the commencement of the offer;

(g) the Circular by the Company to its Shareholders states that the waiver granted by SIC to the Vendors and their Concert Parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated above;

(h) the Company obtains SIC approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and

(i) to rely on the Proposed Whitewash Resolution, the acquisition of the Consideration Shares by the Vendors and their Concert Parties under the Proposed Acquisition must be completed within three (3) months of the approval of the Proposed Whitewash Resolution.

Additionally, SIC also ruled that the Investors are not presumed to be acting in concert with the Vendors and/or their Concert Parties, in relation to the Company as a result of the Proposed Acquisition, subject to the following conditions:

(a) the Investors and their concert parties are required to abstain from voting on the Proposed Whitewash Resolution with respect to any Shares that they and their concert parties own; and

(b) provision of written confirmations of the following:

(i) there is no relationship between each of the Investors and their associates, with the Vendors and their Concert Parties that will give rise to the presumption that they are acting in concert;

(ii) there is no agreement, arrangement or understanding (whether formal or informal, written or oral, entered into within or outside of Singapore) between the Vendors and their Concert Parties, with the Investors and their associates, to co-operate to obtain or consolidate effective control of the Company; and

(iii) there is no agreement, arrangement or understanding (whether oral or written, formal or informal within or outside of Singapore), between the Vendors and their Concert Parties, with the Investors and their associates, pursuant to which he/she may direct, instruct, prescribe, advise or otherwise influence the exercise of the voting rights of the Company or vice versa.

4.3 The Proposed Whitewash Resolution

Independent Shareholders are requested to vote by way of poll, the Proposed Whitewash Resolution set out as resolution 4 in the Notice of EGM attached to this Circular, waiving their rights to receive a general offer from the Vendors and/or their Concert Parties for the remaining Shares not owned or agreed to be acquired by the Vendors and/or their Concert Parties.

Shareholders should note that the passing of the ordinary resolution relating to the Proposed Acquisition is conditional upon the Proposed Whitewash Resolution being approved by Independent Shareholders, as the Proposed Whitewash Resolution is a condition precedent in the Sale and Purchase Agreement.

Shareholders should further note that the allotment and issuance of the Consideration Shares will result in the Vendors and/or their Concert Parties carrying over 49% of the voting rights of the Company (based on the Enlarged Share Capital of the Company), and that the Vendors will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer. Shareholders should also note that by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive the general offer which the Vendors and/or their Concert Parties would otherwise be obliged to make at the highest price paid by them in the past six (6) months preceding the date of the allotment and issuance of the Consideration Shares.

PrimePartners has been appointed as the IFA to the Independent Directors in relation to the Proposed Whitewash Resolution. The IFA Letter to the Independent Directors containing their advice in full is set out in Appendix XII of this Circular.

5. THE PROPOSED PUT OPTION

5.1 Details of the Proposed Put Option

The Company had on 1 July 2013 entered into the Put Option Agreement with the Undertaking Shareholder. The Proposed Put Option is a condition precedent in the Sale and Purchase Agreement and the obligation of the Undertaking Shareholder and the Company to enter into and complete the Proposed Put Option is subject to the fulfillment on or prior to the Longstop Date of the conditions as set out in Section 2.5 of this Circular.

Pursuant to the Put Option Agreement, the Undertaking Shareholder, in consideration of the sum of S$1.00, grants to the Company the option to require the Undertaking Shareholder to purchase all (and not part of) the Option Assets, being the number of shares representing the entire issued and paid-up share capital of each of the Hartawan Subsidiaries.

The Company is entitled, during the Option Period, to serve a notice of exercise in writing on the Undertaking Shareholder, to require the Undertaking Shareholder to purchase the Option Assets for an aggregate consideration equivalent to the total NAV of the Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the Notice of EGM.

Based on the unaudited management accounts of the Hartawan Subsidiaries as at 30 June 2013, the NAV of the Hartawan Subsidiaries was approximately S$3.3 million. After adjusting for amortisation and depreciation for the period from 1 July 2013 and up to 31 August 2013, being the end of the month preceding the date of the Notice of EGM, the aggregate consideration for the Option Assets shall be S$3.2 million.

5.2 Rationale for the Proposed Put Option

The Existing Business of the Hartawan Group is facing intensified competition and an uncertain business environment, resulting in the outlook of its business being increasingly challenging. The Hartawan Group reported a net loss of S$6.9 million and S$0.3 million in FY2011 and FY2012 respectively. With the Proposed Put Option, the Hartawan Subsidiaries may be disposed and the Existing Business may be terminated.

In view of the above and the opportunity to acquire a new business through the Proposed Acquisition, the Directors are of the view that the Proposed Put Option presents an opportunity to exit from a business that may require further financing resources to fund its operations going forward.

5.3 Information on the Undertaking Shareholder

Winstedt Chong Thim Pheng is the Executive Chairman of the Company and is also a Controlling Shareholder of the Company, being directly and indirectly interested in an aggregate of 187,560,411 Shares representing 23.09% of the issued share capital of the Company as at the Latest Practicable Date. Please refer to Section 10.3 of this Circular for more information on the Undertaking Shareholder's shareholding interest in the Company.

5.4 Information on the Hartawan Subsidiaries

The Company's Existing Business is carried out by the Hartawan Subsidiaries.

Details of the Hartawan Subsidiaries are as follows:

Name of subsidiary	Date and place of incorporation	Issued and paid-up share capital/registered capital	Principal activity	Effective equity interest held by the Enlarged Group on Completion
Hartawan Property Management Pte. Ltd.	18 December 1999, Singapore	S$300,000	Property leasing and management	100%
Hotel Re! Pte. Ltd.	3 September 2007, Singapore	S$16,000,000	Hotel operator	100%
Wallich[(1)]	18 July 1991, Singapore	S$100,000	Dormant	100%

Note:

(1) On 16 October 2012, the Company announced that they will apply for the strike off of Wallich, and accordingly, Wallich was struck off on 15 August 2013.

5.5 The Proposed Put Option as a Major Transaction

Based on the unaudited management accounts of the Hartawan Group for 9M2013, the relative figures of the Proposed Put Option computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006(a)

NAV of the Option Assets	S$3.6 million(1)
NAV of the Hartawan Group	S$44.6 milllion
Relative figure	8.07%

Rule 1006(b)

Net profit attributable to the Option Assets for 9M2013	S$0.8 million
Net profit of the Hartawan Group for 9M2013	S$0.5 million
Relative figure	160%

Rule 1006(c)

Aggregate value of consideration to be given	S$3.6 million(1)
The Company's market capitalisation	S$105.6 million(2)
Relative figure	3.41%

Rule 1006(d)

Number of equity securities to be issued by the Company as consideration for the Proposed Put Option	
Number of equity securities in issue	Not applicable
Relative figure	

Rule 1006(e)

Aggregate volume or amount of proved and probable reserves to be disposed of	
Aggregate of the Hartawan Group's proved and probable reserves	Not applicable
Relative figure	

Notes:

(1) Pursuant to the Proposed Put Option, the aggregate consideration for the Option Assets is equivalent to the total NAV of the Hartawan Subsidiaries determined as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the Notice of EGM. For illustrative purposes, the aggregate consideration is the total net assets of the Hartawan Subsidiaries reported in the unaudited management accounts for 9M2013.

(2) The Company's market capitalisation of approximately S$105.6 million was computed based on the Company's issued share capital of 812,139,411 Shares and the volume weighted average price of the Shares of S$0.13 traded on Catalist on 21 June 2013 (being the full Market Day preceding the date of the Put Option Agreement).

As the relative figure under Rule 1006 (b) of the Catalist Rules exceeds 50%, the Proposed Put Option constitutes a "Major Transaction" as defined under Chapter 10 of the Catalist Rules.

Accordingly, the Proposed Put Option is subject to among others, the approval of Shareholders by way of an ordinary resolution at the EGM.

5.6 The Proposed Put Option as an Interested Person Transaction

Chapter 9 of the Catalist Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.

Under Rule 904 of the Catalist Rules:

An "entity at risk" means:

(a) the listed company;

(b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries ("**Listed Group**"), or the Listed Group and its interested person(s), has control over the associated company.

In the case of a company, an "interested person" means:

(a) a director, chief executive officer or Controlling Shareholder of the listed company; or

(b) an Associate of any such director, chief executive officer or Controlling Shareholder.

An "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules.

An "interested person transaction" means any transaction between an entity at risk and an interested person.

Details of the Interested Person

Winstedt Chong Thim Pheng, the Undertaking Shareholder, is the Executive Chairman of the Company and a Controlling Shareholder of the Company. Pursuant to Rule 904 of the Catalist Rules, the Undertaking Shareholder is regarded as an "interested person" and any transaction to be carried out by the Company with the Undertaking Shareholder would constitute an "interested person transaction".

Accordingly, the Proposed Put Option would constitute an "interested person transaction" pursuant to Chapter 9 of the Catalist Rules.

Materiality Thresholds Under Chapter 9 of the Catalist Rules

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Catalist Rules, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:

(a) 5% of the listed group's latest audited consolidated NTA; or

(b) 5% of the listed group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Catalist Rules) during the same financial year.

As the Proposed Put Option will exceed the materiality thresholds under Chapter 9 of the Catalist Rules, Independent Shareholders' approval will be required in order for the Company to effect the Proposed Put Option.

Opinion of the IFA

PrimePartners has been appointed as the IFA to the Independent Directors in relation to the Proposed Put Option. The IFA Letter to the Independent Directors containing their advice in full is set out in Appendix XII of this Circular.

6. PROPOSED ALLOTMENT AND ISSUANCE OF ADVISORY SHARES

Pursuant to the mandate signed by Canaccord Genuity with the Company, as part payment for professional fees in respect of financial advisory services rendered to the Company by Canaccord Genuity in connection with the Proposed Acquisition, the Company shall, on Completion, allot and issue 4,362,290 Consolidated Shares, representing approximately 0.2% of the Enlarged Share Capital of the Company to Canaccord Genuity.

Canaccord Genuity has undertaken not to sell, contract to sell, realise, transfer, pledge, grant any option to purchase or otherwise dispose of (i) any part of its shareholdings in the Company immediately after Completion for a period of twelve (12) months commencing from the listing of the Advisory Shares on Catalist, and (ii) 50% of its shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision).

Upon completion of the aforesaid moratorium periods, Canaccord Genuity may dispose of its relevant shareholding interests in the Company at its absolute discretion.

Shareholders should note that the LQN, if issued by the SGX-ST is not to be taken as an indication of the merits of, *inter alia*, the Proposed Transactions, the Company, the Hartawan Group, the Target Group, the Enlarged Group, the Shares, the Consolidated Shares, the Consideration Shares and/or the Advisory Shares.

7. PROPOSED CHANGE OF NAME AND PROPOSED CHANGE OF CORE BUSINESS OF THE HARTAWAN GROUP TO THE BUSINESS OF THE TARGET GROUP

7.1 Proposed Change of Name

Following Completion, the business of the Target Group will contribute to the majority of the Enlarged Group's revenue and profits. Accordingly, the Company is seeking the approval of the Shareholders to change the name of the Company from "Hartawan Holdings Limited" to "Wilton Resources Corporation Limited" to better reflect the new core activities of the Enlarged Group. The change of name of the Company will only take effect after Completion.

In line with the Proposed Change of Name, the Company also intends to adopt a new logo as shown below:

Subject to the resolution for the Proposed Change of Name being carried as a special resolution at the EGM, the Company will, on completion of the Proposed Transactions, lodge the requisite pro forma notification with ACRA relating to its change of name. Upon the issue by ACRA of a certificate on change of name to the Company, the change of name shall become effective.

The Company will issue an announcement to notify Shareholders of the coming into effect of the Company's new name. Shareholders should note that the change of the Company's name does not affect the legal status of the Company. Shareholders should note that notwithstanding the change of the Company's name, the Company will not recall existing share certificates which will continue to be *prima facie* evidence of legal title. No further action would be required on the part of the Shareholders.

The new name "Wilton Resources Corporation Limited" shall be substituted for "Hartawan Holdings Limited" whenever the latter name appears in the Company's Memorandum and Articles of Association.

7.2 Proposed Change of Core Business of the Hartawan Group to the Business of the Target Group

Following Completion, the core business of the Enlarged Group will be that of the Target Group. In the event the Company exercises the Proposed Put Option during the Option Period, the Undertaking Shareholder shall purchase the Option Assets from the Company and in such event, the Existing Business of the Company will cease. Accordingly, the Company proposes to change its core business comprising the Existing Business to the business of the Target Group.

8. INFORMATION ON THE CONVERTIBLE LOAN

On 31 October 2011, the Company announced that it had entered into the Convertible Loan Agreement with Wilton, pursuant to which the Company had agreed to extend to Wilton a convertible loan for an aggregate amount of up to S$12 million, comprising the Tranche 1 Loan Amount and the Tranche 2 Loan Amount on the terms and conditions set out in the Convertible Loan Agreement. The Convertible Loan Agreement was amended and restated on 1 July 2013 and PT WI was included as a party to the Convertible Loan Agreement. The terms in the amended and restated Convertible Loan Agreement provides for, *inter alia*, Wilton's undertaking to procure that the restructuring of PT WI, PT WWI and PT LTC shall be completed on or prior to 30 September 2013 (the "**Indonesian Restructuring**"), pursuant to which PT WI, a PMA company, will be the holding company of PT WWI (to such extent permissible under Indonesian laws) and PT WWI will be the holding company of PT LTC (to such extent permissible under Indonesian laws).

8.1 Drawdown

Wilton may drawdown the Tranche 1 Loan Amount in one lump sum within the seven (7) Business Days after the receipt by the Company of a drawdown notice in the form set out in the Convertible Loan Agreement. The Tranche 1 Loan Amount was drawn down on 3 November 2011.

Additionally, subject to the fulfilment of the conditions set out in the Convertible Loan Agreement for the Tranche 2 Loan Amount, Wilton may drawdown the Tranche 2 Loan Amount in one lump sum within seven (7) Business Days after the receipt by the Company of a drawdown notice in the form set out in the Convertible Loan Agreement. The Tranche 2 Loan Amount was drawn down on 14 August 2012.

8.2 Purpose and Application of the Convertible Loan

The purposes and applications of the Convertible Loan are as follows:

(a) Tranche 1 Loan Amount:

(i) the preparation and issuance by an independent and internationally recognised consultant or valuer of a report on the Concession Blocks that meets the JORC Code requirements and the Catalist Rules;

(ii) the costs of building the infrastructure for the extraction of gold ore and mining operations at the Concession Block 2; and

(iii) general operating costs of operating the Concession Blocks.

(b) Tranche 2 Loan Amount:

(i) further costs of building the infrastructure and flotation plants for the processing and production of gold at the Concession Block 2; and

(ii) general operating costs of operating the Concession Blocks.

8.3 Interest

The Convertible Loan shall not bear any interest.

8.4 Repayment, Conversion or Exchange of the Convertible Loan

If the Proposed Acquisition is not completed for any reason whatsoever by the Longstop Date, the Company shall have the right to elect (a) to require Wilton to repay the Convertible Loan within six (6) months from the date of the Company's written notice to Wilton, or (b) to convert the Convertible Loan into the corresponding number of Conversion Shares during the Conversion Period. If the Proposed Acquisition is not completed for any reason whatsoever by the Longstop Date and in the event the Proposed Restructuring Exercise is not completed on or prior to the Longstop Date and whereas only the Indonesian Restructuring is completed, and the Company has not elected to convert the Convertible Loan into Conversion Shares, the Company shall have the right to elect to exchange the Convertible Loan into such number of shares in the capital of PT WI within 30 days from the Longstop Date, Such shares in PT WI to be issued to the Company, shall be issued and credited as fully paid-up shares of PT WI.

The Company wishes to highlight that even if the Company does not complete the Proposed Acquisition due to the non-fulfilment of any condition precedent to Completion, the Company would already have fully disbursed the Convertible Loan to the Target Company as the conditions precedent to the drawdown of the Convertible Loan have been satisfied.

8.5 Guarantee

As security for the Tranche 1 Loan Amount, Wilton had procured the provision of a personal guarantee and indemnity by the Vendor, Wijaya Lawrence in favour of the Company, which has been executed and delivered to the Company simultaneous to the execution of the Convertible Loan Agreement.

9. COMPLIANCE PLACEMENT

Under Rule 724 of the Catalist Rules, the SGX-ST may suspend trading of the Shares if less than the required 10% of the Shares is held in the hands of the public. The SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%.

In addition, the Company is required to comply with Rule 1015(3)(a) read with Rule 406(1)(a) of the Catalist Rules, where at least 15% of the issued share capital of the Company must be held in the hands of at least 200 public Shareholders.

Following Completion and upon the completion of the Proposed Share Consolidation, at least 16.92% of the Shares shall be considered as public shareholdings for the purpose of fulfilling the free float requirement stipulated under the Catalist Rules. In such an event, the Company does not intend to undertake any placement of shares.

However, in the event the Compliance Placement is necessary, the Vendors will be selling vendor shares according to proportions of their respective shareholding in the Enlarged Group.

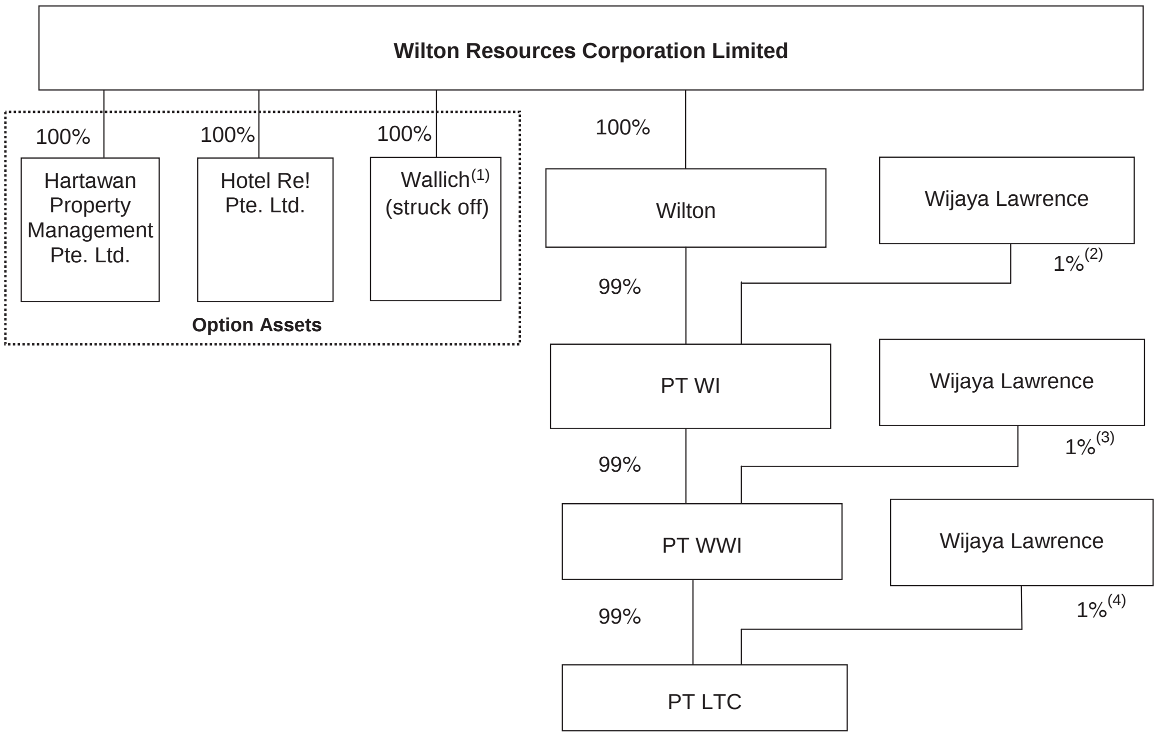
10. THE ENLARGED GROUP

10.1 Principal Business

Following Completion and the proposed change of core business of the Company, the Existing Business of the Company will cease. Please refer to the Letter for more information on the Target Group, its business and prospects.

10.2 Group Structure

The corporate structure of the Enlarged Group upon Completion, but before the exercise of the Proposed Put Option, is as follows:



Notes:

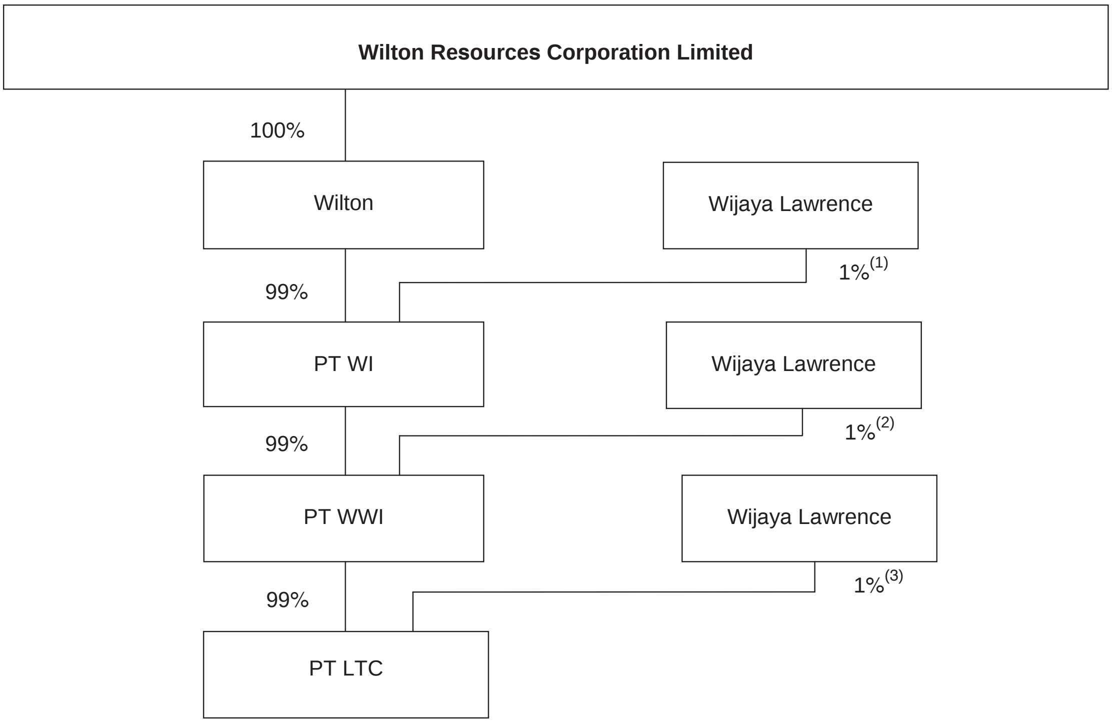
(1) On 16 October 2012, the Company announced that they will apply for the strike off of Wallich, and accordingly, Wallich was struck off on 15 August 2013.

(2) 1% shareholding of PT WI is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of the Target Company for the assignment to the Target Company of dividends and voting rights in respect of his 1% shareholding interests in PT WI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(3) 1% shareholding of PT WWI is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interests in PT WWI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(4) 1% shareholding of PT LTC is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

The corporate structure of the Enlarged Group after Completion and the exercise of the Proposed Put Option is as follows:



Notes:

(1) 1% shareholding of PT WI is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of the Target Company for the assignment to the Target Company of dividends and voting rights in respect of his 1% shareholding interests in PT WI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(2) 1% shareholding of PT WWI is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interests in PT WWI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(3) 1% shareholding of PT LTC is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

The details of the subsidiaries of the Enlarged Group upon Completion, but before the exercise of the Proposed Put Option are set out as follows:

Name of subsidiary	Date and place of incorporation	Issued and paid-up share capital/registered capital	Principal activity	Effective equity interest held by the Enlarged Group on Completion
Hartawan Property Management Pte. Ltd.(1)	18 December 1999, Singapore	S$300,000	Property leasing and management	100%
Hotel Re! Pte. Ltd.(1)	3 September 2007, Singapore	S$16,000,000	Hotel operator	100%
Wallich(1)(2)	18 July 1991, Singapore	S$100,000	Dormant	100%
Wilton	21 October 2011, Singapore	S$1,000	Investment holding	100%
PT WI	17 June 2011, Indonesia	IDR8,584,000,000	Gold mining	100%(3)
PT WWI	21 June 2000, Indonesia	IDR300,000,000	Mining, general trading, transportation, industry, development, real estate, lumber, agriculture, plantation, forestry, electrical, mechanical, workshop, computer, printing and services	100%(4)
PT LTC	20 April 1996, Indonesia	IDR300,000,000	Mining, general trading, transportation, agriculture, plantation, forestry, electrical, mechanical, workshop, computer, printing and services	100%(5)

Notes:

(1) Option Assets.

(2) On 16 October 2012, the Company announced that they will apply for the strike off of Wallich, and accordingly, Wallich was struck off on 15 August 2013.

(3) 1% shareholding of PT WI is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of the Target Company for the assignment to the Target Company of dividends and voting rights in respect of his 1% shareholding interests in PT WI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(4) 1% shareholding of PT WWI is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interest in PT WWI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(5) 1% shareholding of PT LTC is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

As at the Latest Practicable Date, the Enlarged Group does not have any associated companies.

Pursuant to the Proposed Acquisition, it is intended that the Company will exercise the Proposed Put Option upon Completion.

10.3 Principal Shareholders

Details of the changes in the shareholding structure of the Company after, *inter alia*, the Proposed Transactions are set out in the table below:

	Before the Proposed Transactions				After the Proposed Transactions			
	Direct		Deemed		Direct		Deemed	
	Number of Shares	% of total Shares	Number of Shares	% of total Shares	Number of Consolidated Shares	% of total Consolidated Shares	Number of Consolidated Shares	% of total Consolidated Shares
Existing Directors								
Winstedt Chong Thim Pheng[(1)]	1,663,000	0.20	185,897,411	22.89	1,385,833	0.07	154,914,509	7.10
Cynthia Tan Kwee Hiang[(2)]	–	–	187,560,411	23.09	–	–	156,300,342	7.17
Er Kwong Wah[(3)]		–	150,000	0.02	–	–	125,000	0.01
Dr Tan Eng Liang	–	–	–	–	–	–	–	–
Chng Hee Kok	3,000,000	0.37	–	–	2,500,000	0.11	–	–
Wong Kok Hoe	–	–	–	–	–	–	–	–
Tan Sin Huat Dennis	–	–	–	–	–	–	–	–
Proposed Directors								
Wijaya Lawrence	–	–	–	–	582,640,000	26.71	–	–
Chong Chin Fan	–	–	–	–	–	–	–	–
Ngiam Mia Je Patrick	–	–	–	–	364,150,000	16.70	–	–
Teo Kiang Kok	–	–	–	–	–	–	–	–
Tan Cher Liang	–	–	–	–	–	–	–	–
Seah Seow Kang Steven	–	–	–	–	–	–	–	–
Other Shareholders								
DBSN Services Pte Ltd[(1)]	185,897,411	22.89	–	–	154,914,509	7.10	–	–
Lian Seng Investment[(4)]	82,138,815	10.11	–	–	68,449,012	3.14	–	–
Chua Leong Hai @ Chua Leang Hai[(4)]	22,373,000	2.75	82,917,815	10.21	18,644,166	0.86	69,098,179	3.17
Chow Bon Tong	61,200,000	7.54	–	–	51,000,000	2.34	–	–
Lauw Hui Kun	–	–	–	–	189,358,000	8.68	–	–
Lauw Hui Chin	–	–	–	–	101,962,000	4.67	–	–
Ngiam Shi Yun Joyce	–	–	–	–	81,933,750	3.76	–	–
Ngiam Mia Hai Bernard	–	–	–	–	54,622,500	2.50	–	–

	Before the Proposed Transactions				After the Proposed Transactions			
	Direct		Deemed		Direct		Deemed	
	Number of Shares	% of total Shares	Number of Shares	% of total Shares	Number of Consolidated Shares	% of total Consolidated Shares	Number of Consolidated Shares	% of total Consolidated Shares
Ngiam Mia Hong Alfred	–	–	–	–	54,622,500	2.50	–	–
Ngiam Hian Yong Jeffrey	–	–	–	–	27,311,250	1.25	–	–
SPC[(5)]	–	–	–	–	37,000,000	1.70	–	–
Christopher Chong Meng Tak	–	–	–	–	1,920,000	0.09	–	–
James Koh Jyl Gang	–	–	–	–	1,280,000	0.06	–	–
Tan Thiam Hee	–	–	–	–	640,000	0.03	–	–
Ang Kok Eng	–	–	–	–	640,000	0.03	–	–
Ang Kok Leong	–	–	–	–	640,000	0.03	–	–
Ang Kok Tian	–	–	–	–	640,000	0.03	–	–
Ang Sin Liu	–	–	–	–	640,000	0.03	–	–
Other non public shareholders	12,941,000	1.59	–	–	10,784,166	0.49	–	–
Canaccord Genuity	–	–	–	–	4,362,290	0.20	–	–
Public	442,926,185	54.55	–	–	369,105,154	16.92	–	–
Total	812,139,411	100.00			2,181,145,130	100.00		

Notes:

(1) Winstedt Chong Thim Pheng has a deemed interest in the Shares registered in the name of DBSN Services Pte Ltd.

(2) Cynthia Tan Kwee Hiang is the spouse of Winstedt Chong Thim Pheng and is accordingly deemed interested in the Shares held by him.

(3) Er Kwong Wah has a deemed interest in the Shares registered in the name of Citibank N.A. Singapore.

(4) Chua Leong Hai @ Chua Leang Hai is the shareholder and director of Lian Seng Investment Pte Ltd and is accordingly deemed interested in the Shares held by it, and has a deemed interest in the Shares registered in the name of BNP Paribas Nominees Singapore Pte Ltd..

(5) The sole shareholder of the SPC is Nicco Darmasaputra Lawrence, who is the son of the Vendor, Wijaya Lawrence, and nephew of the Vendor, Ngiam Mia Je Patrick. The directors of the SPC are Nicco Darmasaputra Lawrence and Chong Chin Fan, who is the proposed Vice President (Finance) and Executive Director of the Enlarged Group. The SPC was incorporated on 19 September 2013 for the sole purpose of acting as the designated holder of 37,000,000 Incentive Shares, which will serve as a Share Incentive Scheme. Under the Share Incentive Scheme, the Incentive Shares will be allotted to key management personnel to attract, retain and provide incentives to key management staff. The Incentive Shares may also be awarded to give recognition for past contributions and services as well as motivate other staff to contribute towards the Enlarged Group's long-term prospects. As the SPC is holding the Incentive Shares for the benefit of the Share Incentive Scheme, it will not, in the interim, exercise any of its voting rights in respect of the Incentive Shares prior to allocation of any of the Incentive Shares. In the event that the Vendors decide that the Incentive Shares are not to be distributed pursuant to the Share Incentive Scheme, such shares will be allotted to the Holders. In such event, the relevant Holders will consequently observe any implications of the Code. Any allocation under the Share Incentive Scheme will only be made after the Vendors' Moratorium.

10.4 Moratorium

It is envisaged that upon Completion, the Vendors and/or their designated holders will hold in aggregate 1,500,000,000 Consolidated Shares, representing approximately 68.77% of the Enlarged Share Capital of the Company.

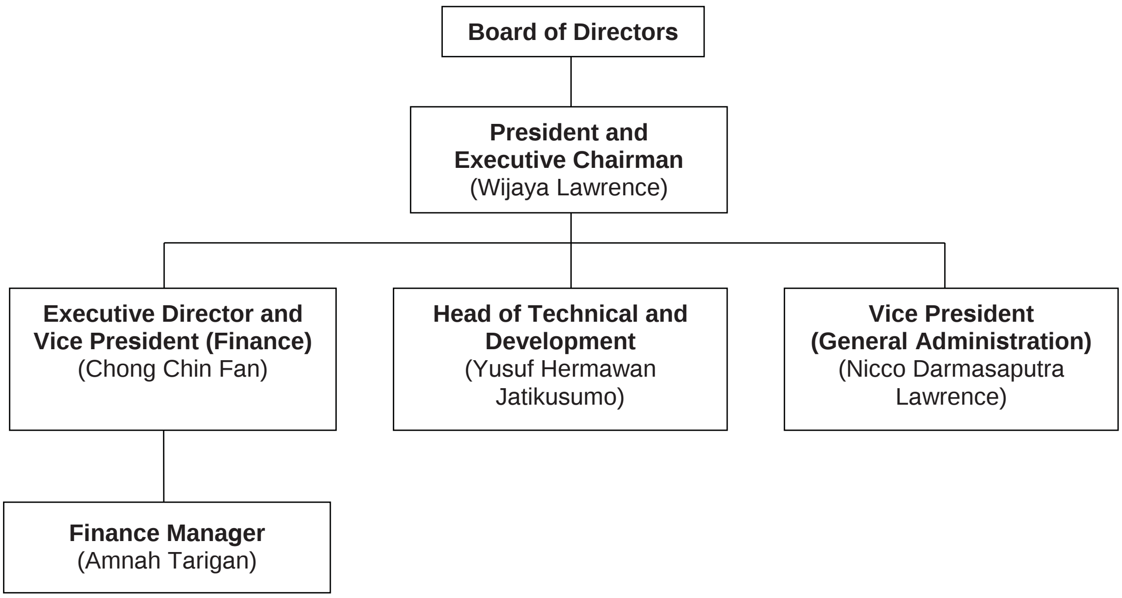
To demonstrate their commitment to the Enlarged Group, each of the Vendors and/or their designated holders has undertaken not to sell, contract to sell, realise, transfer, pledge, grant any option to purchase or otherwise dispose of (i) any part of their respective shareholdings in the Company immediately after Completion for a period of twelve (12) months commencing from the listing of the Consideration Shares on Catalist, and (ii) 50% of their respective shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision) (the "**Moratorium Period**"), provided that the moratorium shall not apply to the Compliance Placement. Nicco Darmasaputra Lawrence, the sole shareholder of the SPC, has also undertaken not to sell, contract to sell, realise, transfer, pledge, grant any option to purchase or otherwise dispose any part of his shareholding interest in the SPC during the Moratorium Period.

Canaccord Genuity, which will be allotted and issued 4,362,290 Consolidated Shares, representing approximately 0.2% of the Enlarged Share Capital of the Company, has undertaken not to sell, contract to sell, realise, transfer, pledge, grant any option to purchase or otherwise dispose of (i) any part of its shareholdings in the Company immediately after Completion for a period of twelve (12) months commencing from the listing of the Advisory Shares on Catalist, and (ii) 50% of its shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision).

10.5 Proposed Directors and Proposed Executive Officers

The Company proposes to constitute a new Board and a new senior management team following Completion. All the members of the current Board will resign upon Completion and a new Board will be appointed.

The following chart shows the Enlarged Group's management reporting structure:



Proposed Directors

The Proposed Directors will be entrusted with the responsibility for the overall management and direction of the Enlarged Group. The particulars of the Proposed Directors are set out below:

Name	Age	Address	Proposed position in the Enlarged Group
Wijaya Lawrence	55	Kompleks Taman Ratu Indah Block G I No.10, Jalan Daan Mogot Jakarta 11510, Indonesia	President and Executive Chairman
Chong Chin Fan	63	8 Toh Tuck Walk Singapore 596588	Vice President (Finance) and Executive Director
Ngiam Mia Je Patrick	58	23 Tai Seng Drive #06-00 Singapore 535224	Non-Executive Director
Teo Kiang Kok	57	9 Jalan Ilmu Singapore 299202	Lead Independent Director
Tan Cher Liang	61	19 Jalan Kayu Manis Singapore 228978	Independent Director
Seah Seow Kang Steven	58	20 Cecil Street #16-01 Equity Plaza Singapore 049705	Independent Director

Wijaya Lawrence, an Indonesian citizen and an entrepreneur, is the proposed President and Executive Chairman of the Enlarged Group. Being the founder of the Target Group, Wijaya Lawrence is responsible for the strategic planning, overall management and operations of the Target Group.

Prior to 2000, Wijaya Lawrence was involved in various general trading businesses, such as lighting equipment, electronics and tyres.

In 2000, Wijaya Lawrence founded PT WWI, which was involved in the business of trading in electronic and lighting products. In 2007, Wijaya Lawrence was also involved in the business of trading various natural resources, such as zirconium, lead and coal, to countries including Indonesia and the PRC.

In end 2010, Wijaya Lawrence decided to completely cease the trading business of PT WWI and focus on the mining business of the Target Group.

Wijaya Lawrence is the brother-in-law of the proposed Non-Executive Director, Ngiam Mia Je Patrick, and is the father of the Proposed Executive Officer, Nicco Darmasaputra Lawrence.

Wijaya Lawrence obtained his Higher School Certificate in 1976 from Han Chiang High School in Penang, Malaysia.

Chong Chin Fan, a Singapore citizen, is the proposed Vice President (Finance) and Executive Director of the Enlarged Group. Chong Chin Fan joined the Target Group in January 2013. Chong Chin Fan has more than 35 years of experience in finance, accounting, treasury management and mergers. Chong Chin Fan is responsible for the overall financial, accounting, compliance and reporting, as well as the internal control functions, of the Target Group. He is also in-charge of liaising with the new Audit Committee on any accounting and financial matters of the Target Group.

Prior to joining the Target Group, Chong Chin Fan was the chief financial officer of Luye Pharma Group Limited (a company then listed on the SGX-ST Main Board) from February 2004 to December 2012. In the course of his career, he has held various finance and audit related positions, including as group financial controller of Econ International Group from July 1992 to January 2004 (where he gained experience in the mining business), group accounting and administrative manager at Wah-Chang International Group from January 1981 to June 1992 and audit senior at KPMG LLP from February 1979 to December 1980. He was also an audit assistant with Chartered Accountant firms in the United Kingdom from December 1976 to December 1978.

Chong Chin Fan has served as an independent director of Asiatravel.com Holdings Ltd and Chew's Group Ltd, both of which are listed on Catalist.

Chong Chin Fan obtained his qualification as a certified accountant with the Association of Chartered Certified Accountants in the United Kingdom in 1976.

Chong Chin Fan is a Fellow of the Institute of Singapore Chartered Accountants (formerly known as The Institute of Certified Public Accountants of Singapore), and is a Fellow of the Association of Chartered Certified Accountants of the United Kingdom.

Ngiam Mia Je Patrick, a Singapore citizen, is the proposed Non-Executive Director of the Enlarged Group. He has won numerous awards such as the KPMG Hi-Tech Entrepreneur Award 1990, Businessman of the Year Award 1993 conferred by The Business Times and DHL Express, and Chevalier de 1'Ordre Nationale du Merite conferred by Le President De La Repubique Francaise in 1996.

Ngiam Mia Je Patrick serves as the chairman and chief executive officer of IPC Corporation Limited (a company listed on the SGX-ST Main Board) and chairman of Essex Bio-Technology Ltd. (a company listed on the Stock Exchange of Hong Kong). Prior to founding IPC Corporation Limited and Essex Bio-Technology Ltd, Ngiam Mia Je Patrick was a research and development engineer at Philips Singapore Pte Ltd from 1979 to 1980.

Ngiam Mia Je Patrick is the brother-in-law of the proposed President and Executive Chairman, Wijaya Lawrence, and is the uncle of the Proposed Executive Officer, Nicco Darmasaputra Lawrence.

He obtained his Bachelor of Science in Electronics Engineering (First Class Honours) from the University of Essex in 1979.

Teo Kiang Kok, a Singapore citizen, is the proposed Lead Independent Director of the Enlarged Group. Teo Kiang Kok is a lawyer by practice and in his 30 years of legal practice, he has advised on a wide range of corporate finance transactions, particularly securities offerings, mergers and acquisitions, joint ventures and strategic investments. He has significant experience in equity capital markets and has advised on many public offerings of securities by Singapore and foreign companies. His regional practice includes foreign investment work in and out of Singapore, the PRC, India and countries in South East Asia. In the course of his legal practice, he has advised listed companies extensively on corporate law and regulatory compliance. He has also provided legal advice in relation to investments in mining companies undertaking iron ore and gold-mining in Australia, Indonesia and Cambodia.

From October 2012 to June 2013, he was the legal adviser to Aegis Portfolio Managers Pte Ltd on an adjunct basis. He was a consultant to Shook Lin & Bok LLP ("**SLB**") from May 2011 to May 2012. He was the head of corporate finance and China practices of SLB prior to his retirement from SLB in May 2011. Before joining SLB in January 1987, he worked for brief periods as an associate with an international legal firm from 1985 to 1986 and as a corporate finance executive with an international investment bank from 1983 to 1984.

He serves as an independent director of Hyflux Ltd, Jadason Enterprises Ltd, Memtech International Ltd and Ocean Sky International Limited, all of which are companies listed on the SGX-ST Main Board.

He obtained his Bachelor of Laws (Honours) degree from the University of Hull in 1981 and is a Barrister-at-Law from Lincoln's Inn.

Tan Cher Liang, a Singapore citizen, is the proposed Independent Director of the Enlarged Group. Tan Cher Liang has more than 30 years of experience in corporate audits, general management and business advisory.

He co-founded Boardroom Limited in May 2000, a company listed on the SGX-ST Main Board. He was the finance director and managing director of Boardroom Limited from May 2000 to March 2013. Having retired from Boardroom Limited and its subsidiaries, he continues to be a non-executive and non-independent director, and also an adviser to Boardroom Limited. He was the managing director of Boardroom Business Solutions Pte Ltd from July 1992 to March 2013 and Boardroom Corporate & Advisory Services Pte. Ltd. from September 1994 to March 2013, and the external auditor of Ernst and Young LLP from September 1973 to June 1992.

He serves as a non-executive and independent director of Freight Links Express Holdings Limited and Kingsmen Creatives Ltd, both of which are listed on the SGX-ST Main Board. He also holds directorships in charitable organizations such as the D.S. Lee Foundation and Children's Charities Association. In addition, he is a trustee of Kwan Im Thong Hood Cho Temple. He was awarded the Public Service Medal in 1996.

He is a Fellow of the Association of Chartered Certified Accountants of the United Kingdom and a member of the Institute of Singapore Chartered Accountants.

Seah Seow Kang Steven, a Singapore citizen, is the proposed Independent Director of the Enlarged Group. He is a lawyer by profession and has more than 30 years of experience in legal practice.

He is the co-founder and is currently a partner of Seah Ong & Partners LLP and has been involved in the management of the firm and also handled general legal matters relating to property, family, corporate and litigation. Prior to establishing Seah Ong & Partners LLP in 1990, he was partner of Wendy Wong & Seah from February 1987 to December 1989, junior partner of Ng Ong & Chee from July 1984 to February 1987, legal assistant of Saddique Durai & Partners from February 1983 to June 1984 and legal assistant of Ng Ong & Chee from March 1981 to January 1983. He was also a pupil of Wan & Choo in 1980.

He serves as an independent director of IPC Corporation Limited (a company listed on the SGX-ST Main Board). In 2002, he was awarded the Public Service Medal (Pingat Bakti Masyarakat) and in 2013, he was awarded the Public Service Star (Bintang Bakti Masyarakat).

He obtained his Bachelor of Laws (Honours) from the University of Singapore in 1980 and a Diploma in Business Law from the National University of Singapore in 1988.

Save as disclosed above, none of the other Proposed Directors has any family relationship with another Proposed Director, Proposed Executive Officer or Substantial Shareholder of the Enlarged Group.

None of the Proposed Independent Directors sit on the board of any of the Target Subsidiaries.

Experience and Training of the Proposed Directors

Pursuant to Rule 406(3) of the Catalist Rules, the Proposed Directors, Chong Chin Fan, Ngiam Mia Je Patrick, Teo Kiang Kok, Tan Cher Liang and Seah Seow Kang Steven have prior experience as directors of public listed companies in Singapore, and are familiar with the roles and responsibilities of a director of a public listed company in Singapore.

The Proposed Director, Wijaya Lawrence, does not have experience as a director of a public listed company in Singapore and has undertaken the relevant training in Singapore to familiarise himself with the rules and responsibilities of a director of a public listed company in Singapore.

Present and Past Directorships of the Proposed Directors

The present and past directorships held by the Proposed Directors in the last five (5) years preceding the Latest Practicable Date, excluding those held in the Company, are as follows:

	Present Directorships	Past Directorships
Wijaya Lawrence	*Enlarged Group companies*	*Enlarged Group companies*
	Wilton PT WI PT WWI	Nil
	Other companies	*Other companies*
	P.T. Darma Vostalanggeng (Dormant) P.T. Wilton Zircongama Indonesia (Dormant) P.T. Wilzilindo Mining Groups (Dormant) Wilton Group Limited (Dormant)	Nil
Chong Chin Fan	*Enlarged Group companies*	*Enlarged Group companies*
	Wilton	Nil
	Other companies	*Other companies*
	Asiatravel.com Holdings Ltd Chew's Group Limited	A-Bio Pharma Pte. Ltd. Apex Group Holding Limited Asiapharm Investments Ltd Asiapharm (Singapore) Pte. Ltd. Asiapharm Biotech Pte. Ltd. Asiapharm Biotech Sdn. Bhd. HQM Management Pte. Ltd. Kanghai Pharmaceutical Technology Development Limited Luye Biotech (Singapore) Pte. Ltd. Luye Group (Singapore) Pte. Ltd. Luye Pharma Investments Pte. Ltd. Luye-Pharm (Singapore) Pte. Ltd. Nature Wise Health Care Pte. Ltd. Pacific Target Holdings Limited Parry Investment Pte. Ltd. (struck off) Solid Success Holding Limited SmartMedicine Pte. Ltd. (struck off) Steward Cross Pte. Ltd.

	Present Directorships	Past Directorships
Ngiam Mia Je Patrick	*Enlarged Group companies*	*Enlarged Group companies*
	Wilton	Nil
	Other companies	*Other companies*
	Corex Systems (S) Pte. Ltd. Dynatech Ventures Pte. Ltd. Essex Bio-Technology Ltd Essex Bio-Pharmacy Ltd Essex Bio-Investment Ltd Essex Credit Pte. Ltd. Essex Electronics (Singapore) Pte. Ltd. Essex Holdings Ltd Essex Investment (Singapore) Pte. Ltd. Hagenuk Pte. Ltd. IPC Corporation Limited IPC Information and Communication (Pte) Ltd IPC Peripherals (Pte) Ltd IPC Singapore Pte. Ltd. Tiptop Corporation Pte. Ltd. (struck off) ThinSoft Pte. Ltd. Zhuhai Essex Bio-Pharmaceutical Company Ltd Zhuhai IPC Property Development Co. Ltd	Asiatravel.com Holdings Ltd E.M.P. Ventures Pte. Ltd. Sawatec (Asia Pacific) Pte. Ltd.
Teo Kiang Kok	*Enlarged Group companies*	*Enlarged Group companies*
	Nil	Nil
	Other companies	*Other companies*
	Hyflux Ltd Jadason Enterprises Ltd Memtech International Ltd Pheim Sicav-SIF Ocean Sky International Limited	Asean Emerging Companies Growth Fund Ltd Adampak Limited E-Cube Investor Pte. Ltd. (struck off) Food Culture Pte Ltd FNC International Pte. Ltd. (formerly known as Food Junction Enterprises Pte Ltd) Food Junction Holdings Limited Food Junction International Pte. Ltd. Food Junction Management Pte. Ltd. Food Junction Singapore Pte. Ltd. Giant Wireless Technology Limited Hyflux Water Trust Management Pte. Ltd. Malones Holdings Pte. Ltd. Shooklin Advisory Services Pte. Ltd. Shooklin Corporate Services Pte. Ltd. SLAB Services Private Limited T & W Food Junction Sdn. Bhd. The Vittoria Fund Ltd Unisteel Technology Limited Asiasons WFG Financial Ltd (formerly known as Westcomb Financial Group Limited)

	Present Directorships	Past Directorships
Tan Cher Liang	*Enlarged Group companies*	*Enlarged Group companies*
	Nil	Nil
	Other companies	*Other companies*
	Boardroom Limited Children Charities Association D.S. Lee Foundation D.S. Lee Singapore General Pte. Ltd. D S Lee Specialists Group Pte. Ltd. DSLSG Investment Co. Pte. Ltd. Freight Links Express Holdings Limited Kingsmen Creatives Ltd. Kwan Im Thong Hood Cho Temple Tengis Services Pte. Ltd.	ATL Limited Aspire CS Pte. Ltd. (formerly known as Chorpee Corporate Services Pte. Ltd.) Boardroom Business Solutions Pte. Ltd. Boardroom China Holdings Pte. Ltd. Boardroom Communications Pte. Ltd. Boardroom Communications Sdn. Bhd. Boardroom Corporate & Advisory Services Pte. Ltd. Boardroom Corporate Services (HK) Limited Boardroom Corporate Services (Johor) Sdn. Bhd. Boardroom Corporate Services (KL) Sdn. Bhd. Boardroom Corporate Services (Penang) Sdn. Bhd. Boardroom CS Services (KL) Sdn. Bhd. Boardroom Holdings Australia Pty Ltd Boardroom LSC China Ltd Boardroom (Malaysia) Sdn. Bhd. Boardroom Nominees (Tempatan) Sdn. Bhd. Newreg Pty Ltd Western Star International Pte. Limited
Seah Seow Kang Steven	*Enlarged Group companies*	*Enlarged Group companies*
	Nil	Nil
	Other companies	*Other companies*
	IPC Corporation Ltd K&C Protective Technologies Pte. Ltd. Seales Management Services Pte. Ltd. Speciality Adhesives & Coatings Holdings (S) Pte. Ltd.	Enno Marketing Services Pte. Ltd. K&C Protective Technology Institute Pte. Ltd. Pentagon Protection (Int'l) Pte. Ltd. Protective Films Pte. Ltd. Seales Investments Pte. Ltd. (struck off)

Proposed Executive Officers

The day-to-day operations of the Enlarged Group are entrusted to the Proposed Executive Officers. The Proposed Executive Officers form an experienced and qualified team responsible for the different functions of the Enlarged Group. The particulars of the Proposed Executive Officers are set out below:

Name	Age	Address	Proposed position in the Enlarged Group
Nicco Darmasaputra Lawrence	24	Taman Ratu Indah G1/10 R.T./R.W 013/013 Duri Kepa, Kebon Jeruk, Jartaka Barat, Indonesia	Vice President (General Administration)
Yusuf Hermawan Jatikusumo	48	Jl. Kiara Lawang No. 333 Rt 02 Rw 21, Pelabuhan Ratu Sukabumi, West Java, Indonesia	Head of Technical and Development
Amnah Tarigan	42	Kota Legenda Wisata Zona Vasgo Dagama Blok P06 No. 16 Jakarta Timur 13720, Indonesia	Finance Manager

Information on the business and working experience, education and professional qualifications, if any, and area of responsibility of each of the Proposed Executive Officers are set out below:

Nicco Darmasaputra Lawrence, an Indonesian citizen, is the proposed Vice President (General Administration) of the Enlarged Group. He is responsible for overseeing the administrative division and also assists the proposed President and Executive Chairman, Wijaya Lawrence, in managing the business development and operations of the Enlarged Group.

Prior to joining the Target Group full-time in October 2011, Nicco Darmasaputra Lawrence worked for the Target Group on a part-time basis from September 2009 to September 2011, where he gained a comprehensive understanding of the Target Group's business and operations.

Nicco Darmasaputra Lawrence is the son of the proposed President and Executive Chairman, Wijaya Lawrence, and is nephew of the proposed Non-Executive Director, Ngiam Mia Je Patrick.

He obtained his Diploma in Business from the University of Hertfordshire (London) in 2008 and a Bachelor of Arts in Business Management from the Universitas Trisakti (Indonesia) in 2011.

Yusuf Hermawan Jatikusumo, an Indonesian citizen, is the proposed Head of Technical and Development of the Enlarged Group. He has more than 25 years of experience in the mining industry. He is responsible for the exploration, development and operations of the mine.

Prior to PT LTC being acquired by Wijaya Lawrence in 2009, Yusuf Hermawan Jatikusumo was working in PT LTC from 1996 to April 2009 as its general manager and manages the day-to-day operations as well as certain technical aspects of PT LTC. Yusuf Hermawan Jatikusumo has been appointed as a director of PT LTC since 2009 when PT LTC was acquired by Wijaya Lawrence. Prior to joining PT LTC, Yusuf Hermawan Jatikusumo worked in several mining related companies including Parry Corporation Ltd., P.T. Srikandi Jaya Sakti, Terrex Resources N.L. and P.T. Meekatharra Minerals.

Yusuf Hermawan Jatikusumo obtained his Bachelor Degree in Geological Engineering from the Bandung Institute of Technology in 1990.

Amnah Tarigan, an Indonesian citizen, is the proposed Finance Manager of the Enlarged Group, and is based in the Enlarged Group's Indonesian office. She has more than 15 years of experience in internal audit, finance, accounting and audit in a range of industries, including hospitality and mining. She assists the proposed Vice President (Finance), Chong Chin Fan, in the accounting and reporting functions of the Target Group.

Amnah Tarigan was the part-time Finance Manager of the Target Group from March 2013 to June 2013 and was formally employed in July 2013. Prior to joining the Target Group, she was an internal auditor of P.T. BPK Gunung Mulia from February 2008 to June 2009. In 2007, she mainly undertook finance, accounting and tax assignments on a part-time basis. From January 2005 to October 2006, she was the Finance Supervisor of PT Prakarsa Nusa Cemerlang. From March 1999 to December 2004, she was the Accounting Superintendent at PT Multi Granitindo Utama. From November 1996 to February 1999, she was the Chief Finance Assistant & Accounting Staff at PT Jaka Artha Graha. Between June 1994 and November 1996, she was an Auditor Executive at Soerhardjo Soewando & Rekan (public accountant) and then Internal Auditor at PT Puri Kamandalu – Hotel Banyan Tree.

Amnah Tarigan obtained her Bachelor of Accounting from the Universitas Kristen in 2005.

Save as disclosed above, none of the Proposed Executive Officers have any family relationship with another Proposed Executive Officer, Proposed Directors or Substantial Shareholder of the Enlarged Group.

Present and Past Directorships of the Proposed Executive Officers

The present or past directorships held by the Proposed Executive Officers in the last five (5) years preceding the Latest Practicable Date, excluding those held in the Company, are as follows:

	Present Directorships	**Past Directorships**
Nicco Darmasaputra Lawrence	*Enlarged Group companies*	*Enlarged Group companies*
	Nil	Nil
	Other companies	*Other companies*
	Nil	Nil
Yusuf Hermawan Jatikusumo	*Enlarged Group companies*	*Enlarged Group companies*
	PT LTC	Nil
	Other companies	*Other companies*
	Nil	CV Semar Mesem
Amnah Tarigan	*Enlarged Group companies*	*Enlarged Group companies*
	Nil	Nil
	Other companies	*Other companies*
	Nil	Nil

10.6 Arrangement or Understanding

None of the Proposed Directors or Proposed Executive Officers has any arrangement or understanding with any of the Substantial Shareholders, customers or suppliers or other person of the Enlarged Group pursuant to which such person was appointed.

10.7 Material Background Information on the Proposed Directors, the Proposed Executive Officers and the Controlling Shareholders of the Target Group

Each of the Proposed Directors, the Proposed Executive Officers, and the Controlling Shareholders of the Target Group has represented to the Directors and the Company that he:

(a) has not had, at any time during the last ten (10) years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years from the date he ceased to be a partner;

(b) has not had, at any time, during the last ten (10) years, an application or a petition under any law of any jurisdiction filed against an entity, not being a partnership, of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) does not have any unsatisfied judgments against him;

(d) has not been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings, including any pending criminal proceedings of which he is aware, for such purpose;

(e) has not been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings, including any pending criminal proceedings of which he is aware of, for such breach;

(f) has not had, at any time during the last ten (10) years, judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or has been the subject of any civil proceedings, including any pending civil proceedings of which he is aware, involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) has not been convicted, in Singapore or elsewhere, of any offence in connection with the formation or management of any entity or business trust;

(h) has not been disqualified from acting as a director or an equivalent person of any entity including the trustee of a business trust, or from taking part directly or indirectly in the management of any entity or business trust;

(i) has not been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) to his knowledge, has not been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in each case, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(k) has not been the subject of any current or past investigation or disciplinary proceedings, nor has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

10.8 Service Agreements

The Company has entered into separate service agreements (collectively, the "**Service Agreements**" and each, a "**Service Agreement**") with the proposed Executive Directors, Wijaya Lawrence and Chong Chin Fan (collectively, the "**Appointees**" and each, an "**Appointee**"). Each Service Agreement is valid for an initial period of three (3) years with effect from the date of commencement of the respective appointments, being the Completion Date. Upon the expiry of the initial period of three (3) years, the employment of each Appointee shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. The appointment of the Appointees may be terminated by either party giving to the other six (6) months' notice (or such period as may be mutually agreed) in writing of such intended termination. Such notice period shall expire at or on any day after the end of the said period, or in lieu of the said notice period, an amount equivalent to the relevant months' salary based on the Appointee's last drawn monthly salary. The Company may also terminate the employment of the Appointee without notice or payment in lieu of notice under, *inter alia*, the following circumstances:

(a) if the Appointee is guilty of any gross default or grave misconduct in connection with or affecting the business of the Company;

(b) in the event of any serious or repeated breach or non-observance by the Appointee of any of the stipulations contained in the Service Agreement;

(c) if the Appointee becomes bankrupt or makes any composition or enters into any deed of arrangement with his creditors;

(d) if the Appointee shall become of unsound mind; or

(e) if the Appointee is convicted of any criminal offence (save an offence under road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment) and sentenced to any term of immediate or suspended imprisonment.

Under the Service Agreements, the Appointees shall be subject to the following non-compete obligations:

(a) during the period of the appointment and a period of twelve (12) months upon cessation of the appointment, in all territories where the Enlarged Group operates directly or indirectly, except with the Company's prior written consent, not to do any of the following:

(i) either on his own account or for any other person directly or indirectly solicit, interfere with or endeavour to entice away from any company in the Enlarged Group any person who to his knowledge is now or has been a client, customer or employee of, or in the habit of dealing with, any company in the Enlarged Group;

(ii) carry on or be engaged or concerned or interested in any business which shall be in direct competition with the business carried on by any company Enlarged Group at the date of the Service Agreement or as at the time of cessation of appointment (as the case may be) (the "**Relevant Business**"); and

(iii) act as a director or otherwise of any other person, firm or company engaging directly or indirectly in the Relevant Business which is in competition with the business of any company in the Enlarged Group;

(b) during the period of the appointment and upon cessation of the appointment without any limit in point of time, directly or indirectly, except with the Company's prior written consent:

(i) not to use the name "Hartawan" or "Wilton" or any colourable imitation thereof in connection with any business; and

(ii) not to use any trade mark of any company in the Enlarged Group in connection with any business; and

(c) during the period of the appointment and upon cessation of the appointment, directly or indirectly, except with the Company's prior written consent, not to disclose to any person or himself use for purpose, and shall use his best endeavours to prevent the publication or disclosure of, and information concerning the business, accounts or finances of any company in the Enlarged Group or any of its clients' or customers' transactions or affairs, which may or may have, come to his knowledge.

Pursuant to the terms of the respective Service Agreements, Wijaya Lawrence and Chong Chin Fan are entitled to receive monthly salaries of S$25,000 and S$20,000, respectively. The Company shall also pay to each Appointee, at the end of each FY, an annual wage supplement amounting to one (1) month basic salary. In addition, each Appointee shall also be reimbursed with all traveling, hotel, entertainment or other related expenses reasonably incurred by him in accordance with the Company's personnel policy in the reasonable performance of his duties under his respective Service Agreement. Medical benefits under the Company's prevailing medical benefits policy from time to time shall also be extended to each Appointee.

Save as disclosed above, there are no other existing or proposed service agreements entered into or to be entered into between the Company and any of the Proposed Directors.

10.9 Remuneration of the Proposed Directors and the Proposed Executive Officers

The compensation paid to the Proposed Directors and the Proposed Executive Officers (which includes benefits-in-kind and bonuses) during FY2012 and FY2013 (being the two (2) most recent completed financial years) for services rendered to the Target Group and as estimated for FY2014 (such estimate excluding bonuses and any profit sharing plan) for services rendered to the Enlarged Group, in remuneration bands of S$250,000 are as follows:

	FY2012	FY2013	FY2014 (estimated)[1]
Proposed Directors			
Wijaya Lawrence	A	A	B
Chong Chin Fan	–	A	B
Ngiam Mia Je Patrick	–	–	A
Teo Kiang Kok	–	–	A
Tan Cher Liang	–	–	A
Seah Seow Kang Steven	–	–	A
Proposed Executive Officers			
Nicco Darmasaputra Lawrence	–	A	A
Yusuf Hermawan Jatikusumo	–	A	A
Amnah Tarigan	–	A	A

Notes:

(1) The estimated compensation for FY2014 includes salary, CPF (and other provident funds contributions), directors' fee and benefits-in-kind, if applicable, but does not include any bonus or profit sharing that the Proposed Directors are entitled to under their employment with the Enlarged Group.

(2) Band A : Compensation of between S$0 to S$250,000 per annum
Band B : Compensation of between S$250,001 to S$500,000 per annum

Except for the contributions which are mandated by the relevant Indonesian laws or Singapore laws, none of the Hartawan Group and the Target Group has set aside or accrued any amounts for their employees to provide for pension, retirement or similar benefits.

10.10 Remuneration of Employees Related to Directors and Substantial Shareholders

Nicco Darmasaputra Lawrence, the proposed Vice President (General Administration) of the Enlarged Group, is the son of Wijaya Lawrence and the nephew of Ngiam Mia Je Patrick. The estimated compensation to be paid to Nicco Darmasaputra Lawrence (including salary, bonus, statutory contribution and benefits-in-kind) in FY2014 is less than S$250,000. The basis for determining the remuneration of Nicco Darmasaputra Lawrence is the same as the basis for determining the remuneration of other unrelated employees.

The remuneration of employees who are related to the Proposed Directors and Substantial Shareholders of the Enlarged Group shall be subject to the annual review and majority approval of the new Remuneration Committee to ensure that their remuneration packages are in line with the staff remuneration guideline of the Enlarged Group and commensurate with their respective job scopes and level of responsibilities. Remuneration of employees who are related to the Proposed Directors and the Substantial Shareholders of the Enlarged Group and whose remuneration exceeds S$150,000 during the year will be disclosed in the Company's annual report. In addition, any new employment of related employees and the proposed terms of their employment will also be subject to the review and approval of the new Remuneration Committee. In the event that a member of the new Remuneration Committee or new Nominating Committee is related to the employee under review, he will abstain from the review.

Save as disclosed above, as at the Latest Practicable Date, there was no employee who was related to the Proposed Directors and the Substantial Shareholders of the Enlarged Group.

10.11 Business Strategies

Following Completion, the Enlarged Group's business model will include that of the Target Group but will exclude the current business of the Hartawan Group. Please refer to Section B10.1 entitled "Business Strategies and Future Plans" of the Letter for more information on the business strategies of the Target Group.

10.12 Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group

The unaudited pro forma consolidated financial information of the Enlarged Group (after Completion and the exercise of the Proposed Put Option) set out herein has been prepared for illustrative purposes only. The objective is to show what the historical financial information might have been had the Enlarged Group existed at an earlier date. However, the financial information of the Enlarged Group by its nature may not give a true picture of the Enlarged Group's actual financial position and results and is not necessarily indicative of the results of the operations or the related effects on the financial position that would have been attained had the above-mentioned Enlarged Group existed earlier.

In arriving at the unaudited pro forma consolidated financial information, certain assumptions and adjustments have been made as considered necessary in order to present the financial statements on a consistent and comparable basis as if the Enlarged Group had been in existence through the period, or since the respective dates of incorporation or acquisition of the companies in the Enlarged Group. Save as disclosed in the accompanying notes to the unaudited pro forma consolidated financial information, the Directors, for the purpose of preparing this set of unaudited pro forma consolidated financial information of the Enlarged Group, have not considered the effects of other events.

The issue of 1,500,000,000 Consideration Shares at the Issue Price of S$0.20 in connection with the Proposed Acquisition would result in the Vendors and/or their designated holders holding 68.77% interest in the Enlarged Share Capital of the Company. The Proposed Acquisition is accounted for as a reverse takeover where Hartawan is deemed to be the accounting acquiree and Wilton is deemed to be the accounting acquirer.

(a) Unaudited Pro Forma Consolidated Income Statement of the Enlarged Group

The unaudited pro forma consolidated income statement of the Enlarged Group for the Period Under Review after making such adjustments as were considered appropriate and assuming that the Enlarged Group had been in place on 1 July 2009, is as follows:

(IDR' Million)	FY2010	FY2011	FY2012	9M2012	9M2013
Revenue	173	161	–	–	–
Cost of sales	(96)	(128)	–	–	–
Gross profit	77	33	–	–	–
Other items of income					
Interest income	–	216	1,331	993	1,143
Other income	4	459	36	35	47
Other items of expenses					
Exploration and evaluation expenses	–	–	–	–	(9,581)
General and administrative expenses	(24,103)	(7,946)	(8,914)	(8,342)	(8,759)
Other operating expenses	(409,697)	(2,106)	(2,893)	(2,162)	(3,836)
Finance expenses	(466)	–	–	–	–
Loss before tax	(434,185)	(9,344)	(10,440)	(9,476)	(20,986)
Income tax credit	535	14	173	248	624
Loss after tax	(433,650)	(9,330)	(10,267)	(9,228)	(20,362)

(b) Unaudited Pro forma Consolidated Statement of Financial Position of the Enlarged Group

The unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 30 June 2012 and 31 March 2013, after making such adjustments as were considered appropriate and assuming that the Enlarged Group had been in place on 30 June 2012 and 31 March 2013 respectively, is as follows:

(IDR' Million)	As at 30 June 2012	As at 31 March 2013
Non-current assets		
Exploration and evaluation assets	440	59,968
Mine properties	110	14,992
Property, plant and equipment	301	743
Inventories	–	30
Prepayments	3	–
Deferred tax assets	322	945
	1,176	76,678
Current assets		
Other debtors and deposits	40	1,113
Prepayments	84	221
Prepaid tax	1	–
Amounts due from related parties	25,431	–
Cash and cash equivalents	307,347	282,062
	332,903	283,396
Total assets	334,079	360,074
Current liabilities		
Trade payables	–	621
Other payables and accruals	23,112	25,006
Amounts due to related parties	–	581
Tax payable	155	80
	23,267	26,288
Net current assets	309,636	257,108
Total liabilities	23,267	26,288
Net assets	310,812	333,786
Equity		
Share capital	848,550	894,429
Accumulated losses	(547,462)	(581,354)
Foreign currency translation reserve	(201)	(958)
Merger reserve	(1,040)	(2,912)
Capital reserve	10,965	24,581
Total equity	310,812	333,786
Total equity and liabilities	334,079	360,074

10.13 Financial Effects of the Proposed Share Consolidation, the Proposed Acquisition and the Proposed Put Option

The pro forma financial effects of the Proposed Share Consolidation, the Proposed Acquisition and the Proposed Put Option on the Hartawan Group are set out below. The objective is to illustrate what the historical information might have been had the Proposed Share Consolidation, the Proposed Acquisition and the Proposed Put Option been completed at an earlier date. However, such information is not necessarily indicative that the results of operations or the financial position as illustrated would have been attained had the Proposed Share Consolidation, the Proposed Acquisition and the Proposed Put Option been completed at an earlier date. The pro forma financial effects in this section are based on the audited consolidated financial statements of the Hartawan Group for FY2012 and the unaudited pro forma consolidated financial statements of the Target Group for FY2012.

For the purpose of illustrating the financial effects of the Proposed Share Consolidation, the Proposed Acquisition and the Proposed Put Option, the financial effects are based on, *inter alia*, the following assumptions:

(i) The Hartawan Group's pro forma earnings and earnings per Share were computed assuming that the Proposed Share Consolidation, the Proposed Acquisition and the Proposed Put Option were completed on 1 July 2011;

(ii) The Hartawan Group's pro forma share capital and NTA were computed assuming that the Proposed Share Consolidation, the Proposed Acquisition and the Proposed Put Option were completed on 30 June 2012;

(iii) The aggregate 1,500,000,000 Consideration Shares and the 4,362,290 Advisory Shares were issued at the Issue Price of S$0.20 per Consideration Share and S$0.20 per Advisory Share, respectively, on 1 July 2011; and

(iv) There is no adjustment to the Purchase Consideration.

Share Capital

As at 30 June 2012	**No. of Shares**	**S$'000**
Issued and paid-up share capital before the Proposed Share Consolidation, the Proposed Acquisition and the exercise of the Proposed Put Option	812,139,411	76,091
After the Proposed Share Consolidation	676,782,840	76,091
Add: Issue of Consideration Shares	1,500,000,000	300,000
Add: Issue of Advisory Shares	4,362,290	872
Effects of reverse acquisition accounting	–	(262,530)
Issued and paid-up share capital after the Proposed Acquisition, the Proposed Share Consolidation and the exercise of the Proposed Put Option	2,181,145,130	114,433 (1)

Loss per Share

	Before the Proposed Share Consolidation, the Proposed Acquisition and the exercise of the Proposed Put Option	After the Proposed Share Consolidation, the Proposed Acquisition and the exercise of the Proposed Put Option
Loss after tax for FY2012 (S$'000)	(291)	(71,072)(2)
Weighted average number of Shares	812,139,411	2,181,145,130
Loss per Share (cents)	(0.04)	(3.26)

NTA

	Before the Proposed Share Consolidation, the Proposed Acquisition and the exercise of the Proposed Put Option	After the Proposed Share Consolidation, the Proposed Acquisition and the exercise of the Proposed Put Option
NTA as at 30 June 2012 (S$'000)	44,167	41,915 (1)
Number of Shares	812,139,411	2,181,145,130
NTA per Share (cents)	5.44	1.92

Notes:

(1) Based on closing exchange rate of S$1.00 to IDR7,415.24 as at 30 June 2012.

(2) Based on average exchange rate of S$1.00 to IDR7,143.40 for FY2012.

10.14 Dividend Policy

Shareholders and prospective investors should note that the Hartawan Group currently does not have a formal dividend policy. The Target Group has not declared, approved and paid any dividend for the Period Under Review and the period from 1 April 2013 to the Latest Practicable Date. The Target Group currently does not have a formal dividend policy.

There can be no assurance that dividends will be paid in the future or on the amount or timing of any dividends that may be paid in the future. The declaration and payment of any future dividends will depend upon factors such as operating results, financial position, cash requirements, expansion plans as well as any other factors deemed relevant by the new Board.

The Company may, by ordinary resolution of its Shareholders at a general meeting, declare dividends but the amount of such dividends shall not exceed the amount recommended by the new Board. The new Board may also declare interim dividends without seeking Shareholders' approval.

10.15 Exchange Controls

Please refer to "Taxation and Exchange Controls" as set out in Appendix XVI of this Circular for more information on exchange controls in Singapore and Indonesia.

10.16 Corporate Governance

Upon Completion and the appointment of the Proposed Directors to the new Board, the Audit Committee, Nominating Committee and Remuneration Committee will be reconstituted as follows:

New Audit Committee

The new Audit Committee will comprise Tan Cher Liang, Teo Kiang Kok and Seah Seow Kang Steven. The Chairman of the new Audit Committee is Tan Cher Liang.

The Independent Directors are not related to and do not have any existing business or professional relationship of a material nature with the Enlarged Group, the other Proposed Directors or the Substantial Shareholders of the Enlarged Group.

The new Audit Committee will assist the new Board in discharging their responsibilities to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Enlarged Group following Completion.

The new Audit Committee will provide a channel of communication between the new Board, the management and the external auditors on matters relating to audit following Completion. In order to facilitate the new Audit Committee to discharge its responsibilities, the management of the Company shall assist and provide the new Audit Committee with access to the information relating to the Enlarged Group.

The roles and function of the new Audit Committee include:

(a) review with the internal and external auditors the audit plan, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response and results of the audits conducted by the Enlarged Group's internal and external auditors;

(b) review the scope and results of the external audit and the independence and objectivity of the external auditors;

(c) review the half-yearly and annual, and quarterly, if applicable, financial statements and results announcements before submission to the new Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from audits, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory or regulatory requirements, so as to ensure the integrity of the financial statements of the Enlarged Group and any announcements relating to the Enlarged Group's financial performance;

(d) review and report to the new Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational compliance and information technology controls;

(e) ensure co-ordination between the external and internal auditors and the management, and review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary) and if necessary, appoint a suitable accounting firm as internal auditor for the Enlarged Group;

(f) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Enlarged Group's operating results or financial position, and the management's response;

(g) consider the appointment, remuneration, terms of engagement or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors;

(h) review and approve any transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

(i) review any potential conflicts of interest (if any) and to set out framework to resolve or mitigate any potential conflicts of interests;

(j) review the adequacy of potential business risk management processes;

(k) review the policy and arrangements by which staff of the Enlarged Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(l) undertake such other reviews and projects as may be requested by the new Board and report to the new Board its findings from time to time on matters arising and requiring the attention of the new Audit Committee;

(m) review and establish procedures for receipt, retention and treatment of complaints received by the Enlarged Group for, *inter alia*, criminal offences involving the Enlarged Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Enlarged Group; and

(n) generally to undertake such other functions and duties as may be required by the relevant statute or the Catalist Rules, and by such amendments made thereto from time to time.

Apart from the duties listed above, the new Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the Enlarged Group's operating results and/or financial position. Each member of the new Audit Committee shall abstain from reviewing any particular transaction or voting on such resolution in respect of which he is or may be interested in. The new Audit Committee will meet, at a minimum, on a quarterly basis.

The Target Group has commissioned KPMG Services Pte. Ltd., the internal auditors, to conduct a review and assessment of the pertinent business processes and operations of the Target Group, including:

(a) Inventory management;

(b) Cash management;

(c) Procurement and payables;

(d) Payroll and benefits;

(e) Fixed assets management; and

(f) Sales and credit management.

KPMG Services Pte. Ltd. had conducted a review and assessment of the adequacy and effectiveness of the design of the internal controls of the processes listed above and is satisfied that all “significant issues” noted in the course of their review have been adequately resolved. The Proposed Directors, with the concurrence of the new Audit Committee, is of the opinion that the current internal controls of the Target Group, addressing financial, operational and compliance risks are adequate to address financial, operational and compliance risks.

Suitability of the Enlarged Group’s proposed Vice President (Finance)

In considering the suitability of Chong Chin Fan as the proposed Vice President (Finance), the new Audit Committee has evaluated and assessed his capability and suitability. The new Audit Committee is of the view that Chong Chin Fan is a valuable member of the management team and will discharge his purview of the finance and accounting functions competently based on the following:

(a) Chong Chin Fan has more than 35 years of experience in audit, finance and accounting including more than 20 years of experience in financial and accounting matters of listed companies in Singapore;

(b) Chong Chin Fan is a Fellow of the Association of Chartered Certified Accountants of the United Kingdom and is a Fellow of the Institute of Singapore Chartered Accountants;

(c) Chong Chin Fan has been advising the Target Group on matters relating to the Proposed Acquisition since October 2011; and

(d) The absence of negative feedback on Chong Chin Fan from the Auditor and Reporting Accountant, Ernst and Young LLP.

Having regard to the above, and having made all reasonable enquiries, to the best of its knowledge and belief, the new Audit Committee is of the view that, Chong Chin Fan has the competence, character or integrity expected of the proposed Vice President (Finance) of the Enlarged Group.

Internal audit function

Upon Completion, the Enlarged Group will outsource the internal audit function. The Enlarged Group will appoint a suitable accounting firm, approved by the new Audit Committee, as the internal auditors to review and assess the adequacy and effectiveness of the Enlarged Group’s risk management and internal control systems addressing financial, operational and compliance risks of the Enlarged Group on an annual basis. The internal auditors will report directly to the new Audit Committee.

Before each annual internal audit, the internal auditors will propose an internal audit plan to the new Audit Committee and obtain the approval of the new Audit Committee before the internal auditors can proceed with the internal audit plan. The findings of such internal audit will be submitted by the appointed internal auditors to the new Audit Committee for their review.

<u>New Nominating Committee</u>

The new Nominating Committee will comprise Seah Seow Kang Steven, Tan Cher Liang, Teo Kiang Kok and Ngiam Mia Je Patrick. The Chairman of the new Nominating Committee is Seah Seow Kang Steven.

The new Nominating Committee will be responsible for:

(a) making recommendations to the new Board on relevant matters relating to, among others, the review of board succession plans for directors and re-nominations, having regard to the director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an independent director. All directors should be required to submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years;

(b) determining annually, and as when circumstances require, whether or not a director is independent, bearing in mind the circumstances set forth in the Code of Corporate Governance;

(c) developing a process for evaluation of the performance of the new Board, its committees and the directors;

(d) the review of training and professional development programs for the new Board;

(e) in respect of a director who has multiple board representations on various companies, deciding whether or not such director is able to and has been adequately carrying out his/her duties as director, having regard to the competing time commitments that are faced when serving on multiple boards and discharging his/her duties towards other principal commitments. The new Nominating Committee will propose guidelines to address competing time commitments that are faced when directors serve on multiple boards. The new Board should determine the maximum number of listed company board representations which any director may hold and disclose such number in the annual report; and

(f) reviewing and approving any new employment of related persons and the proposed terms of their employment.

The new Nominating Committee will decide how the new Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the new Board, which addresses how the new Board has enhanced long-term Shareholders' value. The performance evaluation will also include consideration of the Company's share price performance over a 5-year period *vis-à-vis* the Singapore Straits Times Index and a benchmark index of its industry peers. The new Board will also implement a process to be carried out by the new Nominating Committee for assessing the effectiveness of the new Board as a whole and for assessing the contribution by each individual director to the effectiveness of the new Board. Each member of the new Nominating Committee shall abstain from voting any resolutions and making any recommendations and/or participating in any deliberations of the new Nominating Committee in respect of the assessment of his performance or re-nomination as director.

Having regard to Guideline 4.4 of the Code of Corporate Governance 2012, each Proposed Director with multiple board representations has confirmed that each of them are able to devote sufficient time and attention to the affairs of the Enlarged Group.

In respect of the appointment of Teo Kiang Kok as the proposed Lead Independent Director of the Enlarged Group, the new Nominating Committee (excluding Teo Kiang Kok) and the Sponsor have noted that Teo Kiang Kok currently holds directorships in four (4) other companies which are listed on the SGX-ST, namely Hyflux Ltd, Jadason Enterprises Ltd, Memtech International Ltd and Ocean Sky International Limited.

Teo Kiang Kok has confirmed that he is able to devote sufficient time and attention to the affairs of the Enlarged Group. In this regard, they have also considered various factors, including the following:

(a) Teo Kiang Kok does not have any full-time executive commitments in any companies; and

(b) Teo Kiang Kok has maintained a good attendance record and has actively participated at the respective board and committee meetings of the four (4) other SGX-ST listed companies for which he currently acts as a director.

After making all reasonable enquiries and having considered the aforementioned, nothing has come to the attention of the new Nominating Committee (excluding Teo Kiang Kok) and the Sponsor to cause them to doubt that Teo Kiang Kok has the ability to commit sufficient time and attention to the affairs of the Enlarged Group.

In respect of the appointment of Tan Cher Liang as the proposed Independent Director of the Enlarged Group, the new Nominating Committee (excluding Tan Cher Liang) and the Sponsor have noted that Tan Cher Liang currently holds directorships in three (3) other companies which are listed on the SGX-ST, namely Boardroom Limited, Freight Links Express Holdings Limited and Kingsmen Creatives Ltd.

Tan Cher Liang has confirmed that he is able to devote sufficient time and attention to the affairs of the Enlarged Group. In this regard, they have also considered various factors, including the following:

(a) Tan Cher Liang does not have any full-time executive commitments in any companies; and

(b) Tan Cher Liang has maintained a good attendance record and has actively participated at the respective board and committee meetings of the two (2) other SGX-ST listed companies namely Boardroom Limited and Freight Links Express Holdings Limited for which he currently acts as a director.

Boardroom Corporate & Advisory Services Pte. Ltd. provides share registration services to Hartawan. The fees paid to Boardroom Corporate & Advisory Services Pte. Ltd. in the last three (3) financial years ended 30 June 2010, 2011 and 2012 were less than S$25,000. As such, the new Nominating Committee believe that the transactions between Hartawan and Boardroom Corporate & Advisory Services Pte. Ltd. will not affect the independence of Tan Cher Liang.

After making all reasonable enquiries and having considered the aforementioned, nothing has come to the attention of the new Nominating Committee (excluding Tan Cher Liang) and the Sponsor to cause them to doubt that Tan Cher Liang has the ability to commit sufficient time and attention to the affairs of the Enlarged Group.

In respect of the appointment of Seah Seow Kang Steven as the proposed Independent Director of the Enlarged Group, the new Nominating Committee (excluding Seah Seow Kang Steven) and the Sponsor have noted that Seah Seow Kang Steven currently holds directorship in one (1) other company which is listed on the SGX-ST, namely IPC Corporation Limited.

Seah Seow Kang Steven has confirmed that he is able to devote sufficient time and attention to the affairs of the Enlarged Group. In this regard, they have also considered various factors, including the following:

(a) Seah Seow Kang Steven is the partner of Seah Ong & Partners LLP, which is a law firm. Being a co-founder of Seah Ong & Partners LLP, he is able to manage his time and commitment in this area; and

(b) Seah Seow Kang Steven has maintained a good attendance record and has actively participated at the board and committee meetings of the SGX-ST listed company for which he currently acts as a director.

After making all reasonable enquiries and having considered the aforementioned, nothing has come to the attention of the new Nominating Committee (excluding Seah Seow Kang Steven) and the Sponsor to cause them to doubt that Seah Seow Kang Steven has the ability to commit sufficient time and attention to the affairs of the Enlarged Group.

The new Nominating Committee notes that Teo Kiang Kok in his 30 years of legal practice has advised on a wide range of corporate finance transactions, particularly securities offerings, mergers and acquisitions, joint ventures and strategic investments, including providing legal advice in relation to investments in mining companies undertaking iron ore and gold-mining in Australia, Indonesia and Cambodia. In view of the highly technical nature of the gold mining business, the new Nominating Committee will appoint a Lead Independent Director with the appropriate mining experience (the "**New Lead Independent Director**") before the end of 2013 to augment the capabilities of the new Board. In the interim from Completion to the appointment of the New Lead Independent Director, Teo Kiang Kok will assume the role of Lead Independent Director.

<u>New Remuneration Committee</u>

The new Remuneration Committee will comprise Teo Kiang Kok, Seah Seow Kang Steven, Tan Cher Liang and Wijaya Lawrence. The Chairman of the new Remuneration Committee is Teo Kiang Kok.

The new Remuneration Committee will review and approve recommendations on remuneration policies and packages that attract, retain and motivate directors and senior management to work towards the growth of the Enlarged Group, the protection and promotion of the interests of all Shareholders and the interests of improved corporate performance. The review of the remuneration packages takes into account the long-term interests of the Enlarged Group and ensures that the interests of the directors and senior management align with that of the Shareholders. The review covers all aspects of remuneration, including but not limited to, directors' salaries, fees, allowances, bonuses, options and benefits-in-kind. The new Remuneration Committee's recommendations will be submitted for endorsement by the entire new Board.

In addition, the new Remuneration Committee shall perform an annual review of the remuneration of employees related to the Enlarged Group's directors and Substantial Shareholders, with the assistance of expert advice inside and/or outside the Enlarged Group if needed, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will review and approve any bonuses, pay increases and/or promotions for these employees and will also review the Enlarged Group's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses.

Each member of the new Remuneration Committee shall abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the new Remuneration Committee in respect of his remuneration package or that of employees related to him.

<u>Board Practices</u>

The Proposed Directors are appointed by Shareholders at a general meeting and an election of directors is held annually. One third (or the number nearest to one third) of the new Board, are required to retire from office at each annual general meeting. Further, all directors are required to retire from office at least once in every three (3) years. However, a retiring director is eligible for re-election at the meeting at which he retires.

The new Board shall generally avoid approving the appointment of alternate directors. Alternate directors shall only be appointed for limited periods in exceptional cases such as when a director has a medical emergency. If an alternate director is appointed, the alternate director shall be familiar with the Enlarged Group's affairs, and be appropriately qualified. If a person is proposed to be appointed as an alternate director to an independent director, the new Nominating Committee and the new Board shall review and conclude that the person would similarly qualify as an independent director, before his appointment as an alternate director.

Directors' Training

The Enlarged Group shall ensure that all directors receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time.

10.17 Interested Person Transactions

In general, transactions between a company and its chief executive officer, director, Controlling Shareholder and/or their Associates are known as interested person transactions, for the purposes of Chapter 9 of the Catalist Rules.

Please refer to Section B14 entitled "Interested Person Transactions" of the Letter for more information on the interested person transactions undertaken by the Target Group within the Period Under Review and for the period from 1 April 2013 to the Latest Practicable Date.

Save as disclosed in this Circular, none of the interested persons of the Enlarged Group was and is interested in any material transactions undertaken by the Enlarged Group for the Period Under Review and for the period from 1 April 2013 to the Latest Practicable Date.

Review Procedures For Future Interested Person Transactions

The new Audit Committee will review all interested person transactions on a quarterly basis to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders by ensuring that the following policies are adopted by the management and reviewed by the internal auditors:

(a) in relation to any purchase of products or procurement of services from interested persons, quotes from at least two (2) unrelated third parties in respect of the same or substantially the same type of transactions will be used as a basis for comparison wherever possible. The purchase price or procurement price shall not be higher than the most competitive price of the two (2) comparative prices from unrelated third parties. The new Audit Committee will review the comparable factors, taking into account the suitability, quality and cost of the product or services and the experience and expertise of the supplier;

(b) in relation to any sale of products or services to interested persons, the price and terms of two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as a basis for comparison wherever possible. The interested persons shall not be charged at rates lower than that charged to the unrelated third parties;

(c) all interested person transactions above S$100,000 are to be approved by a director who shall not be an interested person in respect of the particular transaction. Interested person transactions below S$100,000 do not require such approval;

(d) any contracts to be made with an interested person shall not be approved unless the pricing is determined in accordance with the Enlarged Group's usual business practices and policies, consistent with the usual margin given or price received by the Enlarged Group for the same or substantially similar type of transactions between the Enlarged Group and unrelated parties and the terms are no more favourable than those extended to or received from unrelated parties;

(e) for the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between the Enlarged Group and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested persons are no more favourable than those extended to unrelated parties. In the event that it is not possible for appropriate information for comparative purposes to be obtained, the matter will be referred to the new Audit Committee which will determine whether the relevant price and terms are fair and reasonable and consistent with the Enlarged Group's usual business practice; and

(f) in addition, the Enlarged Group shall monitor all interested person transactions entered into by us and categorise these transactions as follows:

  (i) a "**Category 1**" interested person transaction is one where the value thereof is in excess of 3% of the NTA of the Enlarged Group; and

  (ii) a "**Category 2**" interested person transaction is one where the value thereof is below or equal to 3% of the NTA of the Enlarged Group.

  All "**Category 1**" interested person transactions must be approved by the new Audit Committee prior to entry, whereas "**Category 2**" interested person transactions need not be approved by the new Audit Committee prior to entry but shall be reviewed on a quarterly basis by the new Audit Committee. The Enlarged Group will prepare relevant information to assist the new Audit Committee in its review.

Before any agreement or arrangement that is not in the ordinary course of business of the Enlarged Group is transacted, prior approval must be obtained from the new Audit Committee. In the event that a member of the new Audit Committee is interested in any of the interested person transactions, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement will be recorded for review by the new Audit Committee.

The Enlarged Group will maintain a register where it will record all interested person transactions and will document details, including the bases on which the transactions are entered into, the quotations obtained to support such bases, the rationale for the transactions as well as the credit terms and actual payment periods applicable to the transactions, for review by the new Audit Committee.

The new Audit Committee will review such interested person transactions, at least on a quarterly basis, to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of each transaction and its supporting documents or such other data deemed necessary by the new Audit Committee. Where a member of the new Audit Committee member has an interest (directly or indirectly) in the transaction, he shall abstain from participating in the review of the transaction.

The new Audit Committee will also include the review of interested person transactions as part of its standard procedures while examining the adequacy of the Enlarged Group's internal controls. The new Board will also ensure that all disclosures, approvals and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with. In addition, such interested person transactions will also be subject to Shareholders' approval where required under Chapter 9 of the Catalist Rules.

10.18 Potential Conflict of Interests

In general, a conflict of interest arises when any of the Proposed Directors, Controlling Shareholders and/or their Associates of the Enlarged Group carries on or has any interest in any other corporation carrying on the same business or dealing in similar products as the Enlarged Group.

Save as disclosed in Section B14 entitled "Interested Person Transactions" of the Letter, the Proposed Directors confirm that none of the Proposed Directors, the Proposed Executive Officers and the Controlling Shareholders and/or their Associates of the Target Group, has any material interest, whether direct or indirect, in:

(a) any material transactions to which the Enlarged Group was or is a party;

(b) any company carrying on the same business or carrying on a similar trade as the Enlarged Group; and

(c) any enterprise or company that is the customer or supplier of goods or services of the Enlarged Group.

11. RISK FACTORS

(a) An investment in the Shares of the Company following the Completion involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, could be substantial and inherent in the Target Group's business.

(b) Shareholders should carefully evaluate the following considerations and all of the other information set forth in this Circular before deciding on how to cast their votes at the EGM. The following risk factors relate principally to the industry in which the Target Group operates and which the Enlarged Group will operate following Completion. Other considerations relate principally to general economic, regulatory and political conditions.

(c) Following Completion and after the exercise of the Proposed Put Option, if any of the following considerations, risks and uncertainties develop into actual events, the business, financial condition, results of operations, cash flows and prospects of the Enlarged Group, as the case may be, could be, directly or indirectly, materially and adversely affected.

(d) To the best of the Proposed Directors' knowledge and belief, and having made all enquiries that are reasonable under the circumstances, all risk factors which are material to Shareholders in making an informed judgment of the Target Group, the Proposed Acquisition and the Enlarged Group have been set out in this Circular. Following Completion, the risk factors in relation to the Target Group will also be relevant to the Enlarged Group.

(e) This Circular also contains forward-looking statements that involve risks and uncertainties. The actual results could differ materially from those anticipated or implied in these forward-looking statements as a result of certain factors, including the risks faced by the Enlarged Group described below and elsewhere of this Circular.

11.1 Risks relating to the Business and Industry of the Target Group

(a) The Target Group may not be able to discover new Ore Reserves in the Concession Blocks or acquire new concessions to maintain a commercially viable mining operation

As at the Latest Practicable Date, the Concession Blocks are the Target Group's only source of Ore Reserves available for extraction, production and sale. As indicated in the Independent Qualified Person's Report, the current Ore Reserves within the Concession Blocks, categorised as a Proved Reserve was estimated at 103.2 thousand tonnes ("**Kt**") of ore at a grade of 5.89g/t of Au, representing a total of 607.3kg of Au. Similarly, the current Ore Reserves within the Concession Blocks, categorised as a Probable Reserve was estimated at 2,337.3 Kt of ore at a grade of 7.16g/t of Au, representing 16,726.3kg of Au ("**Current Gold Ore Reserves**"). While the Target Group is continually carrying out resource, exploration and development works such as drilling, boring and surveying to further evaluate and develop the gold resources and/or reserves estimates as well as obtain new geological data within the Concession Blocks, it may be unable to further evaluate and develop its gold resources and reserves. Furthermore, actual results upon production may differ from those anticipated at the time of discovery.

In order to maintain gold production beyond the life of the Current Gold Ore Reserves, the Target Group may also acquire other concessions with prospects for mineable gold reserves. There is no assurance that the Target Group will be able to acquire suitable concessions (or companies owning suitable concessions) under which there are sufficient gold reserves and/or resources for exploitation due to various reasons, such as the availability of suitable acquisition or investment targets, the availability of financing and competition for those acquisition or investment targets, particularly from other companies with greater resources. If the above-mentioned develop into actual events, they will adversely affect the Target Group's business, financial condition and performance, results of operations and business prospects.

(b) The Target Group has a limited operating history and it does not have track record of carrying out production operations as a mine owner

PT WWI ventured into the gold mining business in 2009 after the acquisition of PT LTC. The Target Group commenced extraction of gold ore in September 2012 in fulfillment of one of the conditions precedents to Completion, but has not processed such ore into gold dore for sale. Although its management and technical consultants and staff possess the relevant experience and expertise in gold mining development and production, including one of the Proposed Executive Officers, Yusuf Hermawan Jatikusumo, who has working experience in several mining related companies, there is no assurance that the growth and future performance of the Target Group will be successful. The failure of the Target Group to generate revenue and profit from its gold mining activities could have an adverse impact on the development of and future production from the Concession Blocks, which in turn could have an adverse effect on the Target Group's business, financial condition and performance, results of operations and business prospects.

(c) The Target Group's business, revenues and profits will be affected by the volatility of prices for gold and the global economy

The Target Group's financial performance will be highly sensitive to changes in the prices of gold. The price of gold fluctuates and is affected by numerous factors, including expectations with respect to the rate of inflation, exchange rates, interest rates, global and regional political and economic crises and governmental policies with respect to gold holdings by central banks. The demand for and supply of gold affect gold prices, but not necessarily in the same manner as demand for and supply of other commodities affect the prices of other commodities.

The Target Group's business, financial condition, performance and business prospects are dependent upon the prices, demand for and supply of, gold, in addition to the global economy. Declines in gold prices and any economic downturn may adversely affect its business, revenues and profits. Its profitability is, and will largely be determined by the difference between the prices received for gold that the Target Group produces and the costs of producing and selling the gold dore produced. Historically, international prices for gold have fluctuated widely in response to a variety of factors. The Target Group does not, and will not, have control over the factors affecting international prices for gold. Such factors include, but are not limited to, the following:

(i) global and regional political developments in gold-producing regions;

(ii) the ability of the gold-producing nations to set and maintain gold production levels and prices;

(iii) other actions taken by major gold-producing or consuming countries;

(iv) global and regional demand for and supply of gold;

(v) domestic and foreign government regulations; and

(vi) global and regional economic and political conditions.

The Target Group expects that there may be continued volatility and uncertainty in international prices for gold in the future, and accordingly, its revenue and profit in any financial reporting period may be subject to significant volatility.

(d) The Target Group's actual operating costs may differ significantly from estimates, which may have an adverse impact on its financial performance and condition and results of operations

The operating costs of the Target Group are based on certain estimates and assumptions with respect to the method and timing of mining activities. By their nature, these estimates and assumptions, such as the period of mine life, overall mining capacity and utilities tariffs are subject to significant uncertainties, including actual mining capacity, which in turn may be affected by, among others severe weather conditions, natural disasters, availability of necessary equipment and supplies, fluctuating prices; and changes in regulations or the regulatory climate. The actual costs may materially differ from such estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice and in the event that the Target Group has underestimated its operating costs, its financial performance and condition and results of operations will be adversely affected.

(e) The Target Group's actual ore processing capacity and production schedule may differ significantly from the Target Group management's expectations

The estimated ore processing capacity and production schedule of the Target Group are based on certain estimates and assumptions, which include, *inter alia*, the expected completion of the construction of the Target Group's processing plant(s) in 2014, the adoption of a processing method and a continuous working scheme of 300 working days per annum (with three (3) shifts per day and eight (8) hours per shift). These estimates and assumptions are subject to significant uncertainties, such as the interpretation of geologic data, variations in the execution of mining and processing plans, unexpected delays in the construction of the processing plant(s), and, the inability to meet production schedules. The Target Group's actual ore processing capacity may differ materially from expectations and assumptions of the management of the Target Group. Accordingly, no assurance can be given that the expected ore processing capacity, production schedules and the underlying assumptions will be realised in practice and in the event that the actual ore processing capacity and production schedules differ significantly from the expectations of the Target Group's management, the Target Group will not be able to achieve the anticipated level of production and profitability.

(f) The Target Group will be adversely affected by any significant or prolonged disruption to its ore processing facilities

The Target Group faces various operational risks at its ore processing facilities when they are constructed. Any prolonged and/or significant downtime arising from major and unexpected repairs or servicing or the mechanical failure of any of its major plants, machinery and/or equipment that result in major disruptions to its operations and could cause the Target Group to be unable to process the ore, either within a short period of time or at all, which could lead to a significant decrease in production rate or production quality.

Additionally, ore processing facilities are also subject to a number of risks, such as fires, floods, explosions, natural disasters, spills from storage tanks, third-party interference, disruptions in the supply of water or electricity, war or terrorism and communal unrest. This could lead to significant disruption to its operations or result in significant damage to the Target Group's ore processing facilities or stockpile. These hazards could result in environmental pollution, personal injury or wrongful death claims and other damage to the properties of the Target Group. These may materially and adversely affect the Target Group's business, financial performance and condition, results of operations and business prospects.

(g) The Target Group is required to obtain, maintain and renew certain licences and approvals to conduct its business and operations

The Target Group requires various licences and approvals from the government (whether at the central government or regional government level) and other government agencies to conduct its business and operations. These licences and approvals include general corporate, mining, manpower and environmental approvals. The Target Group must renew its licences and approvals as and when they expire, as well as obtain new licences and approvals when required. Existing licences or approvals may be revoked by the government due to the following reasons: (i) violation of the provisions stated in the licences or applicable regulations (including inappropriate use of licence); or (ii) non-fulfilment of obligations as required by the specific licence or applicable regulation. There is no assurance that the government will not revoke the Target Group's existing licences and approvals for whatever reason or decline to issue or renew the licences or approvals that the Target Group requires. A failure to obtain or renew, or a loss of, any requisite licence or approval could have a material adverse effect on its business, financial performance and condition, results of operations and business prospects.

In addition, the Target Group is also required to comply with reporting obligations to the relevant governmental authorities and/or fulfil certain stipulated conditions in accordance with the provisions and procedures set forth in its licences. The failure of the Target Group to comply with the reporting obligations and/or fulfil certain stipulated conditions may cause the Target Group to be subject to, amongst others, an administrative penalty in the form of a warning and revocation of the relevant licence, as the case may be. For instance, the various licences, permits and approvals that the Target Group requires for its operations may be suspended or revoked if it fails to comply with the stipulated continuing requirements such as:

- submission of work and budget plans, comprising the plan for the upcoming year and the yearly realisation activities;
- submission of quarterly activity report;
- payment of royalty in accordance with the applicable laws; and
- sale of products to affiliated parties being subject to the market price.

Further, changes in the relevant legislation and regulations or changes in the interpretation or implementation of the relevant legislation and regulations could also result in consequences which would adversely affect the Target Group's business, financial performance, financial condition, results of operations and prospects. These consequences include, but are not limited to, (i) additional costs arising from increased compliance activities, capital expenditures and increased royalty and tax payments; (ii) restrictions and delays in the production operations of the Concession Blocks; and/or (iii) further restrictions on foreign participation in the gold mining industry or nationalisation of mining assets, the extent of which cannot be predicted.

(h) The Target Group's mining operations are subject to risks relating to the tenements and/or leases of the Concession Blocks

Certain areas of the Concession Blocks overlap with the plantation areas which are currently owned by third parties. As at the Latest Practicable Date, the Target Group does not carry out any mining operations in these overlapping plantation areas. The Target Group would be required to obtain the land use rights of these properties in the future before it can utilise the overlapping plantation areas for mining operations. Acquisitions of land use rights would ordinarily require the payment of compensation to the respective third party land owners. Such acquisition of the land use rights from third parties are subject to negotiations, the outcome of which may be uncertain. In the event that the Target Group is unable to acquire the necessary land use rights from the third parties for its mining operations, or if the third parties require large amounts of compensation for such land use rights, the business, financial performance and condition, results of operations and business prospects of the Target Group will be adversely affected.

In addition, certain areas of the Concession Blocks also overlap with the forestry areas which are administered under the management of the Perum Perhutani, the Indonesian state-owned forestry company. Mining activities in the forestry areas are governed by forestry laws and require permits and licences from the Indonesian government, such as the "borrow-use" permit (*Izin Pinjam Pakai Kawasan Hutan*) from the Minister of Forestry. As at the Latest Practicable Date, the Target Group does not carry out any mining operations in these overlapping forestry areas. The Target Group would be required to apply for such permits in the future before it can carry out mining operations in such overlapping forestry areas. Furthermore, there is no assurance that areas within the Concession Blocks which are not currently designated as forestry areas will not be subsequently designated as forestry areas. In the event that additional areas within the Concession Blocks are designated as forestry areas, the Target Group will not be able to carry out mining activities in such areas without such requisite permits and licences. If the Target Group is not successful in its application for the relevant permits to carry out mining activities in these overlapping forestry areas, its business, financial performance and condition, results of operations and business prospects will be adversely affected.

Furthermore, as at the Latest Practicable Date, the Target Group's production operations in respect of the Concession Blocks will be carried out on approximately 28.3 hectares of certified land located at the Deposits. These lands are owned by Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono, who have in turn leased them to the Target Group for its mining operations by way of the Land Borrow Agreements. These agreements shall terminate upon the expiration period of the agreement, which is 17 years as from 20 March 2013 until 8 September 2030, subject to any extension thereof.

The Target Group faces the possibility of a change in the terms and conditions of the leases which may be unfavourable to them or even the non-renewal of the leases. Any proposed renewal of the leases on significantly less favourable terms, whether in terms of an increase in rental expense, a decrease in the tenure of the leases, a decrease in the size of tenanted boundaries or otherwise, may increase the Target Group's costs or disrupt their operations. There is no assurance that such leases will be renewed or renewed on terms and conditions acceptable to the Target Group. In particular, in the event of termination of any of the Land Borrow Agreements after the expiration period of the agreement, the Target Group may not be able to carry out mining operations on the affected area. In any of such events, the Target Group's business, financial performance and condition, results of operations and business prospects may be materially and adversely affected.

(i) There is no assurance that the Target Group will attain profitability or that its profitability will increase

Based on its unaudited pro forma consolidated income statement of the Target Group, the Target Group reported net losses of approximately IDR1.1 billion and IDR12.6 billion for FY2012 and 9M2013 respectively, as the Target Group had not commenced production and sale of gold dore. After Completion, the Target Group expects its operating expenses to increase in the near term in line with its expansion plans as set out under Section B10.1 entitled "Business Strategies and Future Plans" of the Letter. In addition, the Target Group would not generate any revenue in FY2014 as the production and sale of gold dore is expected to commence in FY2015 after the completion of the construction of the processing plant(s) in 2014. There can be no assurance that Target Group will be able to generate significant revenue and to attain profitability in any future period or if attained, the Target Group may not be able to sustain profitability.

The Target Group is subject to risks inherent in the operation of a gold mining company with a relatively short operating history and there can be no assurance that it will be able to successfully address these risks. Any adverse events relating to the Target Group's business or a significant shortfall of revenue in relation to its expectations or any material delay in the commencement of the production and sale of gold dore will have an adverse effect on the Target Group's business, operating results and financial condition.

(j) The business of the Target Group is capital intensive and may require financing for future growth

Exploration, evaluation and mining activities are capital intensive. Although the Target Group has identified its future growth plans as the avenues to pursue growth in its business, as set out in Section B10.1 entitled "Business Strategies and Future Plans" of the Letter, it may not be able to obtain sufficient funding to fully cover the costs of implementing its expansion plans. In particular, substantial additional funds are required if it wishes to expand its ore extraction and processing capacity and facilities. Failure to raise the required capital in future on acceptable terms, or at all, will limit the Target Group's expansion and growth.

The Target Group may, from time to time, obtain additional capital through debt or equity financing to fund its capital expenditures. Financing through the issue of new equity securities may result in dilution to the holders of Shares and such new equity securities may have rights, preferences or privileges senior to those of existing Shareholders. Additional debt financing, if obtained, may expose the Target Group to covenants imposed by the financial institutions or lenders. These covenants may include, among others, restrictions on the payment of dividends or requirements for the Target Group to dedicate a substantial portion of its cash flow from its operations to the payments of its debt. All these restrictions will reduce the availability of the Enlarged Group's cashflow to fund capital expenditures, working capital and other general corporate purposes and limit its flexibility in planning for, or reacting to, changes in its business and industry.

There is no assurance that the Target Group's profitability will increase significantly or that it will not incur losses after its capital investment, due to a potential increase in operating and financing costs incurred to finance the Target Group's growth and expansion and lower-than-expected increase in turnover. This increase in operating and financing costs without a corresponding increase in turnover, will have a negative impact on the Target Group's results of operations. In the event that any of the above events materialise, its future growth, business, financial performance and condition, results of operations and business prospects will be adversely affected.

(k) The Target Group's future cash flow, results of operations and financial condition will be affected if it fails to achieve its production targets

Estimates of future production for the mining operations of the Target Group are subject to change and are based on various assumptions. The production targets are based on, among other things, reserve estimates, assumptions regarding ground conditions and physical characteristics of ore (such as hardness and presence or absence of certain metallurgical characteristics), estimated capital expenditures and rates and costs of production. Actual production may also vary from the production targets for a variety of other reasons, including the following:

(i) the actual ore mined, varying from estimates in grade and tonnage as well as metallurgical and other characteristics;

(ii) lower-than-estimated recovery rate;

(iii) mining dilution;

(iv) pit wall failures or cave-ins;

(v) industrial accidents;

(vi) equipment failures;

(vii) natural phenomena, such as inclement weather conditions, floods, blizzards, droughts, rock slides and earthquakes;

(viii) the encountering of unusual or unexpected geological conditions;

(ix) changes in power costs and potential power shortages;

(x) increase in costs of and shortages of principal supplies needed for operation, including fuels, equipment parts and lubricating oil;

(xi) litigation; and

(xii) restrictions imposed by government authorities.

The occurrences of any of the above events could result in damage to mineral properties, interruptions in production, injuries or deaths, damage to the properties and assets of the Target Group or others, monetary losses and legal liabilities. These factors may cause a mineral deposit, which had been mined profitably in the past, to become unprofitable. Mining operations frequently experience unexpected problems. Delays or interruptions can often occur in various stages of production. As the Target Group is in the preliminary stage of mine development with limited ore production, it is possible that actual cash operating costs and economic returns will differ significantly from those that are estimated. There is no assurance that the Target Group will be able to realise the estimated recovery rate at the Concession Blocks in the future and in such event, the Target Group's business, financial performance and condition, results of operations and business prospects may be adversely affected.

(l) The Target Group's reported gold reserves and resources are only estimates of the actual amounts of gold reserves and resources in the Concession Blocks and are based on exploration data, various assumptions and technical uncertainties which may change

The estimates relating to the gold reserves and resources which the Target Group had included in this Circular are only estimates of the size of the gold deposits located within the Concession Blocks which have been discovered but not yet recovered. The gold reserves are only estimates of the gold deposits that can be economically recovered. The classification of reserves as either proved or probable indicates a different level of confidence. Probable reserves carry a higher risk, are generally believed to be less likely to be recovered and are estimated with a lower level of confidence as compared to proved reserves.

Estimations of the quantities of gold reserves and/or resources, by their nature, cannot be made with complete certainty as they are based on certain estimation methodology and procedures, various assumptions regarding sampling data and professional engineering judgment. There is no assurance that the estimates relating to the gold reserves and resources are accurate. If the data on which the gold reserves and resources estimates were based on are incorrect, it may affect the accuracy of the information. In addition, the gold reserves and resources estimates are subject to future revisions, either upward or downward, as a result of the future resource development works, or as additional information becomes available.

Should there be changes to any significant factors, assumptions and professional opinions or inaccuracy of data or estimation methodology and procedures on of which the resources and reserves estimates were calculated and accordingly, the amount of actual resources and reserves are lower than initially estimated, the valuation, financial conditions and results of operations of the Target Group will be adversely affected.

(m) The Target Group's business and results of operations will be affected if it fails to maintain or enhance existing mining operations

Mining exploration is unpredictable in nature. The success of any mining exploration programme depends on various factors including, among other things, (i) whether ore bodies can be located; (ii) whether the location of ore bodies are economically viable to mine; (iii) whether appropriate metallurgical processes can be developed and appropriate mining and processing facilities can be economically constructed; and (iv) whether necessary governmental permits, licences and consents can be obtained. In order to maintain production of gold dore beyond the Current Gold Ore Reserves, the Target Group must identify further reserves capable of economical exploitation. However, due to the unpredictable and speculative nature of the mining industry, there is no assurance that any exploration programme will result in the discovery of additional resources and/or reserves. There is also no assurance that reported resources can be converted into reserves.

To access additional reserves and resources, the Target Group will need to successfully complete feasibility studies to determine whether to undertake further significant exploration and exploitation in other prospect areas in the Concession Blocks. Actual exploration and exploitation results may differ significantly from those anticipated by the feasibility studies. In addition, there are a number of uncertainties inherent in the extension of the current mine operations at the Concession Blocks, including: (i) the availability and timing of necessary governmental approvals; (ii) the timing and costs necessary to construct mining and processing materials, equipment and other facilities; (iii) the availability and cost of labour, utilities, auxiliary materials and other supplies and the accessibility of transportation and other infrastructure; and (iv) the availability of funds to finance construction and production activities. Accordingly, there is no assurance that any future exploration activities or development projects will extend the life of the Target Group's existing mining operations or result in any new economical mining operations.

(n) The Target Group is dependent on key and skilled personnel and its ability to operate efficiently and effectively could be impaired if it is unable to retain certain key personnel or attract and retain skilled personnel

The Target Group manages its business with a number of key and skilled personnel who possess industry knowledge and technical expertise. The Target Group relies on skilled personnel to operate key plant, equipment and machinery and other general mine site infrastructure and equipment. There is no assurance that the Target Group will be able to continue to retain the services of its key and skilled personnel or that it will be able to attract and retain skilled personnel in the future. If the Target Group is not able to retain or attract or train key or skilled personnel, its business, financial performance and condition, results of operations and business prospects will be adversely affected.

(o) The Target Group may be required to outsource certain works to technical consultants and professionals in the course of its business and faces the risk of failure to deliver or perform by its suppliers and contractors

The Target Group's industry and business require a high level of technical expertise. The Target Group may be required to engage the services of, or outsource certain work to technical consultants and professionals in the course of its business. In the event the Target Group engages or outsources work to these technical consultants and professionals, it will be exposed to risks arising from the technical abilities and work quality of these technical consultants and professionals. Depending on the terms of work engagement, the Target Group may face delays in production schedule as a result of non-performance by the technical consultants and professionals. There is no assurance that the Target Group will be able to successfully engage or outsource work to suitable technical consultants and professionals, or if it is able to successfully engage or outsource work, the technical consultants and professionals may not be able to deliver their work on schedule, although such work will be monitored by the Target Group to ensure proper delivery. If the Target Group is unable to successfully engage or outsource work to suitable technical consultants and professionals and/or if there is any inability by the relevant technical consultants and professionals to deliver their work on a timely basis, the Target Group's business, financial performance and condition, results of operations and business prospects will be adversely affected.

(p) The Target Group may not be able to contract the services of mining services companies for part of its mining activities in the event of capacity shortages arising from disruptions to its business operations and/or acquisition of additional mining concessions

Article 36 paragraph 2 of the New Mining Law stipulates that holders of Exploration IUP and Production Operations IUP may conduct part or all of its mining activities. It can also appoint and utilise a mining service company for limited mining activities, subject to the relevant laws and regulations. In the event of capacity shortages which may arise due to disruptions to the Target Group's business operations and/or the acquisition of additional mining concessions, the Target Group may be required to outsource some of the mining activities which are allowed to be outsourced under the New Mining Law to mining service companies. There is no assurance that the Target Group would be able to obtain such services and on terms favourable to the Target Group. This may result in consequential delays or further disruptions to the Target Group's mining activities, which could in turn materially and adversely affect its business, financial performance and condition, results of operations and business prospects.

(q) The Target Group has significant obligations relating to environmental protection and rehabilitation

The Target Group's production and operations are subject to the environmental laws, rules and regulations of Indonesia, relating to, among others, the prevention of pollution of the air, the earth and water, the treatment and discharge of hazardous wastes and materials as well as environmental rehabilitation.

Environmental hazards may occur in connection with the Target Group's operations as a result of human negligence, force majeure or otherwise. Environmental risks arising from the mining activities of the Target Group at the Concession Blocks include potential soil erosion and sedimentation, dust and gas emissions and production of hazardous materials arising from the processing of ore. The occurrence of any environmental hazards may delay production, increase production costs, cause personal injuries or property damage, result in liabilities incurred by the Target Group and/or damage the Target Group's reputation. Such incidents may also result in a breach of the conditions of the Target Group's environmental approvals and/or mining rights or other consents, approvals or authorisations, which may result in fines, penalties, or even possible revocation of the Target Group's mining rights. If any of such event materialises, the Target Group's business, financial performance and condition, results of operations and business prospects will be adversely affected.

In the future, the Target Group may experience increased costs of production arising from compliance with environmental laws and regulations. Moreover, the development of the Indonesian economy and the improvements in the living standards of the population may lead to a heightened awareness of environmental protection. As a result, it is possible that more stringent environmental laws, regulations and policies may be implemented in the future, or that the existing environmental laws, regulations and policies may be more strictly enforced. The Target Group may not always be able to comply with existing or future laws, regulations or policies in relation to environmental protection and rehabilitation economically or at all. Should it fail to comply with any such existing or future laws, regulations or policies, the Target Group may be subject to penalties and liabilities under Indonesian laws and regulations, including but not limited to, warnings, fines, prosecution, suspension of production and closure of the facility that fails to comply with the relevant environmental standards. In addition, it may also be subject to actions by environment protection groups or other concerned persons who object to the actual or perceived environmental impact of the Target Group's mining operations or other actual or perceived conditions at the mine. These actions may delay or halt production or may create negative publicity related to the Target Group's mine. Accordingly, its operations and financial condition will be adversely affected.

As at the Latest Practicable Date, the Target Group does not have any environmental violations in its mining operations. The Target Group also cannot assure that its contractors will not violate any environmental laws and regulations in its operations that may be attributable to the Target Group. The Target Group may face potential material environmental liabilities that they are not aware of, which could have a material adverse effect on the Target Group's business, financial performance and condition, results of operations and business prospects.

(r) The Target Group's operations are subject to regulations and risks in relation to production safety and the occurrence of accidents

The Target Group is subject to laws, rules and regulations imposed by the Indonesian government regarding occupational safety and health. In particular, the Target Group's mining operations involve the handling and storage of explosives, hazardous chemicals and other dangerous articles as well as the use of various types of heavy machinery. The Target Group may experience increased costs of production to comply with occupational safety and health laws and regulations. There can be no assurance that more stringent laws, regulations or policies regarding occupational safety and health will not be implemented or that the existing laws, regulations and policies will not be more stringently enforced. The Target Group may not be able to comply economically with all existing or future laws, regulations and policies in relation to occupational safety and health issues economically or at all. Should the Target Group fail to comply with any occupational safety and health laws or regulations, the Target Group may be required to rectify such related occupational safety and health problems within a period prescribed under the laws and regulations or as prescribed by the regulatory authorities. Failure to rectify any problem could lead to suspension of the Target Group's operations, and offences committed against the laws and regulations could in turn lead to penalties involving mandatory fines and/or imprisonment. In addition, there can be no assurance that accidents arising from the mishandling of dangerous articles will not occur in the future. Should the Target Group fail to comply with any relevant laws, regulations or policies or should any accident occur as a result of the mishandling of dangerous articles, the Target Group's business, financial performance condition, results of operations and business prospects may be adversely affected, and it may be subject to penalties, civil liabilities or criminal liabilities.

Additionally, the occurrence of accidents may disrupt or result in a suspension of the Target Group's operations, increase production costs, result in liabilities incurred by the Target Group and/or damage the Target Group's reputation. Such incidents may also result in a breach of the conditions of its mining licences, or any other consents, approvals or utilisation, which may result in fines and penalties, or even possible revocation of the Target Group's mining licences, which will adversely affect its business, financial performance and condition, results of operations and business prospects.

(s) The Target Group is susceptible to operating risks common in the gold mining industry and which may result in claims and losses for which it may not have sufficient insurance coverage

The Target Group is susceptible to operating risks common to the gold mining industry, including, but not limited to, increases in operating costs due to inflation, increases in labour costs and other expenses as well as adverse fluctuations of international pricing. Other industry operating risks include the risk of fire, explosions, blow-outs, abnormal geological formations, mining mishaps, severe seismic activities, flooding, extended interruptions due to inclement or hazardous weather conditions, natural disasters and environmental hazards such as gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these risks and hazards could result in substantial losses to the Target Group, due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Such losses may have a material adverse effect on the Target Group's business, financial performance, financial condition, results of operations and prospects. Damages occurring as a result of such risks may give rise to claims against the Target Group which may not be covered, in whole or part, by insurance. While the Target Group intends to and will endeavour to obtain sufficient insurance coverage for its business, certain types of losses and/or claims such as acts of God, acts of terrorism, war and civil disorder are generally very costly to insure against and it may not be practical, cost-effective or within the Target Group's financial ability to obtain sufficient insurance coverage, if at all, for such losses and/or claims. In the event such losses and/or claims are not adequately covered, if at all, by insurance, its business, financial performance and condition, results of operations and business prospects may be materially and adversely affected.

(t) Severe weather conditions, natural disasters and other events beyond its control could materially and adversely affect its business and results of operations

Severe weather conditions, including heavy rainfall and natural disasters such as landslides, earthquakes, fire hazards and floods, and other events beyond the Target Group's control may require the Target Group to evacuate personnel or curtail operations and may result in damage to the Target Group's mines at the Concession Blocks, equipment and facilities, which could result in the temporary suspension of operations or a reduction in the Target Group's productivity. During periods of curtailed activity due to adverse weather conditions, natural disasters or other events beyond the Target Group's control, the Target Group may continue to incur operating expenses although production has slowed down or ceased altogether. Any damages to the Target Group's projects or delays in its operations caused by severe weather conditions, natural disasters or other events beyond the Target Group's control could materially and adversely affect the Target Group's business, financial performance and condition, results of operations and business prospects.

(u) The Target Group may be subject to foreign exchange exposure and currency fluctuations in the event of export

Once the Target Group commences the sale of its mined ore or gold dore, it envisages such sales to be priced in the IDR. However, gold prices are quoted and traded in the US$. As such, sales may be settled in the US$. In addition, the Target Group's operating expenses are denominated in the IDR. For FY2012, 6.6% of the Target Group's expenses are determined in the IDR. To the extent that the Target Group's future export revenue is not entirely matched in the same currency, and to the extent that there are timing differences between the invoicing and collection or payment, as the case may be, the Target Group will be exposed to any adverse fluctuations of currency exchange rates. Any significant fluctuations in the currency exchange rates could adversely affect the financial performance and condition of the Target Group.

(v) The Target Group's operations may negatively impact the local communities

The impact of the operations of the Target Group may negatively impact the local communities. For example, properties of the local villagers may be affected by the tunneling works of the Target Group. There may also be noise disturbances due to the operations of the Target Group. In addition, the local communities may become disenchanted from in-migration and disturbance from traffic from mine operations, as well as be affected by the loss of jobs which occurs in the event of mine closure. Consequently, local dissatisfaction from the local communities at the Concession Blocks with the Target Group may arise. If the Target Group is not able to deal with such social issues properly, it may erode support among the local communities, and cause damage to the reputation of the Target Group, which could adversely affect its business and operations, and in turn, financial performance.

(w) Mining operations of the Target Group have a finite life and the eventual closure of these operations will entail costs and risks regarding ongoing monitoring and compliance with environment standards

Mining operations of the Target Group have a finite life and will eventually be closed. The key costs and risks for mine closures include the following:

(i) long-term management of permanent engineered structures and acid rock drainage;

(ii) achievement of environmental closure standards;

(iii) orderly retrenchment of employees and third party contractors; and

(iv) relinquishment of the site with associated permanent structures, community development infrastructure and programmes to new owners.

The successful completion of these tasks is dependent on the ability to successfully implement negotiated agreements with the relevant government, community, employees and third party contractors. The consequences of a difficult closure range from increased closure costs and handover delays to ongoing environmental rehabilitation costs and damage to the reputation of the Target Group if desired outcomes cannot be achieved, which could materially and adversely affect its business and results of operations.

(x) The Target Group had negative working capital for the Period Under Review

The Target Group had negative working capital (current assets less current liabilities) for the Period Under Review. The negative working capital was due mainly to the use of short term financing to fund the capital expenditure of the Target Group. As such, the Target Group is subject to the risk that its current assets will be insufficient to meet its obligations under the current liabilities. In such event, additional capital, debt or other forms of financing may be required for additional working capital. If any of the above-mentioned events occur and the Target Group does not have sufficient internal resources and is unable to raise additional capital, debt or other financing for its working capital requirements by any reason whatsoever, the business, operating results, liquidity and financial position of the Target Group will be adversely affected.

11.2 Risks relating to Indonesia

(a) The Target Group's operations are affected by changes in existing and adoption of new Indonesian government laws and regulations and/or the changes in interpretation of the Indonesian government laws and regulations as well as possible inconsistencies between the various Indonesian government laws and regulations and/or the corresponding interpretation

The Target Group's operations in Indonesia are regulated by the laws and regulations of Indonesia, including those relating to the corporate, investment, mining, marketing and transportation of gold, labour, environmental, safety and taxation matters. The laws and regulations and its corresponding interpretations are sometimes ambiguous, especially in the absence of implementing regulations, which provide guidance on the implementation and application of the laws and regulations.

For instance, both (i) Government Regulation regarding Share Ownership in Companies Established within the Framework of Foreign Investment, namely, Government Regulation No. 20 of 1994 as amended by Government Regulation No. 83 of 2001; and (ii) Law No. 25 of 2007 are regulations and laws duly passed by the Indonesian Government in respect of the treatment of the subsidiaries and sub-subsidiaries of companies converted into PMAs. Neither of these regulations and laws (i) contain any clear provision requiring the conversion of the subsidiaries and/or sub-subsidiaries of PMAs into PMAs; nor (ii) provides for sanctions against non-conversion of such subsidiaries and sub-subsidiaries as well as timelines for such conversions. There are also (i) no enforcement mechanisms or bodies in Indonesia equipped with enforcement powers for the purpose of enforcing the conversion of the subsidiaries and/or sub-subsidiaries of PMAs into PMAs; and (ii) guidelines and/or implementing regulations issued by the Indonesian Government providing further clarity and guidance on the application, interpretation, scope and extent of these laws. In the absence of enforcement, guidelines and/or implementing regulations, there is uncertainty regarding how these laws will be applied by the relevant government bodies.

As at the Latest Practicable Date, Government Regulation No. 20 of 1994 as amended by Government Regulation No. 83 of 2001 and/or Law No. 25 of 2007 only generally provide that the main requirement for direct foreign investment is that the foreign investment must take the form of a limited liability company under Indonesian law and be domiciled within the territory of the state of the Republic of Indonesia, unless provided otherwise by law. In addition, every investor shall be responsible for the following:

(i) guarantee that the capital availability derived from sources is not against the laws and regulations;

(ii) assume and settle any obligation and damage under laws and regulations if an investor ceases, leaves or abandons his/her business activities in a unilateral manner;

(iii) create a fair competition business climate, to prevent monopolistic practices, and other matters that are detrimental to the state;

(iv) keep the environment sustainable;

(v) create workers' safety, health, amenity, and welfare; and

(vi) comply with all laws and regulations.

In the event the Indonesian government passes and/or issues additional laws and regulations, including but not limited to implementing regulations clarifying the conversion requirement of subsidiaries and sub-subsidiaries of PMAs, and such additional laws and regulations which will deem the Target Group's other subsidiaries (if any) as PMA companies, such subsidiaries of the Target Group would be required to be converted into PMAs by way of registration with BKPM.

The Target Group's operations may be adversely affected by the adoption of new laws and regulations or changes to, or changes in the interpretation or implementation of, existing laws and regulations which, in turn, could have a material adverse effect on its business, financial condition, results of operations and prospects. The Target Group's costs of compliance may also increase.

(b) The Target Group's share of future profits and operational control in its Target Subsidiaries may be progressively reduced as a result of a reduction of its shareholding in accordance with the New Mining Law and Government Regulation No 24 of 2012

Under the New Mining Law and Government Regulation No 24 of 2012, holders of IUP and IUPK are required to have Indonesian ownership of not less than 20% in the sixth year, 30% in the seventh year, 37% in the eighth year, 44% in the ninth year and 51% in the tenth year from the time production commences. As such, the Target Group will be required to reduce its shareholding in such subsidiaries in accordance with the stipulated provisions. The aforementioned would result in a progressive reduction in the Target Group's share of future profits of such subsidiaries despite the proceeds from such sell-down being expected to have positive impact on the Target Group's cashflow for the financial year in which the sell-down occurs. The Target Group may also suffer a progressive reduction in operational control in such event.

(c) The Target Group's business is subject to political, economic, regulatory and social conditions in Indonesia

The Target Group's business operations are dependent on the political, economic, regulatory and social conditions in Indonesia. Any changes in the policies implemented by the government of Indonesia which may result in currency and interest rate fluctuations, inflation, capital restrictions, price and wage controls, expropriation or nationalisation of private assets and changes in taxes and duties detrimental to its business may materially affect its operations, financial performance and future growth. In particular, in the event of expropriation, the Target Group may not be able to continue its business as it would not be able to enforce any mining or exploration rights it had obtained or receive any compensation for the loss of such mining or exploration rights. Unfavourable changes in the social, economic and political conditions of Indonesia or in the Indonesian government policies in the future may have a negative impact on the operations and business in Indonesia, which will in turn adversely affect the overall financial performance of the Target Group. In addition, Indonesian foreign exchange controls may limit the Target Group's ability to utilise its cash effectively and affect its ability to receive dividends and other payments from its Indonesian subsidiaries.

(d) The Target Group's business may be affected by terrorist attacks and activities in Indonesia

There have been several terrorist attacks, including bombing incidents, in Indonesia and most significantly the Bali Bombings in October 2002. Further terrorist acts may occur in the future. Violent acts arising from, and leading to, instability and unrest could destabilise Indonesia and its government and have had, and may continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, as a result, there may be a material adverse effect on the Target Group's business, financial performance and condition, results of operations and prospects.

11.3 Risks relating to Investment in the Shares of the Enlarged Group

(a) No prior market for the Shares of the Company on an Enlarged Group basis

There has been no public market for the trading of shares in the Target Company. While the Shares of the Company have been traded on Catalist, the Shares of the Company on an Enlarged Group basis have never been traded. As such, there can be no assurance that an active trading market for the Shares will develop, or if developed, will be sustained after Completion.

(b) Concentration of control

Following Completion, the Vendors and/or their Concert Parties will collectively hold approximately 68.48% of the Enlarged Share Capital which will enable the Vendors and/or their Concert Parties to influence the outcome of matters submitted to Shareholders for approval. As a result, the Vendors and/or their Concert Parties will be able to exercise significant influence over all matters requiring Shareholders' approval, including the election of directors and the approval of significant corporate transactions except where they are required by the Catalist Rules to abstain from voting. The Vendors and/or their Concert Parties will also effectively have veto power with respect to any Shareholder action or approval requiring a special resolution. Such concentration of ownership will place the Vendors and/or their Concert Parties in a position to significantly affect corporate actions in a manner that could conflict with the interests of public Shareholders and may also have the effect of delaying, preventing or deterring a change in control of the Company, which may otherwise have benefited the Shareholders.

Please refer to Section 10.3 entitled "Principal Shareholders" of this Circular for more information on the changes in shareholdings of the Company after Completion.

(c) Future sale of securities by the Vendors and/or their designated holders may adversely affect the price of the Shares

Following Completion, the Vendors and/or their designated holders will collectively hold approximately 68.77% of the Enlarged Share Capital. Although the Shares held by the Vendors and/or their designated holders are subject to moratorium, any sale of a significant number of such Shares after the expiration of the applicable moratorium period by the Vendors and/or their designated holders, or the perception that such sales may occur, could materially and adversely affect the market price of the Shares and may thereby also affect the Enlarged Group's ability to raise funds through the issue of equity or other forms of securities.

(d) Protection afforded to the Shareholders under Singapore laws is limited as substantially all the Target Group's assets and operations are located in Indonesia

Upon Completion, a significant proportion of the Enlarged Group's operations and significant assets is, and will be, located in Indonesia and accordingly, such operations and significant assets are subject to the relevant laws of Indonesia. As a result, it may be difficult for investors to effect service of process in Singapore, or to enforce a judgment obtained in Singapore, against the Target Group or other relevant persons. In particular, judgments of a Singapore court may not be enforceable in the relevant foreign jurisdiction. It may also be difficult for investors to take legal action against the Target Group or other relevant persons in a foreign jurisdiction and the costs of bringing such an action may be prohibitive.

(e) Existing Shareholders will face immediate and substantial dilution and may experience future dilution to shareholdings

Completion will result in immediate dilution to the shareholdings of the existing Shareholders as a result of the allotment and issuance of the Consideration Shares to the Vendors and/or their designated holders.

The Company may also issue new Shares or convertible securities, share options or share awards under any employee share schemes that may be implemented after Completion. This may lead to further dilution to the shareholdings of the existing Shareholders.

(f) The Share price may be volatile, which could result in substantial losses for investors in the Shares after Completion

The market price of the Shares may fluctuate significantly and rapidly as a result of, *inter alia*, the following factors, some of which are beyond the control of the Company and the Enlarged Group:

- the success or failure of the Enlarged Group's management team in implementing business and growth strategies;
- announcements of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- changes in the Enlarged Group's operating results;
- involvement in litigation;
- any negative publicity on the Enlarged Group;
- unforeseen contingent liabilities of the Enlarged Group;
- addition or departure of key personnel;
- fluctuations in share prices of companies with similar business to the Enlarged Group that are listed in Singapore;
- differences between the actual financial operating results of the Enlarged Group and those expected by investors;
- foreign exchange fluctuations and translations; and
- general economic and stock market conditions.

(g) Negative publicity may adversely affect the price of the Shares

Negative publicity involving the Enlarged Group or any of the Proposed Directors, Proposed Executive Officers and Substantial Shareholders of the Company may adversely affect the market perception or the price of the Shares.

11.4 Risks Relating to non-completion of the Proposed Acquisition

The Proposed Acquisition is conditional upon the fulfilment of several conditions precedent pursuant to the Sale and Purchase Agreement. Please refer to Section 2.5 entitled "Conditions Precedent" of this Circular for more information on the conditions precedent pursuant to the Sale and Purchase Agreement. In the event that any of the conditions precedent are not fulfilled or waived by the relevant party by the Longstop Date, the Proposed Transactions will not take place and this may adversely affect the Company's future financial condition and results of operations.

12. MATERIAL CONTRACTS

The list of material contracts entered into by the Hartawan Group which were not in the ordinary course of business within the two (2) years preceding the Latest Practicable Date is set out in Appendix II of this Circular.

13. MATERIAL LITIGATION

The Hartawan Group is not, as at the Latest Practicable Date, engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated, which may have or have had in the twelve (12) months before the date of this Circular, a material effect on the financial position or profitability, and the Directors have no knowledge of any proceedings pending or threatened against the Hartawan Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or the business of the Hartawan Group.

14. NO MATERIAL EFFECT ON FINANCIAL POSITION

Save as disclosed in this Circular and all public announcements made by the Company, the Directors and the Proposed Directors are not aware of any event which has occurred since the last audited balance sheet date of 30 June 2012 and up to the Latest Practicable Date which may have a material effect on the financial position and results of the Enlarged Group.

15. ADVICE OF THE IFA IN RELATION TO THE PROPOSED WHITEWASH RESOLUTION AND THE PROPOSED PUT OPTION

PrimePartners has been appointed as the IFA to advise the Independent Directors in relation to the Proposed Whitewash Resolution and the Proposed Put Option.

Having regard to the considerations set out in the IFA Letter and the information available as at the Latest Practicable Date, from a financial point of view, the IFA is of the opinion that,

(i) the Proposed Whitewash Resolution, as one of the conditions precedent of the Proposed Acquisition, is, on balance, not prejudicial to the interests of the Independent Shareholders. Accordingly, the IFA has advised that the Independent Directors recommend the Independent Shareholders to vote in favour of the Proposed Whitewash Resolution; and

(ii) the grant of the Proposed Put Option by the Interested Person is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders.

A copy of IFA Letter to the Independent Directors is set out in Appendix XII of this Circular. Shareholders are advised to read the copy of the IFA letter in its entirety.

16. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders in the issued and paid-up share capital of the Company as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained pursuant to Sections 164 and 88, of the Companies Act are as follows:

	Direct		Deemed	
	Number of Shares	% of total issued Shares(1)	Number of Shares	% of total issued Shares(1)
Directors				
Winstedt Chong Thim Pheng(2)	1,663,000	0.20	185,897,411	22.89
Cynthia Tan Kwee Hiang(3)	–	–	187,560,411	23.09
Er Kwong Wah(4)		–	150,000	0.02
Dr Tan Eng Liang	–	–	–	–
Chng Hee Kok	3,000,000	0.37	–	–
Wong Kok Hoe	–	–	–	–
Tan Sin Huat Dennis	–	–	–	–
Substantial Shareholders				
DBSN Services Pte Ltd	185,897,411	22.89	–	–
Lian Seng Investment	82,138,815	10.11	–	–
Chua Leong Hai @ Chua Leang Hai(5)	22,373,000	2.75	82,917,815	10.21
Chow Bon Tong	61,200,000	7.54	–	–

Notes:

(1) Based on the total number of issued Shares of 812,139,411 as at the Latest Practicable Date.

(2) Winstedt Chong Thim Pheng has a deemed interest in the Shares registered in the name of DBSN Services Pte Ltd.

(3) Cynthia Tan Kwee Hiang is the spouse of Winstedt Chong Thim Pheng and is accordingly deemed interested in the Shares held by him.

(4) Er Kwong Wah has a deemed interest in the Shares registered in the name of Citibank N.A. Singapore.

(5) Chua Leong Hai @ Chua Leang Hai is the shareholder and director of Lian Seng Investment Pte Ltd and is accordingly deemed interested in the Shares held by it, and has a deemed interest in the Shares registered in the name of BNP Paribas Nominees Singapore Pte. Ltd..

Save as disclosed in this Circular, none of the Directors, Substantial Shareholders or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions.

17. DIRECTORS' RECOMMENDATIONS

17.1 The Proposals

Having considered and reviewed, among others, the terms of the Sale and Purchase Agreement and the Put Option Agreement, the rationale for and the financial effects of the Proposed Transactions, the risk factors and other investment considerations, and all other relevant facts set out in this Circular, the Directors (save for Winstedt Chong Thim Pheng and Cynthia Tan Kwee Hiang in relation to the Proposed Acquisition) are of the opinion that:

(a) the Proposed Acquisition;

(b) the Proposed Share Consolidation;

(c) the proposed allotment and issuance of Consideration Shares;

(d) the Proposed Whitewash Resolution;

(e) the proposed allotment and issuance of Advisory Shares;

(f) the proposed change of core business of the Hartawan Group to the business of the Target Group;

(g) the Proposed Change of Name; and

(h) the appointment of the Proposed Directors,

are in the interest of the Company.

Accordingly, the Directors (save for Winstedt Chong Thim Pheng and Cynthia Tan Kwee Hiang, who will abstain from making a recommendation in relation to the Proposed Acquisition) recommend that Shareholders vote in favour thereof.

17.2 The Proposed Put Option

The Independent Directors have considered and concur with the advice of the IFA in relation to the Proposed Put Option. They believe that the Proposed Put Option is in the interest of the Company and its minority Shareholders. Accordingly, they recommend that the minority Shareholders vote in favour of the Proposed Put Option.

18. ABSTENTION FROM VOTING

The Undertaking Shareholder will abstain, and will procure that each of his associates will abstain from voting in respect of each of their shareholdings in the Company on the Proposed Put Option.

The Undertaking Shareholder shall also not accept nominations to act as proxy, corporate representative or attorney for any Shareholder in relation to the ordinary resolution relating to the Proposed Put Option, unless the Shareholder appointing him indicates clearly how his vote is to be cast in respect of such ordinary resolution.

19. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at Hotel Re! @ Pearl's Hill, Re!Joice, 175 Chin Swee Road, Singapore 169879 on 21 October 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any amendment the ordinary and special resolutions set out in the Notice of EGM.

20. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and in any event, arrive at the registered office of the Company at 175A Chin Swee Road, Singapore 169879 not less than 48 hours before the time fixed for the EGM. The completion and lodgement of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy if he so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP as at 48 hours before the EGM.

21. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquires, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

22. FINANCIAL ADVISER AND SPONSOR'S RESPONSIBILITY STATEMENT

To the best of the Financial Adviser and Sponsor's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Financial Adviser and Sponsor is not aware of any facts the omission of which would make any statement in this Circular misleading.

23. INTERESTS OF FINANCIAL ADVISER AND SPONSOR, AND IFA

Save for its engagement as the Financial Adviser and Sponsor to the Company in relation to the Proposed Transactions (where applicable), the Company does not have any material relationship with Canaccord Genuity.

Save for its engagement as the IFA to the Company in relation to the Proposed Whitewash Resolution and the Proposed Put Option, the Company does not have any material relationship with PrimePartners.

24. INTERESTS OF EXPERTS

No expert is engaged on a contingent basis by the Company or their subsidiaries, or has a material interest, whether direct or indirect, in the Shares, or shares of their subsidiaries, or has a material economic interest, whether direct or indirect, in the Company or their subsidiaries including an interest in the Proposed Acquisition.

25. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Circular.

Yours faithfully
For and on behalf of
The Board of Directors of
Hartawan Holdings Limited

Winstedt Chong Thim Pheng
Executive Chairman

WILTON RESOURCES HOLDINGS PTE. LTD.

(Company Registration No. 201131457R)
(Incorporated in Singapore)

To: The Shareholders of
Hartawan Holdings Limited

Dear Sir/Madam,

PROPOSED ACQUISITION BY HARTAWAN HOLDINGS LIMITED OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE TARGET COMPANY

A. INTRODUCTION

This Letter has been prepared by the board of directors of the Target Company on behalf of the Target Group, for inclusion in this Circular. Except where the context otherwise requires, capitalised terms defined in this Circular shall apply throughout this Letter. For the purposes of this Letter, any references to "we", "us", and "our" herein is a reference to the Target Group or any member of the Target Group, as the context requires, and any references to "director" or "directors" in this Letter is a reference to any director or directors of the Target Group, as the context requires.

B. INFORMATION ON THE TARGET GROUP

B1. BACKGROUND

The Target Company is an investment holding company and was incorporated on 21 October 2011 in Singapore in accordance with the Companies Act as a private company limited by shares with an initial issued and paid-up share capital of S$1,000 comprising 1,000 shares held by Wijaya Lawrence and Ngiam Mia Je Patrick in equal proportions. On 5 September 2012, Wijaya Lawrence acquired 100 shares, representing 10% of the issued and paid-up share capital of the Target Company as at 5 September 2012, from Ngiam Mia Je Patrick at a nominal consideration of S$1. As at the Latest Practicable Date, Wijaya Lawrence and Ngiam Mia Je Patrick own 60% and 40% of the issued and paid-up share capital of the Target Company, respectively.

Following the completion of the Proposed Restructuring Exercise, the Target Group will comprise the Target Company and the Target Subsidiaries, namely, PT WI, PT WWI and PT LTC. The Target Group, through the Target Subsidiaries, possesses the relevant mining business permits and the Production Operations IUPs over the Concession Blocks in West Java Province, Indonesia.

B2. PROPOSED RESTRUCTURING EXERCISE

The Target Group will be formed through the Proposed Restructuring Exercise which will involve the acquisition of the issued and paid-up share capital of each of the Target Subsidiaries for purposes of the Proposed Acquisition, as contemplated in the Sale and Purchase Agreement. Pursuant to the Proposed Restructuring Exercise, the Target Company will become the holding company of the Target Group. The completion of the Proposed Restructuring Exercise is a condition precedent to the Completion. Details of the Proposed Restructuring Exercise and the corporate structure of the Target Group following the Proposed Restructuring Exercise are provided below.

Wijaya Lawrence, and Lauw Hui Kun (who is the sister of Wijaya Lawrence and also the sister-in-law of Ngiam Mia Je Patrick) currently own 95% and 5% of the issued and paid-up share capital of PT WI, respectively. The issued and paid-up share capital of PT WI comprises 10,000 shares. The Proposed Restructuring Exercise contemplates the transfer of 99% of the issued and paid-up share capital of PT WI to the Target Company and Wijaya Lawrence will retain the remaining 1% shareholding interest. The Target Company will not acquire 100% of the shares in PT WI in compliance with Indonesian company law, which requires a minimum of two (2) shareholders in an Indonesian incorporated company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of the Target Company for the assignment to the Target Company of dividends and voting rights in respect of his 1% shareholding interest in PT WI.

Wijaya Lawrence and Dulhalim Lemena, who is an unrelated third party, currently own 96.7% and 3.3% of the issued and paid-up share capital of PT WWI, respectively. The issued and paid-up share capital of PT WWI comprises 300 shares. The Proposed Restructuring Exercise contemplates the transfer of 99% of the entire issued and paid-up share capital of PT WWI to PT WI and Wijaya Lawrence will retain the remaining 1% shareholding interest. PT WI will not acquire 100% of the shares in PT WWI in compliance with the Indonesian company law which requires a minimum of two (2) shareholders in an Indonesian incorporated company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interest in PT WWI.

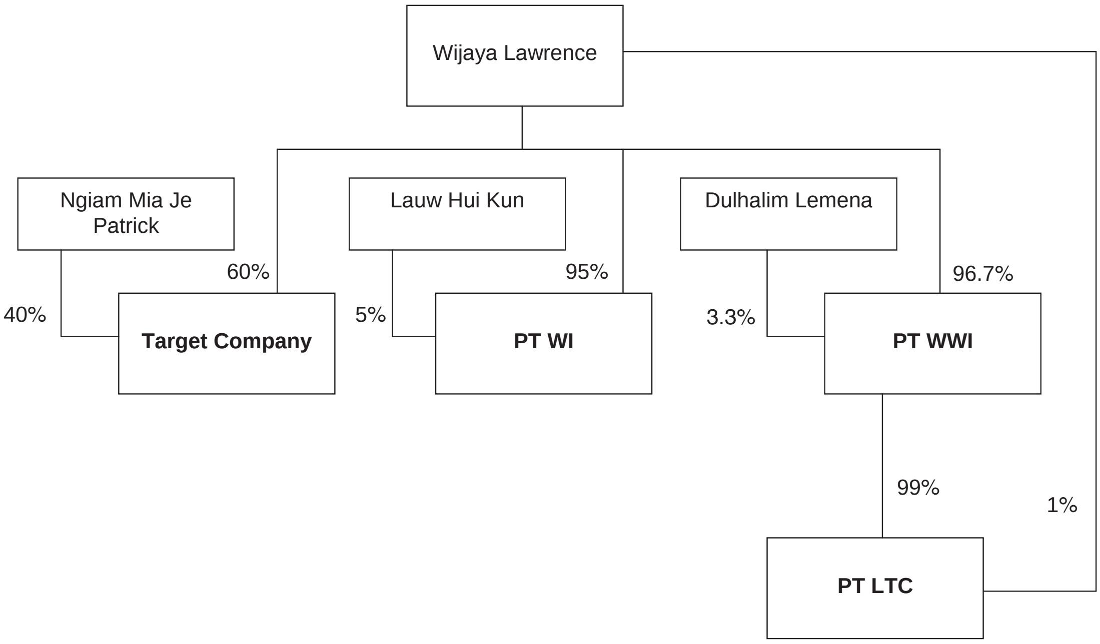
Pursuant to a share transfer from Yusuf Hermawan Jatikusumo to both PT WWI and Wijaya Lawrence in April 2013, PT WWI and Wijaya Lawrence currently own 99% and 1% of the issued and paid-up share capital of PT LTC, respectively. The issued and paid-up share capital of PT LTC comprises 300 shares. PT WWI did not acquire 100% of the shares in PT LTC in compliance with the Indonesian company law which requires a minimum of two (2) shareholders in an Indonesian incorporated company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interest in PT LTC.

Pursuant to the Proposed Restructuring Exercise, all outstanding share capital contributions due and owing to the Target Group from the relevant shareholders will be settled upon completion of the Proposed Restructuring Exercise.

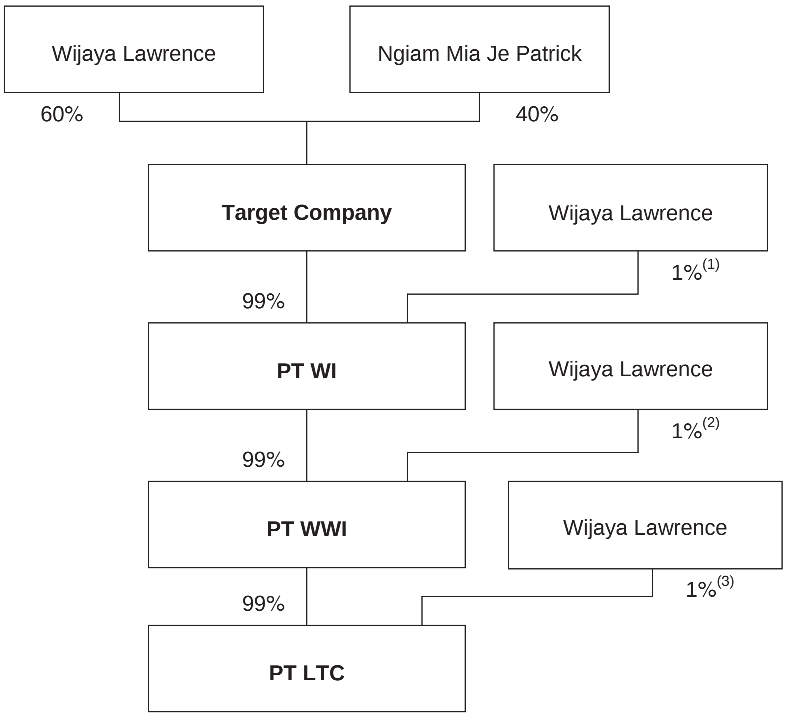
Please refer to Section B3 entitled “Proposed Group Structure of the Target Group” of this Letter for further details.

B3. PROPOSED GROUP STRUCTURE OF THE TARGET GROUP

The corporate structure of the Target Group as at 1 July 2013 was as follows:



Immediately following the Proposed Restructuring Exercise, the corporate structure of the Target Group will be as follows:



Notes:

(1) 1% shareholding of PT WI is held by Wijaya Lawrence, in compliance with the Indonesian laws which requires a minimum two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of the Target Company for the assignment to the Target Company of dividends and voting rights in respect of his 1% shareholding interest in PT WI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(2) 1% shareholding of PT WWI is held by Wijaya Lawrence, in compliance with the Indonesian laws which requires a minimum two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interest in PT WWI. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

(3) 1% shareholding of PT LTC is held by Wijaya Lawrence, in compliance with the Indonesian laws which requires a minimum two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interest in PT LTC. The power of attorney and such other documents necessary under the relevant Indonesian laws will be executed as part of the Proposed Restructuring Exercise prior to Completion.

The details of the Target Company and its subsidiaries as at 1 July 2013, were as follows:

Name of company	Date and country of incorporation	Principal activities	Principal place of business	Issued and paid-up share capital/ capital contribution	Shareholders
Target Company	21 October 2011, Singapore	Investment holding	Singapore	S$1,000	Wijaya Lawrence (60%); Ngiam Mia Je Patrick (40%)
PT WI	17 June 2011, Indonesia	Gold mining	Indonesia	IDR8,584,000,000[1]	Wijaya Lawrence (95%); Lauw Hui Kun (5%)
PT WWI	21 June 2000, Indonesia	Mining, general trading, transportation, industry, development, real estate, lumber, agriculture, plantation, forestry, electrical, mechanical, workshop, computer, printing and services	Indonesia	IDR300,000,000	Wijaya Lawrence (96.7%); Dulhalim Lemena (3.3%)
PT LTC	20 April 1996, Indonesia	Mining, general trading, transportation, agriculture, plantation, forestry, electrical, mechanical, computer, workshop, printing and services	Indonesia	IDR300,000,000	PT WWI (99%); Wijaya Lawrence (1%)

Note:

(1) Pursuant to the Proposed Restructuring Exercise, all outstanding share capital contributions due and owing to the Target Group from the relevant shareholders will be settled upon completion of the Proposed Restructuring Exercise.

PT WI was incorporated as a PMA company, and PT WWI and PT LTC will be converted into PMA companies as part of the Proposed Restructuring Exercise to allow the Target Company, a Singapore-incorporated company, to act as an investment holding company to PT WI, PT WWI and PT LTC.

Save as disclosed above, the Target Group has no other subsidiaries and associated companies.

Save as disclosed in this Letter, none of the Proposed Directors, Substantial Shareholders of the Target Group or their Associates has any interest, whether direct or indirect, in the Target Group.

As at the Latest Practicable Date, none of the Target Subsidiaries were listed on any stock exchange and have not applied for listing on any stock exchange.

B4. SHARE CAPITAL

The Target Company was incorporated on 21 October 2011 in Singapore as an investment holding company. As at the date of incorporation and as at the Latest Practicable Date, the issued and paid-up share capital of the Target Company was S$1,000, comprising 1,000 shares. There are no other classes of shares in the Target Company's share capital. None of the Target Company's shares are held by or on behalf of the Target Company or the Target Subsidiaries.

The following is a summary of the changes in the issued and paid-up share capital of the Target Company and its subsidiaries in the three (3) years preceding the Latest Practicable Date:

Target Group entity	Date	Number of shares issued	Issue price / consideration per share	Purpose of issue	Resultant issued and paid-up share capital
Target Company	21 October 2011	1,000	S$1	Incorporation	S$1,000
PT WI	17 June 2011	10,000	IDR858,400	Incorporation	IDR8,584,000,000[(1)]

Note:

(1) Pursuant to the Proposed Restructuring Exercise, all outstanding share capital contributions due and owing to the Target Group from the relevant shareholders will be settled upon completion of the Proposed Restructuring Exercise.

Save as disclosed above, there were no changes in the issued and paid-up share capital of the Target Company and each of the Target Subsidiaries within the three (3) years preceding the Latest Practicable Date.

Save as disclosed above, no shares in, or debentures of, the Target Company or each of the Target Subsidiaries had been issued, or were proposed to be issued, as fully or partly paid for in cash or for a consideration other than cash, within the three (3) years preceding the Latest Practicable Date.

Save as disclosed in Section 8.4 entitled "Repayment, Conversion or Exchange of the Convertible Loan" of this Circular, no other person has been granted, or is entitled to be granted, an option to subscribe for shares in, or debentures of, the Target Company and each of the Target Subsidiaries.

B5. PRINCIPAL SHAREHOLDERS AND DIRECTORS

As at the Latest Practicable Date, the Proposed Directors and Substantial Shareholders of the Target Company, together with details of their respective shareholding in the Target Company, are set out below:

	Direct interest		Deemed interest	
	No. of shares	%	No. of shares	%
Proposed Directors				
Wijaya Lawrence	600	60	–	–
Ngiam Mia Je Patrick	400	40	–	–
Chong Chin Fan	–	–	–	–
Teo Kiang Kok	–	–	–	–
Tan Cher Liang	–	–	–	–
Seah Seow Kang Steven	–	–	–	–

Save as disclosed in this Letter:

(a) there has not been any public take-over offer by a third party in respect of any of the shares of any company in the Target Group or by any company in the Target Group in respect of the shares of another corporation or the units of a business trust, which has occurred between the date of its incorporation to the Latest Practicable Date;

(b) the Target Company is not directly or indirectly owned or controlled, whether severally or jointly, by any person or government as at the Latest Practicable Date;

(c) as at the Latest Practicable Date, the Vendors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of the Target Company; and

(d) as at the Latest Practicable Date, no option to subscribe for the Target Company's shares has been granted to, or was exercised by, any of the Proposed Directors.

B6. SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

On 5 September 2012, Wijaya Lawrence acquired 100 shares, representing 10% of the issued and paid-up share capital of the Target Company as at 5 September 2012, from Ngiam Mia Je Patrick at a nominal consideration of S$1. As at the Latest Practicable Date, Wijaya Lawrence and Ngiam Mia Je Patrick own 60% and 40% of the issued and paid-up share capital of the Target Company, respectively.

Save as disclosed above, there were no significant changes in the percentage of ownership of the directors and substantial shareholders of the Target Company between the date of incorporation and the Latest Practicable Date.

B7. HISTORY OF THE TARGET GROUP

<u>The Target Company</u>

The Target Company was incorporated in Singapore on 21 October 2011 in accordance with the Companies Act as a private company limited by shares with an initial issued and paid-up share capital of S$1,000 comprising 1,000 shares held by Wijaya Lawrence and Ngiam Mia Je Patrick in equal proportions. The Target Company was incorporated to be the investment holding company of the Target Group. As at the Latest Practicable Date, Wijaya Lawrence and Ngiam Mia Je Patrick own 60% and 40% of the issued and paid-up share capital of the Target Company, respectively.

<u>PT WI</u>

PT WI was incorporated in Indonesia on 17 June 2011 as a PMA to act as the investment holding company of PT WWI and indirectly, PT LTC, as part of the Proposed Restructuring Exercise. The founding shareholders were Wijaya Lawrence and Lauw Hui Kun who own 95% and 5% of the issued and paid-up share capital of PT WI respectively. Up to the Latest Practicable Date, there has been no change to the shareholding composition of PT WI since its incorporation.

Save for Lauw Hui Kun, who is the sister of Wijaya Lawrence and sister-in-law of Ngiam Mia Je Patrick, none of the shareholders of PT WI, PT WWI and PT LTC are Associates of Wijaya Lawrence and Ngiam Mia Je Patrick.

<u>PT WWI</u>

PT WWI was incorporated in Indonesia on 21 June 2000. The founding shareholders were Wijaya Lawrence, Anthony and Angsana Sudiantoro who owned 60%, 20% and 20% of the issued and paid-up share capital of PT WWI, respectively. PT WWI was principally engaged in the business of trading of lighting products.

Since incorporation, the shareholders of PT WWI and their respective shareholding interests varied pursuant to various share transfers approved by the shareholders of PT WWI. As at the Latest Practicable Date, the shareholders are Wijaya Lawrence and Dulhalim Lemena, who is an unrelated third party, holding 96.7% and 3.3% respectively of the shareholding interest of PT WWI.

In 2008, Wijaya Lawrence, who has experience in the trading of minerals, recognised the potential of gold mining and decided to venture into the gold mining business and wind down the lighting products trading business. On 22 December 2008, PT WWI obtained the Exploration IUP in respect of an area of 2,878.5 hectares at the Concession Block 1. In end 2010, PT WWI ceased its business in the trading of lighting products to focus on the gold mining business. On 8 September 2010, PT WWI was granted with the escalation of its exporation mining business permit to become Production Operations IUP. It was stipulated in the Production Operations IUP that the licence will be valid for ten (10) years. On 1 June 2011, PT WWI was granted with the approval for the amendment of the Production Operations IUP ("**First IUP OP Amendment**"), pursuant to which validity period of its Production Operations IUP was amended to become twenty (20) years as from 8 September 2010. However, it was also stipulated in the First IUP OP Amendment that the licence will expire on 7 September 2020, inconsistent with its validity period. On 5 October 2011, PT WWI was granted with the approval for adjustment of the Production Operations IUP amendment ("**Second IUP OP Amendment**"). Based on the Second IUP OP Amendment, the expiration date of PT WWI's Production Operations IUP has been amended to 7 September 2030.

<u>PT LTC</u>

PT LTC was incorporated in Indonesia on 20 April 1996 and currently carries out the business of exploration and development of gold mines. Prior to the acquisition by PT WWI in May 2009, the shareholders of PT LTC were as follows:

Shareholders	**Number of shares**	**Shareholding interest**
Yusuf Hermawan Jatikusumo	270	90%
Decky Susanto	30	10%
Total	300	100%

In May 2009, PT WWI, under the leadership of Wijaya Lawrence who saw the potential of the Concession Blocks, acquired 95% of the issued and paid-up share capital of PT LTC from Decky Susanto and Yusuf Hermawan Jatikusumo. The remaining 5% equity interest was held by Yusuf Hermawan Jatikusumo, who is currently holding the shares for and on behalf of PT WWI. In April 2013, Yusuf Hermawan Jatikusumo sold all of his shares to PT WWI and Wijaya Lawrence, pursuant to which PT WWI's shareholding in PT LTC was increased to 99% and the remaining 1% equity interest was held by Wijaya Lawrence. Wijaya Lawrence has undertaken to execute a power of attorney in favour of PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding in PT LTC.

PT LTC obtained an exploitation mining concession (also known as *kuasa pertambangan usaha pertambangan eksploitasi*) ("**Exploitation KP**") on 4 January 2008 from the Head of Integrated License and Capital Investment Office of Sukabumi Regency for a period of five (5) years, from 4 January 2008. The Exploitation KP covered an area of 200 hectares at the Concession Block 2. The Exploitation KP held by PT LTC was upgraded to a Production Operations IUP and was valid from its date of issuance, being 9 March 2010, to its expiration date of 4 January 2013. The validity of the Production Operations IUP was subsequently extended to 4 January 2028.

B8. BUSINESS OVERVIEW

The Target Group, through the Target Subsidiaries, holds the relevant Production Operations IUPs at the Concession Blocks, which are detailed as follows:

	Held by	Commencement date	Expiry date
Concession Block 1	PT WWI	5 October 2011	7 September 2030
Concession Block 2	PT LTC	9 March 2010	4 January 2028

The Target Group is principally engaged in the business of exploration and mining of gold, and production of gold dore. As at the Latest Practicable Date, the Target Group is focusing on gold mining at the Deposits and has commenced extraction of gold ore at the Pasir Manggu Deposit.

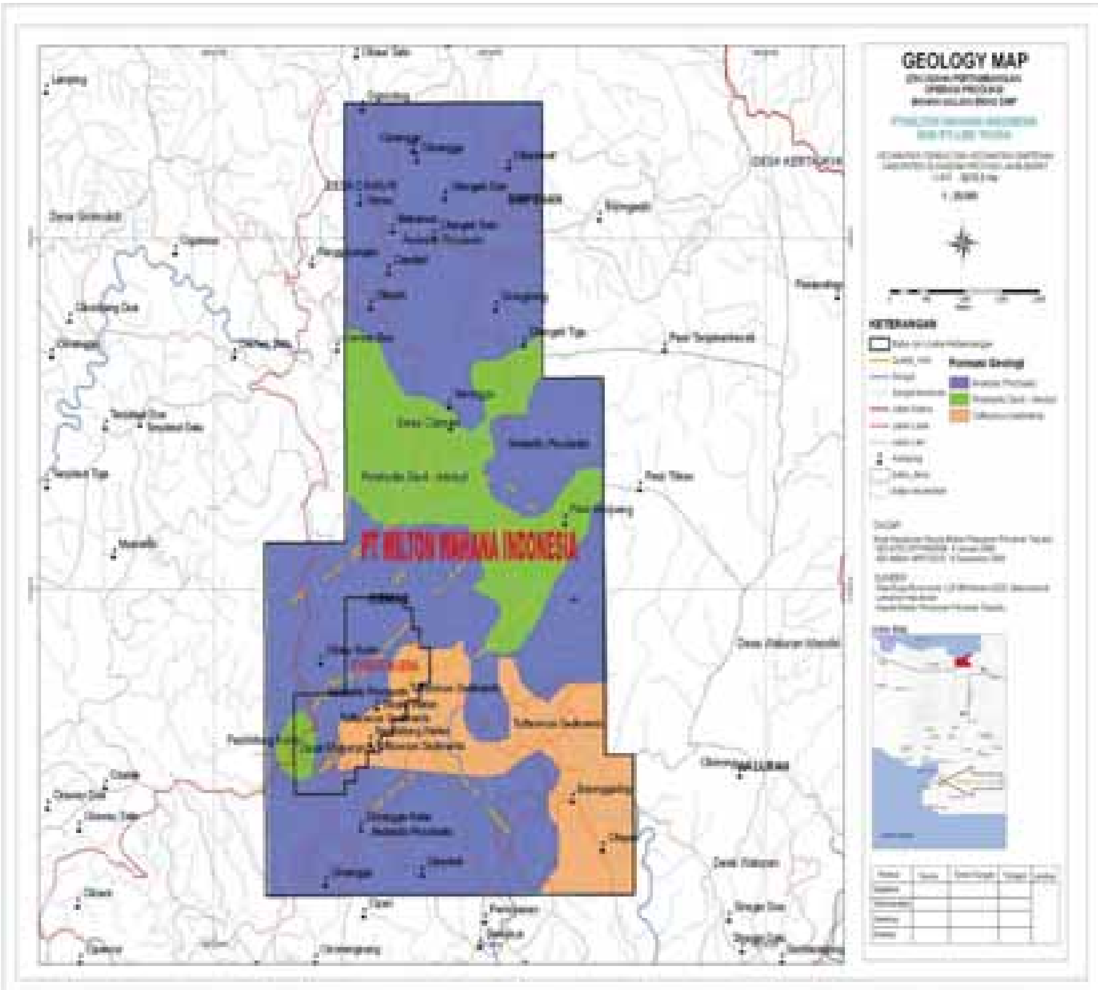
The Target Group intends to construct processing plant(s) at the Deposits for processing the ore into gold dore with an aggregate processing capacity of approximately 1,500 tpd.

Please refer to Section B10.1 entitled "Business Strategies and Future Plans" of this Letter for further information.

B8.1 The Concession Blocks

Description of the Concession Blocks

The map below illustrates the location of the Concession Blocks:



The Concession Blocks are located in the Jampang Kulon area, in the southwest of the Sukabumi Region, West Java Province, Indonesia, approximately 200 kilometers south of Jakarta, and is accessible by a good road infrastructure. The proximity to land transport and the availability of existing infrastructure and communication access enable the Target Group to receive supplies of diesel, potable water and other equipment or materials essential to its mining operations from its suppliers readily. A state grid of 1,600 kilovolt ampere has been built to provide a stable supply of electricity to the Concession Blocks. A high elevation recycled water pond and a dam for production requirements are currently being constructed.

The Concession Blocks cover approximately 3,078.5 hectares comprising:

(a) 2,878.5 hectares located in Ciemas and Mekarjaya Village Ciemas District, Cihaur Village Simpenan District, Sukabumi Regency, West Java Province, Indonesia, held by PT WWI; and

(b) 200 hectares located in Block Pasir Manggu, Mekarjaya Village, Ciemas District, Sukabumi Regency, West Java Province, Indonesia, held by PT LTC.

The Target Group commenced the development of the mining system for ore extraction at the Pasir Manggu Deposit in September 2012.

As reported in the Independent Qualified Person's Report, the Proved and Probable Ore Reserves within the Deposits are 0.1032 million tonnes averaging 5.89 g/t gold and 2.3373 million tonnes averaging 7.16 g/t gold, respectively, totaling approximately 2.44 million tonnes averaging 7.10 g/t of gold at a cut-off grade of 1.69 g/t of gold.

The Target Group has entered into the Land Borrow Agreements with Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono over approximately 28.3 hectares of land in the Concession Blocks for a period of 17 years.

The Target Group will acquire additional land use/occupancy rights within the Concession Blocks progressively as the Target Group's mining operations progress and develop.

The Legal Advisers to the Target Group on Indonesian Law has confirmed that (a) the Target Group has complied with all applicable regulations in respect of the acquisition of the land use rights covering the Deposits; (b) National Land Agency (BPN) office of Sukabumi Regency has confirmed that the land title holders are the legal and valid holders of the right to use/occupy over the Deposits and such right to use/occupy is not subject to any encumbrances; and (c) the Target Group has not faced any competing claims from third parties in respect of the right to use/occupy for the Deposits.

Geology

The Concession Blocks are situated within a volcanic polymetallic metallogenic belt in Ciletah Bay, Indonesia, containing Au, silver, Pb, Zn, and copper. The belt is formed mainly of volcanic breccias and mostly covered by Quaternary eluvium and alluvium up to 20 m thick. Volcanic breccias, tuffs, and andesite are widely distributed in the Concession Blocks.

Two (2) sets of faults are developed, striking to the northeast and northwest with extensions varying from about 100 m to 1,000 m; the faulting belts are generally 1 m to 20 m wide. These faults are the primary gold ore-controlling structures and ore-bearing zones in this area.

Most gold mineralised bodies present in the northeast zone containing brecciated chalcedony-quartz carrying pyrite, arsenopyrite, and small amount of galena and sphalerite mineralization. The zone is covered by strongly silicified clay several metres wide containing disseminated pyrite. The indistinct external porphyritic alternation envelope features chlorite and scattered pyrite.

The Pasir Manggu Deposit is made up of three (3) sets of quartz veins from southwest to northeast which occur in andesitic lava and andesitic pyroclastic rock. It generally strikes to the northeast at 45° and dips southeast at 75° - 80°. Pasir Manggu West, located at the south-western most end of Pasir Manggu, was explored by drill holes on 20 × 20 m and 40 × 40 m grids, which delineated a mineralised belt with four major veins extending about 600 m along the strike in accordance with the tectonic framework. According to the drilling findings, the gold mineralised veins are still open at depth and the defined down-dip extension exceeds 120 m at most but with an average controlled depth of 50 m to 70 m. The true thickness of gold veins in Pasir Manggu West varies from 1 m or less up to 10 m, with average thickness of about 4 m. The average grade of gold mineralised veins at Pasir Manggu West is about 7 g/t of Au.

Cikadu is composed of two (2) main mineralised bodies on a northwest strike and dip of 60° to 75°, with a length of 700 m, a thickness of 1 m to 10 m, and an average Au grade of about 9 g/t.

Cibatu and Sekolah comprises 11 mineralised bodies plunging northwest and dipping 60° to 75°, including five (5) main bodies striking for a total length of 1,500 m, 1 m to 10 m thick, and with an average Au grade of about 9 g/t.

The structure and type of alternation in the northwest belt are similar to those found in the northeastern belt, but the northwest belt contains small amounts of chalcopyrite, and more galena and sphalerite. This zone mainly occurs in the Ciaro region. There are several northwest veins in the east which have been subject to extensive mining in the past.

There are several north-south striking zones in various locations, but due to insufficient exploration works, their mineral bearing potentials are unknown. Several veins around Pasir Manggu strike approximately east-west, and are regarded as related to the northwest zone.

There are few outcrops of intrusive rocks; quartz porphyry outcrops are observed in the Cileuweung block. Potential for further discoveries of numerous gold occurrences are scattered throughout the Ciemas Gold Project. The primary mineral commodity is the gold ore.

Three (3) types of gold mineralisation were distinguished and can be described as quartz-vein, tectonically altered-rock, and quartz porphyry mineralisation.

B8.2 Business Activities

Exploration Activities

In general, exploration work including geological mapping, drilling and surface outcrop exposure (i.e., trenching and pitting), soil and bedrock sampling, and geochemical and geophysical surveys over a significant portion of the Concession Blocks were completed in a series of staged exploration programs.

Beginning in 1986, a former Australian company, Parry Corporation Limited ("**Parry**"), contracted with Liek Tucha (the concession holder at the time) and commenced exploration work in the Concession Blocks. Detailed exploration work was concentrated in Pasir Manggu, consisting of geological mapping, geochemical and geophysical surveys, extensive outcrop sampling, trenching (costean), pitting, reverse-circulation ("**RC**") drilling, and diamond drilling. Diamond and RC drilling, as well as pit sampling and trenching, were also conducted in the deposit areas of Cibatu, Cikadu, and Sekolah. Most of the diamond drill holes conducted in the Concession Blocks were completed by Parry between 1986 and 1990.

Terrex Resources NL ("**Terrex**"), joined the exploration from 1990 to 1994. Work carried out by Terrex included RC drilling, percussion drilling, and some trenching (costean). The exploration was focused on the targets of Pasir Manggu, Cibatu, Cikadu, and Sekolah; and resources in these areas were preliminarily estimated based on extensive sample results. During this time, Terrex started prospecting on other deposits in the Concession Blocks.

An Australian-Indonesian joint venture, P.T. Meekatharra Minerals ("**Meekatharra**"), conducted detailed follow-up exploration in the Concession Blocks from 1995 to 2000. Meekatharra reviewed and evaluated previous geological data, and additional exploration completed during this period included detailed geological mapping and additional sampling from trenches and pits, as well as evaluation diamond drilling. In the Ciaro porphyry copper-gold deposit area, a total of eight (8) additional holes were drilled to further the geochemical and geophysical prospecting.

Geophysical prospecting including induced polarisation ("**IP**") and a ground magnetic survey was conducted across the Pasir Manggu quartz veins in 2008. Wilton also completed some trenching and pitting as well as surface sampling in the Concession Blocks.

Of all the Deposits, the Pasir Manggu Deposit was considered the most advanced in terms of exploration, followed by Cibatu, Cikadu, and Sekolah. Feasibility study reports were also previously prepared for the Pasir Manggu Deposit in 1997 and 2010.

The Ciemas Gold Project has been explored and evaluated with staged and separate works and by various companies or consultants, and historical data were not appropriately inherited during the changes of owners and stages. Data compilation and integration was performed by Wilton with its technical consultants prior to SRK's review. The samples were assayed by laboratories Kep Seksi Kimia Mineral, Inchcape Testing Service, and P.T. Inchcape Utama Service.

In 2012, the Target Group completed a total of 17 diamond drill holes to verify the historical data and explore the gold mineralization at Pasir Manggu West, Cikadu, Sekolah, and Cibatu. Core samples were prepared by P.T. Intertek Utama Services ("**PT Intertek**") in Jakarta and were analysed with fire assays. In six (6) of the holes drilled at Pasir Manggu West, nine (9) mineralised quartz veins with alteration envelopes were intersected. All verification holes confirmed the continuity of gold mineralisation both at depth as well as horizontally. Four (4) holes drilled in Cikadu, four (4) in Sekolah, and three (3) in Cibatu also returned encouraging results. The mineralisation trends, average grades, and intersected thickness disclosed by drilling in 2012 are generally consistent with the historical drilling findings.

As at the Latest Practicable Date, the major exploration and evaluation works completed in the Concession Blocks consists of detailed geological and topographical mapping, geophysical and geochemical surveys, 360 costean/trenches/pits, 217 diamond drill holes, 114 RC drill holes, 7,500 hand drill holes, and 120 percussion drill holes.

Gold Assay

Core samples from the 2012 verification drilling programme were prepared and assayed in PT Intertek with insertion of coarse blanks and standards. The field blanks were made of quartz and contained less than 0.005 g/t Au, which is the lower detectable limit for the fire assay method used for the gold analysis. The inserted standards were pulps made of certified reference material. Both the blanks and standards were inserted into routine samples at a rate of at least 1:20.

The fire assay method is a type of analytical procedure that involves the heat of a furnace and a fluxing agent to fuse a sample to collect any precious metals (such as gold) in the sample. The collected material is then analysed for gold or other precious metals by weight or spectroscopic methods.

According to the test report provided by PT Intertek, the basic assay method used was an FA50 fire assay, assaying 50 g fine pulps with a lower detection limit of 0.005 g/t Au. When the gold value exceeded 50 g/t, gravimetric fire assays were used to determine the higher gold grade.

No duplicates were assayed for these batches of the verification drill samples, except for those samples checked internally by PT Intertek. SRK recommends that Wilton recover all the coarse rejects and pulp duplicates, and select a percentage of them for an external check.

Mining Activities

As at the Latest Practicable Date, the Target Group has a stockpile of approximately 3,000 tonnes of ore.

As at the Latest Practicable Date, an underground mining tunnel of approximately 200 m in length had been constructed at the Pasir Manggu Deposit for part of a proposed underground mining systeming with a mining capacity of up to approximately 400 tonnes of ore per day. The mine designs by Henan Metallurgical Design Institute ("**HMDI**") envisaged that the overall mining capacity of the three mining systems in the Deposits would be approximately 1,500 tonnes of ore per day.

The Target Group intends to construct processing plant(s) for production of gold dore. These processing plant(s) may include the gravity flotation processing method to process the ore mined from the Deposits, and the cyanidation method to further process the concentrates, and the final product from such processing may include gold concentrate by gravity separation and by flotation and dore bullion by cyanidation. It is envisaged that the total processing capacity of these processing plant(s) would amount to approximately 1,500 tpd or 450,000 tonnes per annum ("**tpa**") assuming mine operation of 300 days per annum.

As at the Latest Practicable Date:

(a) Construction of the new storage facility for ore samples has been completed;

(b) Procurement of additional equipment such as rail-tracked carts for transporting ore is underway;

(c) Construction of the worker's hostel has been completed;

(d) Additional drilling activities at the Concession Blocks for upgrading the resource statement to be included in the Independent Qualified Person's Report has been completed, and in this regard, eight (8) additional verification holes were drilled;

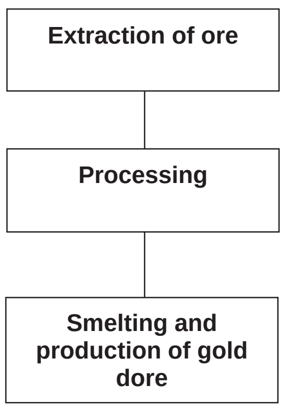
(e) Foundation and structural works for the in-house laboratory has been laid; and

(f) Procurement of equipment for the in-house laboratory is underway.

Please refer to Section B10.1 entitled "Business Strategies and Future Plans" of this Letter for further information.

B8.3 Gold Mining and Production Process

The following diagram illustrates the proposed gold mining and production process of the Target Group:



The proposed gold mining and production process of the Target Group are briefly described as follows:

Extraction of ore

Due to the geological and other properties of the ore body including the geotechnical characteristics at the Deposits, the Target Group, at the Latest Practicable Date, intends to adopt the underground mining with shrinkage stoping method for mining of ore.

Most of the extracted ore would be loaded into tramcars and transited to the bottom yard of the main shaft or the inclined shaft. The tramcar full of ore would then be hoisted to surface. At above 475 m level in the Pasir Manggu Deposit, the extracted ore would be directly hauled to the surface by trucks through the adit. On the surface, the shrinkage stoping method involves breaking down ore in horizontal slices starting at the bottom of a stope and advancing upwards. Part of the broken ore, approximately two-thirds, is left in the mined-out stope, serving as a working platform while mining the ore above and supporting the stope walls.

The extracted ore would then be transported by dump trucks to the stockpiling area and/or to the processing plants.

Processing

Crushing operation

The ore will be transported to a crude ore bin and then into a jaw crusher. The crushed ore will be fed to a secondary crusher/screen circuit as necessary, and the final product will be transported to a fine ore bin.

Grinding and classification

The fine ore will be fed to a grate ball mill. The milled product will be fed into a sawtooth wave jig, where the concentrate from the sawtooth wave jig is cleaned with a two-staged shaking table. The concentrate from the two-staged shaking table produces gravity concentrate containing free gold. The tailing from the sawtooth wave jig containing gold bearing sulfides is fed into a spiral classifier for closed-circuit grinding operation, and the settling sand will flow into an overflow ball mill for second grinding, which will then be fed into a feeder pump for recirculation in the closed-circuit grinding operation. The end product will be stored in a pulp conditioning agitated tank.

Flotation operation

The flotation circuit comprises rougher/scavenger cells and a cleaning circuit to produce a final concentrate.

Dewatering

The concentrate produced from the flotation operation will be transported by a pump to a high capacity thickener. The underflow of the thickener will be pumped to a disk filter to produce a filter cake. The filter cake will be stored in a temporary storeroom. Separately, tailings will also be pumped into a high capacity thickener to recover water for the flotation processing plant and produce a thickened slurry which will be fed into a box filter press for filtering. The filter cake will be transported to a tailings reservoir.

Smelting and production of gold dore

Generally, the concentrate produced from the flotation process will be smelted to produce gold dore at the smelting facility on site. This will be carried out in a separate secure building called a gold room adjacent to the processing plants. The Target Group intends to construct a smelting facility by using cyaniding method to complement the processing plants and to cope with the mining capacity.

B8.4 Independent Qualified Person's Report

The Target Group commissioned SRK to review all technical aspects of the Deposits to which the Independent Qualified Person's Report was issued. The Independent Qualified Person's Report is included in Appendix XIII of this Circular.

Certain key aspects of the Independent Qualified Person's Report are summarised below:

Resources and Reserves Estimates

SRK reviewed the historical exploration work on the Concession Blocks and the integrated database.

According to the Independent Qualified Person's Report, the resources and reserves estimates in the Deposits based on the JORC Code 2004 edition are as follows:

Summary of resources as of 31 May 2013

Deposit	Category	Resource (kt)	Au (g/t)	Au (kg)	Au ('000 oz)
Pasir Manggu West	Measured	101	7.00	705	23
	Indicated	461	7.64	3,521	113
	Inferred	157	4.03	635	20
Cikadu	Indicated	833	8.78	7,314	235
	Inferred	493	9.66	4,765	153
Sekolah	Indicated	428	9.44	4,045	130
	Inferred	500	9.43	4,714	152
Cibatu	Indicated	592	8.12	4,809	155
	Inferred	786	7.72	6,072	195
Total	**Measured**	**101**	**7.00**	**705**	**23**
	Indicated	**2,315**	**8.51**	**19,689**	**633**
	Inferred	**1,937**	**8.36**	**16,186**	**520**

All gold resources estimated in the Independent Qualified Person's Report are inclusive of the gold reserves estimates.

Summary of reserves as of 31 May 2013

Deposit	Category	Reserve (kt)	Au (g/t)	Au (kg)	Au ('000 oz)
Pasir Manggu West	Proved	103.2	5.89	607.3	19.5
	Probable	455.8	6.59	3,001.5	96.5
	Proved + Probable	559.0	6.46	3,608.8	116.0
Cikadu	Probable	843.8	7.34	6,190.8	199.0
Sekolah	Probable	433.2	7.85	3,402.5	109.4
Cibatu	Probable	604.5	6.83	4,131.5	132.8
Total	**Proved**	**103.2**	**5.89**	**607.3**	**19.5**
	Probable	**2,337.3**	**7.16**	**16,726.3**	**537.8**
	Proved + Probable	**2,440.5**	**7.10**	**17,333.7**	**557.3**

Mine Plan

The basic mine designs for the Deposits were completed by HMDI in April 2012 and were updated by P.T. Asia Sejati Industri ("**PT ASI**") in February 2013. It is proposed that the main access systems will consist of shafts and inclined shafts. The combined mining capacity of three (3) mining systems in the Deposits will be approximately 1,500 tpd.

Shrinkage stoping mining was recommended by HMDI based on the similar geometry and geotechnical conditions of the ore-bodies in the Deposits. The designed mining loss rate and dilution rate are 15% and 20%, respectively. SRK believes that it is possible to lower the mining loss and dilution rate by further optimising the mining method. SRK has also suggested that cut and fill mining methods should be given consideration in the three (3) mines.

In 2013, PT ASI was commissioned to carry out an overall resource update and to complete an underground mine design and reserve estimate. PT ASI set the overall mining capacity at approximately 1,500 tpd based on the development systems designed by HMDI in April 2012. SRK suggests that the development systems should be further optimised to fit the smaller mining capacity of the Cikadu, Cibatu and Sekolah deposits.

Ore Reserve

Using the parameters proposed in the feasibility study, SRK has converted the qualifying resources into ore reserves. In compliance with the JORC Code 2004 Edition, the economically mineable part of Measured Mineral Resource was converted into Proved Ore Reserve and the economically mineable part of Indicated Mineral Resource was converted into Probable Ore Reserve.

A processing recovery rate of 90% was applied to the ore reserve estimate; the mining dilution was designed at 17%, and the mining loss/reduction was 15%. Ore reserves are reported at a gold cut-off grade of 1.69 g/t as at 31 May 2013.

The Proved Ore Reserve and Probable Ore Reserve for the Deposits are 0.1032 million tonnes averaging 5.89 g/t gold and 2.3373 million tonnes averaging 7.16 g/t gold, respectively, totaling 2.44 million tonnes of ore, averaging 7.10 g/t of gold, with approximately 557,300 oz of gold. Assuming the mine operates 300 days per annum, the ore reserves may support a mine life of at least six (6) years.

Processing

SRK noted that a processing plant with a capacity of 400 tpd (or 120,000 tpa) was proposed by the Target Company to be constructed first, adopting a gravity flotation flowsheet. SRK recommended that a 400 tpd (or 120,000 tpa) mine can be developed first at Pasir Manggu to match the capacity of the planned processing plant. SRK also recommends that the additional lines should be constructed as soon as possible to process the ores of the anticipated 500 tpd (or 150,000 tpa) processing capacity at Cikadu and 600 tpd (or 180,000 tpa) at Cibatu and Sekolah, which will yield a total processing capacity of 1,500 tpd (or 450,000 tpa) for the expanded processing plant for the whole project.

Capital Expenditures and Operating Costs

SRK opined that the proposed capital investment of US$92,750,000 is reasonable for an approximate 1,500 tpd project composed of three (3) underground mining areas with a combined 1,500 tpd processing capacity, a 1,500 tpd processing plant, and the corresponding infrastructure and facilities. The working capital requirement is estimated at US$7,964,000. The total unit cash operating cost is estimated at US$66 per mined tonne.

Based on the total yearly production cost data compiled by PT ASI, SRK has analysed the structure of unit production cost, which is shown in the table below. The annual total operating cost is recalculated based on the production schedule and unit costs.

Item	Value (US$/t ore)	Percentage (%)
Consumables	20.45	31
Fuel and power	13.19	20
Manpower, transportation of workforce and allowances	21.14	32
General administration	9.24	14
Environmental protection	0.66	1
Sales expenses	1.32	2
Total	**66.00**	**100**

Environmental and Social Issues

SRK reviewed related environmental impact assessments and the approvals, which have been compiled in accordance with the relevant Indonesian laws, regulations, and decrees. During the April 2012 site visit, SRK observed that the Deposits consisted of one (1) underground mining area which was still under construction, three (3) planned underground mining areas, and one (1) planned processing plant.

In summary, the most significant inherent environmental and social risks for the development of the Deposits identified as part of the project assessment and SRK's review, were:

(i) Land disturbance and subsidence;

(ii) Poor water management (i.e., storm water/surface water drainage including any mine dewatering);

(iii) Waste rock stockpiling/waste rock dump management;

(iv) Poor dust management; and

(v) Soil and groundwater contamination (i.e., poor hydrocarbon storage and handling).

Based on SRK's site visit and review of related environmental impact assessments and approvals, which have been compiled in accordance with the relevant Indonesian laws, regulations and decrees, SRK notes that the sites are generally managed to meet minimum Indonesian national requirements listed in the related environmental approvals.

SRK has confirmed that the information presented in Sections B8.1 to B8.4 of this Letter is accurate, balanced, complete and not inconsistent with the Independent Qualified Person's Report.

B8.5 Independent Valuation

Pursuant to the Proposed Acquisition, the Proposed Directors appointed GCA to conduct an independent valuation of the Concession Blocks. The Independent Valuation Report has been prepared in accordance with the VALMIN Code and the JORC Code. The valuation was carried out on a Fair Market Value basis.

Based on the results of GCA's investigations and analysis outlined in the Independent Valuation Report, GCA is of the opinion that the Fair Market Value of the Concession Blocks as at 31 May 2013 is in the range of US$233 million to US$367 million, with a preferred value of US$341 million. For the purposes of the Independent Valuation Report, preferred value is the value that is assessed by GCA to be the most likely value from within a range, after taking account of the risk and the possible variation in ore grade, metallurgical recovery, capital and operating costs, commodity prices, and exchange rates.

Please refer to the Independent Valuation Report as set out in Appendix XIV of this Circular for further details including the methodologies and principal assumptions used in arriving at the above valuation.

GCA has confirmed that the information presented in this Section B8.5 is accurate, balanced, complete and not inconsistent with the Independent Valuation Report.

B8.6 Sales and Marketing

As at the Latest Practicable Date, the Target Group has not commenced gold production. Going forward, the Target Group intends to sell the gold dore that it produces to local and/or overseas market. The Proposed Directors believe that gold is a commodity which has a ready market which does not require significant sales and marketing activities.

B8.7 Quality Assurance

Quality control is an important aspect at every stage of the mining operations of the Target Group.

As at the Latest Practicable Date, construction of the in-house laboratory is underway which, once completed, will enable the Target Group to undertake ore grade testing. The in-house laboratory forms an integral part of the exploration and production phases for evaluation and testing of ore, including analysis, measurement and grading and will provide an important layer of quality control.

To ensure high standards of quality control once it is in production, the Target Group intends to utilise a mine management software to generate reports on key performance indicators on availability and utilisation of equipment, operator performance, consumable usage and production metrics like grade and weight of stockpiles. Constant monitoring of such key performance indicators allows the Target Group to identify potential operation issues, to ensure quality control and to also further improve on the processing and production of gold dore.

B8.8 Research and Development

Due to the nature of its business, the Target Group does not carry out any research and development activities.

B8.9 Intellectual Property

As at the Latest Practicable Date, the Target Group has applied for the registration of the following trademarks:

Trademark	Country of registration	Class	Status	Trade mark number	Date of application
WILTON	Singapore	37	Pending	T1306832J	30 April 2013
WILTON	Indonesia	37	Pending	J002013025298	29 May 2013

The Proposed Directors are not aware of any reason which would cause or lead to the non-registration of the above-mentioned trademarks.

To the best of the Proposed Directors' knowledge and belief, there is no third party that is currently using a trademark that is similar to the above-mentioned trademarks. Save as disclosed above, the Target Group's business and profitability are not materially dependent on any registered trademark or trademark pending registration, patent, or other intellectual property right.

B8.10 Staff Training

The Target Group believes that the technical competencies, product knowledge and execution skills of its staff are instrumental in maintaining its competitive position. The objective of staff training is to equip its staff with the necessary skills and knowledge to ensure that they are able to fulfill their job requirements and to enhance their work performance.

Existing staff of the Target Group are required to undergo routine training, and may also be required to attend ad hoc training. New staff will be provided with training to equip them with the required knowledge and skills commensurate with their experience and role necessary to operate the mining equipment on site. Where necessary, equipment vendors will also provide training to the staff in relation to the use of their equipment. In addition, all the staff have to attend regular safety briefings. From time to time, senior staff will conduct in-house training for the staff when necessary.

The Target Group's staff training expenses for FY2010, FY2011, FY2012 and 9M2013 were not significant.

B8.11 Insurance

The Target Group maintains various insurance policies for its business operations, taking into consideration its current stage of development, which as at the Latest Practicable Date, includes the following:

(a) personal accident insurance for employees; and

(b) medical coverage for employees.

In addition, the Target Group intends to procure directors and officers liability insurance upon the Completion. The Target Group also intends to procure public liability and fire insurance policies when the Target Group's production is due to commence.

As at the Latest Practicable Date, the Proposed Directors are of the view that the above insurance coverage is adequate for the Target Group's current operations.

The Proposed Directors will review the insurance coverage of the Target Group from time to time to consider the sufficiency of its coverage.

B8.12 Major Suppliers

The major suppliers accounting for 5% or more of the Target Group's total cost of sales ("**COS**") for its previous lighting product trading business for FY2010 and FY2011 and the operating costs and exploration and evaluation expenditures incurred for FY2012 and 9M2013 are set out below:

	As a percentage of COS or operating costs and exploration and evaluation expenditure (%)			
Major Suppliers	**FY2010**	**FY2011**	**FY2012**	**9M2013**
Metropolitan	33.6	43.0	–	–
Cahaya Elektronic	15.5	9.3	–	–
CV. Nirwana	–	–	–	20.9
CV. Harba Mandiri	–	–	–	9.9
PT ISK	–	–	35.1	5.3
Shandong Gold	–	–	–	14.9
HMDI	–	–	–	13.6
PT STL	–	–	18.9	–

Metropolitan and Cahaya Elektronic were major suppliers to the Target Group for FY2010 and FY2011 when the Target Group was carrying out its previous business in trading of lighting products. As the Target Group ceased its lighting products trading business in end of FY2010, Metropolitan and Cahaya Elektronic had ceased to be major suppliers to the Target Group since FY2012.

The Target Group's major suppliers in FY2012 and 9M2013 were mainly sub-contractors engaged by the Target Group for its exploration and evaluation activities. These suppliers are selected based on their reputation, track record, quality of work, ability to meet project timeline, experience of the relevant project team members and cost competitiveness.

The Proposed Directors believe that the Target Group is not materially dependent on any contract with any supplier. None of the Proposed Directors, Substantial Shareholders or their respective Associates of the Target Group has any interest, direct or indirect, in any of the above-mentioned suppliers.

B8.13 Key Contractors and Consultants

The Target Group selects third party contractors and/or consultants based on an internal selection procedure which include assessing the skills, experience and track record of the contractors and/or consultants. Agreements with its third party contractors and/or consultants are typically for fixed tenure which may be renewable on a project-by-project basis.

Some of its key contractors and consultants are as follows:

<u>PT ASI</u>

PT ASI provides mine management services to the Target Group. These management services range from the generation, analysis, synthesis and interpretation of exploration data, and particularly the definition and assessment of ore bodies.

PT ASI currently assists the Target Group in the management of its exploration programme by carrying out geological assessments of the Deposits using advanced mining software, and analysing and interpreting exploration data. PT ASI also assists the Target Group in overseeing its ore extraction and production operations. PT ASI has provided its mine management services to other mining companies.

Shandong Gold

Shandong Gold is a subsidiary of Shandong Gold Mining Co., Ltd. Shandong Gold Mining Co., Ltd. is listed on the Shanghai Stock Exchange, and is one of Forbes' Global 2000 Leading Companies. Shandong Gold was commissioned by the Target Group to compile a feasibility study report, which includes the design of the processing plant(s) which the Target Group intends to construct.

HMDI

HMDI was commissioned by the Target Group to produce a mining concept design for purposes of mine planning within the Deposits. HMDI, established in 1958, has more than 50 years of experience in engineering design projects including feasibility reports, preliminary designs and construction designs. HMDI is experienced in technology relating to geology and mining, and has obtained various certificates and qualifications for engineering design.

P.T. Sugihjaya Tata Lestari ("**PT STL**")

PT STL was commissioned by the Target Group to conduct verification drillings at the Deposits to verify the historical geological data of the Deposits. Verification samples procured from these verification holes were sent to PT Intertek for laboratory testing and verification.

CV. Harba Mandiri

CV. Harba Mandiri was engaged by the Target Group to provide electrical works on the mine site so as to ensure a stable supply of electricity for the mining operations at the Deposits.

CV. Nirwana

CV. Nirwana was engaged by the Target Group to construct the security fences around the mine sites at the Deposits and to construct other general infrastructure, including the construction of the underground mining tunnels at the Deposits.

P.T. Inasa Sakha Kirana ("**PT ISK**")

PT ISK provides consultancy and management services to the Target Group in relation to the preparation of environmental protection reports so as to ensure compliance with the relevant environmental laws and regulations of Indonesia and the continuing obligations under the Production Operations IUPs. Additionally, the Target Group also engages general site management services from PT ISK. Such general site management services include provision of additional ad hoc staff required at the mine site.

Intertek

The Intertek Group plc, which is listed on the London Stock Exchange, is involved in testing, inspection and certification for its customers' products. Through its global network of laboratories, the minerals division of the Intertek group provides analytical services for minerals, including precious metals, base metals, and raw content. Intertek provides laboratory testing services to the Target Group for the preparation and assaying of verification drilled core samples. Also, ore density samples and primary ore samples are sent to Intertek Beijing for specific gravity and gold assaying. The Intertek Group plc, in providing its testing, inspection and certification services, has various accreditations, including the ISO 17025 accreditation.

The Proposed Directors are of the opinion that the Target Group is not materially dependent on the above-mentioned third party contractors and consultants and the risk associated with the loss of services of these third party contractors and consultants is low as there are many other alternative third party contractors and consultants which can provide similar services.

B8.14 Major Customers

There are no major customers who accounted for 5% or more of the Target Group's revenue during the Period Under Review. For FY2010 and FY2011, the Target Group's main business was the trading of lighting products. This business ceased at the end of 2010. Thereafter, the Target Group's main business has been in gold mining.

The Target Group commenced ore extraction (mainly in connection with the tunneling work) in September 2012 but has not yet commenced production of gold dore as at the Latest Practicable Date. As such, for FY2012 and 9M2013, the Target Group did not have any sales and customers.

The Target Group is not materially dependent on any contract with any major customer and none of the Proposed Directors, Substantial Shareholders or their respective Associates of the Target Group has any interest, direct or indirect, in any customer.

B8.15 Credit Policy and Management

Credit terms offered to its customers

As at the Latest Practicable Date, the Target Group has not commenced sales and does not have any customers and there are no outstanding trade receivables.

Subject to industry norms and market conditions, the Target Group expects the sales of its gold dore to be on cash terms. Nonetheless, in the event that customers request for credit terms, the Target Group will assess the credit terms to be offered to customers on a case-by-case basis and such credit terms offered will take into account, amongst others, the creditworthiness of the customer as well as the size and regularity of the customer's purchases.

Credit terms offered by its suppliers

There are no formal credit terms stipulated in the contracts signed between the Target Group and its suppliers. However, the Target Group's suppliers typically allow the Target Group up to 90 days to pay outstanding invoices. In some instances, the Target Group's suppliers may require security such as letters of credit and/or cash deposit prior to delivery.

It is not meaningful to calculate the trade payables turnover days as the exploration expenditure of the Target Group is not of a trading nature.

B8.16 Inventory Management

The Target Group's inventory management policy is to plan its extraction of ore and production of gold dore according to its production schedule. In addition, the Proposed Directors believe that gold dore, being a valuable commodity, has a ready market. As such, it is expected that the Target Group will hold a minimum level of inventories as the gold dore is expected to be delivered shortly after production. Nonetheless, gold dore awaiting delivery will be kept under stringent security measures on site.

B8.17 Safety Policy

The Target Group seeks to minimise the risk of accidents, injuries and illnesses to its employees by improving health and safety standards and closely monitoring its operations. In this regard, the Target Group has appointed an Occupational Health and Safety officer who is approved by the Department of Mining and Energy of the Regency of Sukabumi.

The Target Group has a comprehensive set of occupational health and safety systems and procedures which include the following:

(a) occupational safety and health administration;

(b) occupational safety and health training;

(c) origination of an occupational health and safety fund;

(d) side slope protection measures;

(e) safety mining, blasting and transportation procedures and guidance;

(f) debris flow prevention measures;

(g) electric shock and lightning strike prevention measures;

(h) fire prevention measures;

(i) dust and noise prevention measures;

(j) placing of safety and hazard signage;

(k) provision of personal protection equipment to all relevant employees;

(l) regular medical and physical checks for the employees;

(m) operational safety guidance for equipment; and

(n) mechanical maintenance safety guidance.

Since the commencement of its operations up to the Latest Practicable Date, there has not been any major accident at the Concession Blocks.

B8.18 Environmental Protection and Community Development

The Ministry of Environment which is responsible for implementing the Indonesian government's environmental regulation and policies, as well as the local environmental control agency (also known as the *Badan Lingkungan Hidup Daerah*) ("**BLHD**") which works on Regency (*kabupaten*) level, supervise the Target Group's mining operations in relation to environmental matters such as post-mining reclamation. The Ministry of Environment and BLHD coordinate their activities with various other government agencies in Indonesia, including the Ministry of Energy and Mineral Resources.

The purpose of the environmental protection and community development policy of the Target Group is to ensure that it carries out the mining project at the Deposits in a responsible manner, taking into account potential negative environmental effects, complying with all environmental regulations, and also maintaining good relations with the local community at the Concession Blocks.

During the Period Under Review, the Target Group has not received any warnings nor been fined by the regulatory authorities for non-compliance with any environmental regulations and policies. The Target Group is also not aware of any complaints or protests relating to environmental pollution against the Target Group.

To the best of the Proposed Directors' knowledge, the Target Group is in compliance with all applicable environmental regulations and requirements.

Environmental Protection

Each local regency in Indonesia has a BLHD, which requires the Production Operations IUP holder to submit an environmental impact report (also known as the *Analisa Mengenai Dampak Lingkungan*) ("**AMDAL**"). With reference to the Indonesian Law Number 32 of 2009 concerning Protection and Management of the Environment, the AMDAL has to comprise an environmental impact assessment, an environment management plan and an environmental monitoring plan. Accordingly, PT WWI and PT LTC have submitted the AMDALs in respect of the Concession Blocks to the Regent of Sukabumi.

The AMDAL includes the following proposed environmental protection measures:

(a) proposed measures for controlling and monitoring soil erosion and minimising loss of flora and fauna habitat;

(b) proposed construction of diversion channels, drainage systems and sedimentation ponds to ensure proper water drainage;

(c) regular water quality monitoring;

(d) proposed water treatment and water recycling and processing system;

(e) oil separators and septic tanks to treat domestic water;

(f) prevention of dust and gas emission measures including air quality monitoring and maintenance of surface moisture in the ore stockpiles using water sprays;

(g) prevention of noise emission measures including scheduling of mobile equipment usage and material transportation and liaising with surrounding residents on any potential issue relating to noise emission;

(h) hazardous materials management operations comprising storage and handling of hydrocarbons (fuels and lubricants) and chemicals;

(i) waste oil, solid waste as well as sewage and oily wastewater management;

(j) response plan for managing emergencies; and

(k) site closure planning and rehabilitation.

The Target Group is also subject to ad hoc inspections by the local regency. During the Period Under Review, the Target Group has not received any warnings nor been fined for any breach of the environmental laws and regulations. The Target Group is not aware of any complaints or protests relating to environmental pollution against it. To the best of the Proposed Directors' knowledge, the Target Group is in compliance with all applicable environmental laws and regulations.

Please refer to Appendix XVII for a description of the relevant Indonesian environmental laws and regulations.

Community Development

As its mining operations impact the local communities in the Concession Blocks, the Target Group is mindful of its corporate social responsibilities ("**CSR**"). In this regard, the Target Group focuses its CSR efforts on improving the livelihood of these communities.

The Target Group has improved the infrastructure in the vicinity of the Concession Blocks and as a result, the local residents have better access to electricity, water and paved roads for transportation. The Target Group has contributed to the local community by constructing public recreational facilities such as a multi-purpose outdoor field. The Target Group also intends to contribute to the improvement of other public facilities and institutions such as local schools and hospitals. The Target Group also organises and sponsors various recreational and festival events for the local community.

The exploration and mining works at the Deposits provides new employment opportunities for the local population. The Target Group actively engages, supports and provides employment for the local villages and regional communities located nearby.

The various measures to address community developments in the Concession Blocks include:

(a) undertaking public consultations throughout all phases of the mining activities, including establishing a process to record and respond to public complaints;

(b) setting local employment/recruitment targets and giving priority to employing local residents, utilising and/or supporting local businesses and undertaking technical skills training programs for local resident employees;

(c) managing/minising air and noise impacts, monitoring the quality of the local water supply and monitoring local public health conditions and providing health-related information to the local community; and

(d) consulting with local residents on site reclamation planning, employing local residents on site closure works and providing training and redeployment support for local resident employees and businesses.

B8.19 Property, Plant and Equipment and Mining Properties

As at the Latest Practicable Date, the Target Group does not own any properties.

Generally, under the Indonesian mining law, a mining company is not obliged to hold any land title (such as right of ownership, right to build, right to cultivate and right of use) in order to utilise land and conduct mining operations in the mining area. A mining company relies on the authorised right to mine given by the Minister, Governors, or Regents, pursuant to their respective authorities under the mining license to conduct mining activities. Nonetheless, under the Indonesian mining law, a mining company has the obligation to conduct land acquisition, settlement or compensation in respect of occupied areas such as land occupied by locals and/or used by locals for their livelihood) that will be used for mining activities including construction of mining facilities.

As at the Latest Practicable Date, the Target Group's production operations in respect of the Concession Blocks will be carried out on approximately 28.3 hectares of certified land located at the Deposits. As presented in the table below, these lands are owned by Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono, who have in turn leased them to the Target Group for its mining operations by way of the Land Borrow Agreements and the amendments thereof entered between PT WWI and the respective land title owners, and further acknowledged by PT LTC. Please refer to Section B14 entitled "Interested Person Transactions" of this Letter for further details on the aforesaid leases.

Holder of land use/occupancy rights	Location	Land area (sq m)	Tenure	Purpose	Rental
Wijaya Lawrence[(2)]	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	98,514	17 years from 20 March 2013	Mining	Nil
Wijaya Lawrence	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	3,037	17 years from 20 March 2013	Mining	Nil
Wijaya Lawrence	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	8,798	17 years from 20 March 2013	Mining	Nil
Wijaya Lawrence	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	5,413	17 years from 20 March 2013	Mining	Nil
Decky Susanto[(1)]	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	71,258	17 years from 20 March 2013	Mining	Nil
Nicco Darmasaputra Lawrence[(2)]	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	53,614	17 years from 20 March 2013	Mining	Nil
Haryanto[(1)]	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	31,792	17 years from 20 March 2013	Mining	Nil
Tirto Sarjono[(1)]	Desa Mekarjaya Kecamatan Ciemas Kabupaten Sukabumi	11,082	17 years from 20 March 2013	Mining	Nil
Total		**283,508**			

Notes:

(1) Decky Susanto, Haryanto and Tirto Sarjono are unrelated third parties.

(2) Nicco Darmasaputra Lawrence, a Proposed Executive Officer, is the son of Wijaya Lawrence, and the nephew of Ngiam Mia Je Patrick, both of whom are Proposed Directors.

The Legal Adviser to the Company on Indonesian Law has confirmed that as at the Latest Practicable Date, all Land Borrow Agreements were entered by PT WWI and the registered owners or representatives of registered owners as stated above, and further acknowledged by PT LTC.

The following table sets out the property in Singapore leased by the Target Group as at the Latest Practicable Date:

Lessor	Location	Land area (sq m)	Tenure	Purpose	Rental
City Developments Limited	390 Havelock Road #07-06 King's Centre Singapore 169662	117	3 years commencing 1 January 2013, with an option to renew for a further term of 3 years at revised terms to be mutually agreed	Office	S$6,043.20 per month

As at 31 March 2013, the net carrying amount of the fixed assets of the Target Group comprising mainly office equipment was approximately IDR736 million.

As at 31 March 2013, the net book value of the mine properties of the Target Group was approximately IDR15.0 billion. These mine properties comprise the capitalised exploration and evaluation expenditures as well as the infrastructure to support mining activities, such as perimeter fence, site office and hostel for the workers, storage facilities for core samples and storage facilities for explosives used in tunneling activities.

B8.20 Competition

Given the clear geographical demarcation of exploration and mining concessions, mining companies in general do not compete directly with one another in terms of mining operations. However, the Target Group competes with other mining companies for new concessions outside of the Concession Blocks.

For a discussion of the competitive risks that are faced by the Target Group in its gold mining operations, please refer to Section 11.1 entitled "Risk Factors – Risks relating to the Business and Industry of the Target Group" of this Circular.

To the best of the Proposed Directors' knowledge, there are no published statistics that can be used to accurately measure the market share of the Target Group's business in Indonesia.

B8.21 Competitive Strength

The Proposed Directors have identified several key factors that have and will continue to enable the Target Group to compete effectively. The Proposed Directors are of the view that the Target Group's competitive strengths are as follows:

<u>Location and exploration potential of the Concession Blocks</u>

The Concession Blocks are located in the Jampang Kulon area, in the southwest of the Sukabumi Region, West Java Province, Indonesia, approximately 200 kilometers south of Jakarta. Access to and from the Concession Blocks is by land transportation along a good road infrastructure. The Concession Blocks enjoy relatively easy and convenient access to Jakarta.

The Concession Blocks cover an area of approximately 3,078.5 hectares. The resource statement in respect of the Deposits, which are the subject of the Independent Qualified Person's Report, estimated that the Deposits contain approximately 4.35 million tonnes of gold resources including 2.44 million tonnes of gold reserves which conform with the definitions of the JORC Code. The remaining approximately 2,878.5 hectares of the Concession Blocks remained relatively unexplored. It was highlighted in the Independent Qualified Person's Report that there are other deposits within the Concession Blocks (with previously reported Mineral Resources which are not JORC Code compliant). As such, there is considerable potential of locating other gold resources within the Concession Blocks.

<u>Extensive prior exploration on the Concession Blocks</u>

The Concession Blocks have a long history of geological investigations since the 1980s. The Target Group is able to leverage on the exploration activities conducted by prior concession holders of the Concession Blocks. Various Australian companies had carried out detailed geological exploration work on the Concession Blocks from 1986 to 1998. The Target Group is thus able to leverage on these prior exploration works, which include trenching and drilling as well as compilation of geological data to identify prospect areas for further exploration and evaluation as well as development of the gold resources and/or reserves within the Concession Blocks.

Experienced management and professional team

The Target Group has a team of key management and technical staff with extensive knowledge and experience in gold mining. The Proposed Director, Wijaya Lawrence, has been building up his knowledge and contacts in the gold mining industry in Indonesia through the management of the Target Group's exploration and exploitation activities, business dealings with industry players as well as interactions with the relevant government authorities. The Proposed Executive Officer, Yusuf Hermawan Jatikusumo, has more than 25 years of experience in the industry and has been involved in the gold mining activities of PT LTC since 1996.

The Target Group's expertise is augmented by a team of professionals in the field of geological sciences, exploration of mineral resources and mineralogy research and mining production. The Proposed Directors believe that this team of professionals provides the Target Group a wealth of expertise for its mining operations.

Established infrastructure

The Target Group has constructed a range of infrastructure at the Concession Blocks. This includes perimeter fencing (with a planned closed-circuit television monitoring system), storage bunks, ammunition bunk, and stable and sufficient electricity and water supply. Additionally, an in-house laboratory is also currently being constructed. The infrastructure allows the Target Group to carry out its mining activities at a safe and optimum level.

Clean and clear status

On 17 October 2012, PT WWI and PT LTC were included in the list of 7th batch of companies with the "Clean and Clear" status published by the Directorate General of Mineral and Coal and Geothermal Energy. The requirements to obtain such "Clean and Clear" status are fairly stringent. Such requirements include evidence of full environment documentation in accordance with the relevant Indonesian environmental laws, evidence of mining plan, reclamation plan and post-mining plan as well as payment evidence of mandatory guarantee to the Indonesian government according to the prevailing Indonesian regulations. As at the Latest Practicable Date, PT WWI and PT LTC have completed and submitted the respective application checklist to the Directorate General of Minerals, Coal, and Geothermal Energy ("**Directorate General**") for the issuance of the Clean and Clear certificate.

Good relationship with regulatory authorities and local communities

The Proposed Directors have developed good working relationships with the regulatory authorities and the local community over the years. Since the commencement of its operations, the Target Group has been working closely with the regulatory authorities by providing regular reports to update them on the activities of its mining operations.

The Target Group actively engages, supports and provides employment for the local communities. Through its CSR program, the Target Group has improved the infrastructure in the vicinity of the Concession Blocks. The Target Group contributes to the local community by constructing public recreational facilities such as a multi-purpose outdoor field. The Target Group holds regular meetings with representatives of the local communities to discuss the progress and implementation of its community assistance programs as well as to address any issues, concerns or complaints that arise. The Target Group also supports various local businesses by, where suitable, engaging them as suppliers.

The Proposed Directors believe that such cordial working relationships with the regulatory authorities and the local communities achieved through carrying out its mining activities responsibly would minimise incidences of disruptions and optimise the efficiency of its mining operations.

B8.22 Government Regulations

Singapore

As at the Latest Practicable Date, the Target Group's business operations were not subject to any special legislation or regulatory controls in Singapore other than those generally applicable to companies and businesses incorporated and/or operating in Singapore. The Target Group has thus far not experienced any adverse effect on its business in complying with these regulations. The Proposed Directors believe that the Target Group is not in breach of any laws or regulations applicable to its business operations in Singapore.

Indonesia

The Target Group's business operations, which principally involve the exploration and mining of gold and production of gold dore for subsequent sale are subject to and dependent on a range of foreign investment, land, employment, environmental and general corporate regulatory controls and/or licences issued by the relevant Indonesian authorities. Please refer to Appendix XVII for a description of the relevant Indonesian laws and regulations for its business operations.

To the best of the Proposed Directors' knowledge, the Target Group has complied with all relevant laws and regulations of the Republic of Indonesia and has obtained all the necessary material permits and licences for its business operations in Indonesia, being the principal jurisdiction in which the Target Group operates that would materially affect the Target Group's business operations.

B8.23 Licences, Permits and Approvals

The Target Group's business activities, primarily located in Indonesia, are subject to regulation by various laws, regulations and government agencies. These laws and regulations require the Target Group to possess various licences or permits from the central government and/or the regional government to carry out its gold mining activities. Permits have to be obtained for utilisation of forestry areas only if mining operations are carried out within these forestry areas. As at the Latest Practicable Date, the Target Group does not carry out any mining operations within the forestry areas and hence does not need to obtain permits for utilisation of forestry areas. Under the Target Group's current mining plan for the Deposits which are the subject of the Independent Qualified Person's Report, the Target Group does not intend to carry out mining in any forestry area and hence does not need to acquire such permits. Please refer to Appendix XVII of this Circular for a summary of the relevant laws and regulations in Indonesia and Section 11.2 entitled "Risk Factors – Risks relating to Indonesia" of this Circular for a discussion about the uncertainty in the interpretation and implementation of laws and regulations by the regional government in Indonesia.

As at the Latest Practicable Date, the Target Group holds the following licences which are material to its operations:

Type of Licence	Statute it is issued under	Expiry date	Issuer
Head of Integrated License Service Office of Sukabumi Regency Decree regarding the Approval for Amendment to Production Operation Mining Business Permit (IUP OP) to PT WWI	Decree Number 503.8/7797-BPPT/2011 dated 5 October 2011	7 September 2030	Head of Integrated License and Capital Investment Office of Sukabumi Regency
Head of Integrated License Service Office of Sukabumi Regency Decree regarding the Approval for Validity Adjustment of IUP OP to PT LTC	Decree Number 503.8/3106-BPPT/2012 dated 8 May 2012	4 January 2028	Head of Integrated License and Capital Investment Office of Sukabumi Regency

To the best of the Proposed Directors' knowledge, the Target Group has obtained all necessary licences, permits and approvals for its business operations. As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals has been suspended, revoked or cancelled. To the best of the Proposed Directors' knowledge, they are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked or cancelled as the case may be, or for any applications for, or renewal of, any of these licences, permits and approvals to be rejected by the relevant authorities.

As at the Latest Practicable Date, the Proposed Directors were not aware of any complaints, suits, or protests in relation to environmental pollution that have been lodged, commenced or held against the Target Group. The Target Group has also not been subject to any administrative sanctions or other regulatory penalties relating to environmental concerns.

Pursuant to Rule 225(1)(j) of the Catalist Rules, as at the Latest Practicable Date, the Legal Adviser to the Company on Indonesian Law is of the opinion that the Target Group (a) is in compliance with all relevant laws, rules and regulations, including but not limited to, the proper incorporation and good standing of any incorporated subsidiary or interest; and (b) the title to or validity and enforceability of the rights to any assets (including licences and agreements).

B9. INDUSTRY OVERVIEW AND PROSPECTS

Supply of Gold

The principal sources of gold supply are the production of gold from mining activities and the recycling of gold.

Data from the World Gold Council showed a rising trend in mine production in 2012 as production grew by 0.7% to 2,857 tonnes. Additional production was generated by a number of new gold projects coming on stream, primarily in the first quarter of 2012, as well as by the increase of production at a number of relatively new operations. This additional production was offset by the impact of planned production interruptions and unforeseen delays at a number of mines, together with widespread labour unrest in South Africa. The net result was a negligible increase in annual production as these opposing influences largely cancelled each other out.

De-hedging activity outweighed hedging by a small margin in the fourth quarter of 2012, resulting in a full-year figure of 40 tonnes of net de-hedging.

Meanwhile, recycling of gold contributed 1,590.7 tonnes to total supply in 2012. This was 3.6% (or 59 tonnes) less than 2011, despite a 6% increase in the average gold price over the period.

The following table shows the breakdown by source of world gold supply in 2011 and 2012:

Supply (tonnes)	**2011**	**2012**
Mine production	2,838.1	2,856.8
Net producer hedging	10.8	(39.8)
Total mine supply	2,848.9	2,817.0
Recycled gold	1,649.4	1,590.7
Total supply	**4,498.3**	**4,407.7**

Source: World Gold Council

Demand for Gold

World gold demand primarily comprises demand from the jewellery, technology and investment sectors. Data from the World Gold Council show that total gold demand in 2012 was 4,407.7 tonnes, a 2% decline as compared to 2011 (4,498.3 tonnes). However, on a quarterly basis, gold demand in the fourth quarter of 2012 reached 1,195.9 tonnes (the second highest quarterly total behind the record third quarter of 2011) as double-digit year-on-year growth in the jewellery and central bank markets outweighed the shrinkage in technology and investment.

Although total jewellery demand fell 4% in 2012, the fourth quarter saw an 11.6% year-on-year improvement in jewellery demand as festival and wedding-related purchases in India were supplemented by stock-building within the trade ahead of a widely-anticipated increase in import tax, which was subsequently imposed a few weeks into 2013. The recovery in the jewellery sector seen in the fourth quarter of 2012 has continued into the first half of 2013 with continued strong demand from India and record quarterly demand (by value) in China.

Demand from central banks in 2012 was significant as several central banks continued to make sizable purchases. The 2012 annual total of 533.2 tonnes represented the greatest level of demand since 1964 as ever more central banks added to their gold reserves including Brazil, Paraguay, Iraq and Venezuela.

A decline in annual investment demand was largely the result of a divergence between institutional and retail investor behaviour. A 17.6% decline in demand for bars and coins together with a 50.7% increase in demand from exchange traded funds ("**ETFs**") and similar products created a 10.2% reduction in investment demand. Whilst total gold demand from investment has fallen substantially in the first half of 2013 as a result of volatility and perceived weakness in the gold price and significant outflows from ETFs, bar and coin demand has continued to grow.

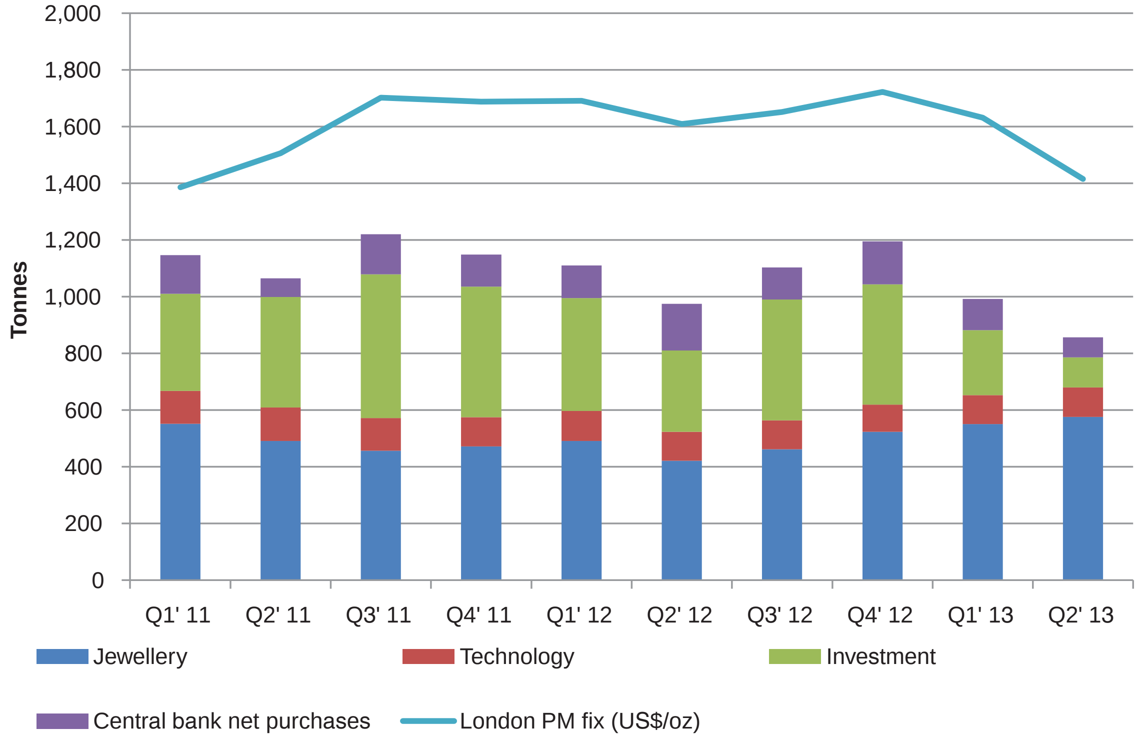
Annual demand for gold in the technology sector contracted by 9.8% in 2012 to 407.5 tonnes, largely as a result of lacklustre consumer sentiment in key markets, as well as on-going substitution to lower-priced alternatives.

Please see below table for world gold demand statistics.

Demand (tonnes)	**2011**	**2012**
Jewellery	1,975.1	1,895.4
Technology	451.7	407.5
Total bar and coin demand	1,513.4	1,246.7
ETFs and similar	185.1	279.0
Central bank net purchases	456.8	533.2
Gold demand	4,582.1	4,361.9
Over-the-counter investment and stock flows	(83.8)	45.8
Total demand	**4,498.3**	**4,407.7**

Source: World Gold Council

Please refer to the chart below for a breakdown of world gold demand and gold price.



Source: World Gold Council

<u>Gold Price</u>

Prior to 2013, the price of gold had risen for 11 consecutive years. Increasing gold jewellery demand generally driven by Asian nominal income growth, new demand from central banks, sharply higher investment demand and a subdued supply side response led to a 101% gold price rise between 2008 and 2012. However, from its 2012 peak of US$1,790 per oz in October, the gold price has fallen substantially and, as at the Latest Practicable Date, is trading at US$1,313[(1)] per oz, an overall decline of 26.6%.

Whilst it seems plausible that the underlying macro conditions that led to record gold prices will remain in place, the current shift in potential investment demand expectations and significant gold price volatility experienced so far in 2013 could have a further impact on gold price levels in the near term.

Note:

(1) Based on Bloomberg L.P..

Source: Bloomberg L.P.

Total investment demand in gold over the last four (4) years has increased to an average US$68.6 billion per annum, up from US$17.7 billion in the previous four (4) years. Gold investment demand was weakened significantly in 2013 as a result of volatility and weakness in the gold price. Inflation in Western economies remains constrained and investors are questioning the extent to which accommodative policy among central banks will persist, particularly in light of comments earlier this year from Ben Bernanke, Chairman of the Federal Reserve, of a planned slowing of the pace at which the Federal Reserve prints money to buy bonds.

Over the longer term, Asian demand growth, continuing diversification-driven central bank demand, the long-term US fiscal outlook and the potential for as yet unforeseen economic events all provide support for gold. Jewellery demand growth supported by the currently weakened gold price could help offset falling investment demand levels. Additionally, the strategic shift of gold producers towards focusing on capital returns, and a move away from growth, will likely see the supply side remain constrained. Combined with this, ever lower ore grades globally and mining cost inflation will likely continue to raise the all-in costs of producers providing longer-term support from the cost curve.

The Gold Industry in Indonesia

Mining activity in Indonesia is regulated by the Ministry of Energy and Mineral Resources. Indonesia has issued two (2) new regulations under its mining law to allow firms to start obtaining mining permits, in a move that should increase certainty and help boost investment in the mining sector. The new regulations, namely Government Regulation No. 22 and 23 of 2010, covering (1) mining areas and (2) mining businesses, will allow investors to obtain new mining permits and help to speed up issuance for existing investors.

Indonesia currently stands as one of the world's top 10 gold-producing countries with an estimated 3,524 tonnes in reserves. Indonesia presents significant investment potential which has attracted foreign mining companies to hold large scale operations, which include Freeport-McMoRan Copper & Gold Inc., ("**Freeport**"), Newcrest Mining Limited and Newmont Mining Corporation. In total, there are seven (7) large scale mines operating in Indonesia. The world's largest gold mine is the Grasberg mine which is located in Western Papua, Indonesia. It is operated by Freeport which is listed on the New York Stock Exchange. According to Freeport's annual report for the financial year ended 31 December 2012, gold output from the Grasberg mine totalled 1.3 million ounces in 2011, and it estimated 33.9 million ounces of recoverable, proven and probable gold reserves.

Source: 2012 annual report of Freeport

The World Gold Council, Bloomberg L.P. and Freeport have not consented to the inclusion of the relevant information for the purposes of Section 249 of the SFA and are therefore not liable for the relevant statement(s) under Sections 253 and 254 of the SFA. While the Target Group has taken reasonable steps to ensure that the relevant statement(s) have been included in its proper context and form, the Target Group has not independently verified the accuracy of the relevant information.

B10. TREND INFORMATION, STRATEGIES AND FUTURE PLANS

B10.1 Business Strategies and Future Plans

Construction and expansion of extraction and processing facilities

In September 2012, the Target Group commenced construction of an inclined tunnel for the extraction of gold ore at Pasir Manggu West. As at the Latest Practicable Date, the length of the tunnel was approximately 200 m. Upon completion, the length of the tunnel will be approximately 250 m, with production capacity of approximately 400 tonnes of ore per day. Barring any unforeseen circumstances, the Target Group expects such construction to complete in 2014.

The Target Group intends to construct an additional inclined tunnel of approximately 250 m, with production capacity of approximately 500 tonnes of ore per day, at Cikadu. The Target Group also intends to construct a vertical shaft of approximately 250 m with two (2) horizontal tunnels with production capacity of approximately 600 tonnes of ore per day, at Cibatu and Sekolah. Barring any unforeseen circumstances, the Target Group expects the construction of the tunnel to be completed in 2014. The total capital expenditure for the construction of the tunnels is estimated to be approximately US$33 million. The Target Group intends to finance the capital expenditure through internal sources of funds as well as equity and debt financing.

Additionally, the Target Group intends to construct processing plant(s) with aggregate processing capacity of 1,500 tpd to match the capacity of the three (3) tunnels. Barring any unforeseen circumstances, the Target Group expects construction of the processing plant(s) at the Deposits to be completed in 2014. The total capital expenditure for the processing plant(s) is estimated to be approximately US$18 million. The Target Group intends to finance the capital expenditure through internal sources of funds as well as equity and debt financing.

The above-mentioned plans are conditional on the Target Group being able to obtain adequate funding on terms and conditions acceptable to the Target Group. The Target Group may obtain funding for such plans by way of additional equity and/or debt financing. Please refer to Section 11.1(j) entitled "Risk Factors – Risks relating to the Business and Industry of the Target Group - The business of the Target Group is capital intensive and may require financing for future growth" of this Circular for further details.

Feasibility studies on upgrading resources and additional exploration and mining area within the Concession Blocks

As at Latest Practicable Date, there are other prospects in the Concession Blocks which have not been fully explored, verified or mined. For instance, based on the Target Group's historical database compiled from previous exploration activities, SRK opined in the Independent Qualified Person's Report that there is a reasonable resource estimate in other gold deposits in the Concession Blocks including Cibatu, Cikadu and Sekolah.

The Target Group currently has in place a further exploration and evaluation plan in other gold deposits in the Concession Blocks over a period of seven (7) years. The total exploration and evaluation expenditure is estimated to be US$33 million. The purpose of such further exploration and evaluation plan is for verifying historical data to be in compliance with the JORC Code, as well as to upgrade and convert more gold resources into the proven reserves status and thus enable the Target Group to plan its mining operations efficiently.

B10.2 Order Book

As at the Latest Practicable Date, being at the exploration and development stage of the Deposits, the Target Group has not commenced the sale of any gold dore. As such, the Target Group does not have an order book.

B10.3 Trends

The Proposed Directors have observed the following trends on revenue and operations of the Target Group as at the Latest Practicable Date:

Revenue

As at the Latest Practicable Date, the Target Group has not commenced production of gold dore. The Target Group intends to construct processing plant(s) with total processing capacity of 1,500 tpd at the Concession Blocks and expects the construction of these plant(s) to be completed in 2014. As such, the Target Group would not generate any revenue for FY2014. Production and sale of gold dore is expected to commence in FY2015. Please refer to Section B10.1 entitled "Business Strategies and Future Plans" of this Letter for more information on the future plans of the Target Group.

Gold price

Gold spot prices have decreased from approximately US$1,670 per oz in January 2013 to approximately US$1,313 per oz as at the Latest Practicable Date due mainly to:

(a) US Federal Reserve Chairman, Ben Bernanke's comments that the US Fed Reserve could begin "later this year" to reduce its current massive injections of US$85 billion a month into the economy; and

(b) During the global financial crisis, many countries have sought to increase their gold holdings to hedge against the depreciation in the value of their reserves in hard currency. However, with the expectation that the US economy looking set to gain strength, central banks around the world can choose to return to holding US dollar and the previous upward pressure they put on gold prices is easing.

The Proposed Directors recognise the volatility in gold prices, but believe that such volatility may be mitigated in view of the following factors:

(a) Strong consumer demand for gold. Sentiments towards gold in the two largest markets, India and China, remain positive, with consumers in India and China anticipating a stable or increasing price in the next 12 months. The investment outflows in the first three months of 2013 were countered by healthy demand in the consumer markets for bars, coins and jewellery in India, Japan and China; and

(b) Capacity has been strained. Some refiners report that they continue to work at high levels of capacity to meet demand. There is a lack of recycling at these price levels and large bars have been imported to meet shortages.

Notwithstanding the above, Shareholders should note the risks relating to the Target Group's business and industry as set out in Section 11.1 entitled "Risk Factors – Risks relating to the Business and Industry of the Target Group" of this Circular, in particular the risk factor under Section 11.1(c) entitled "The Target Group's business, revenue and profits will be affected by the volatility of prices for gold and the global economy", for more information on how the Target Group's business, revenues and profits will be affected by the volatility of prices for gold.

Operating costs

The Target Group's key operating costs are expected to increase in line with its expansion plans. Please refer to Section B10.1 entitled "Business Strategies and Future Plans" of this Letter for more information on the Target Group's expansion plans.

B11. SELECTED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following selected unaudited pro forma consolidated financial information of the Target Group should be read in conjunction with the full text of this Circular, including the "Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of Wilton Resources Holdings Pte. Ltd. for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Wahana Indonesia and its Subsidiary for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Investment for the Nine-Month Period ended 31 March 2013", the "Audited Financial Statements of Wilton Resources Holdings Pte. Ltd. for the Period ended 30 June 2012", the "Audited Financial Statements of P.T. Wilton Wahana Indonesia and its Subsidiary for the Years ended 30 June 2010, 2011 and 2012", and the "Audited Financial Statements of P.T. Wilton Investment for the Period ended 30 June 2011 and the Year ended 30 June 2012" as set out in Appendices V, VI, VII, VIII, IX, X and XI respectively of this Circular.

Bases of Preparation of the Target Group's Financial Statements

Under the Singapore Financial Reporting Standards ("**FRS**"), the preparation of consolidated or combined financial statements may be applied only from the time that the entities in a business combination are under common control. As the Proposed Restructuring Exercise has not been completed as at the Latest Practicable Date, common control over the Target Group cannot be established from the start of 1 July 2009 (i.e. start of FY2010). Please refer to Section B2 entitled "Proposed Restructuring Exercise" of this Letter for further details. The completion of the Proposed Restructuring Exercise is a condition precedent for the Completion. Accordingly, the consolidated financial statements of the Target Group under FRS will only be available after the completion of the Proposed Restructuring Exercise.

Pursuant to the requirements of Part IX of the Fifth Schedule of the Securities and Futures Act, the "Audited Interim Financial Information of Wilton Resources Holdings Pte. Ltd. for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Wahana Indonesia and its Subsidiary for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Investment for the Nine-Month Period ended 31 March 2013", the "Audited Financial Statements of Wilton Resources Holdings Pte. Ltd. for the Period ended 30 June 2012", the "Audited Financial Statements of P.T. Wilton Wahana Indonesia and its Subsidiary for the Years ended 30 June 2010, 2011 and 2012", and the "Audited Financial Statements of P.T. Wilton Investment for the Period ended 30 June 2011 and the Year ended 30 June 2012" have been included in this Circular. Please refer to Appendices VI, VII, VIII, IX, X and XI of this Circular for the full sets of the audited financial statements of the Target Company and the Target Subsidiaries. The Target Group's future financial reports will be based on the actual consolidated financial statements.

Notwithstanding that the Proposed Restructuring Exercise has not been completed as at the Latest Practicable Date, for the purpose of illustrating what the Target Group's historical financial information might have been had the Target Group existed at an earlier date, the Target Group has prepared the unaudited pro forma consolidated financial information of the Target Group for each Period Under Review for inclusion in this Circular.

The unaudited pro forma consolidated financial information has been prepared in accordance with the accounting policies of the Target Group, and based on certain assumptions and after making certain adjustments and, because of their nature, are for illustrative purposes only. Please refer to Appendix V of this Circular for the "Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013."

Bases of Preparation of Sections B12.2, B12.3 and B12.4 entitled "Review of Results of Operations", "Review of Financial Position" and "Liquidity and Capital Resources" respectively of this Letter

As aforementioned, the consolidated financial statements of the Target Group for FY2010, FY2011, FY2012 and 9M2013 are not available as the Proposed Restructuring Exercise has not been completed as at the Latest Practicable Date. Accordingly, for comparative purposes, Sections B12.2, B12.3 and B12.4 entitled "Review of Results of Operations", "Review of Financial Position" and "Liquidity and Capital Resources" respectively of this Circular were prepared based on the relevant comparative financial information of the Target Group as extracted from the unaudited pro forma consolidated financial information for FY2010, FY2011, FY2012 and 9M2013.

Unaudited Pro Forma Consolidated Income Statements

(IDR' Million)	FY2010	FY2011	FY2012	9M2012	9M2013
Revenue	173	161	–	–	–
Cost of sales	(96)	(128)	–	–	–
Gross profit	77	33	–	–	–
Other items of income					
Interest income	–	–	2	1	4
Other income	–	2	–	–	–
Other items of expenses					
Exploration and evaluation expenses	–	–	–	–	(9,581)
General and administrative expenses	(9,415)	(73)	(333)	(220)	(1,425)
Other operating expenses	–	–	(1,054)	(722)	(2,246)
Loss before tax	(9,338)	(38)	(1,385)	(941)	(13,248)
Income tax (expense)/credit	(3)	–	322	217	624
Loss after tax	**(9,341)**	**(38)**	**(1,063)**	**(724)**	**(12,624)**

Unaudited Pro Forma Consolidated Statements of Financial Position

(IDR' Million)	As at 30 June 2012	As at 31 March 2013
Assets		
Non-current assets		
Exploration and evaluation assets	440	59,968
Mine properties	110	14,992
Property, plant and equipment	291	736
Inventories	–	30
Deferred tax assets	322	945
	1,163	76,671
Current assets		
Other debtors and deposits	–	624
Prepayments	–	36
Prepaid tax	1	–
Amounts due from related parties	25,431	–
Cash and cash equivalents	24,866	31,294
	50,298	31,954
Total assets	51,461	108,625
Equity and liabilities		
Current liabilities		
Trade payables	–	621
Other payables and accruals	6,961	13,629
Amounts due to related parties	–	581
Loan payable to Hartawan	44,491	93,794
Tax payable	9	–
	51,461	108,625
Net current liabilities	(1,163)	(76,671)
Total liabilities	51,461	108,625
Net liabilities	–	–
Equity		
Share capital	7	7
Accumulated losses	(9,731)	(20,718)
Foreign currency translation reserve	(201)	(958)
Merger reserve	(1,040)	(2,912)
Capital reserve	10,965	24,581
Total equity	–	–
Total equity and liabilities	51,461	108,625

B12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE TARGET GROUP

The following discussion of the Target Group's results of operations and financial position should be read in conjunction with the "Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of Wilton Resources Holdings Pte. Ltd. for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Wahana Indonesia and its Subsidiary for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Investment for the Nine-Month Period ended 31 March 2013", the "Audited Financial Statements of Wilton Resources Holdings Pte. Ltd. for the Period ended 30 June 2012", the "Audited Financial Statements of P.T. Wilton Wahana Indonesia and its Subsidiary for the Years ended 30 June 2010, 2011 and 2012", the "Audited Financial Statements of P.T. Wilton Investment for the Period ended 30 June 2011 and the Year ended 30 June 2012" as set out in Appendices V, VI, VII, VIII, IX, X and XI respectively of this Circular.

The discussion in this section may contain forward-looking statements that involve risks and uncertainties. The Target Group's actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Circular, particularly in Section II entitled "Risk Factors" of this Circular. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Target Company, the Target Group, the Financial Adviser and Sponsor or any other person. Shareholders are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Circular.

Except as otherwise indicated, the following discussion is based on the Target Group's unaudited pro forma consolidated financial information, which have been prepared in accordance with the FRS.

B12.1 Overview

Prior to FY2011, the main business activity of the Target Group was the sale of lighting products through a retail outlet in Indonesia. This business ceased in October 2010. Thereafter, the Target Group is principally engaged in the business of exploration and mining of gold, and the production of gold dore.

Please refer to Section B8.2 entitled "Business Overview – Business Activities" of this Letter for further information.

Revenue

The Target Group's revenue for FY2010 and FY2011 was derived from the sale of lighting products which were sold through a retail outlet. This business ceased in October 2010 (first half of FY2011).

Currently, the Target Group's principal business is the exploration and mining of gold, and the production of gold dore. The Target Group holds two (2) Production Operations IUPs in respect of the Concession Blocks. The Production Operations IUPs will expire in 2028 and 2030, respectively.

For FY2012 and 9M2013, the Target Group's main focus was on undertaking exploration and evaluation activities within the Concession Blocks. The initial exploration and evaluation activities were completed in the first quarter of 2013, the results of which were set out in the Independent Qualified Person's Report in Appendix XIII of this Circular. Barring any unforeseen circumstances, the Target Group intends to construct processing plant(s) at the Concession Blocks for the production of gold dore. The processing plant(s) will have an aggregate processing capacity of 1,500 tpd or 450,000 tpa. The Target Group will derive revenue from the sale of gold dore when production commences.

Revenue from the sale of gold dore is recognised when (i) ownership is passed to customers; (ii) no further processing is required from the Target Group; (iii) the quantity of gold is determined; and (iv) the selling price is fixed. The Target Group will generally recognise revenue from the sale of gold dore upon confirmation of the sale to any customers.

The main factors that will affect the Target Group's revenue include the following:

(a) Price of gold

The Target Group's principal product is gold dore. The price of gold dore is mainly determined based on the prevailing gold price in the international market. The price of gold is affected by many factors, such as consumer demand for gold jewellery, refiners' capacity which affects the supply of gold, selling and purchasing activities by central banks, investment activities such as buying and selling by gold funds, fluctuations in exchange rates among major currencies, expectations of inflation rates, interest rates and global economic and political trends.

(b) Production volume

Production volume is determined by the amount of gold resources and reserves at the Concession Blocks, mine design, processing capacity, weather conditions and the efficiency of the Target Group's gold recovery process.

Please refer to Section 11 entitled "Risk Factors" and Section B10.3 entitled "Trends" of this Circular for further information on the above factors and other factors that may affect the Target Group's revenue.

Cost of sales

For FY2010 and FY2011 the Target Group's cost of sales was mainly the cost of lighting products.

As at the Latest Practicable Date, the Target Group has not commenced production of gold dore. When production commences, the Target Group's cost of sales for its gold mining business is expected to comprise the following:

(i) Direct labour costs at the mine sites;

(ii) Utilities such as water and electricity for its production activities;

(iii) Royalty fees of 3.75% to be paid to the local government which is based on the volume of production;

(iv) Selling expenses; and

(v) Consumables such as fuel, explosives, chemicals and other expendables used in exploration, gold mining and production.

For FY2012 and 9M2013, the Target Group did not incur any cost of sales since there was no production. Site-related expenses incurred during this period were charged to other operating expenses.

The factors affecting the cost of sales include:

(i) Workers' salaries and compensation

Based on the estimation of the Target Group's management, workers' salaries and compensation are expected to account for a significant portion of the cost of sales. As such, any significant increase in the salaries and other compensation of employees who are directly involved in the mining and production activities will result in a significant increase in the cost of sales.

(ii) Level of exploration and evaluation activities at the Concession Blocks

Expenditures incurred in undertaking drilling, geological and related exploration and evaluation studies are capitalised subsequent to the establishment of economic recoverability and are transferred to mine properties. Such capitalised expenditures are amortised using unit-of-production method based on the estimated total ounces of recoverable gold deposits contained in proven and probable reserves. As such, any significant increase in exploration and evaluation activities at the Concession Blocks will result in a significant increase in the value of mine properties and an increase in the depreciation and amortisation expenses of such mine properties.

(iii) Utilities rates

Based on the estimation of the Target Group's management, utilities such as water and electricity are expected to account for more than 10.0% of the cost of sales. As such, any significant increase in the utilities rates will result in a significant increase in the cost of sales.

Exploration and evaluation expenses

For FY2010 and FY2011, there were no exploration and evaluation expenses since the Target Group was still in the lighting products trading business.

Exploration and evaluation expenses include acquisition and renewal of rights to explore, technical feasibility, processing and mining study, environment impact assessment, management and monitoring, drilling, permits and other exploration costs paid to contractors and consultants. Exploration and evaluation expenses incurred on the Concession Blocks where the JORC Code compliant resources had not yet been established are expensed off as they are incurred until sufficient evaluation has occurred in order to establish the level of resources.

Upon the establishment of the JORC Code compliant resource (at which point, the Target Group considers it probable that economic benefits will be realised), the Target Group will capitalise any further evaluation expenses incurred in relation to the particular concession as exploration and evaluation assets up to the point where a JORC Code compliant reserve is established.

For FY2012 and 9M2013, exploration and evaluation expenses comprised mainly those expenses relating to drilling activities, technical feasibility studies, mine and process design and other expenses before the JORC Code compliant resource was established. For 9M2013, exploration and evaluation expenses amounted to IDR9.6 billion.

General and administrative expenses

For FY2010, general and administrative expenses comprised mainly professional fees that were deemed to be incurred by the Target Group for the Proposed Acquisition of IDR9.4 billion. For FY2011, general and administrative expenses comprised mainly staff-related expenses and office supplies.

For FY2012 and 9M2013, general and administrative expenses comprised mainly the following:

(i) professional fees for audit and accounting, legal and compliance services provided by various professional parties. Professional fees accounted for 7.5% and 4.5% of general and administrative expenses in FY2012 and 9M2013 respectively;

(ii) depreciation expenses for office equipment, furniture and fittings. Depreciation expenses accounted for 11.2% and 7.2% of general and administrative expenses for FY2012 and 9M2013 respectively;

(iii) staff-related expenses including salaries, bonuses and statutory contribution for directors and administrative staff. Staff-related expenses accounted for 24.9% and 43.2% of general and administrative expenses for FY2012 and 9M2013 respectively. Higher staff-related expenses were due mainly to higher headcount;

(iv) utilities (water and electricity) for the Target Group's administrative offices in Indonesia and Singapore accounted for 7.3% and 3.3% of general and administrative expenses for FY2012 and 9M2013 respectively;

(v) office rental for the Target Group's administrative office in Singapore accounted for nil and 13.2% of general and administrative expenses for FY2012 and 9M2013 respectively; and

(vi) other miscellaneous expenses including but not limited to insurance costs, general repairs and maintenance, and telecommunication expenses.

Other operating expenses

Other operating expenses comprised mainly expenses associated with the operations of the mining sites such as utilities (pre-production), site equipment, travelling expenses, transportation, site management fees, environmental protection and net foreign exchange losses.

Interest income

Interest income is interest earned on bank deposits.

Income tax

The Target Company and the Target Subsidiaries (namely, PT WI, PT WWI and PT LTC) are subject to income tax at the applicable statutory tax rates in Singapore and Indonesia. Income tax expense comprised current tax expense and deferred tax. Current tax is expected tax payable on the taxable income. Deferred tax is estimated using the liability method on temporary differences and other tax credits. Deferred tax assets will only be recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised.

During the Period Under Review, the applicable tax rates in Singapore and Indonesia were 17% and 25% respectively.

The Target Group's tax expenses/credit for the Period Under Review are as follows:

(IDR' Million)	FY2010	FY2011	FY2012	9M2012	9M2013
Income tax (expenses)/credit	(3)	–	322	217	624

The Target Group's tax credits relate to deferred tax assets arising from unutilised tax losses for 9M2012, FY2012 and 9M2013. The Target Group expects to have future taxable profits to offset against its unutilised tax losses. Going forward, the Target Group may be subject to the respective entities' corporate tax rate if its unutilised tax losses are not sufficient to offset against its taxable profits.

B12.2 Review of Results of Operations

Breakdown of past performance by business division and geographical markets

Prior to FY2012, the revenue of the Target Group was derived from the lighting products trading business in Indonesia and the Target Group only had one (1) business segment.

For FY2012 and 9M2013, the principal business of the Target Group was that of a gold mining company with two (2) concessions in Indonesia. The Target Group did not have any revenue in FY2012 and 9M2013 as its main focus was on undertaking exploration and evaluation activities within the Concession Blocks.

The Target Group commenced construction of the first underground tunnel at Pasir Manggu Deposit in September 2012. This tunnel, when completed, will be approximately 250 m deep with a production capacity of approximately 400 tpd. As at the Latest Practicable Date, approximately 200 m of the tunnel had been completed. Other infrastructure to support the mining activities was also built at the Concession Blocks. These include access roads, concrete perimeter fences around the Pasir Manggu Deposit, site office and hostel for the workers, storage facilities for the core samples and storage facilities for explosives used in tunnelling activities.

FY2010 and FY2011

Revenue

The Target Group was mainly engaged in the lighting products trading business in FY2010 and FY2011. It started winding down the lighting products trading business in FY2011 and ceased trading in October 2010. Revenue decreased by IDR12 million or 6.9%, from IDR173 million in FY2010 to IDR161 million in FY2011 due mainly to the decrease in average selling prices. The Target Group reduced the selling prices of its lighting products in order to clear its inventory in line with its intention to wind down the lighting products trading business.

Cost of sales and gross profit

Cost of sales increased by IDR32 million or 33.3%, from IDR96 million in FY2010 to IDR128 million in FY2011 mainly due to the increase in sales volume of lighting products.

Gross profit decreased by IDR44 million or 57.1%, from IDR77 million in FY2010 to IDR33 million in FY2011 in line with the decrease in revenue and the decrease in gross profit margin. Gross profit margin decreased from 44.5% in FY2010 to 20.5% in FY2011 mainly due to the decrease in average selling prices of the lighting products.

General and administrative expenses

General and administrative expenses decreased by IDR9,342 million or 99.2%, from IDR9,415 million in FY2010 to IDR73 million in FY2011 mainly due to the decrease in professional fees of IDR9,351 million.

Loss before tax

Loss before tax decreased by IDR9,300 million to IDR38 million in FY2011 as compared to loss before tax of IDR9,338 million in FY2010 was mainly due to the decrease in professional fees of IDR9,351 million.

FY2012 and 9M2013

Revenue

There was no revenue in FY2012 and 9M2013 as the Target Group had not commenced production of gold dore. For FY2012 and 9M2013, the focus of the Target Group was on undertaking exploration and evaluation activities within the Concession Blocks. These exploration and evaluation activities were mainly additional drilling at the Concession Blocks for the preparation of the Independent Qualified Person's Report.

Cost of sales

There was no cost of sales in FY2012 and 9M2013 as production of gold dore had not commenced. Certain expenses related to the operation of the mine site were charged as other operating expenses.

Exploration and evaluation expenses

For FY2012 and 9M2013, exploration and evaluation expenses comprised mainly drilling costs, technical feasibility studies, mine and process design and other expenses which were incurred on the Concession Blocks.

For FY2012, the exploration and evaluation expenses were borne by a shareholder on behalf of the Target Group. At the end of FY2012, it was agreed by the Target Group that such expenses would be borne by the Target Group after the JORC Code compliant resources at the Deposits were established. Such expenses were capitalised as exploration and evaluation assets. For 9M2013, exploration and evaluation expenses amounted to IDR9.6 billion.

General and administrative expenses

For FY2012, general and administrative expenses amounted to IDR0.3 billion and comprised mainly staff-related expenses, office supplies, utilities, depreciation, communication expenses and professional fees. For 9M2013, general and administrative expenses amounted to IDR1.4 billion and comprised mainly staff-related expenses, office rental, depreciation, travelling expenses and professional fees.

Other operating expenses

Other operating expenses amounted to IDR1.1 billion and IDR2.2 billion in FY2012 and 9M2013 respectively and comprised mainly net foreign exchange losses.

Interest income

Interest income of IDR2 million and IDR4 million in FY2012 and 9M2013 respectively were interest income on bank deposits.

Loss before tax

Loss before tax amounted to IDR1.4 billion and IDR13.2 billion for FY2012 and 9M2013 respectively. Loss before tax increased in 9M2013 as a significant portion of the exploration and evaluation activities on the Concession Blocks were undertaken during the period from 1 July 2012 to 31 March 2013.

B12.3 Review of Financial Position

Non-current assets

Non-current assets comprise (i) exploration and evaluation assets; (ii) mine properties; (iii) property, plant and equipment; (iv) inventories; and (v) deferred tax assets.

The Target Group's non-current assets amounted to IDR1.2 billion and IDR76.7 billion as at 30 June 2012 and 31 March 2013 respectively, representing 2.3% or 70.6% of the Target Group's total assets as at the respective dates.

Exploration and evaluation assets

Exploration and evaluation assets comprised capitalised exploration and evaluation expenditure acquisition and renewal of rights to explore, technical feasibility, processing and mining study, environment impact assessment, management and monitoring, drilling, permits and other exploration costs paid to contractors and consultants.

Exploration and evaluation assets amounted to IDR440 million and IDR60.0 billion as at 30 June 2012 and 31 March 2013 respectively, and accounted for 0.9% and 55.2% of total assets as at the respective dates. The increase in the value of exploration and evaluation assets as at 30 June 2012 and 31 March 2013 was the result of additional exploration and evaluation activities undertaken during 9M2013.

Mine properties

Mine properties mainly comprised the carrying value of mining rights, mine design in progress and the value of producing mines transferred from exploration and evaluation assets once the work completed to date supports the future development of the Concession Blocks and such development receives appropriate approvals.

Mine properties amounted to IDR110 million and IDR15.0 billion as at 30 June 2012 and 31 March 2013 respectively, and accounted for 0.2% and 13.8% of total assets as at the respective balance sheet dates. The increase in mine properties was the result of transfer from exploration and evaluation assets as it was determined that the Deposits were already in the development stage. Mine properties also include other items such as infrastructure to support mining activities, such as perimeter fence, site office and hostel for the workers, storage facilities for core samples and storage facilities for explosives used in tunnelling activities.

Property, plant and equipment

Property, plant and equipment comprised mainly office equipment, renovation as well as furniture and fittings.

The carrying amount of property, plant and equipment amounted to IDR291 million and IDR736 million as at 30 June 2012 and 31 March 2013 respectively, and accounted for 0.6% and 0.7% of total assets as at the respective dates. The increase in property, plant and equipment was due to the acquisition of office equipment.

Inventories

Inventories comprised the capitalised costs of the stockpiled ore on the mine site. As at 30 June 2012, there was no stockpile as the Target Group only commenced extraction of ore in September 2012. As at 31 March 2013, inventory amounted to IDR30 million or 0.03% of total assets.

Deferred tax assets

Deferred tax assets relate to the recognition of unutilised tax losses. Deferred tax assets amounted to IDR322 million and IDR945 million as at 30 June 2012 and 31 March 2013 respectively, and accounted for 0.6% and 0.9% of total assets as at the respective dates. The increase in deferred tax assets was due to the losses incurred for 9M2013.

Current assets

Current assets comprise (i) other debtors and deposits, (ii) prepayments, (iii) amounts due from related parties; and (iv) cash and cash equivalents.

The Group's current assets amounted to IDR50.3 billion and IDR32.0 billion as at 30 June 2012 and 31 March 2013 respectively and accounted for 97.7% and 29.4% of total assets as at the respective dates.

Other debtors and deposits

Other debtors and deposits comprised mainly deposits. As at 30 June 2012, there was no outstanding balance for other debtors and deposits. As at 31 March 2013, other debtors and deposits amounted to IDR624 million or 0.6% of total assets.

Prepayments

Prepayments comprised mainly prepayments made to suppliers. As at 30 June 2012, there was no outstanding balance for prepayments. As at 31 March 2013, prepayments amounted to IDR36 million and was insignificant as a percentage of total assets.

Amounts due from related parties

As at 30 June 2012, amounts due from related parties amounted to IDR25.4 billion or 49.4% of total assets. These expenses were paid by PT WWI in relation to certain exploration and evaluation activities which were undertaken on the Concession Blocks. The proposed Non-Executive Director, Ngiam Mia Je Patrick, had agreed to assume the aforesaid expenses. In 9M2013, it was decided that these expenses should be assumed by the Target Company instead as these expenses were in relation to the exploration and evaluation activities of the Target Group. As a result, there was no outstanding balance as at 31 March 2013.

Cash and cash equivalents

Cash and cash equivalents amounted to IDR24.9 billion and IDR31.3 billion as at 30 June 2012 and 31 March 2013 respectively, and accounted for 48.3% and 28.8% of total assets as at the respective dates.

Current liabilities

Current liabilities comprise (i) trade payables, (ii) other payables and accruals, (iii) amounts due to related parties, (iv) loan payable to Hartawan, and (v) tax payable.

The Target Group's current liabilities amounted to IDR51.5 billion and IDR108.6 billion as at 30 June 2012 and 31 March 2013 respectively, and accounted for 100% of total liabilities as at the respective dates.

Trade payables

There were no outstanding trade payables as at 30 June 2012. As at 31 March 2013, trade payables amounted to IDR621 million or 0.6% of total liabilities.

Other payables and accruals

Other payables and accruals comprised mainly professional fees, exploration and evaluation expenditures due to third parties. Other payables and accruals amounted to IDR7.0 billion and IDR13.6 billion as at 30 June 2012 and 31 March 2013 respectively, and accounted for 13.5% and 12.5% of total liabilities as at the respective dates.

Amounts due to related parties

As at 30 June 2012, there were no outstanding amounts due to related parties. As at 31 March 2013, amounts due to related parties amounted to IDR581 million and accounted for 0.5% of total liabilities. The outstanding amount represents the net amount of the consideration for the acquisition of PT WI and PT WWI pursuant to the Proposed Restructuring Exercise payable after offsetting amounts due from the same parties.

Loan payable to Hartawan

On 29 October 2011, the Target Group had entered into the Convertible Loan Agreement with Hartawan pursuant to which Hartawan would advance a total of S$12 million to the Target Group mainly for the purpose of preparing a report by an independent and internationally recognised consultant or valuer on the Concession Blocks that meets the JORC Code requirements and the Catalist Rules as well as to finance the operating expenses at the Concession Blocks. The Convertible Loan was disbursed in two (2) tranches on 3 November 2011 and 14 August 2012 respectively to the Target Group.

The loan payable, amounting to IDR44.5 billion (approximately S$6 million) and IDR93.8 billion (approximately S$12 million) as at 30 June 2012 and 31 March 2013 respectively, were the amounts due to Hartawan under the Convertible Loan Agreement and accounted for 86.5% and 86.3% of total liabilities as at the respective balance sheet dates.

Tax payable

The amount of tax payable as at 30 June 2012 amounted to IDR9 million or 0.02% of total liabilities. As at 31 March 2013, there was no outstanding tax payable.

Equity

The Target Group had nil equity as at 30 June 2012 and 31 March 2013 respectively, mainly due to one of the shareholders, Wijaya Lawrence, indemnifying the net liabilities of the Target Group up to the Completion Date, in accordance with the conditions of the Sale and Purchase Agreement.

B12.4 Liquidity and Capital Resources

As at the Latest Practicable Date, the Target Group had not commenced production of gold dore. For FY2012 and 9M2013, the Target Group had mainly been undertaking exploration and evaluation activities for the Concession Blocks as well as construction of infrastructure (such as perimeter fences, site office and hostel for workers, storage facilities for core samples and storage facilities for explosives used in tunnelling activities) for its planned mining activities. The exploration and evaluation activities as well as the construction of the infrastructure had been financed mainly by the Convertible Loan of S$12 million from Hartawan. As a result, the Target Group had net current liabilities of IDR1.2 billion and IDR76.7 billion as at 30 June 2012 and 31 March 2013 respectively. The Convertible Loan is interest free and will be eliminated upon consolidation of the Enlarged Group, after the Completion.

Notwithstanding the net current liabilities of the Target Group as at 30 June 2012 and 31 March 2013, the Proposed Directors are of the opinion that the Target Group has sufficient resources to meet its working capital requirements and service its financial obligations as and when they fall due after taking into consideration the following:

(a) the current liabilities of the Target Group as at 31 March 2013 comprised mainly an amount of IDR93.8 billion owing to Hartawan pursuant to the Convertible Loan Agreement. The Convertible Loan is interest free. Without taking into account the Convertible Loan, the current liabilities of the Target Group would have been IDR14.8 billion;

(b) in conjunction with the Completion and the exercise of the Proposed Put Option, the Enlarged Group would receive proceeds of approximately S$3.2 million from the disposal of the Hartawan Subsidiaries. The Enlarged Group would be able to utilise the funds for its working capital and capital expenditure purposes;

(c) as at 31 March 2013, the Target Group had cash and cash equivalents of IDR31.3 billion which can be utilised to meet any short-term operational needs;

(d) as at the Latest Practicable Date, the Target Group had no bank borrowings. The Proposed Directors believe that the Target Group would be able to obtain bank loans to finance its operating requirements and capital expenditures;

(e) upon Completion and exercise of the Proposed Put Option, the Enlarged Group is expected to be in a healthy cash position as the Company had cash and cash equivalents of approximately S$29.1 million as at 31 March 2013; and

(f) barring any unforeseen circumstances, the Target Group is expected to commence production of gold dore and generate revenue in FY2015. The sale of gold dore will typically be on a cash basis. As such, the Target Group expects to generate positive operating cashflow after production of gold dore commences in FY2015.

In view of the above, the Proposed Directors are of the opinion that, as at the Latest Practicable Date, the working capital available is sufficient for the present requirements and for at least 18 months after the Completion, for the Target Group and the Enlarged Group.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account (a) the cash position of the Target Group as at 31 March 2013, (b) the expectation that the Convertible Loan will become an inter-company balance (which is repayable only when the cash flow permits) after Completion, (c) the cash proceeds from the disposal of the Hartawan Subsidiaries pursuant to the exercise of the Proposed Put Option, and (d) the Company's cash and cash equivalents amounting to S$29.1 million which will become available to the Enlarged Group, the working capital available is sufficient for the present requirements and for at least 18 months after the Completion, for the Target Group and the Enlarged Group.

The following summary of unaudited consolidated statements of cash flows should be read in conjunction with the full text of this Circular, including the "Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of Wilton Resources Holdings Pte. Ltd. for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Wahana Indonesia and its Subsidiary for the Nine-Month Period ended 31 March 2013", the "Audited Interim Financial Information of P.T. Wilton Investment for the Nine-Month Period ended 31 March 2013", the "Audited Financial Statements of Wilton Resources Holdings Pte. Ltd. for the Period ended 30 June 2012", the "Audited Financial Statements of P.T. Wilton Wahana Indonesia and its Subsidiary for the Years ended 30 June 2010, 2011 and 2012", and the "Audited Financial Statements of P.T. Wilton Investment for the Period ended 30 June 2011 and the Year ended 30 June 2012", as set out in Appendix V, VI, VII, VIII, IX, X and XI respectively of this Circular.

(IDR' Million)	FY2010	FY2011	FY2012	9M2013
Net cash used in operating activities	–	–	(2,858)	(4,501)
Net cash used in investing activities	–	–	(26,263)	(49,570)
Net cash generated from financing activities	8,622	–	42,860	46,644
Net increase/(decrease) in cash and cash equivalents at the end of the year/ period	8,622	–	13,739	(7,427)
Cash and cash equivalents at the beginning of the year/period	–	8,622	8,622	22,523
Effects of exchange rate changes on the cash and cash equivalents	–	–	162	239
Cash and cash equivalents at the end of the year/period	8,622	8,622	22,523	15,335

FY2010 and FY2011

For FY2010 and FY2011, the Target Group's main business was the trading of lighting products. Sales and purchases were conducted on a cash basis. The Target Group did not have any investment in property, plant and equipment and did not utilise any bank financing. For FY2010, the cash generated from financing activities of IDR8.6 billion pertained to the capital contribution from a shareholder (Wijaya Lawrence) in accordance with the conditions of the Sale and Purchase Agreement.

FY2012

For FY2012, the Target Group had net cash inflow from operating activities before changes in working capital of IDR10 million. Cash used in operations relating to changes in working capital amounted to IDR2.9 billion mainly due to a decrease in other payables and accruals of IDR2.8 billion and a decrease in amounts due to related parties of IDR116 million. The Target Group received interest income of IDR2 million and an income tax refund of IDR8 million.

Net cash used in investing activities of IDR26.3 billion was mainly the result of an amount due from a related party of IDR25.4 billion, payments for exploration and evaluation assets of IDR0.6 billion and purchase of property, plant and equipment of IDR0.3 billion. The amount due from a related party arose from the Target Group paying for certain expenses for exploration and evaluation activities on the Concession Blocks.

Net cash generated from financing activities of IDR42.9 billion comprised the Tranche 1 Loan Amount pursuant to the Convertible Loan Agreement.

9M2013

For 9M2013, the Target Group had net cash outflow from operating activities before working capital changes of IDR11.3 billion. Cash generated from changes in working capital amounted to IDR6.8 billion mainly due to:

(i) increase in other payables and accruals of IDR6.3 billion;

(ii) increase in trade payables of IDR0.6 billion;

(iii) increase in amounts due to related parties of IDR0.6 billion;

(iv) partially offset by an increase in other debtors and deposits of IDR0.6 billion, an increase in prepayment of IDR36 million and an increase in inventories of IDR30 million.

The Target Group also received interest income of IDR4 million and paid income tax of IDR8 million.

Net cash used in investing activities of IDR49.6 billion were mainly due to investment in exploration and evaluation assets of IDR74.4 billion and purchase of property, plant and equipment of IDR0.5 billion, partially offset by a decrease in amounts due from related parties of IDR25.4 billion. In 9M2013, it was decided that the expenses incurred in relation to certain exploration and evaluation activities which were undertaken on the Concession Blocks would be borne by the Target Group instead. As such, the amount due from a related party was extinguished.

Net cash generated from financing activities of IDR46.6 billion comprised the Tranche 2 Loan Amount pursuant to the Convertible Loan Agreement.

B12.5 Capital Expenditures, Divestments, Commitments and Contingent Liabilities

Capital Expenditures and Divestments

The capital expenditures and divestments made by the Target Group in the Period Under Review and for the period from 1 April 2013 up to the Latest Practicable Date were as follows:

Capital Expenditures

(IDR' Million)	FY2010	FY2011	FY2012	9M2013	1 April 2013 to the Latest Practicable Date
Exploration and evaluation assets	–	–	550	74,410	1,535
Property, plant and equipment	–	–	328	545	17
Total	**–**	**–**	878	74,955	1,552

The above capital expenditures were incurred mainly in Indonesia and primarily financed by the Convertible Loan extended by Hartawan.

Capital Divestments

There were no capital divestments for the Period Under Review and for the period from 1 April 2013 up to the Latest Practicable Date.

Commitments

Capital commitments

There were no capital commitments for the Period Under Review and for the period from 1 April 2013 up to the Latest Practicable Date.

Operating lease commitments

The Target Group has operating lease commitment for its lease of an office in Singapore. The lease is for a period of three (3) years, commencing 1 January 2013.

The operating lease commitment of the Target Group as at the Latest Practicable Date are as follows:

(IDR' Million)

Within one (1) year	878
After one (1) year but within five (5) years	1,132
Total	**2,010**

Contingent liabilities

There were no contingent liabilities for the Period Under Review and for the period from 1 April 2013 up to the Latest Practicable Date.

B12.6 Foreign Exchange Management

Accounting treatment of foreign currencies

The unaudited pro forma consolidated financial information is presented in the IDR. The Target Company's functional currency is the S$. Each entity in the Target Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

(i) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Target Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Target Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Target Group upon disposal of the foreign operation.

(ii) *Consolidated financial statements*

The assets and liabilities of foreign operations are translated into the IDR at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Foreign exchange exposure

The reporting currency is the IDR and the Target Group's operations are primarily carried out in Indonesia. Some of the purchases are transacted in other currencies such as the US$ and the S$.

The percentages of the Target Group's operating cost and purchases dominated in the different currencies for the Period Under Review were as follows:

	FY2010 (%)	FY2011 (%)	FY2012 (%)	9M2012 (%)	9M2013 (%)
Percentage of operating cost and purchases[1] dominated in					
IDR	100.0	100.0	6.6	8.0	35.1
US$	–	–	86.1	83.6	61.0
S$	–	–	7.3	8.4	3.9
	100.0	100.0	100.0	100.0	100.0

Note:

(1) Purchases include capital expenditures and capitalised exploration and evaluation assets.

For FY2010 and FY2011, the Target Group's revenue was denominated in the IDR. For FY2012 and 9M2013, the Target Group had not commenced production of gold and as such, did not have any revenue.

To the extent that the Target Group's operating cost and purchases are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, the Target Group will be exposed to adverse fluctuations of the various currencies which will adversely affect its earnings.

The Target Group's net foreign exchange losses for the Period Under Review were as follows:

(IDR' Million)	FY2010	FY2011	FY2012	9M2012	9M2013
Net foreign exchange losses	–	–	(1,002)	(713)	(1,945)

The foreign exchange losses for FY2012 and 9M2013 arose from exchange differences on translation of monetary assets and liabilities in foreign currencies as at the end of the respective periods.

Currently, the Target Group does not have a formal hedging policy against foreign exchange exposure. The Target Group has not in the past used any financial hedging instruments to manage its foreign exchange risks. The Target Group will continue to monitor its foreign exchange exposure and may employ hedging instruments to manage its foreign exchange exposure should the need arise in the future. Prior to implementing any formal hedging policies, the Target Group will seek the approval of the Proposed Directors on the policy and put in place adequate procedures which shall be reviewed and approved by the new Audit Committee. Thereafter, all hedging transactions entered into by the Target Group will be in accordance with the set policies and procedures.

B12.7 Capitalisation and Indebtedness

The following information should be read in conjunction with the "Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013" as set out in Appendix V of this Circular.

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of the Target Group as at 30 June 2012 (based on the unaudited consolidated pro forma balance sheet as at 30 June 2012) and as at 31 July 2013 (based on the unaudited management accounts, after pro forma and consolidation adjustments).

(IDR' Million)	As at 30 June 2012	As at 31 July 2013
Cash and cash equivalents	24,866	32,069
Indebtedness		
Current		
– Unsecured (Convertible Loan)(1)	44,491	97,027
Total indebtedness	44,491	97,027
Total equity	–	–
Total capitalisation and indebtedness	44,491	97,027

Note:

(1) On 29 October 2011, the Target Group had entered into the Convertible Loan Agreement with Hartawan pursuant to which Hartawan advanced a total of S$12 million to the Target Group mainly for the purpose of preparing the Independent Qualified Person's Report as well as to finance the operating expenses at the Concession Blocks.

The Proposed Director, Wijaya Lawrence, provided a personal guarantee and indemnity for the Tranche 1 Loan Amount.

To the best of the Proposed Directors' knowledge, the Target Group is not in breach of any terms and conditions or covenants associated with the Convertible Loan which could materially affect its financial position and results or business operations.

As at 31 July 2013, the Target Group did not have any bank borrowings.

B12.8 Seasonality

The Proposed Directors believe that the Target Group's business does not experience seasonality. However, adverse weather during the monsoon season, which typically occurs from December to February, may affect the Target Group's mining activities. Measures will be taken by the Target Group to shelter its key production areas to mitigate such risk.

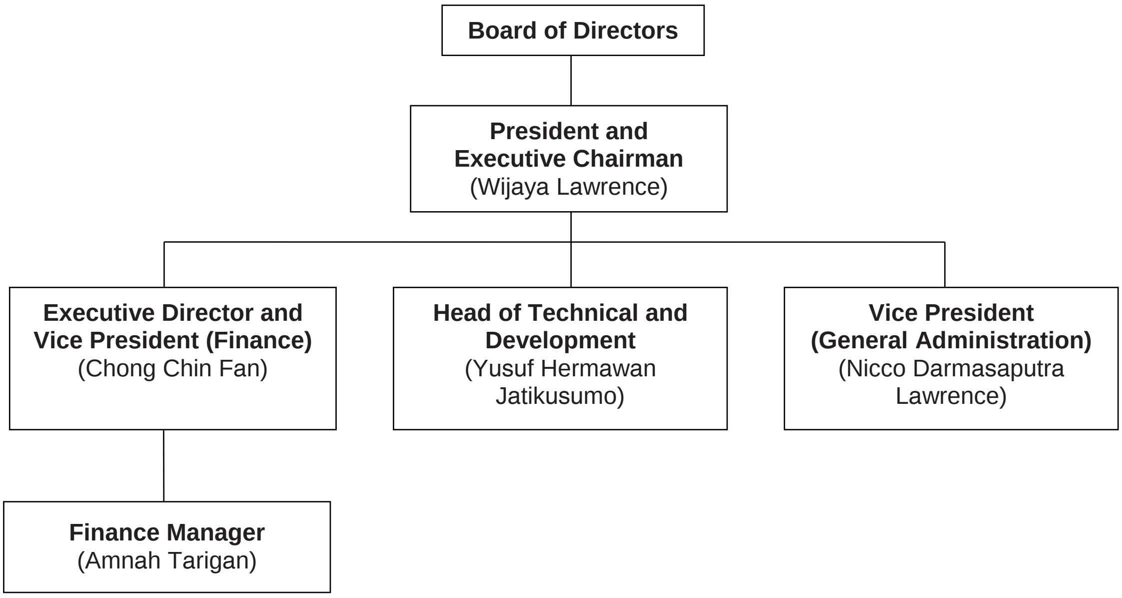
B12.9 Inflation

The Target Group's financial performance for the Period Under Review was not materially affected by inflation.

B13. PROPOSED DIRECTORS, PROPOSED EXECUTIVE OFFICERS AND EMPLOYEES OF THE TARGET GROUP

B13.1 Management Reporting Structure

The following chart shows the proposed management reporting structure of the Target Group:



B13.2 Proposed Directors

The Proposed Directors will be entrusted with the responsibility for the overall management and direction of the Target Group. Please refer to Section 10.5 entitled "Proposed Directors and Proposed Executive Officers" of this Circular for more information on the areas of responsibility, the business and working experience and the present and past directorships of the Proposed Directors.

B13.3 Proposed Executive Officers

The day-to-day operations of the Target Group are entrusted to the Proposed Executive Officers. The Proposed Executive Officers form an experienced team responsible for the different functions of the Target Group. Please refer to Section 10.5 entitled "Proposed Directors and Proposed Executive Officers" of this Circular for more information on the areas of responsibility, the business and working experience and the present and past directorships of the Proposed Executive Officers.

B13.4 Remuneration of the Proposed Directors and the Proposed Executive Officers

Please refer to Section 10.9 entitled "Remuneration of the Proposed Directors and the Proposed Executive Officers" for the compensation paid to the Proposed Directors and the Proposed Executive Officers (which includes benefits-in-kind and bonuses) during FY2012 and FY2013 (being the two (2) most recent completed financial years) for services rendered to the Target Group and as estimated for FY2014 (such estimate excluding bonuses and any profit sharing plan) for services rendered to the Enlarged Group, in remuneration bands of S$250,000.

B13.5 Employees

All the full time employees of the Target Group for FY2010, FY2011, FY2012 and 9M2013 are based in Singapore and Indonesia. The functional distribution of the Target Group's full time employees as at 30 June 2010, 2011, 2012 and as at 31 March 2013 are as follows:

Function	As at 30 June 2010	As at 30 June 2011	As at 30 June 2012	As at 31 March 2013
Management	2	2	2	4
Finance, Administrative and Human Resource	1	1	1	2
Production and Technical[(1)]	–	–	–	2
Total	3	3	3	8

As at the Latest Practicable Date, the Target Group has nine (9) full-time employees.

Note:

(1) This excludes foreign staff, part-time staff and staff contracted on a temporary basis.

The geographical distribution of the Target Group's full-time employees as at 30 June 2010, 2011, 2012 and 31 March 2013 are as follows:

Geographical	As at 30 June 2010	As at 30 June 2011	As at 30 June 2012	As at 31 March 2013
Singapore	–	–	–	1
Indonesia	3	3	3	7
Total	3	3	3	8

As at the Latest Practicable Date, the Target Group has nine (9) full-time employees, of which two (2) are located in the Target Group's operations in Singapore.

The increase in number of employees from 30 June 2010 to 31 March 2013, in line with the expansion of the business plans and scope of the Target Group. As the Target Group has not commenced production of gold, it may engage workers depending on requirements on a temporary or contract basis from time to time. For the period 9M2013, the number of temporary and contract workers engaged by the Target Group through independent contractors ranged from 50 to 100. These workers are employed mainly in mining activities. Moving forward, subject to applicable mining laws and regulations in Indonesia, the Target Group may also consider outsourcing certain mining and processing related work to other mining services companies.

For FY2012 and 9M2013, the Target Group's main focus was on exploration and evaluation activities, which were mainly outsourced to third party contractors and consultants. As at the Latest Practicable Date, the Target Group has not commenced production of gold dore. The Proposed Directors expect the number of employees (mainly production workers) of the Target Group to increase significantly when construction of the processing plant(s) commences in 2014. The Proposed Directors currently do not envisage any difficulties in procuring additional suitably qualified employees for the mining operations of the Target Group when construction of the processing plant(s) commences in 2014. In addition, if the need arises, and subject to applicable laws and regulations in Indonesia, the Target Group may procure additional suitably qualified contract workers to undertake other aspects of the mining operations including further tunnelling, processing, and other development works on the mine site.

The management of the Target Group is of the opinion that its dedicated and efficient employees are instrumental to its success. The relationship between the management of the Target Group and the employees is good and is expected to continue and remain as such in the future. The employees of the Target Group are not unionised and there has been no industrial dispute with the employees or work stoppages which affected the Target Group's operations since the Target Group commenced the exploration and evaluation activities on the mine site.

Other than amounts set aside or accrued in respect of mandatory employee funds, the Target Group has not set aside or accrued any amount of money to provide for pension, retirement or similar benefits to the employees.

B13.6 Corporate Governance

The Nominating, Remuneration and Audit committees of the Enlarged Group will be reconstituted upon Completion. Please refer to Section 10.16 entitled "Corporate Governance" of this Circular for more information.

B14. INTERESTED PERSON TRANSACTIONS

Under Chapter 9 of the Catalist Rules, transactions between an entity at risk and an interested person are known as "Interested Person Transactions". For purposes of the Catalist Rules, an interested person refers to a director, chief executive officer or Controlling Shareholder of the company listed on the SGX-ST and/or any of their respective Associates. An "entity at risk" refers to:

(i) the Company;

(ii) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; and

(iii) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the listing group or the Listed Group and its interested person(s) has control over the associated company.

Save as disclosed in this Circular, none of the Proposed Directors, the Proposed Executive Officers, Controlling Shareholders and/or their Associates were or are interested, whether directly or indirectly, in any material transaction undertaken by the Target Group within the last three (3) financial years and nine-month financial period ended 31 March 2013 and for the period from 1 April 2013 and up to the Latest Practicable Date.

The following discussion sets out the material interested person transactions for the last three (3) financial years ended 30 June 2010, 2011 and 2012, for the nine-month financial period ended 31 March 2013 and for the period from 1 April 2013 and up to the Latest Practicable Date based on the Target Group's transactions with interested persons as construed accordingly.

B14.1 Past Interested Person Transactions for the Target Group

Advances from Wijaya Lawrence for working capital purposes

During the Period Under Review, the Target Group received advances from Wijaya Lawrence for working capital purposes.

The details of the amount outstanding for the Period Under Review are as follows:

(IDR' Million)	FY2010	FY2011	FY2012	As at the Latest Practicable Date
Advances from Wijaya Lawrence	(51)	(67)	–	–

The largest amount outstanding to Wijaya Lawrence for the Period Under Review was IDR67 million. These advances were mainly payment of expenses on behalf of the Target Subsidiaries, unsecured, interest-free and with no fixed repayment terms. Accordingly, these advances were not made on an arm's length basis. The Proposed Directors are of the view that these advances are not prejudicial to the interests of the Target Group.

As at the Latest Practicable Date, there are no outstanding amounts owing by Wijaya Lawrence to the Target Group. Accordingly, no amount is due to Wijaya Lawrence, and moving forward, no further advances from Wijaya Lawrence will be made to the Enlarged Group after Completion.

Advances to Wijaya Lawrence for business related expenses

During the Period Under Review, the Target Group gave advances to Wijaya Lawrence for business related expenses.

The details of the amounts outstanding in relation to the above for the Period Under Review are as follows:

(IDR' Million)	FY2010	FY2011	FY2012	As at the Latest Practicable Date
Advances to Wijaya Lawrence	290	290	399	–

The largest amount outstanding for the Period Under Review was IDR399 million. These advances are unsecured, interest-free and with no fixed repayment terms. Accordingly, these advances were not made on an arm's length basis. However, as these advances to Wijaya Lawrence were made in relation to business related expenses, the Proposed Directors are of the view that the advances are not prejudicial to the interests of the Target Group.

As at the Latest Practicable Date, there are no outstanding amounts owing to Wijaya Lawrence by the Target Group. Accordingly, no amount is owing from Wijaya Lawrence, and moving forward, no further advances will be made from the Enlarged Group to Wijaya Lawrence after Completion.

B14.2 Present and Ongoing Interested Person Transactions for the Target Group

Personal guarantee and indemnity provided by Wijaya Lawrence

Wijaya Lawrence, the proposed President and Executive Chairman and Controlling Shareholder of the Enlarged Group, has provided a personal guarantee and indemnity to the Company ("**Personal Guarantee**") for entry into the Convertible Loan Agreement dated 29 October 2011, as amended by the supplemental agreement dated 12 March 2012, the second supplemental agreement dated 17 April 2012, the letter of variation dated 31 July 2012 and the amended and restated Convertible Loan Agrement dated 1 July 2013.

The Convertible Loan Agreement was entered into between the Target Company and the Company. The Personal Guarantee was provided by Wijaya Lawrence, as required under the Convertible Loan Agreement, in favour of the Company as a form of security for part of the Tranche 1 Loan Amount as contemplated in the Convertible Loan Agreement. Under the Personal Guarantee, Wijaya Lawrence agreed to, *inter alia*, procure the punctual repayment of the Tranche 1 Loan Amount. The Personal Guarantee will terminate upon the occurrence of certain events, including the Proposed Restructuring Exercise.

No consideration was and will be paid by the Target Company to Wijaya Lawrence for the provision of the Personal Guarantee. As such, the Proposed Directors believe that the transaction was not entered into on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Target Group.

Provision of office space by Wijaya Lawrence

The Target Group currently occupies its office space situated in Komplek Harco Mangga Dua (Agung Sedayu), Block C No. 5 Jl Mangga Dua Raya, Jakarta 10730, Indonesia, a property owned by Wijaya Lawrence. The Target Group currently occupies the premises rent-free.

The Target Group will continue to use the office space in the foreseeable future. No consideration was paid by the Target Group to Wijaya Lawrence for the use of the office space. As such, the Proposed Directors believe that the transaction was not entered into on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Target Group.

Lease of land within the Concession Blocks from, *inter alia*, Wijaya Lawrence and Nicco Darmasaputra Lawrence to PT WWI and PT LTC

As contemplated under the Sale and Purchase Agreement, the lease of land within the Concession Blocks from each of Wijaya Lawrence and Nicco Darmasaputra Lawrence to PT WWI and PT LTC is a condition precedent to Completion.

Pursuant to the Land Borrow Agreements entered between Wijaya Lawrence and PT WWI, and further acknowledged by PT LTC, PT WWI leased a land of approximately 11.5 hectares from Wijaya Lawrence, as required under the Sale and Purchase Agreement. The term of such leases is for a period of approximately 17 years, from 20 March 2013 to 8 September 2030.

Pursuant to the Land Borrow Agreement entered between Nicco Darmasaputra Lawrence and PT WWI, and further acknowledged by PT LTC, PT WWI leased a land of approximately 5.4 hectares from Nicco Darmasaputra Lawrence, as required under the Sale and Purchase Agreement. The term of such lease is for a period of approximately 17 years from 20 March 2013 to 8 September 2030.

No amounts are payable by PT WWI and PT LTC to each of Wijaya Lawrence and Nicco Darmasaputra Lawrence respectively, for the lease of the land pursuant to the Land Borrow Agreements. As such, the Proposed Directors believe that the transactions were not entered into on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Target Group.

B15. CONFLICT OF INTERESTS

Save as disclosed in Section B14 entitled "Interested Person Transactions" of this Letter, none of the Proposed Directors, the Proposed Executive Officers and the Controlling Shareholders and/or any of their Associates has any material interest, whether direct or indirect, in:

(a) any material transactions to which the Target Group was or is a party;

(b) any corporation which carries on the same business or deals in similar products as the existing business of the Target Group; and

(c) any enterprise or company that is the Target Group's customer or supplier of goods or services.

B16. MATERIAL CONTRACTS

Please refer to Appendix I of this Circular for more information.

B17. MATERIAL LITIGATION

The Target Group is not, as at the Latest Practicable Date, engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated, which may have or have had in the 12 months before the date of this Circular, a material effect on its financial position or profitability, and the Proposed Directors have no knowledge of any proceedings pending or threatened against any member of the Target Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or the business of the Target Group.

B18. AUDITOR TO THE TARGET GROUP

Details, including the names, addresses and professional qualifications (including membership in a professional body) of the auditor of the Target Group for the Period Under Review are as follows:

Partner	Name and address	Professional body	Professional qualification
Low Bek Teng	Ernst and Young LLP One Raffles Quay Level 18 North Tower Singapore 048583	Institute of Singapore Chartered Accountants	Public Accountants and Chartered Accountants

B19. RESPONSIBILITY STATEMENT

The Proposed Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Letter and all information given in the Circular in respect of the Proposed Transactions, the Target Group and the Enlarged Group and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposed Transactions, the Target Group and the Enlarged Group, and the Proposed Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Proposed Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
For and on behalf of the Board of Directors of
Wilton Resources Holdings Pte. Ltd.

Wijaya Lawrence
Director

Material Contracts

The following contracts have been entered into by the Target Group within the two (2) years preceding the date of this Circular, were entered into outside the ordinary course of business and are or may be material:

(a) Sale and Purchase Agreement;

(b) Convertible Loan Agreement; and

(c) Consultancy Agreement.

Material Contracts

The following contracts have been entered into by the Hartawan Group within the two (2) years preceding the date of this Circular, were entered into outside the ordinary course of business and are or may be material:

(a) Sale and Purchase Agreement;

(b) Convertible Loan Agreement;

(c) Sale and purchase agreement dated 5 September 2011 entered into between the Company, Li Jie and Feng Zitong for the disposal of its entire shareholdings of 2,400,000 ordinary shares in the capital of Whitehouse Holdings Private Limited for a consideration of S$2.625 million[(1)];

(d) Sale and purchase agreement dated 25 September 2012 entered into between the Company and HSR Global Limited for the disposal of its entire shareholdings of 2,400,000 ordinary shares in the capital of Whitehouse Holdings Private Limited for a consideration of S$2.50 million; and

(e) Put Option Agreement.

Note:

(1) On 6 December 2011, it was announced that the purchasers did not complete the sale and purchase before the completion date of 30 November 2011, and accordingly, the agreement had ceased to take effect.

1. CONSENTS

(a) The Financial Adviser and Sponsor, Canaccord Genuity, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and reference to its name in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

(b) The IFA, PrimePartners, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and its letter to the Independent Directors set out in Appendix XII of this Circular and all references thereto in the form and context in which they appear in this Circular to act in such capacity in relation to this Circular.

(c) The Legal Adviser to the Company on Indonesian Law, Hanafiah Ponggawa & Partners, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and its HPRP Legal Opinion set out in Appendix XV of this Circular and all references thereto in the form and context in which they appear in this Circular to act in such capacity in relation to this Circular.

(d) The Auditor And Reporting Accountant to the Company and the Target Group, Ernst and Young LLP, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the "Report on Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013", "Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013", "Audited Interim Financial Information of Wilton Resources Holdings Pte. Ltd. for the Nine-Month Period ended 31 March 2013" and "Audited Financial Statements of Wilton Resources Holdings Pte. Ltd. for the Period ended 30 June 2012" annexed in Appendices IV, V, VI and IX of this Circular, respectively in the form and context in which they are included and the inclusion herein of its name and references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

The Auditor to the Target Subsidiaries, Purwantono, Suherman & Surja, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the "Audited Interim Financial Information of P.T. Wilton Wahana Indonesia and its subsidiary for the Nine-Month Period ended 31 March 2013", "Audited Interim Financial Information of P.T. Wilton Investment for the Nine-Month Period ended 31 March 2013", "Audited Financial Statements of P.T. Wilton Wahana Indonesia and its subsidiary for the Years ended 30 June 2010, 2011 and 2012" and "Audited financial statements of P.T. Wilton Investment for the Period ended 30 June 2011 and the Year ended 30 June 2012" annexed in Appendices VII, VIII, X and XI of this Circular, respectively in the form and context in which they are included and the inclusion herein of its name and references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

(e) The Independent Qualified Person, SRK, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion in this Circular of the Independent Qualified Person's Report, as annexed in Appendix XIII of this Circular in the form and context in which it appears in this Circular and references to its name in which they appear in this Circular.

(f) The Independent Valuer, GCA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion in this Circular of the Independent Valuation Report, as annexed in Appendix XIV of this Circular in the form and context in which it appears in this Circular and references to its name in which they appear in this Circular.

(g) The legal adviser to the Company in relation to the Proposed Acquisition and on Singapore Law, RHTLaw Taylor Wessing LLP, the legal adviser to the Vendors and the Target Company on Singapore law, Shook Lin & Bok LLP, have each given and have not withdrawn their written consent to the issue of this Circular with the inclusion herein of their respective names and references to their respective names in the form and context in which they appear in this Circular and to act in such respective capacities in relation to this Circular.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours for a period of six (6) months from the date of this Circular:

(a) the Memorandum and Articles of Association of the Company;

(b) the material contracts mentioned in Appendices I and II of this Circular;

(c) the Report on Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013 as set out in Appendix IV of this Circular;

(d) the Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the Financial Years ended 30 June 2010, 2011 and 2012 and for the Nine-Month Period ended 31 March 2013 as set out in Appendix V of this Circular;

(e) the Audited Interim Financial Information of Wilton Resources Holdings Pte. Ltd. for the Nine-Month Period ended 31 March 2013 as set out in Appendix VI of this Circular,

(f) the Audited Interim Financial Information of P.T. Wilton Wahana Indonesia and its Subsidiary for the Nine-Month Period ended 31 March 2013 as set out in Appendix VII of this Circular;

(g) the Audited Interim Financial Information of P.T. Wilton Investment for the Nine-Month Period ended 31 March 2013 as set out in Appendix VIII of this Circular;

(h) the Audited Financial Statements of Wilton Resources Holdings Pte. Ltd. for the Period ended 30 June 2012 as set out in Appendix IX of this Circular;

(i) the Audited Financial Statements of P.T. Wilton Wahana Indonesia and its Subsidiary for the Years ended 30 June 2010, 2011 and 2012 as set out in Appendix X of this Circular;

(j) the Audited Financial Statements of P.T. Wilton Investment for the Period ended 30 June 2011 and the Year ended 30 June 2012 as set out in Appendix XI of this Circular;

(k) the Service Agreements;

(l) the letters of consent referred to in Section 1 of this Appendix III;

(m) the letter from the IFA as set out in Appendix XII of this Circular;

(n) the HPRP Legal Opinion as set out in Appendix XV of this Circular;

(o) the Independent Qualified Person's Report as set out in Appendix XIII of this Circular; and

(p) the Independent Valuation Report as set out in Appendix XIV of this Circular.

3. MISCELLANEOUS

(a) There has been no public takeover by third parties in respect of the Shares or the Target Company's shares, by the Company or the Target Group in respect of other companies' shares or units of a business trust which has occurred from 1 July 2012 to the Latest Practicable Date.

(b) Save as disclosed in this Circular, the Directors and the Proposed Directors are not aware of any event which has occurred since 1 July 2012 to the Latest Practicable Date, which may have a material effect on the financial position and results of the Enlarged Group.

(c) No significant trading suspension of the Company had occurred on the SGX-ST or other overseas securities exchange during the three (3) years immediately preceding the Latest Practicable Date.

26 September 2013

The Board of Directors
175A Chin Swee Road
Singapore 169879

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information of Hartawan Holdings Limited and its subsidiaries for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013 included in the circular to shareholders of Hartawan Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of Hartawan Holdings Limited (the "Company") and the Target Group (collectively, the "Enlarged Group"). The Target Group consists of Wilton Resources Holdings Pte. Ltd., P.T. Wilton Investment, P.T. Wilton Wahana Indonesia and P.T. Liektucha Ciemas. The unaudited pro forma consolidated financial information consists of the unaudited pro forma consolidated statements of financial position as at 30 June 2012 and as at 31 March 2013, the unaudited pro forma consolidated income statements for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013, the unaudited pro forma consolidated statements of cash flow for the year ended 30 June 2012 and the nine-month period ended 31 March 2013, and related notes as set out on pages IV-4 to IV-53 of the Circular issued by the Company. The applicable criteria on the basis of which Directors of the Company have compiled the unaudited pro forma consolidated financial information are described in Note 5 of the unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial information has been compiled by the Directors of the Company to illustrate the impact of the event or transaction set out in Note 5 on the Enlarged Group's consolidated financial position as at 30 June 2012 and as at 31 March 2013 as if the event or transaction had taken place at 30 June 2012 and 31 March 2013 respectively, its consolidated financial performance for the years ended 30 June 2010, 2011 and 2012 and for the nine-month period ended 31 March 2013 as if the event or transaction had taken place at 1 July 2009 and its consolidated cash flows for the year ended 30 June 2012 and for the nine-month period ended 31 March 2013 as if the event or transaction had taken place at 1 July 2011.

As part of this process, information about the Enlarged Group's consolidated financial position as at 30 June 2012 and as at 31 March 2013 and consolidated cash flows for the year ended 30 June 2012 and nine-month period ended 31 March 2013 has been extracted by Directors of the Company from the audited consolidated financial statements of the Company and the Hartawan Subsidiaries[1] for the year ended 30 June 2012, unaudited consolidated financial statements of the Company and the Hartawan Subsidiaries for the period ended 31 March 2013, audited financial statements of Wilton Resources Holdings Pte. Ltd. for the periods ended 30 June 2012 and 31 March 2013, audited consolidated financial statements of P.T. Wilton Wahana Indonesia and its subsidiary for the year ended 30 June 2012 and the period ended 31 March 2013, and audited financial statements of P.T. Wilton Investment for the year ended 30 June 2012 and the period ended 31 March 2013.

1 Hartawan Subsidiaries include Hartawan Property Management Pte. Ltd., Wallich Development Pte. Ltd., Hotel Re! Pte. Ltd. and Hartawan Dormitory Management Pte. Ltd.. Whitehouse Holdings Pte. Ltd. and Green Spring Marine Shipping Pte. Ltd. were sold in FY2012 and FY2011 respectively. Hartawan Dormitory Management Pte. Ltd. and Green Mountain Marine Shipping Pte. Ltd. were struck off in the financial year ended 30 June 2013 while Dehai Marine Shipping Pte. Ltd., Vita Marine Shipping Pte. Ltd. and Green Willow Marine Shipping Pte. Ltd. were struck off in the financial year ended 30 June 2012. Wallich Development Pte. Ltd. was struck off on 15 August 2013.

Information about the Enlarged Group's consolidated financial performance for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013 has been extracted by Directors of the Company from the audited consolidated financial statements of the Company and the Hartawan Subsidiaries for the years ended 30 June 2010, 2011 and 2012, unaudited consolidated financial statements of the Company and the Hartawan Subsidiaries for the period ended 31 March 2013, audited financial statements of Wilton Resources Holdings Pte. Ltd. for the periods ended 30 June 2012 and 31 March 2013, audited consolidated financial statements of P.T. Wilton Wahana Indonesia and its subsidiary for the years ended 30 June 2010, 2011 and 2012 and the period ended 31 March 2013, and audited financial statements of P.T. Wilton Investment for the period ended 30 June 2011, the year ended 30 June 2012 and the period ended 31 March 2013.

Directors' Responsibility for the Unaudited Pro Forma Consolidated Financial Information

The Directors of the Company are responsible for compiling the unaudited pro forma consolidated financial information on the basis of the applicable criteria described in Note 5 of the unaudited pro forma consolidated financial information.

Reporting Auditor's Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, by the Directors of the Company on the basis of the applicable criteria described in Note 5 of the unaudited pro forma consolidated financial information.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the reporting auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Directors of the Company have compiled, in all material respects, the unaudited pro forma consolidated financial information on the basis of the applicable criteria described in Note 5 of the unaudited pro forma consolidated financial information.

For purposes of this engagement, we are not responsible for updating or reissuing and hence have not updated or reissued any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information.

The purpose of unaudited pro forma consolidated financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2010, 2011 and 2012 and 31 March 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Directors of the Company in the compilation of the unaudited pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting auditor's judgment, having regard to the reporting auditor's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information.

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

Opinion

In our opinion:

(a) The unaudited pro forma consolidated financial information has been compiled:

   (i) in a manner consistent with the accounting policies adopted by the Enlarged Group, which are in accordance with the Singapore Financial Reporting Standards;

   (ii) on the basis of the applicable criteria stated in Note 5 of the unaudited pro forma consolidated financial information; and

(b) each material adjustment made to the information used in the preparation of the unaudited pro forma consolidated financial information is appropriate for the purpose of preparing such unaudited financial information.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

Partner in charge: Low Bek Teng

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

		Year ended 30 June			Nine-month period ended 31 March	
	Note	2010 Rp Million	2011 Rp Million	2012 Rp Million	2012 Rp Million	2013 Rp Million
Revenue		173	161	–	–	–
Cost of sales		(96)	(128)	–	–	–
Gross profit		77	33	–	–	–
Other items of income						
Interest income		–	216	1,331	993	1,143
Other income		4	459	36	35	47
Other items of expenses						
Exploration and evaluation expenses	9	–	–	–	–	(9,581)
General and administrative expenses		(24,103)	(7,946)	(8,914)	(8,342)	(8,759)
Other operating expenses		(409,697)	(2,106)	(2,893)	(2,162)	(3,836)
Finance expenses		(466)	–	–	–	–
Loss before tax	10	(434,185)	(9,344)	(10,440)	(9,476)	(20,986)
Income tax credit		535	14	173	248	624
Loss after tax		(433,650)	(9,330)	(10,267)	(9,228)	(20,362)

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2012 AND 31 MARCH 2013

	Note	30 June 2012 Rp Million	31 March 2013 Rp Million
Non-current assets			
Exploration and evaluation assets	11	440	59,968
Mine properties	12	110	14,992
Property, plant and equipment		301	743
Inventories		–	30
Prepayments		3	–
Deferred tax assets		322	945
		1,176	76,678
Current assets			
Other debtors and deposits		40	1,113
Prepayments		84	221
Prepaid tax		1	–
Amounts due from related parties	13	25,431	–
Cash and cash equivalents	14	307,347	282,062
		332,903	283,396
Total assets		334,079	360,074
Current liabilities			
Trade payables		–	621
Other payables and accruals	15	23,112	25,006
Amounts due to related parties	13	–	581
Tax payable		155	80
		23,267	26,288
Net current assets		309,636	257,108
Total liabilities		23,267	26,288
Net assets		310,812	333,786

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2012 AND 31 MARCH 2013

	Note	30 June 2012 Rp Million	31 March 2013 Rp Million
Equity			
Share capital		848,550	894,429
Accumulated losses		(547,462)	(581,354)
Foreign currency translation reserve	16	(201)	(958)
Merger reserve	17	(1,040)	(2,912)
Capital reserve	18	10,965	24,581
Total equity		310,812	333,786
Total equity and liabilities		334,079	360,074

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

	Year ended 30 June	Nine-month period ended 31 March	
	2012 Rp Million	**2012** Rp Million	**2013** Rp Million
Cash flows from operating activities			
Loss for the year	(507,870)	(506,906)	(20,986)
Adjustments for:			
Interest income	(1,331)	(993)	(1,143)
Depreciation of property, plant and equipment	51	35	106
Write off of property, plant and equipment	15	15	–
Impairment of goodwill	478,676	478,676	–
Share-based payment expense	5,046	5,046	–
Unrealised foreign exchange differences	1,360	1,194	1,832
Operating cash flows before changes in working capital	(24,053)	(22,933)	(20,191)
Changes in working capital			
Inventories	–	–	(30)
Other debtors and deposits	27	55	(586)
Amounts due from/(to) a related party	(116)	61	627
Prepaid tax	–	1	1
Prepayments	34	(24)	(128)
Trade payables	–	–	621
Other payables and accruals	9,006	7,457	3,493
Cash flows used in operations	(15,102)	(15,383)	(16,193)
Interest received	1,331	990	663
Income taxes received/(paid)	–	8	(82)
Net cash flows used in operating activities	(13,771)	(14,385)	(15,612)

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

	Year ended 30 June	Nine-month period ended 31 March	
	2012 Rp Million	**2012** Rp Million	**2013** Rp Million
Cash flows from investing activities			
Investment in exploration and evaluation assets	(550)	(467)	(74,410)
Purchase of property, plant and equipment	(341)	(335)	(545)
Due from a related party	(25,385)	(19,457)	25,385
Proceeds from disposal of subsidiaries	54,168	53,608	–
Proceeds from disposal of property, plant and equipment	3	3	–
Net cash flows generated from/(used in) investing activities	27,895	33,352	(49,570)
Net increase/(decrease) in cash and cash equivalents	14,124	18,967	(65,182)
Effect of exchange rate changes on cash and cash equivalents	15,713	11,970	14,388
Cash and cash equivalents at the beginning of the year/period	244,527	244,527	274,364
Cash and cash equivalents at the end of the year/period	274,364	275,464	223,570

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

These selective notes form an integral part of and should be read in conjunction with the accompanying unaudited pro forma consolidated financial information.

1. General

The unaudited pro forma consolidated financial information has been prepared for inclusion in the Circular to shareholders of Hartawan Holdings Limited (the "Company") (the "Circular") in connection with the proposed acquisition by the Company of the entire paid up capital of Wilton Resources Holdings Pte. Ltd. (the "Target Company" or "Wilton").

As part of the restructuring prior to the proposed acquisition, the Target Company will acquire the issued and paid-up share capital of P.T. Wilton Investment ("PT WI"), P.T. Wilton Wahana Indonesia ("PT WWI") and P.T. Liektucha Ciemas ("PT LTC") (collectively, the "Target Group's Subsidiaries") and the Hartawan Subsidiaries will be disposed off.

2. Corporate information

The Company is a limited liability company incorporated in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 175A Chin Swee Road, Singapore 169879.

The principal activity of the Company is that of investment holding. The principal activities of the Hartawan Subsidiaries are that of property leasing and hotel operator. The principal activities of the subsidiaries of the Target Group are disclosed in Note 4.

3. The Proposed Acquisition and Proposed Restructuring Exercise

Proposed Acquisition

On 29 October 2011, the Company entered into a conditional sale and purchase agreement (the "S&P Agreement") with Wijaya Lawrence and Ngiam Mia Je Patrick for the proposed acquisition by the Company of the entire issued and paid-up share capital of the Target Company (the "Proposed Acquisition").

The consideration of the Proposed Acquisition is S$300,000,000 (equivalent to Rp 2,344,848 million) (the "Purchase Consideration"), which shall be fully satisfied by the allotment and issue of an aggregate of 1,500,000,000 Consolidated Shares to the Vendors in proportion to their respective shareholding in the Target Company, at an issue price of S$0.20 (equivalent to Rp 1,563) for each Consideration Share, subject to adjustments stated in the S&P Agreement. In conjunction with the Proposed Acquisition, the Company proposes to consolidate every twelve existing ordinary shares in the capital of the Company into ten consolidated shares immediately prior to the completion of the Proposed Acquisition (the "Consolidated Shares").

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

3. The Proposed Acquisition and Proposed Restructuring Exercise (cont'd)

Proposed Acquisition (cont'd)

Pursuant to the Proposed Acquisition, the Company has also entered into a convertible loan agreement ("Convertible Loan Agreement") with the Target Company for a convertible loan of up to S$12,000,000 (equivalent to Rp 93,794 million) ("Convertible Loan") to be advanced by the Company to the Target Company on terms and conditions set out in the Convertible Loan Agreement.

In accordance with the Convertible Loan Agreement, the Target Company shall grant the Convertible Loan as a loan to P.T. Wilton Wahana Indonesia and P.T. Liektucha Ciemas to be applied in or towards:

(a) Tranche 1 Loan Amount:-

(i) the preparation and issue by an independent and internationally recognised consultant or valuer of a report on the Concession Blocks that meets the Joint Ore Reserves Committee ("JORC") requirements and the Catalist Rules (the "Report");

(ii) the costs of building the infrastructure for the extraction of gold ore and mining operations at Concession Block 2; and

(iii) general operating costs of operating the Concession Blocks.

(b) Tranche 2 Loan Amount:-

(i) further costs of building the infrastructure and a flotation plant for the processing and production of gold at Concession Block 2; and

(ii) general operating costs of operating the Concession Blocks.

In the event that the economic value of the measured and indicated mineral resources of gold in Concession Block 2 and the area in Concession Block 1 that is adjacent to Concession Block 2 are reported to be above US$330,000,000 (equivalent to Rp 3,207,270 million), there will be no adjustment to the Purchase Consideration.

In the event that the economic value of the measured and indicated mineral resources of gold in Concession Block 2 and the area in Concession Block 1 that is adjacent to Concession Block 2 are reported in the Report is more than 5% lower than US$330,000,000 (equivalent to Rp 3,207,270 million), the Purchase Consideration shall be reduced proportionately.

In the event that the economic value of the measured and indicated mineral resources of gold in Concession Block 2 and the area in Concession Block 1 that is adjacent to Concession Block 2 are reported in the Report is more than 15% lower than US$330,000,000 (equivalent to Rp 3,207,270 million), or if the adjusted Purchase Consideration is less than S$255,000,000 (equivalent to Rp 1,993,121 million), any party shall be entitled to terminate the S&P Agreement.

3. The Proposed Acquisition and Proposed Restructuring Exercise (cont'd)

Proposed Acquisition (cont'd)

For the purpose of the unaudited pro forma consolidated financial information, no adjustments to the Purchase Consideration were made as the economic value of the measured and indicated mineral resources are reported to be above US$330,000,000 (equivalent to Rp 3,207,270 million).

Pursuant to the mandate signed by Canaccord Genuity with the Company, as part payment for professional fees in respect of financial advisory services rendered to the Company by Canaccord Genuity in connection with the Proposed Acquisition, the Company shall, on completion of the Proposed Acquisition, allot and issue 4,362,290 Consolidated Shares to Canaccord Genuity.

As set out in the S&P Agreement, the completion of the Proposed Acquisition is conditional upon amongst others, the waiver or release of the Target Group's indebtedness to its shareholders.

In accordance with the S&P Agreement,

- the present shareholders of the Target Group's Subsidiaries has agreed to give waivers and releases in favour of the Target Group's Subsidiaries (in such form and substance satisfactory to the Company) and release the Target Group's Subsidiaries from all debts and liabilities due, incurred and owing by each Target Group's Subsidiary to its respective shareholders up to the date of completion of the Proposed Acquisition pursuant to any shareholders' loan; and

- Wijaya Lawrence has executed a guarantee and indemnity in favour of the Company and the Target Group (in such form and substance satisfactory to the Company), to secure any liabilities, and indemnify the Company and the Target Group against any liabilities, incurred by the Target Group up to the date of completion of the Proposed Acquisition.

Proposed Restructuring Exercise – acquisition of the Target Group

As contemplated in the S&P Agreement, for the purpose of the Proposed Acquisition, the Target Group will be formed through a restructuring which will involve the acquisition of the issued and paid-up share capital of each of the Target Group's Subsidiaries, namely (i) Wilton being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WI, (ii) PT WI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WWI, and (iii) PT WWI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT LTC (the "Proposed Restructuring Exercise").

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

3. The Proposed Acquisition and Proposed Restructuring Exercise (cont'd)

Following the Proposed Restructuring Exercise, the corporate structure of the Target Group is as follows:

- *P.T. Wilton Investment*

  The issued and paid-up share capital of PT WWI comprises 10,000 shares. 99% and 1% of the issued and paid-up share capital of PT WI will be transferred to the Target Company and Wijaya Lawrence respectively.

- *P.T. Wilton Wahana Indonesia*

  The issued and paid-up share capital of PT WWI comprises 300 shares. 99% and 1% of the entire issued and paid-up share capital of PT WWI will be transferred to PT WI and Wijaya Lawrence respectively.

- *P.T. Liektucha Ciemas*

  The issued and paid-up share capital of PT LTC comprises 300 shares. PT WWI and Wijaya Lawrence will own 99% and 1% of the issued and paid-up share capital of PT LTC respectively.

PT WI was incorporated as a *Perusahaan Modal Asing,* or foreign investment company ("PMA company"), and PT WWI and PT LTC will be converted into PMA companies as part of the Proposed Restructuring Exercise to allow the Target Company, a Singapore-incorporated company, to act as an investment holding company to PT WWI and PT LTC.

Proposed Restructuring Exercise – disposal of the Hartawan Subsidiaries

In conjunction with the S&P Agreement, the Company, together with its Company's Executive Chairman, Winstedt Chong Thim Pheng, (the "Undertaking Shareholder") have entered into a put option for a consideration sum of S$1 (equivalent to Rp 7,816), under which the Company has the right to require the Undertaking Shareholder to purchase from the Company such number of shares representing the entire issued and paid-up capital of each of the Hartawan Subsidiaries at an aggregate consideration equivalent to the total net assets value of the respective Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the notice of the extraordinary general meeting, during the period commencing from the date of completion of the Proposed Acquisition to the date falling 60 days thereafter (the "Put Option").

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

4. The Enlarged Group

Pursuant to the Proposed Acquisition, Proposed Restructuring Exercise and the exercising of the Put Option for the disposal of the Hartawan Subsidiaries, the Company will have the following interest:

	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
Name of subsidiary				
Wilton Resources Holdings Pte. Ltd.	21.10.2011 Singapore	S$1,000 (equivalent to) Rp 7,000,000	100%	Investment holding
Subsidiary held by Wilton Resources Holdings Pte. Ltd.				
P.T. Wilton Investment	17.06.2011 Indonesia	Rp 85,84,000,000	100%[(1)]	Gold mining
Subsidiary held by P.T. Wilton Investment				
P.T. Wilton Wahana Indonesia	21.06.2000 Indonesia	Rp 300,000,000	100%[(2)]	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

4. The Enlarged Group (cont'd)

	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
Subsidiary held by P.T. Wilton Wahana Indonesia				
P.T. Liektucha Ciemas	20.04.1996 Indonesia	Rp 300,000,000	100%[3]	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services.

(1) 1% shareholding of PT WI is held by Wijaya Lawrence, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of the Target Company for the assignment to the Target Company of dividends and voting rights in respect of his 1% shareholding interests in PT WI. Accordingly, the effective equity held by the Target Company in PT WI is 100%.

(2) 1% shareholding of PT WWI is held by Wijaya Lawrence, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of the PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interests in PT WWI. Accordingly, the effective equity held by PT WI in PT WWI is 100%.

(3) 1% shareholding of PT LTC is held by Wijaya Lawrence, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of the PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC. Accordingly, the effective equity held by PT WWI in PT LTC is 100%.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

5. Basis of preparation of the unaudited pro forma consolidated financial information

The unaudited pro forma consolidated financial information refers to the consolidated financial information of the Enlarged Group.

The unaudited pro forma consolidated financial statements comprise the unaudited pro forma consolidated income statements for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013, the unaudited consolidated statements of financial position as at 30 June 2012 and as at 31 March 2013 and the unaudited consolidated statements of cash flow for the year ended 30 June 2012 and the nine-month period ended 31 March 2013.

The unaudited pro forma consolidated income statements for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013 have been prepared on the assumption that the Enlarged Group structure had been in place on 1 July 2009.

The unaudited pro forma consolidated statements of financial position as at 30 June 2012 and as at 31 March 2013 have been prepared on the assumption that the Enlarged Group structure had been in place on 30 June 2012 and 31 March 2013 respectively.

The unaudited pro forma consolidated statements of cash flow for the year ended 30 June 2012 and the nine-month period ended 31 March 2013 have been prepared on the assumption that the Enlarged Group structure had been in place on 1 July 2011.

The unaudited pro forma consolidated financial statements are for illustrative purposes only. The objective is to show what the historical financial information might have been had the Enlarged Group existed at an earlier date. However, the financial information of the Enlarged Group, by its nature may not give a true picture of the Enlarged Group's actual financial position and results and is not necessary indicative of the results of the operations or the related effects on the financial position that would have been attained had the abovementioned Enlarged Group existed earlier.

In arriving at the unaudited pro forma consolidated financial information, adjustments have been made as considered necessary in order to present the financial statements on a consistent and comparable basis as if the Enlarged Group had been in existence through the period, or since the respective dates of incorporation or acquisition of the companies in the Enlarged Group, taking into consideration the following significant events:

The unaudited pro forma consolidated financial information for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013 have been compiled from the financial statements of the companies in the Enlarged Group.

(i) The financial statements of Hartawan Holdings Limited and the Hartawan Subsidiaries (collectively, the "Hartawan Group") for the years ended 30 June 2010, 2011 and 2012 are audited by Ernst & Young LLP, Singapore. These financial statements are prepared in accordance with Singapore Financial Reporting Standards ("SFRS"). The financial statements of the Hartawan Group for the period ended 31 March 2013 are unaudited.

(ii) The financial statements of Wilton Resources Holding Pte. Ltd. for the period ended 30 June 2012 and 31 March 2013 are audited by Ernst & Young LLP, Singapore. These financial statements are prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

5. Basis of preparation of the unaudited pro forma consolidated financial information (cont'd)

(iii) The financial statements of P.T. Wilton Investment for the period ended 30 June 2011, the year ended 30 June 2012 and the period ended 31 March 2013 and the financial statements of P.T. Wilton Wahana Indonesia and its subsidiary for the years ended 30 June 2010, 2011 and 2012 and the period ended 31 March 2013 are audited by Purwantono, Suherman & Surja, a member firm of Ernst & Young, Global. These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

(iv) There is no material difference between IFRS and SFRS in relation to the preparation of the unaudited pro forma financial information and no material adjustments would be required to restate the financial statements described in (iii) above, in accordance with SFRS.

(v) The auditor's reports on the financial statements mentioned in (i), (ii) and (iii) above are not subject to any qualification.

(vi) The financial statements for the nine-month period ended 31 March 2012 have not been audited or reviewed and are included for comparative purposes only.

(vii) The unaudited pro forma financial information has been prepared on a historical cost basis except as disclosed in the accounting policies in Note 7. The unaudited pro forma financial information are presented in Indonesian Rupiah and all the values are rounded to the nearest million (Rp Million) except when otherwise indicated.

The unaudited pro forma consolidated financial statements are presented on the basis of the accounting policies set out in Note 7 to the unaudited pro forma consolidated financial information and taking into consideration the following:

(a) Proposed Acquisition – acquisition of the Target Group

The acquisition of the Target Group is accounted for in the unaudited pro forma consolidated financial statements as a reverse acquisition where the Target Company is deemed as the accounting acquirer while the Company is deemed as the accounting acquiree.

(i) Measuring goodwill

Goodwill is measured as the excess of (i) and (ii) below:

(i) the consideration effectively transferred (generally measured at acquisition-date fair value) by the Target Company, which is the accounting acquirer.

(ii) the net of the acquisition-date fair values (or other amounts recognised in accordance with the requirements of the standard) of the identifiable assets acquired and the liabilities assumed of the Company, which is the accounting acquiree.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

5. Basis of preparation of the unaudited pro forma consolidated financial information (cont'd)

(a) Proposed Acquisition – Acquisition of the Target Group (cont'd)

(i) Measuring goodwill (cont'd)

Goodwill arising from acquisition is allocated entirely to the property leasing and hotel segments.

For the purpose of the unaudited pro forma financial information, Management has performed an impairment test on goodwill by determining the recoverable amount of the cash generating units based on its value in use using cash flow projections. Based on management's assessment of the recoverable amounts, an impairment loss was recognised to write-down the entire carrying amount of goodwill allocated to the property leasing and hotel segments.

(ii) Deemed consideration

Deemed consideration for the unaudited pro forma consolidated income statement for the year ended 30 June 2010 and the unaudited pro forma consolidated statement of cash flow for the year ended 30 June 2012

The deemed consideration is assumed to be 812,139,411 shares at S$0.13 (equivalent to Rp 917) per share. The share price per share is based on the closing share price of the Company as at 1 November 2011, the first trading day after the Company made the announcement on the Proposed Acquisition on 29 October 2011.

Deemed consideration for the unaudited pro forma consolidated statements of financial position as at 30 June 2012 and 31 March 2013

The deemed considerations are assumed to be 812,139,411 shares at S$0.14 (equivalent to Rp 1,038) and S$0.14 (equivalent to Rp 1,094) per share as at 30 June 2012 and 31 March 2013 respectively. The share price per share is based on the closing share price of the Company as at the end of each reporting period.

In accordance with FRS 102, the deemed consideration is generally measured at acquisition-date fair value based on the closing share price at the completion date of the Proposed Acquisition. Accordingly, the deemed consideration determined on the actual completion date may differ from the above assumption.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

5. Basis of preparation of the unaudited pro forma consolidated financial information (cont'd)

(a) Acquisition of the Target Group (cont'd)

(iii) Reverse acquisition accounting

Since such consolidated financial statements represent a continuation of the financial statements of the Target Group,

- the assets and liabilities of the Target Group are recognised and measured in the statement of financial position of the Enlarged Group at their pre-acquisition carrying amounts;

- the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position at their acquisition-date fair values;

- the accumulated profits and other equity balances recognised in the consolidated financial statements are the accumulated profits and other equity balances of the Target Group immediately before the reverse acquisition;

- the amount recognised as issued equity instruments in the consolidated financial statements is determined by adding to the issued equity of the Target Group immediately before the reverse acquisition to the costs of the reverse acquisition. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition;

- the consolidated income statement reflects the full year results of Target Group together with the post-acquisition results of the Company; and the comparative figures presented in these consolidated financial statements.

(iv) Transaction costs relating to the Proposed Acquisition

The transaction costs relating to the Proposed Acquisition deemed to be incurred are approximately S$3,700,000 (equivalent to Rp 28,613 million). Of the S$3,700,000 (Rp 28,613 million), S$1.3 million (Rp 10,360 million) is deemed to be incurred by the Target Company.

In addition, pursuant to the mandate signed by Canaccord Genuity with the Company, as part payment for professional fees in respect of financial advisory services rendered to the Company by Canaccord Genuity in connection with the Proposed Acquisition, the Company shall, on completion of the Proposed Acquisition, allot and issue 4,362,290 Consolidated Shares (equivalent to 5,234,748 existing shares) to Canaccord Genuity. This transaction is treated as a share-based payment expense.

(v) Stamp duty relating to the Proposed Acquisition

Stamp duty is payable on the instrument of transfer of the Shares at the rate of S$0.20 for every S$100 or part thereof, computed on the consideration or net asset value of the Shares registered in Singapore, whichever is higher.

For the purpose of the unaudited pro forma financial information, it is assumed that the stamp duty is S$600,000.

5. Basis of preparation of the unaudited pro forma consolidated financial information (cont'd)

(b) Put Option – Disposal of the Hartawan Subsidiaries

The Company had on 1 July 2013 entered into the Put Option Agreement with the Undertaking Shareholder. The Put Option is a condition precedent in the S&P Agreement.

Pursuant to the Put Option Agreement, the Undertaking Shareholder, in consideration of the sum of S$1.00 (equivalent to Rp 7,816), grants to the Company the option to require the Undertaking Shareholder to purchase all (and not part of) the Option Assets, being the number of shares representing the entire issued and paid-up share capital of each of Hartawan Subsidiaries.

The Company is entitled, during the Option Period (within 60 days from the date of completion of the Proposed Acquisition), to serve a notice of exercise in writing on the Undertaking Shareholder, to require the Undertaking Shareholder to purchase the Option Assets for an aggregate consideration equivalent to the total net asset value of the Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the notice of the extraordinary general meeting, during the period commencing from the date of completion of the Proposed Acquisition to the date falling 60 days thereafter.

For the purpose of the pro forma financial information, it is assumed that the Company exercised the Put Option on the day the Proposed Acquisition is completed. The aggregate consideration which is equivalent to the net asset value of the Hartawan Subsidiaries is assumed to approximate the carrying amount of net assets.

(c) Other events

(i) Share capital

The movements of share capital of the Company are as follows:

	No. of shares	Rp Million
At 1 July 2010	502,764,411	322,229
- Issuance of ordinary shares on conversion of convertible loan	7,500,000	3,889
At 30 June 2011 and 1 July 2011	510,264,411	326,118
- Issuance of ordinary shares on conversion of convertible loan	67,500,000	37,717
- Issuance of ordinary shares, net	234,375,000	130,961
At 30 June 2012	812,139,411	494,796

It is assumed that the issuance of 75,000,000 ordinary shares on conversion of convertible loan which amounted to a total of S$6,000,000 (equivalent to Rp 41,606 million), have taken place on 1 July 2009 and the issuance of an additional 234,375,000 ordinary shares at S$0.08 (equivalent to Rp 564) per share, which amounted to S$18,750,000 (equivalent to Rp 130,961 million) took place on the same date.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

5. Basis of preparation of the unaudited pro forma consolidated financial information (cont'd)

(c) Other events (cont'd)

(ii) In the financial years ended 30 June 2010, 2011 and 2012, certain Hartawan Subsidiaries had issued additional shares to the Company to increase the paid up capital and certain Hartawan Subsidiaries had reduced its paid up capital by returning to shareholders. In deriving at the total net assets value of the Hartawan Subsidiaries on 1 July 2009, it is assumed that the abovementioned additional shares issuance and reduction of paid up capital, totalling Rp 232,699 million (equivalent to S$32,985,039) in the Hartawan Subsidiaries have taken place on 1 July 2009.

(iii) In deriving at the purchase consideration, it is assumed that all intercompany balances as at the date of disposal are settled in cash.

(iv) In the financial years ended 30 June 2011 and 2012, one of the Company's subsidiaries, Hotel Re! Pte. Ltd. has made an allowance for impairment of property, plant and equipment which amounted to S$2,250,000 (equivalent to Rp 16,684 million) and S$904,000 (equivalent to Rp 6,314,000 million) respectively. In deriving at the net assets of the Hartawan Subsidiaries as at 1 July 2009, it is assumed that the above impairment has been provided for on 1 July 2009.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments

The following adjustments have been made in arriving at the unaudited pro forma consolidated financial information:

Unaudited Pro Forma Consolidated Income Statement for the year ended 30 June 2010

	Per audited financial information of Hartawan Group for the year ended 30 June 2010 Rp Million		**Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Income Statement** Rp Million
Revenue	110,219	(c)	(110,219)	173
		(d)	173	
Cost of sales	(44,725)	(c)	44,725	(96)
		(d)	(96)	
Gross profit	65,494			77
Other items of income				
Interest income	740	(c)	(740)	–
Other income	19,596	(c)	(19,592)	4
Other items of expenses				
General and administrative expenses	(23,479)	(b)	(4,801)	(24,103)
		(c)	13,592	
		(d)	(9,415)	
Other operating expenses	(39,781)	(a)	(401,584)	(409,697)
		(b)	(4,233)	
		(c)	35,901	
Finance expenses	(1,165)	(c)	699	(466)
Profit/(loss) before tax from continuing operations	21,405			(434,185)
Income tax (expense)/credit	(541)	(c)	1,079	535
		(d)	(3)	
Profit/(loss) from continuing operations, net of tax	20,864			(433,650)
Loss from discontinued operation, net of tax	(16,566)	(c)	16,566	–
Profit/(loss) after tax	4,298			(433,650)

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for the year ended 30 June 2011

	Per audited financial information of Hartawan Group for the year ended 30 June 2011 Rp Million		**Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Income Statement** Rp Million
Revenue	91,078	(c)	(91,078)	161
		(d)	161	
Cost of sales	(27,042)	(c)	27,042	(128)
		(d)	(128)	
Gross profit	64,036			33
Other items of income				
Interest income	221	(c)	(5)	216
Other income	5,145	(c)	(4,688)	459
		(d)	2	
Other items of expenses				
General and administrative expenses	(25,312)	(c)	17,439	(7,946)
		(d)	(73)	
Other operating expenses	(56,023)	(c)	53,917	(2,106)
Finance expenses	(627)	(c)	627	–
Loss before tax from continuing operations	(12,560)			(9,344)
Income tax (expense)/credit	(1,742)	(c)	1,756	14
Loss from continuing operation, net of tax	(14,302)			(9,330)
Loss from discontinued operation, net of tax	(32,720)	(c)	32,720	–
Loss after tax	(47,022)			(9,330)

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for the year ended 30 June 2012

	Per audited financial information of Hartawan Group for the year ended 30 June 2012 Rp Million		**Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Income Statement** Rp Million
Revenue	98,107	(c)	(98,107)	–
Cost of sales	(27,039)	(c)	27,039	–
Gross profit	71,068			–
Other items of income				
Interest income	1,329	(d)	2	1,331
Other income	3,715	(c)	(3,679)	36
Other items of expenses				
General and administrative expenses	(33,128)	(b)	4,881	(8,914)
		(c)	19,666	
		(d)	(333)	
Other operating expenses	(42,791)	(c)	40,952	(2,893)
		(d)	(1,054)	
Finance expenses	(676)	(c)	676	–
Loss before tax from continuing operations	(483)			(10,440)
Income tax (expense)/credit	(1,440)	(c)	1,291	173
		(d)	322	
Loss from continuing operations, net of tax	(1,923)			(10,267)
Loss from discontinued operation, net of tax	(156)	(c)	156	–
Loss after tax	(2,079)			(10,267)

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for the nine-month period ended 31 March 2012

	Per audited financial information of Hartawan Group for the nine-month period ended 31 March 2012 Rp Million		**Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Income Statement** Rp Million
Revenue	75,377	(c)	(75,377)	–
Cost of sales	(20,775)	(c)	20,775	–
Gross profit	54,602			–
Other items of income				
Interest income	992	(d)	1	993
Other income	2,580	(c)	(2,545)	35
Other items of expenses				
General and administrative expenses	(22,677)	(c)	14,555	(8,342)
		(d)	(220)	
Other operating expenses	(36,356)	(c)	34,916	(2,162)
		(d)	(722)	
Finance expenses	(307)	(c)	307	–
Loss before tax from continuing operations	(1,166)			(9,476)
Income tax (expense)/credit	(294)	(c)	325	248
		(d)	217	
Loss from continuing operations, net of tax	(1,460)			(9,228)
Loss from discontinued operation, net of tax	(204)	(c)	204	–
Loss after tax	(1,664)			(9,228)

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for the nine-month period ended 31 March 2013

	Per audited financial information of Hartawan Group for the nine-month period ended 31 March 2013 Rp Million		**Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Income Statement** Rp Million
Revenue	70,377	(c)	(70,377)	–
Cost of sales	(15,488)	(c)	15,488	–
Gross profit	54,889			–
Other items of income				
Interest income	1,139	(d)	4	1,143
Other income	3,189	(c)	(3,142)	47
Other items of expenses				
Exploration and evaluation expenses	–	(d)	(9,581)	(9,581)
General and administrative expenses	(25,671)	(b)	2,852	(8,759)
		(c)	15,485	
		(d)	(1,425)	
Other operating expenses	(29,408)	(c)	27,818	(3,836)
		(d)	(2,246)	
Finance expenses	(275)	(c)	275	–
Profit/(loss) before tax	3,863			(20,986)
Income tax (expense)/credit	(578)	(c)	578	624
		(d)	624	
Profit/(loss) after tax	3,285			(20,362)

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2012

	Per audited financial information of Hartawan Group as at 30 June 2012		Pro Forma Adjustments	Per Unaudited Pro Forma Consolidated Statement of Financial Position
	Rp Million		Rp Million	Rp Million
Non-current assets				
Exploration and evaluation assets	–	(d)	440	440
Mine properties	–	(d)	110	110
Property, plant and equipment	25,600	(c)	(25,590)	301
		(d)	291	
Intangible assets	488	(c)	(488)	–
Other receivables and deposits	531	(c)	(531)	–
Prepayments	63	(c)	(60)	3
Deferred tax assets	–	(d)	322	322
	26,682			1,176
Current assets				
Inventories	371	(c)	(371)	–
Trade receivables	3,350	(c)	(3,350)	–
Other debtors and deposits	2,595	(c)	(2,555)	40
Prepayments	815	(c)	(731)	84
Prepaid tax	–	(d)	1	1
Assets held for sale	20,032	(c)	(20,032)	–
Loan receivable	44,491	(e)	(44,491)	–
Amounts due from related parties	–	(d)	25,431	25,431
Cash and cash equivalents	250,293	(b)	(4,449)	307,347
		(c)	36,637	
		(d)	24,866	
	321,947			332,903
Total assets	348,629			334,079

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2012

	Per audited financial information of Hartawan Group as at 30 June 2012 Rp Million		**Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Statement of Financial Position** Rp Million
Current liabilities				
Trade payable	3,170	(c)	(3,170)	–
Other payables and accruals	7,582	(c)	(3,681)	23,112
		(b)	12,250	
		(d)	6,961	
Other liabilities	2,410	(c)	(2,410)	–
Amounts due to related parties	–	(d)	44,491	–
		(e)	(44,491)	
Liabilities directly associated with assets held for sale	3,753	(c)	(3,753)	–
Tax payable	1,824	(c)	(1,678)	155
		(d)	9	
	18,739			23,267
Net current assets	303,208			309,636
Non-current liabilities				
Other payables and accruals	1,268	(c)	(1,268)	–
Other liabilities	272	(c)	(272)	–
Deferred tax liabilities	838	(c)	(838)	–
	2,378			–
Total liabilities	21,117			23,267
Net assets	327,512			310,812

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2012

	Per audited financial information of Hartawan Group as at 30 June 2012 Rp Million		**Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Statement of Financial Position** Rp Million
Equity				
Share capital	494,796	(a)	843,109	848,550
		(b)	5,434	
		(c)	(494,796)	
		(d)	7	
Accumulated losses	(229,049)	(b)	(22,134)	(547,462)
		(c)	(286,548)	
		(d)	(9,731)	
Foreign currency translation reserve	61,765	(c)	(61,765)	(201)
		(d)	(201)	
Merger reserve	–	(d)	(1,040)	(1,040)
Capital reserve	–	(d)	10,965	10,965
Total equity	327,512			310,812
Total equity and liabilities	348,629			334,079

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 March 2013

	Per audited financial information of Hartawan Group as at 31 March 2013		**Pro Forma Adjustments**	**Per Unaudited Pro Forma Consolidated Statement of Financial Position**
	Rp Million		Rp Million	Rp Million
Non-current assets				
Exploration and evaluation assets	–	(d)	59,968	59,968
Mine properties	–	(d)	14,992	14,992
Property, plant and equipment	23,985	(c)	(23,978)	743
		(d)	736	
Intangible assets	385	(c)	(385)	–
Other receivables and deposits	1,578	(c)	(1,578)	–
Prepayments	408	(c)	(408)	–
Inventories	–	(d)	30	30
Deferred tax asset	–	(d)	945	945
	26,356			76,678
Current assets				
Inventories	478	(c)	(478)	–
Trade receivables	3,672	(c)	(3,672)	–
Other debtors and deposits	1,661	(c)	(1,172)	1,113
		(d)	624	
Prepayments	891	(c)	(706)	221
		(d)	36	
Loan receivable	93,794	(e)	(93,794)	–
Cash and cash equivalents	240,283	(b)	(4,690)	282,062
		(c)	15,175	
		(d)	31,294	
	340,779			283,396
Total assets	367,135			360,074

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 March 2013

	Per audited financial information of Hartawan Group as at 31 March 2013 Rp Million		Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Statement of Financial Position Rp Million
Current liabilities				
Trade payables	3,011	(c)	(3,011)	621
		(d)	621	
Other payables and accruals	8,723	(b)	10,046	25,006
		(c)	(7,392)	
		(d)	13,629	
Other liabilities	871	(a)	(871)	–
Amounts due to related parties	–	(d)	(93,794)	581
		(e)	94,375	
Tax payable	1,217	(c)	(1,137)	80
	13,822			26,288
Net current assets	326,957			257,108
Non-current liabilities				
Other liabilities	3,908	(c)	(3,908)	–
Deferred tax liabilities	883	(c)	(883)	–
	4,791			–
Total liabilities	18,613			26,288
Net assets	348,522			333,786
Equity				
Share capital	494,796	(a)	888,694	894,429
		(b)	5,728	
		(c)	(494,796)	
		(d)	7	
Accumulated losses	(223,684)	(a)	(540,172)	(581,354)
		(b)	(20,464)	
		(c)	223,684	
		(d)	(20,718)	
Foreign currency translation reserve	77,410	(c)	(77,410)	(958)
		(d)	(958)	
Merger reserve	–	(d)	(2,912)	(2,912)
Capital reserve	–	(d)	24,581	24,581
Total equity	348,522			333,786
Total equity and liabilities	367,135			360,074

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Details of adjustments made are as follows:

(a) Being adjustments to reflect the reverse acquisition of Hartawan Holdings Limited (accounting acquiree) by Wilton Resources Holdings Pte. Ltd. (accounting acquirer), including the recognition/impairment of goodwill on acquisition as described in Note 5(a)(i), 5(a)(ii) and 5(a)(iii) to the unaudited pro forma consolidated financial information.

(b) Being adjustments to reflect the transaction costs and stamp duty in relation to the Proposed Acquisition as described in Note 5(a)(iv) and 5(a)(v) to the unaudited pro forma consolidated financial information.

(c) Being adjustments to reflect the effect of the Put Option when exercised, including adjustments for the share capital of certain Hartawan Subsidiaries, settlement of intercompany balances and impairment of property, plant and equipment of Hotel Re! Pte. Ltd. as described in Note 5(b), 5(c)(i), 5(c)(ii), 5(c)(iii) and 5(c)(iv) to the unaudited pro forma consolidated financial information.

(d) Being inclusion of the Target Group's unaudited pro forma consolidated financial position and financial performance as provided in "Appendix V – Report on Unaudited Pro Forma Consolidated Financial Information of the Target Group for the financial years ended 30 June 2010, 2011 and 2012 and for the nine-month period ended 31 March 2013".

(e) Being elimination of intercompany transactions between the Company and the Target Group.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies

(a) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial years, except the Enlarged Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 July 2012. The adoption of these standards did not have any effect on the financial performance or position of the Enlarged Group.

(b) Standards issued but not yet effective

The Enlarged Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Revised FRS 19 *Employee Benefits*	1 January 2013
FRS 107 Disclosures – *Offsetting Financial Assets and Financial Liabilities*	1 January 2013
FRS 113 *Fair Value Measurement*	1 January 2013
INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Improvements to FRSs 2012	
– Amendment to FRS 1 *Presentation of Financial Statements*	1 January 2013
– Amendment to FRS 16 *Property, Plant and Equipment*	1 January 2013
– Amendment to FRS 32 *Financial Instruments: Presentation*	1 January 2013
Revised FRS 27 *Separate Financial Statements*	1 January 2014
FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
FRS 110, FRS 112 and FRS 27 *Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities*	1 January 2014
Amendments to the transition guidance of FRS 110 *Consolidated Financial Statements,* FRS 111 *Joint Arrangements and* FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014

Except for FRS 112 and INT FRS 120, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 112 and INT FRS 120 is described below.

7. Summary of significant accounting policies (cont'd)

(b) Standards issued but not yet effective (cont'd)

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Enlarged Group when implemented in 2014.

INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine

INT FRS 120 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual reporting periods beginning on or after 1 January 2013. The interpretation is not expected to have an impact on the Enlarged Group as it uses an underground mine method.

(c) Basis of consolidation

(i) Consolidation

The unaudited pro forma consolidated financial information comprises the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the unaudited pro forma consolidated financial information are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Enlarged Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(c) Basis of consolidation (cont'd)

(i) Consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Enlarged Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Enlarged Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(ii) Business combinations

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The income statement reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

All other business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Enlarged Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(c) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Enlarged Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Enlarged Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(d) Foreign currency

The unaudited pro forma financial information is presented in Indonesian Rupiah (Rp). Each entity in the Enlarged Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency:

(i) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Enlarged Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Enlarged Group on disposal of the foreign operation.

7. Summary of significant accounting policies (cont'd)

(d) Foreign currency (cont'd)

(ii) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Indonesian Rupiah at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(e) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 7(p). The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Enlarged Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Enlarged Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Electrical and office equipment	3 to 8 years
Furniture and fittings	3 to 10 years
Renovations	6 years
Computers	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(f) Mineral exploration, evaluation and development expenditures

Exploration and evaluation activities involve the search for mineral, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such activities include:

(i) gathering exploration data through topographical, geochemical and geophysical studies;
(ii) exploratory drilling, trenching and sampling;
(iii) determining and examining the volume and grade of the resource; and
(iv) surveying transportation and infrastructure requirements.

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised from the commencement of commercial production.

Exploration and evaluation costs (including amortisation of capitalised license costs) are capitalised as incurred, except in the following circumstances:

(i) before the legal rights to explore a specific area are obtained;
(ii) after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable or proven reserves are discovered.

Capitalised exploration and evaluation costs are recorded under "Exploration and Evaluation Assets" and are subsequently measured at cost less any allowance for impairment. Such assets are not depreciated as they are not available for use but monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. To the extent that exploration and evaluation costs are not expected to be recovered, these are charged to profit or loss.

Cash flows associated with capitalised exploration and evaluation costs are classified as investing activities in the consolidated statements of cash flows, while cash flows in respect of exploration and evaluation costs that are expensed are classified as operating cash flows.

When proven reserves are determined, exploration and evaluation assets are reclassified to "Mines under development" within "Mining properties". All development costs relating to construction of infrastructure required to operate the mine are capitalised and classified as "Mines under development". Development costs are net of proceeds from the sale of mineral extracted during the development phase. Once development is completed, all assets included in "Mines under development" are reclassified as "Production mines" under mining properties or other component of property, plant and equipment. Items of assets of producing mine are stated at cost, less accumulated amortisation and accumulated impairment losses.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(f) Mineral exploration, evaluation and development expenditures (cont'd)

Mining properties include assets in production and in development, and assets transferred from exploration and evaluation assets. Mining properties in development are not amortised until production commences.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

The accumulated costs of producing mines are amortised on the unit-of-production basis over the economically recoverable reserves of the mine concerned.

Pre-license costs are expensed in the period in which they are incurred. Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the director concludes that future economic benefits are more likely than not to be realised. These expenditures include acquisition and renewal of rights to explore; technical feasibility, processing and mining study; environmental impact assessment, management and monitoring; drilling, explosives permitting and other exploration costs paid to contractors and consultants.

(g) Mine properties

Upon transfer of "Exploration and evaluation assets" into "Mines under construction" in "Mine properties", all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalised in "Mines under construction". Development expenditure is net of proceeds from the sale of ore extracted during the development phase. The "Mines under construction" is not amortised until it is completed and the production stage is commenced, and the assets are transferred into "Producing mines" in "Mine properties".

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(h) Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's 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 or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 determining the fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Enlarged Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Enlarged Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering the lease period.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Enlarged Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised 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 recognised. 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 recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(i) Subsidiaries

A subsidiary is an entity over which the Enlarged Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(j) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Enlarged Group becomes a party to the contractual provisions of the financial instrument. The Enlarged Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Enlarged Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Enlarged Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Enlarged Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(j) Financial assets (cont'd)

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Enlarged Group 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.

(k) Impairment of financial assets

The Enlarged Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Enlarged Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Enlarged Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Enlarged Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(k) Impairment of financial assets (cont'd)

(i) *Financial assets carried at amortised cost (cont'd)*

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(m) Inventories

Inventories comprise of stockpiles of unprocessed ore are measured at the lower of cost and net realisable value. The cost comprises all actual costs incurred during pre-production stage to deliver ore to stockpiles. Stockpiles are classified as a non-current asset where the stockpile is expected to be processed more than 12 months after the end of the reporting period.

Net realisable value is the estimated future sales price of the product the Enlarged Group expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Stockpiles which are expected to be processed more than 12 months after the end of the reporting period are classified under non-current assets.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(n) Provisions

Provisions are recognised when the Enlarged Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Enlarged Group becomes a party to the contractual provisions of the financial instrument. The Enlarged Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(p) Borrowing costs

Borrowing costs are recognised in profit or loss when they are incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(q) Employee benefits

(i) *Defined contribution plans*

The Enlarged Group makes contribution to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(r) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(s) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Enlarged Group and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms or payment and excluding sales taxes or duty. The Enlarged Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Enlarged Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(i) *Sale of goods*

In the financial years ended 30 June 2011 and 2010, the Enlarged Group's revenues from its lighting product trading business are recognised based on cash on delivery basis.

(ii) *Interest income*

Interest income is recognised using the effective interest method.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(t) Taxes

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Enlarged Group operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(t) Taxes (cont'd)

(ii) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(iii) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(u) Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(v) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Enlarged Group and the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Enlarged Group or the Company or of a parent of the Company.

(b) An entity is related to the Enlarged Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) 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).

8. Significant accounting judgments and estimates

The preparation of the Enlarged Group's unaudited pro forma consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

8. Significant accounting judgments and estimates (cont'd)

(a) Judgments made in applying accounting policies

In the process of applying the Enlarged Group's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognised in the unaudited pro forma consolidated financial statements:

(i) Exploration and evaluation expenditure

The application of the Enlarged Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Enlarged Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If after an expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

(ii) Production start date

The Enlarged Group assesses the stage of each mine under construction to determine when a mine moves into the production phase. This being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location.

The Enlarged Group considers various relevant criteria to assess when the production phases is considered to have commenced. At this point, all related amounts are reclassified from "Mines under construction" to "Producing mines" and/or "Property, plant and equipment". Some of the criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared to the original construction cost estimate.
- Completion of a reasonable period of testing of the mine plant and equipment.
- Ability to produce metal in saleable form (within specifications).
- Ability to sustain ongoing production of metal.

When a mine development / construction project moves into the production phase, the capitalisation of certain mine development / construction costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation / amortisation commences.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

8. Significant accounting judgments and estimates (cont'd)

(b) Key sources of estimation uncertainty

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. The Enlarged Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Enlarged Group. Such changes are reflected in the assumptions when they occur.

(i) Ore reserve and mineral resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Enlarged Group's mining properties. The Enlarged Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

(ii) Recovery of deferred tax assets

The Enlarged Group reviews the carrying amounts of deferred tax assets at the end of each reporting date and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilised. The Enlarged Group's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the Enlarged Group's past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that sufficient taxable income will be generated to allow all or part of deferred income tax assets to be utilised.

9. Exploration and evaluation expenses

Exploration and evaluation expenses relate to the expenditures that did not meet the capitalisation criteria in accordance with the Group's accounting policy (Note 7f).

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

10. Loss before tax

Included in loss before tax for the year ended 30 June 2010 is an amount of Rp 478,676 million (2011, 2012 and 9 months ended 31 March 2013: nil) which relate to the impairment of goodwill arising from the Proposed Acquisition (Note 6a).

11. Exploration and evaluation assets

The movements of this account are as follows:

	30 June 2012 Rp Million	**31 March 2013** Rp Million
At 1 July	–	440
Additions	550	74,410
Transfer to Mine Properties - Mines under Construction	(110)	(14,882)
At 30 June/31 March	440	59,968

As of 30 June 2012 and 31 March 2013, part of the exploration and evaluation expenditures of Pasir Manggu (West), Cibatu, Cikadu and Sekolah was transferred to "Mine Properties - Mines under Construction" since the areas of interest are in the construction stage at the end of the reporting period.

Based on management's assessment on the Ciemas Gold Project's areas of interest, Independent Qualified Person's Report for the Ciemas Gold Project, Ceimas Sukabumi Region, Republic of Indonesia as of June 2013, as well as the Independent Expert Report as of May 2013, the Enlarged Group's management believes that there were no impairment indicators for the exploration and evaluation assets that exist as of 30 June 2012 and 31 March 2013.

12. Mine properties

The movements of this account are as follows:

	30 June 2012 Rp Million	**31 March 2013** Rp Million
Mines under construction		
At 1 July	–	110
Transfer from Exploration and Evaluation Assets (Note 11)	110	14,882
At 30 June/31 March	110	14,992

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

13 Amounts due from/(to) related parties

Amounts due from related parties relate to amounts due from two of the key management personnel, who are substantial shareholders of the Target Company.

Included in amounts due from/(to) related parties is an amount of Rp 8,884 million which represents consideration payable for the acquisition of the Target Group's subsidiaries. The consideration payable is based on the share capital of each Target Group's subsidiaries at the date of acquisition.

In the financial year ended 30 June 2012, certain exploration and evaluation activities which were undertaken on the Concession Blocks were paid by one of the Target Group's Subsidiaries on behalf of a related party.

Amounts due from/(to) related parties are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

14. Cash and cash equivalents

	30 June 2012 Rp Million	31 March 2013 Rp Million
Fixed deposits	178,104	187,588
Cash at banks	129,243	94,474
	307,347	282,062

Included in the cash and cash equivalents as at 30 June 2012 and 31 March 2013 is a pro forma adjustment amounting to Rp 10,965 million and Rp 24,581 million respectively. The pro forma adjustments relate to the additional capital deemed to be injected in the form of cash by Wijaya Lawrence to indemnify the Company and the Target Group against liabilities, incurred by the Target Group up to the date of completion of the Proposed Acquisition (Note 3 – Proposed Acquisition).

15. Other payables and accruals

	30 June 2012 Rp Million	31 March 2013 Rp Million
Other payables	1,984	140
Accrued transaction costs (Note 6b)	16,671	13,830
Other accruals	4,457	11,036
	23,112	25,006

16. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of entities within the Enlarged Group whose functional currencies are different from that of the Enlarged Group's presentation currency.

	30 June 2012 Rp Million	**31 March 2013** Rp Million
At 1 July	–	(201)
Net effect of exchange differences: arising from translation of financial statements of foreign operations	(201)	(757)
At 30 June/31 March	(201)	(958)

17. Merger reserve

Merger reserve represents the difference between the consideration paid and the equity of the acquired entities under common control.

18. Capital reserve

Capital reserve represents the additional capital injected by one of the shareholders of the Target Group to indemnify the Company and the Target Group against any liabilities, incurred by the Target Group up to the date of completion of the Proposed Acquisition.

19. Financial risk management objectives and policies

The Enlarged Group is exposed to financial risks arising from its use of financial instruments. The key financial risks are credit risk, liquidity risk and foreign currency risk. The management reviews and agrees policies and procedures for the management of these risks, which are executed by the Directors of the Enlarged Group. It is, and has been throughout the current financial period the Enlarged Group's policy that no derivatives shall be undertaken.

The following section provide details regarding the Enlarged Group's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and debt monitoring procedures.

The Enlarged Group's exposure to credit risk arises primarily from amounts due from related parties. For cash and cash equivalents, the Enlarged Group minimises credit risk by dealing exclusively with reputable financial institutions with high credit ratings and no history of default.

HARTAWAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FIINANCIAL INFORMATION FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

19. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

Credit risk concentration profile

At the end of the reporting period, the Enlarged Group has a significant concentration of credit risk in the form of outstanding balance due from related parties.

Exposure to credit risk

At the end of the reporting period, the Enlarged Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

(b) *Liquidity risk*

Liquidity risk is the risk that the Enlarged Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Enlarged Group‘s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Enlarged Group monitors and maintains a level of cash and cash equivalents, deemed adequate by management to finance the Enlarged Group's operations and mitigate the effects of fluctuations in cash flows.

(c) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Enlarged Group has transactional currency exposures from expenses that are denominated in foreign currencies, primarily United Stated Dollar (USD), Indonesian Rupiah (IDR) and Singapore Dollar (SGD).

26 September 2013

The Board of Directors
390 Havelock Road
#07-06 King's Centre
Singapore 169662

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information of Wilton Resources Holdings Pte. Ltd. and its subsidiaries for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013 included in the Circular to Shareholders of Hartawan Holdings Limited in connection with the proposed acquisition of the entire paid-up and issued share capital of Wilton Resources Holdings Pte. Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of Wilton Resources Holdings Pte. Ltd. (the "Target Company") and its subsidiaries (collectively, the "Target Group"). The unaudited pro forma consolidated financial information consists of the unaudited pro forma consolidated statements of financial position as at 30 June 2010, 2011 and 2012 and as at 31 March 2013, the unaudited pro forma consolidated income statements for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013, the unaudited pro forma consolidated statements of cash flow for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013, and related notes as set out on pages V-4 to V-52 of the Circular issued by Hartawan Holdings Limited (the "Company" or "Hartawan"). The applicable criteria on the basis of which Directors of the Target Company have compiled the unaudited pro forma consolidated financial information are described in Note 5 of the unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial information has been compiled by the Directors of the Target Company to illustrate the impact of the event or transaction set out in Note 5 on the Target Group's consolidated financial position as at 30 June 2010, 2011 and 2012 and as at 31 March 2013 as if the event or transaction had taken place at 30 June 2010, 2011 and 2012 and 31 March 2013 respectively and its consolidated financial performance and consolidated cash flows for the years ended 30 June 2010, 2011 and 2012 and for the nine-month period ended 31 March 2013 as if the event or transaction had taken place at 1 July 2009. As part of this process, information about the Target Group's consolidated financial position as at 30 June 2010, 2011 and 2012 and as at 31 March 2013, consolidated financial performance and consolidated cash flows for the years ended 30 June 2010, 2011 and 2012 and the nine-month ended 31 March 2013 has been extracted by Directors of the Target Company from the Target Company's financial statements for the periods ended 30 June 2012 and 31 March 2013, P.T. Wilton Wahana Indonesia and its subsidiary's financial statements for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013, and P.T. Wilton Investment's financial statements for the period ended 30 June 2011, the year ended 30 June 2012 and the nine-month period ended 31 March 2013 on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Consolidated Financial Information

The Directors of the Target Company are responsible for compiling the unaudited pro forma consolidated financial information on the basis of the applicable criteria described in Note 5 of the unaudited pro forma consolidated financial information.

Reporting Auditor's Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, by the Directors of the Target Company on the basis of the applicable criteria described in Note 5 of the unaudited pro forma consolidated financial information.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the reporting auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Directors of the Target Company have compiled, in all material respects, the unaudited pro forma consolidated financial information on the basis of the applicable criteria described in Note 5 of the unaudited pro forma consolidated financial information.

For purposes of this engagement, we are not responsible for updating or reissuing and hence have not updated or reissued any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information.

The purpose of unaudited pro forma consolidated financial information included in the Circular to Shareholders of Hartawan Holdings Limited in connection with the proposed acquisition of the entire paid-up and issued share capital of Wilton Resources Holdings Pte. Ltd. is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2010, 2011 and 2012 and 31 March 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Directors of the Target Company in the compilation of the unaudited pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting auditor’s judgment, having regard to the reporting auditor’s understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information.

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

Opinion

In our opinion:

(a) The unaudited pro forma consolidated financial information has been compiled:

   (i) in a manner consistent with the accounting policies adopted by the Target Group, which are in accordance with the Singapore Financial Reporting Standards;

   (ii) on the basis of the applicable criteria stated in Note 5 of the unaudited pro forma consolidated financial information; and

(b) each material adjustment made to the information used in the preparation of the unaudited pro forma consolidated financial information is appropriate for the purpose of preparing such unaudited financial information.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Partner in charge: Low Bek Teng

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

		Year ended 30 June			Nine-month period ended 31 March	
	Note	**2010** Rp Million	**2011** Rp Million	**2012** Rp Million	**2012** Rp Million	**2013** Rp Million
Revenue		173	161	–	–	–
Cost of sales		(96)	(128)	–	–	–
Gross profit		77	33	–	–	–
Other items of income						
Interest income		–	–	2	1	4
Other income		–	2	–	–	–
Other items of expenses						
Exploration and evaluation expenses	9	–	–	–	–	(9,581)
General and administrative expenses		(9,415)	(73)	(333)	(220)	(1,425)
Other operating expenses		–	–	(1,054)	(722)	(2,246)
Loss before tax		(9,338)	(38)	(1,385)	(941)	(13,248)
Income tax (expense)/credit		(3)	–	322	217	624
Loss after tax		(9,341)	(38)	(1,063)	(724)	(12,624)

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2010, 2011 AND 2012 AND 31 MARCH 2013

		30 June			31 March
	Note	**2010** Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
Non-current assets					
Exploration and evaluation assets	10	–	–	440	59,968
Mine properties	11	–	–	110	14,992
Property, plant and equipment		–	–	291	736
Inventories		–	–	–	30
Deferred tax assets		–	–	322	945
		–	–	1,163	76,671
Current assets					
Inventories		24	–	–	–
Other debtors and deposits		–	–	–	624
Prepayments		–	–	–	36
Prepaid tax		–	1	1	–
Amounts due from related parties	12	–	–	25,431	–
Cash and cash equivalents	13	8,622	9,327	24,866	31,294
		8,646	9,328	50,298	31,954
Total assets		8,646	9,328	51,461	108,625
Current liabilities					
Trade payables		–	–	–	621
Other payables and accruals	15	8,590	9,258	6,961	13,629
Amounts due to related parties	12	54	70	–	581
Loan payable to Hartawan	14	–	–	44,491	93,794
Tax payable		2	–	9	–
		8,646	9,328	51,461	108,625
Net current liabilities		–	–	(1,163)	(76,671)
Total liabilities		8,646	9,328	51,461	108,625
Net assets		–	–	–	–

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2010, 2011 AND 2012 AND 31 MARCH 2013

		30 June			31 March
	Note	**2010** Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
Equity					
Share capital		7	7	7	7
Accumulated losses		(8,590)	(9,258)	(9,731)	(20,718)
Foreign currency translation reserve	16	(1)	–	(201)	(958)
Merger reserve	17	(38)	(76)	(1,040)	(2,912)
Capital reserve	18	8,622	9,327	10,965	24,581
Total equity		–	–	–	–
Total equity and liabilities		8,646	9,328	51,461	108,625

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

	Year ended 30 June			Nine-month period ended 31 March	
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2012** Rp Million	**2013** Rp Million
Cash flows from operating activities					
Loss before tax	(9,338)	(38)	(1,385)	(941)	(13,248)
Adjustments for:					
Interest income	–	–	(2)	(1)	(4)
Depreciation of property, plant and equipment	–	–	37	22	103
Unrealised foreign exchange differences	–	–	1,360	1,195	1,832
Operating cash flows before changes in working capital	(9,338)	(38)	10	275	(11,317)
Changes in working capital					
Inventories	(12)	24	–	–	(30)
Other debtors and deposits	–	–	–	–	(622)
Prepayments	–	–	–	–	(36)
Amounts due from/(to) related parties	29	17	(116)	61	627
Prepaid tax	–	(1)	–	1	1
Trade payables	(27)	–	–	–	621
Other payables and accruals	9,351	–	(2,762)	(1,577)	6,259
Cash flows from/(used in) operations	3	2	(2,868)	(1,240)	(4,497)
Interest received	–	–	2	1	4
Income taxes (paid)/received	(3)	(2)	8	16	(8)
Net cash flows used in operating activities	–	–	(2,858)	(1,223)	(4,501)

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH PERIOD ENDED 31 MARCH 2013

	Year ended 30 June			Nine-month period ended 31 March	
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2012** Rp Million	**2013** Rp Million
Cash flows from investing activities					
Due from a related party	–	–	(25,385)	(19,457)	25,385
Investment in exploration and evaluation assets	–	–	(550)	(467)	(74,410)
Purchase of property, plant and equipment	–	–	(328)	(322)	(545)
Net cash flows used in investing activities	–	–	(26,263)	(20,246)	(49,570)
Cash flows from financing activities					
Proceeds from loan from Hartawan	–	–	42,860	42,418	46,644
Capital contribution from a shareholder	8,622	–	–	–	–
Net cash flows from financing activities	8,622	–	42,860	42,418	46,644
Net increase/(decrease) in cash and cash equivalents	8,622	–	13,739	20,949	(7,427)
Effect of exchange rate changes on cash and cash equivalents	–	–	162	184	239
Cash and cash equivalents at the beginning of the year/period	–	8,622	8,622	8,622	22,523
Cash and cash equivalents at the end of the year/period	8,622	8,622	22,523	29,755	15,335

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

These selective notes form an integral part of and should be read in conjunction with the accompanying unaudited pro forma consolidated financial information.

1. General

The unaudited pro forma consolidated financial information has been prepared for inclusion in the Circular to shareholders of Hartawan Holdings Limited (the “Company”) (the “Circular”) in connection with its proposed acquisition of Wilton Resources Holdings Pte. Ltd. (the “Target Company” or “Wilton”). As part of the restructuring prior to the proposed acquisition, the Target Company will acquire the issued and paid-up share capital of P.T. Wilton Investment (“PT WI”), P.T. Wilton Wahana Indonesia (“PT WWI”) and P.T. Liektucha Ciemas (“PT LTC”) (collectively, the “Target Group’s Subsidiaries”).

2. Corporate information

The Target Company is a private limited company incorporated in Singapore on 21 October 2011. The principal activity of the Target Company is that of investment holding.

The registered office and principal place of business of the Target Company is located at 390 Havelock Road, #07-06 King’s Centre, Singapore 169662.

3. The Proposed Restructuring Exercise

On 29 October 2011, the Company entered into a conditional sale and purchase agreement (the “S&P Agreement”) with Wijaya Lawrence and Ngiam Mia Je Patrick for the proposed acquisition of the entire issued and paid-up share capital of the Target Company (the “Proposed Acquisition”).

As contemplated in the S&P Agreement, for the purpose of the Proposed Acquisition, the Target Group will be formed through a restructuring which will involve the acquisition of the issued and paid-up share capital of each of the Target Group’s Subsidiaries, namely (i) Wilton being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WI, (ii) PT WI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WWI, and (iii) PT WWI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT LTC (the “**Proposed Restructuring Exercise**”).

Pursuant to the Proposed Restructuring Exercise, the Target Company will become the ultimate holding company of the Target Group.

Following the Proposed Restructuring Exercise, the corporate structure of the Target Group is as follows:

- *P.T. Wilton Investment*

  The issued and paid-up share capital of PT WI comprises 10,000 shares. 99% and 1% of the issued and paid-up share capital of PT WI will be transferred to the Target Company and Wijaya Lawrence respectively.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

3. The Proposed Restructuring Exercise (cont'd)

- *P.T. Wilton Wahana Indonesia*

  The issued and paid-up share capital of PT WWI comprises 300 shares. 99% and 1% of the entire issued and paid-up share capital of PT WWI will be transferred to PT WI and Wijaya Lawrence respectively.

- *P.T. Liektucha Ciemas*

  The issued and paid-up share capital of PT LTC comprises 300 shares. PT WWI and Wijaya Lawrence will own 99% and 1% of the issued and paid-up share capital of PT LTC respectively.

PT WI was incorporated as a *Perusahaan Modal Asing,* or foreign investment company ("PMA company"), and PT WWI and PT LTC will be converted into PMA companies as part of the Proposed Restructuring Exercise to allow the Target Company, a Singapore-incorporated company, to act as an investment holding company to PT WWI and PT LTC.

As set out in the S&P Agreement, the completion of the Proposed Acquisition is conditional upon amongst others, the waiver or release of the Target Group's indebtedness to its shareholders.

In accordance with the S&P Agreement,

- the present shareholders of the Target Group's Subsidiaries have agree to give waivers and releases in favour of the Target Group's Subsidiaries (in such form and substance satisfactory to the Company) and release the Target Group's Subsidiaries from all debts and liabilities due, incurred and owing by each Target Group's Subsidiary to its respective shareholders up to the date of completion of the Proposed Acquisition pursuant to any shareholders' loan; and

- Wijaya Lawrence has executed a guarantee and indemnity in favour of the Company and the Target Group (in such form and substance satisfactory to the Company), to secure any liabilities, and indemnify the Company and the Target Group against any liabilities, incurred by the Target Group up to the date of completion of the Proposed Acquisition.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

4. The Target Group

Upon completion of the Proposed Restructuring Exercise as disclosed in Note 3, the Target Company will have the following interest:

	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
Name of subsidiary				
P.T. Wilton Investment	17.06.2011 Indonesia	Rp8,584,000,000	100%[(a)]	Gold mining
Subsidiary held by P.T. Wilton Investment				
P.T. Wilton Wahana Indonesia	21.06.2000 Indonesia	Rp300,000,000	100%[(b)]	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

4. The Target Group (cont'd)

	Date and country of incorporation	Issued and paid-up share capital	Effective equity interest held (%)	Principal activities
Subsidiary held by P.T. Wilton Wahana Indonesia				
P.T. Liektucha Ciemas	20.04.1996 Indonesia	Rp300,000,000	100%[c]	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services

(a) 1% shareholding of PT WI is held by Wijaya Lawrence, in compliance with Indonesian law which requires a minimum of two (2) shareholders in a limited liability company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of the Target Company for the assignment to the Target Company of dividends and voting rights in respect of his 1% shareholding interests in PT WI. Accordingly, the effective equity held by the Target Company in PT WI is 100%.

(b) 1% shareholding of PT WWI is held by Wijaya Lawrence, in compliance with Indonesian law which requires a minimum of two (2) shareholders in a limited liability company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of the PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interests in PT WWI. Accordingly, the effective equity held by PT WI in PT WWI is 100%.

(c) 1% shareholding of PT LTC is held by Wijaya Lawrence, in compliance with Indonesian law which requires a minimum of two (2) shareholders in a limited liability company. Wijaya Lawrence has undertaken to execute a power of attorney in favour of the PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC. Accordingly, the effective equity held by PT WWI in PT LTC is 100%.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

5. Basis of preparation of the unaudited pro forma consolidated financial information

The unaudited pro forma consolidated financial information refers to the consolidated financial information of the Target Group.

The unaudited pro forma consolidated financial statements comprise the unaudited pro forma consolidated income statements for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013, the unaudited pro forma consolidated statements of financial position as at 30 June 2010, 2011 and 2012 and as at 31 March 2013 and the unaudited pro forma consolidated statements of cash flow for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013.

The unaudited pro forma consolidated income statements and unaudited pro forma consolidated statements of cash flow for the years ended 30 June 2010, 2011 and 2012 and the nine-month period ended 31 March 2013 have been prepared on the assumption that the Target Group structure had been in place and that the Proposed Acquisition has occurred and completed on 1 July 2009.

The unaudited pro forma consolidated statements of financial position as at 30 June 2010, 2011 and 2012 and as at 31 March 2013 have been prepared on the assumption that the Target Group structure had been in place and that the Proposed Acquisition has occurred and completed on 30 June 2010, 2011 and 2012 and 31 March 2013 respectively.

The unaudited pro forma consolidated financial statements are for illustrative purposes only. The objective is to show what the historical financial information might have been had the Target Group existed at an earlier date. However, the financial information of the Target Group, by its nature may not give a true picture of the Target Group's actual financial position and results and is not necessary indicative of the results of the operations or the related effects on the financial position that would have been attained had the abovementioned Target Group existed earlier.

In arriving at the unaudited pro forma consolidated financial information, adjustments have been made as considered necessary in order to present the financial statements on a consistent and comparable basis as if the Target Group had been in existence through the period, or since the respective dates of incorporation or acquisition of the companies in the Target Group.

In presenting the unaudited pro forma financial information of the Target Group, the following key assumptions were taken into account:

(a) Waiver or release of the Target Group's indebtedness to its shareholders

It is assumed that Wijaya Lawrence indemnifies the Company and the Target Group against any liabilities, incurred by the Target Group up to the completion date of the Proposed Acquisition by injecting additional capital in the form of cash into the Target Company based on the Target's Group net liabilities as at the date of completion of the Proposed Acquisition.

(b) Transaction costs relating to the Proposed Acquisition

The transaction costs relating to the Proposed Acquisitions deemed to be incurred by the Target Company is S$1.3 million and they are assumed to be incurred on completion date.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

5. Basis of preparation of the unaudited pro forma consolidated financial information (cont'd)

The unaudited pro forma consolidated financial statements are presented on the basis of the accounting policies set out in Note 7 to the unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial information for the years ended 30 June 2010, 2011 and 2012 and the period ended 31 March 2013 have been compiled from the financial statements of the companies in the Target Group.

(a) The financial statements of Wilton Resources Holdings Pte. Ltd. are audited by Ernst & Young LLP, Singapore. These financial statements were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

(b) The financial statements of P.T. Wilton Investment and P.T. Wilton Wahana and its subsidiary are audited by Purwantono, Suherman & Surja, a member firm of Ernst & Young, Global. These financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

(c) There is no material difference between IFRS and SFRS in relation to the preparation of the unaudited pro forma financial information and no material adjustments would be required to restate the financial statements described in (b) above, in accordance with SFRS.

(d) The auditor's reports on the financial statements mentioned in (a) and (b) above were not subject to any qualification.

(e) The financial statements for the financial period ended 31 March 2012 have not been audited or reviewed and are included for comparative purposes only.

(f) The unaudited pro forma financial information has been prepared on a historical cost basis except as disclosed in the accounting policies in Note 7. The unaudited pro forma financial information are presented in Indonesian Rupiah and all the values are rounded to the nearest million (Rp Million) except when otherwise indicated.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments

The following adjustments have been made in arriving at the unaudited pro forma consolidated financial information:

Unaudited Pro Forma Consolidated Income Statement for year ended 30 June 2010

	Summation of Financial Information of the Target Group Before Adjustments[1] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Income Statement Rp Million
Revenue	173			173
Cost of sales	(96)			(96)
Gross profit	77			77
Other items of expenses				
General and administrative expenses	(64)	(e)	(9,351)	(9,415)
Profit/(loss) before tax	13			(9,338)
Income tax expense	(3)			(3)
Profit/(loss) after tax	10			(9,341)

1 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary for the year ended 30 June 2010 before intercompany elimination and pro forma adjustments. The financial information of Wilton Resources Holdings Pte. Ltd. and P.T. Wilton Investment are not included as they were only incorporated on 21 October 2011 and 17 June 2011 respectively.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for year ended 30 June 2011

	Summation of Financial Information of the Target Group Before Adjustments[2] Rp Million	**Intercompany elimination and Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Income Statement** Rp Million
Revenue	161		161
Cost of sales	(128)		(128)
Gross profit	33		33
Other item of income			
Other income	2		2
Other items of expenses			
General and administrative expenses	(73)		(73)
Loss before tax	(38)		(38)
Income tax expense	–		–
Loss after tax	(38)		(38)

2 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary and financial information of P.T. Wilton Investment for the year ended 30 June 2011 before intercompany elimination and pro forma adjustments. The financial information of Wilton Resources Holdings Pte. Ltd. is not included as it was only incorporated on 21 October 2011.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for the year ended 30 June 2012

	Summation of Financial Information of the Target Group Before Adjustments[3] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Income Statement Rp Million
Revenue	–			–
Cost of sales	–			–
Gross profit	–			–
Other item of income				
Interest income	2			2
Other items of expenses				
General and administrative expenses	(5,543)	(e)	5,210	(333)
Other operating expenses	(1,054)			(1,054)
Loss before tax	(6,595)			(1,385)
Income tax credit	322			322
Loss after tax	(6,273)			(1,063)

3 This comprises the financial information of Wilton Resources Holdings Pte. Ltd., P.T. Wilton Investment and the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary for the year ended 30 June 2013 before intercompany elimination and pro forma adjustments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for the nine-month period ended 31 March 2012

	Summation of Financial Information of the Target Group Before Adjustments[4] Rp Million		**Intercompany elimination and Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Income Statement** Rp Million
Revenue	–			–
Cost of sales	–			–
Gross profit	–			–
Other item of income				
Interest income	1			1
Other items of expenses				
General and administrative expenses	(1,797)	(e)	1,577	(220)
Other operating expenses	(722)			(722)
Loss before tax	(2,518)			(941)
Income tax credit	217			217
Loss after tax	(2,301)			(724)

4 This comprises the financial information of Wilton Resources Holdings Pte. Ltd., P.T. Wilton Investment and the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary for the nine-month period ended 31 March 2012 before intercompany elimination and pro forma adjustments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Income Statement for the nine-month period ended 31 March 2013

	Summation of Financial Information of the Target Group Before Adjustments[5] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Income Statement Rp Million
Revenue	–			–
Cost of sales	–			–
Gross profit	–			–
Other item of income				
Interest income	4			4
Other items of expenses				
Exploration and evaluation expenses	(82,599)	(a)	73,018	(9,581)
General and administrative expenses	(2,296)	(e)	871	(1,425)
Other operating expenses	(2,246)			(2,246)
Loss before tax	(87,137)			(13,248)
Income tax credit	624			624
Loss after tax	(86,513)			(12,624)

5 This comprises the financial information of Wilton Resources Holdings Pte. Ltd., P.T. Wilton Investment and the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary for the nine-month period ended 31 March 2013 before intercompany elimination and pro forma adjustments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2010

	Summation of Financial Information of the Target Group Before Adjustments[6] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Statement of Financial Position Rp Million
Non-current asset				
Investment in subsidiaries	–	(c)	300	–
		(c)	8,584	
		(c)	(300)	
		(c)	(8,584)	
	–			–
Current assets				
Inventories	24			24
Amounts due from related parties	291	(b)	8,584	–
		(b)	6	
		(c)	(8,584)	
		(c)	(297)	
Cash and cash equivalents	–	(f)	8,622	8,622
	315			8,646
Total assets	315			8,646
Current liabilities				
Other payables and accruals	–	(e)	8,590	8,590
Amounts due to related parties	51	(c)	3	54
Tax payable	2			2
	53			8,646
Net current assets	262			–
Total liabilities	53			8,646
Net assets	262			–

6 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary as at 30 June 2010 before intercompany elimination and pro forma adjustments. The financial information of Wilton Resources Holdings Pte. Ltd.. and P.T. Wilton Investment are not included as they were only incorporated on 21 October 2011 and 17 June 2011 respectively.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2010 (cont'd)

	Summation of Financial Information of the Target Group Before Adjustments[6] Rp Million		**Intercompany elimination and Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Statement of Financial Position** Rp Million
Equity				
Share capital	300	(c)	(300)	7
		(b)	7	
		(b)	8,584	
		(c)	(8,584)	
Accumulated losses	(53)	(c)	53	(8,590)
		(e)	(8,590)	
Foreign currency translation reserve	–	(b)	(1)	(1)
Merger reserve	–	(c)	(38)	(38)
Capital reserve	–	(f)	8,622	8,622
Equity attributable to owner of the Company	247			–
Non-controlling interests	15	(c)	(15)	–
Total equity	262			–
Total equity and liabilities	315			8,646

6 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary as at 30 June 2010 before intercompany elimination and pro forma adjustments. The financial information of Wilton Resources Holdings Pte. Ltd. and P.T. Wilton Investment are not included as they were only incorporated on 21 October 2011 and 17 June 2011 respectively.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2011

	Summation of Financial Information of the Target Group Before Adjustments[7] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Statement of Financial Position Rp Million
Non-current asset				
Investment in subsidiaries	–	(c)	300	–
		(c)	8,584	
		(c)	(300)	
		(c)	(8,584)	
	–			–
Current assets				
Prepaid tax	1			1
Amounts due to related parties	8,875	(b)	7	–
		(c)	(300)	
		(c)	(8,584)	
		(c)	2	
Cash and cash equivalents	–	(f)	9,327	9,327
	8,876			9,328
Total assets	8,876			9,328
Current liabilities				
Amounts due to related parties	68	(c)	2	70
Other payables and accruals	–	(e)	9,258	9,258
	68			9,328
Net current assets	8,808			–
Total liabilities	68			9,328
Net assets	8,808			–

7 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary and financial information of P.T. Wilton Investment as at 30 June 2011 before intercompany elimination and pro forma adjustments. The financial information of Wilton Resources Holdings Pte. Ltd. is not included as it was only incorporated on 21 October 2011.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2011 (cont'd)

	Summation of Financial Information of the Target Group Before Adjustments[7] Rp Million		**Intercompany elimination and Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Statement of Financial Position** Rp Million
Equity				
Share capital	8,884	(c)	(8,884)	7
		(b)	7	
Accumulated losses	(91)	(c)	91	(9,258)
		(e)	(9,258)	
Merger reserve	–	(c)	(76)	(76)
Capital reserve	–	(f)	9,327	9,327
Equity attributable to owner of the Company	8,793			–
Non-controlling interest	15	(c)	(15)	–
Total equity	8,808			–
Total equity and liabilities	8,876			9,328

7 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary and financial information of P.T. Wilton Investment as at 30 June 2011 before intercompany elimination and pro forma adjustments. The financial information of Wilton Resources Holdings Pte. Ltd. is not included as it was only incorporated on 21 October 2011.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2012

	Summation of Financial Information of the Target Group Before Adjustments[8] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Statement of Financial Position Rp Million
Non-current assets				
Exploration and evaluation assets	440			440
Mine properties	110			110
Property, plant and equipment	291			291
Deferred tax assets	322			322
Investment in subsidiaries	–	(c)	300	–
		(c)	8,584	
		(c)	(300)	
		(c)	(8,584)	
	1,163			1,163
Current assets				
Prepaid tax	1			1
Amounts due from related parties	71,391	(c)	(8,884)	25,431
		(d)	(37,076)	
Cash and cash equivalents	13,901	(f)	10,965	24,866
	85,293			50,298
Total assets	86,456			51,461
Current liabilities				
Other payables and accruals	2,540	(e)	4,421	6,961
Amounts due to related parties	37,076	(d)	(37,076)	–
Loan payable to Hartawan	44,491			44,491
Tax payable	9			9
	84,116			51,461
Net current assets/(liabilities)	1,177			(1,163)
Total liabilities	84,116			51,461
Net assets	2,340			–

8 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary and financial information of Wilton Resources Holdings Pte. Ltd. and P.T. Wilton Investment as at 30 June 2012 before intercompany elimination and pro forma adjustments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 June 2012 (cont'd)

	Summation of Financial Information of the Target Group Before Adjustments[8] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Statement of Financial Position Rp Million
Equity				
Share capital	8,891	(c)	(8,884)	7
Accumulated losses	(6,365)	(c)	1,055	(9,731)
		(e)	(4,421)	
Foreign currency translation reserve	(201)			(201)
Merger reserve	–	(c)	(1,040)	(1,040)
Capital reserve	–	(f)	10,965	10,965
Equity attributable to owner of the Company	2,325			–
Non-controlling interest	15	(c)	(15)	–
Total equity	2,340			–
Total equity and liabilities	86,456			51,461

8 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary and financial information of Wilton Resources Holdings Pte. Ltd. and P.T. Wilton Investment as at 30 June 2012 before intercompany elimination and pro forma adjustments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 March 2013

	Summation of Financial Information of the Target Group Before Adjustments[9] Rp Million		Intercompany elimination and Pro Forma Adjustments Rp Million	Per Unaudited Pro Forma Consolidated Statement of Financial Position Rp Million
Non-current assets				
Exploration and evaluation assets	1,554	(a)	58,414	59,968
Mine properties	388	(a)	14,604	14,992
Property, plant and equipment	736			736
Inventories	30			30
Deferred tax assets	945			945
Investment in subsidiaries	–	(c)	300	–
		(c)	8,584	
		(c)	(300)	
		(c)	(8,584)	
	3,653			76,671
Current assets				
Other debtors and deposits	624			624
Prepayments	36			36
Amounts due from related parties	162,451	(d)	(153,920)	–
		(c)	(8,531)	
Cash and cash equivalents	6,713	(f)	24,581	31,294
	169,824			31,954
Total assets	173,477			108,625
Current liabilities				
Trade payables	621			621
Other payables and accruals	9,844	(e)	3,785	13,629
Amounts due to related parties	154,148	(d)	(153,920)	581
		(c)	353	
Loan payable to Hartawan	93,794			93,794
	258,407			108,625
Net current liabilities	(88,583)			(76,671)
Total liabilities	258,407			108,625
Net liabilities	(84,930)			–

9 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary and financial information of Wilton Resources Holdings Pte. Ltd. and P.T. Wilton Investment as at 31 March 2013 before intercompany elimination and pro forma adjustments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 March 2013 (cont'd)

	Summation of Financial Information of the Target Group Before Adjustments[9] Rp Million		**Intercompany elimination and Pro Forma Adjustments** Rp Million	**Per Unaudited Pro Forma Consolidated Statement of Financial Position** Rp Million
Equity				
Share capital	8,891	(c)	(8,884)	7
Accumulated losses	(92,878)	(a)	73,018	(20,718)
		(c)	2,927	
		(e)	(3,785)	
Foreign currency translation reserve	(958)			(958)
Merger reserve	–	(c)	(2,912)	(2,912)
Capital reserve	–	(f)	24,581	24,581
Equity attributable to owner of the Company	(84,945)			–
Non-controlling interest	15	(c)	(15)	–
Total deficit	(84,930)			–
Total equity and liabilities	173,477			108,625

9 This comprises the consolidated financial information of P.T. Wilton Wahana Indonesia and its subsidiary and financial information of Wilton Resources Holdings Pte. Ltd. and P.T. Wilton Investment as at 31 March 2013 before intercompany elimination and pro forma adjustments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

6. Statement of adjustments (cont'd)

Details of adjustments made are as follows:

(a) Being adjustment for the capitalisation of exploration and evaluation expenses in accordance with the Target Group's accounting policy.

(b) Being adjustment for the inclusion of Wilton Resources Holdings Pte. Ltd. and/or P.T. Wilton Investment, assuming that Wilton Resources Holdings Pte. Ltd. and P.T. Wilton Investment are incorporated at the end of each reporting period.

(c) Being adjustments for the Proposed Restructuring Exercise as described in Note 3 and 4. The purchase consideration is assumed to be based on the share capital of each Target Group's subsidiaries at the end of each reporting period.

(d) Being elimination of intercompany loan from Wilton Resources Holdings Pte. Ltd. to P.T. Wilton Wahana Indonesia and its subsidiary and intercompany elimination relating to the amounts paid on behalf of the Target Company by P.T. Wilton Wahana Indonesia.

(e) Being adjustments for the additional transaction costs relating to the Proposed Acquisition deemed to be incurred by the Target Group.

(f) Being additional capital injected in the form of cash by Wijaya Lawrence to indemnify the Company and the Target Group against liabilities, incurred by the Target Group up to the date of completion of the Proposed Acquisition.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies

(a) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial years, except the Target Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 July 2012. The adoption of these standards did not have any effect on the financial performance or position of the Target Group.

(b) Standards issued but not yet effective

The Target Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Revised FRS 19 *Employee Benefits*	1 January 2013
FRS 107 Disclosures – *Offsetting Financial Assets and Financial Liabilities*	1 January 2013
FRS 113 *Fair Value Measurement*	1 January 2013
INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Improvements to FRSs 2012	
– Amendment to FRS 1 *Presentation of Financial Statements*	1 January 2013
– Amendment to FRS 16 *Property, Plant and Equipment*	1 January 2013
– Amendment to FRS 32 *Financial Instruments: Presentation*	1 January 2013
Revised FRS 27 *Separate Financial Statements*	1 January 2014
FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
FRS 110, FRS 112 and FRS 27 *Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities*	1 January 2014
Amendments to the transition guidance of FRS 110 *Consolidated Financial Statements,* FRS 111 *Joint Arrangements and* FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014

Except for FRS 112 and INT FRS 120, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 112 and INT FRS 120 is described below.

7. Summary of significant accounting policies (cont'd)

(b) Standards issued but not yet effective (cont'd)

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Target Group when implemented in 2014.

INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine

INT FRS 120 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual reporting periods beginning on or after 1 January 2013. The interpretation is not expected to have an impact on the Target Group as it uses an underground mine method.

(c) Basis of consolidation

(i) Consolidation

The unaudited pro forma consolidated financial information comprises the financial statements of the Target Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the unaudited pro forma consolidated financial information are prepared for the same reporting date as the Target Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Target Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Target Group loses control over a subsidiary, it:

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(c) Basis of consolidation (cont'd)

(i) Consolidation (cont'd)

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Target Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(ii) Business combinations

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The income statement reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

All other business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Target Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

7. Summary of significant accounting policies (cont'd)

(c) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Target Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Target Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(d) Foreign currency

The unaudited pro forma financial information is presented in Indonesian Rupiah (Rp). Each entity in the Target Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Target Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Target Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Target Group on disposal of the foreign operation.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(d) Foreign currency (cont'd)

(ii) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Indonesian Rupiah at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(e) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 7(p). The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Target Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	–	3 years
Office equipment	–	3 to 8 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(f) Mineral exploration, evaluation and development expenditures

Exploration and evaluation activities involve the search for mineral, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such activities include:

(i) gathering exploration data through topographical, geochemical and geophysical studies;
(ii) exploratory drilling, trenching and sampling;
(iii) determining and examining the volume and grade of the resource; and
(iv) surveying transportation and infrastructure requirements.

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised from the commencement of commercial production.

Exploration and evaluation costs (including amortisation of capitalised license costs) are capitalised as incurred, except in the following circumstances:

(i) before the legal rights to explore a specific area are obtained;
(ii) after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable or proven reserves are discovered.

Capitalised exploration and evaluation costs are recorded under "Exploration and Evaluation Assets" and are subsequently measured at cost less any allowance for impairment. Such assets are not depreciated as they are not available for use but monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. To the extent that exploration and evaluation costs are not expected to be recovered, these are charged to profit or loss.

Cash flows associated with capitalised exploration and evaluation costs are classified as investing activities in the consolidated statements of cash flows, while cash flows in respect of exploration and evaluation costs that are expensed are classified as operating cash flows.

When proven reserves are determined, exploration and evaluation assets are reclassified to "Mines under development" within "Mining properties". All development costs relating to construction of infrastructure required to operate the mine are capitalised and classified as "Mines under development". Development costs are net of proceeds from the sale of mineral extracted during the development phase. Once development is completed, all assets included in "Mines under development" are reclassified as "Production mines" under mining properties or other component of property, plant and equipment. Items of assets of producing mine are stated at cost, less accumulated amortisation and accumulated impairment losses.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(f) Mineral exploration, evaluation and development expenditures (cont'd)

Mining properties include assets in production and in development, and assets transferred from exploration and evaluation assets. Mining properties in development are not amortised until production commences.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

The accumulated costs of producing mines are amortised on the unit-of-production basis over the economically recoverable reserves of the mine concerned.

Pre-license costs are expensed in the period in which they are incurred. Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the director concludes that future economic benefits are more likely than not to be realised. These expenditures include acquisition and renewal of rights to explore; technical feasibility, processing and mining study; environmental impact assessment, management and monitoring; drilling, explosives permitting and other exploration costs paid to contractors and consultants.

(g) Mine properties

Upon transfer of "Exploration and evaluation assets" into "Mines under construction" in "Mine properties", all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalised in "Mines under construction". Development expenditure is net of proceeds from the sale of ore extracted during the development phase. The "Mines under construction" is not amortised until it is completed and the production stage is commenced, and the assets are transferred into "Producing mines" in "Mine properties".

7. Summary of significant accounting policies (cont'd)

(h) Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's 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 or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 determining the fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

The Target Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Target Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering the lease period.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Target Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised 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 recognised. 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 recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(i) Subsidiaries

A subsidiary is an entity over which the Target Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

7. Summary of significant accounting policies (cont'd)

(j) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Target Group becomes a party to the contractual provisions of the financial instrument. The Target Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Target Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Target Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Target Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(j) Financial assets (cont'd)

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Target Group 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.

(k) Impairment of financial assets

The Target Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Target Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Target Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Target Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(k) Impairment of financial assets (cont'd)

(i) *Financial assets carried at amortised cost (cont'd)*

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(m) Inventories

Inventories comprise of stockpiles of unprocessed ore are measured at the lower of cost and net realisable value. The cost comprises all actual costs incurred during pre-production stage to deliver ore to stockpiles. Stockpiles are classified as a non-current asset where the stockpile is expected to be processed more than 12 months after the end of the reporting period.

Net realisable value is the estimated future sales price of the product the Target Group expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Stockpiles which are expected to be processed more than 12 months after the end of the reporting period are classified under non-current assets.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(n) Provisions

Provisions are recognised when the Target Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Target Group becomes a party to the contractual provisions of the financial instrument. The Target Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(p) Borrowing costs

Borrowing costs are recognised in profit or loss when they are incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(q) Employee benefits

(i) *Defined contribution plans*

The Target Group makes contribution to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(r) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(s) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Target Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, and sales taxes or duty. The Target Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Target Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(i) *Sale of goods*

In the financial years ended 30 June 2011 and 2010, the Target Group's revenues from its lighting product trading business are recognised based on cash on delivery basis.

(ii) *Interest income*

Interest income is recognised using the effective interest method.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(t) Taxes

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Target Group operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(t) Taxes (cont'd)

(ii) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

7. Summary of significant accounting policies (cont'd)

(t) Taxes (cont'd)

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(u) Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(v) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Target Group and Target Company if that person:

(i) has control or joint control over the Target Company;

(ii) has significant influence over the Target Company; or

(iii) is a member of the key management personnel of the Target Group or Target Company or of a parent of the Target Company.

7. Summary of Significant Accounting Policies (cont'd)

(v) Related parties (cont'd)

(b) An entity is related to the Target Group and the Target Company if any of the following conditions applies:

(i) the entity and the Target Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company. If the Target Company is itself such a plan, the sponsoring employers are also related to the Target Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) 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).

8. Significant accounting judgments and estimates

The preparation of the Target Group's unaudited pro forma consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Judgments made in applying accounting policies

In the process of applying the Target Group's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognised in the unaudited pro forma consolidated financial statements:

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

8. Significant accounting judgments and estimates (cont'd)

(a) Judgments made in applying accounting policies

(i) Exploration and evaluation expenditure

The application of the Target Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee ("JORC") resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Target Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If after an expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

(ii) Production start date

The Target Group assesses the stage of each mine under construction to determine when a mine moves into the production phase. This being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location.

The Target Group considers various relevant criteria to assess when the production phases is considered to have commenced. At this point, all related amounts are reclassified from "Mines under construction" to "Producing mines" and/or "Property, plant and equipment". Some of the criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared to the original construction cost estimate.
- Completion of a reasonable period of testing of the mine plant and equipment.
- Ability to produce metal in saleable form (within specifications).
- Ability to sustain ongoing production of metal.

When a mine development / construction project moves into the production phase, the capitalisation of certain mine development / construction costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation / amortisation commences.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

8. Significant accounting judgments and estimates (cont'd)

(b) Key sources of estimation uncertainty

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. The Target Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Target Group. Such changes are reflected in the assumptions when they occur.

(i) Ore reserve and mineral resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Target Group's mining properties. The Target Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

(ii) Recovery of deferred tax assets

The Target Group reviews the carrying amounts of deferred tax assets at the end of each reporting date and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilised. The Target Group's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the Target Group's past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that sufficient taxable income will be generated to allow all or part of deferred income tax assets to be utilised.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

9. Exploration and evaluation expenses

Exploration and evaluation expenses relate to the expenditures that did not meet the capitalisation criteria in accordance with the Group's accounting policy (Note 7(f)).

10. Exploration and evaluation assets

The movements of this account are as follows:

	June			March
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
At 1 July	–	–	–	440
Additions	–	–	550	74,410
Transfer to Mine Properties - Mines under Construction	–	–	(110)	(14,882)
At 30 June/31 March	–	–	440	59,968

As of 30 June 2012 and 31 March 2013, part of the exploration and evaluation expenditures of Pasir Manggu (West), Cibatu, Cikadu and Sekolah was transferred to "Mine Properties - Mines under Construction" since the areas of interest are already in the construction stage.

Based on management's assessment on the Ciemas Gold Project's areas of interest, Independent Qualified Person's Report for the Ciemas Gold Project, Ceimas Sukabumi Region, Republic of Indonesia as of June 2013, as well as the Independent Expert Report as of May 2013, the Target Group's management believes that there were no impairment indicators for the exploration and evaluation assets that exist as of 30 June 2012 and 31 March 2013.

11. Mine Properties

The movements of this account are as follows:

	June			March
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
Mines under construction:				
At 1 July	–	–	–	110
Transfer from Exploration and Evaluation Assets (Note 10)	–	–	110	14,882
At 30 June/31 March	–	–	110	14,992

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

12. Amounts due from/(to) related parties

Amounts due from related parties relate to amounts due from two of the key management personnel, who are substantial shareholders of the Target Company.

Included in amounts due from/(to) related parties is an amount of Rp 8,884 million which represents consideration payable for the acquisition of the Target Group's subsidiaries. The consideration payable is based on the share capital of each Target Group's subsidiaries at the date of acquisition.

In the financial year ended 30 June 2012, certain exploration and evaluation activities which were undertaken on the Concession Blocks were paid by one of the Target Group's Subsidiaries on behalf of a related party.

Amounts due from/(to) related parties are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

13. Cash and cash equivalents

	30 June			31 March
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
Cash at banks	–	–	13,901	6,713
Pro Forma adjustment (Note 6f)	8,622	9,327	10,965	24,581
Total cash and cash equivalents	8,622	9,327	24,866	31,294

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Included in the cash and cash equivalents as at 30 June 2010, 2011 and 2012 and as at 31 March 2013 is a pro forma adjustment amounting to Rp 8,622 million, Rp 9,327 million, Rp 10,965 million and Rp 24,581 million respectively. The pro forma adjustments relate to the additional capital deemed to be injected in the form of cash by Wijaya Lawrence to indemnify the Company and the Target Group against liabilities, incurred by the Target Group up to the date of completion of the Proposed Acquisition.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

14. Loan payable to Hartawan

Pursuant to the signing of the S&P Agreement, the Target Company had also entered into a convertible loan agreement with Hartawan. Under the convertible loan agreement, Hartawan has extended a convertible loan of $12 million ("Convertible Loan") to the Target Company, which will be drawn down in two tranches of $6 million each. As stipulated in the convertible loan agreement, this loan is to be granted to two of the Target Company's subsidiaries to be applied in or towards:

– the preparation and issue by an independent and internationally recognised consult or value of a report on the Concession Blocks;

– the costs of building the infrastructure for the extraction of gold ores and mining operations at the Concession Blocks; and

– general operating costs of operating the Concession Blocks

As at the end of the reporting period, the Target Company has drawn down the following amount from Hartawan:

	30 June			31 March
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
Loan payable to Hartawan	–	–	44,491	93,794

The loan payable to Hartawan is non-interest bearing and are denominated in SGD.

15. Other payables and accruals

The breakdown of this account is as follows:

	30 June			31 March
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
Other payables	–	–	1,377	10
Accrued transaction costs (Note 6e)	8,590	9,258	4,421	3,784
Other accruals	–	–	1,163	9,835
	8,590	9,258	6,961	13,629

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

16. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Target Group's presentation currency.

	30 June			31 March
	2010 Rp Million	**2011** Rp Million	**2012** Rp Million	**2013** Rp Million
At 1 July	–	(1)	–	(201)
Net effect of exchange differences: arising from translation of financial statements of foreign operations	(1)	1	(201)	(757)
At 30 June/31 March	(1)	–	(201)	(958)

17. Merger reserve

Merger reserve represents the difference between the consideration paid and the equity of the acquired entities under common control.

18. Capital reserve

Capital reserve represents the additional capital injected by one of the shareholders to indemnify the Company and the Target Group against any liabilities, incurred by the Target Group up to the date of completion of the Proposed Acquisition.

19. Financial risk management objectives and policies

The Target Group is exposed to financial risks arising from its use of financial instruments. The key financial risks are credit risk, liquidity risk and foreign currency risk. The management reviews and agrees policies and procedures for the management of these risks, which are executed by the directors. It is, and has been throughout the current financial period the Target Group's policy that no derivatives shall be undertaken.

The following section provide details regarding the Target Group's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of liquidity risk.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and debt monitoring procedures.

The Target Group's exposure to credit risk arises primarily from cash and cash equivalants. For cash and cash equivalents, the Target Group minimises credit risk by dealing exclusively with reputable financial institutions with high credit ratings and no history of default.

WILTON RESOURCES HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS FOR THE YEARS ENDED 30 JUNE 2010, 2011 AND 2012 AND THE NINE-MONTH ENDED 31 MARCH 2013

19. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

Exposure to credit risk

At the end of each reporting period, the Target Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

(b) *Liquidity risk*

Liquidity risk is the risk that the Target Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Target Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Target Group monitors and maintains a level of cash and cash equivalents, deemed adequate by management to finance the Target Group's operations and mitigate the effects of fluctuations in cash flows.

(c) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Target Group has transactional currency exposures from expenses that are denominated in foreign currencies, primarily United Stated Dollar (USD), Indonesian Rupiah (IDR) and Singapore Dollar (SGD).

Company Registration No. 201131457R

Wilton Resources Holdings Pte. Ltd.

Financial Statements
1 July 2012 to 31 March 2013

Wilton Resources Holdings Pte. Ltd.

General Information

Directors

Chong Chin Fan
Ngiam Mia Je Patrick
Wijaya Lawrence

Company Secretary

Leong Yoke Yeng

Registered Office

390 Havelock Road
#07-06 King's Centre
Singapore 169662

Bankers

Standard Chartered Bank
Citibank

Auditor

Ernst & Young LLP

Index

Wilton Resources Holdings Pte. Ltd.

Statement by Directors

We, Chong Chin Fan and Ngiam Mia Je Patrick, being two of the directors of Wilton Resources Holdings Pte. Ltd., do hereby state that, in the opinion of the directors:

(a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results of the business, changes in equity and cash flows of the Company for the financial period from 1 July 2012 to 31 March 2013; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Chong Chin Fan
Director

Ngiam Mia Je Patrick
Director

Singapore
26 September 2013

Wilton Resources Holdings Pte. Ltd.

Independent Auditor's Report
For the financial period from 1 July 2012 to 31 March 2013

Independent Auditor's Report to the Members of Wilton Resources Holdings Pte. Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Wilton Resources Holdings Pte. Ltd. (the "Company") set out on pages 4 to 24, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial period from 1 July 2012 to 31 March 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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 auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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.

Wilton Resources Holdings Pte. Ltd.

Independent Auditor's Report
For the financial period from 1 July 2012 to 31 March 2013

Independent Auditor's Report to the Members of Wilton Resources Holdings Pte. Ltd.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results, changes in equity and cash flows of the Company for the period from 1 July 2012 to 31 March 2013.

Restriction of use

This report has been prepared solely for inclusion in the circular to the Shareholders of Hartawan Holdings Limited in connection with the proposed acquisition of the entire paid-up and issued share capital of the Company dated 26 September 2013. As a result, the financial statements may not be suitable for another purpose.

Other matter

The financial statement of the Company for the nine-months ended 31 March 2012 have not been audited or reviewed and have been included for comparative purpose only.

Ernst & Young LLP

Public Accountants and
Certified Public Accountants
Singapore

26 September 2013

Wilton Resources Holdings Pte. Ltd.

Statement of Comprehensive Income
for the financial period from 1 July 2012 to 31 March 2013

	Note	1.7.2012 to 31.3.2013	21.10.2011 to 31.3.2012
		$	$
Interest income	5	355	–
Other income		2,468	–
Administrative expenses		(264,852)	(232,510)
Exploration and evaluation expenses		(10,625,063)	–
Other expenses		(742)	(555)
Loss before tax	6	(10,887,834)	(233,065)
Tax expense	7	–	–
Loss for the period		(10,887,834)	(233,065)
Other comprehensive income		–	–
Total comprehensive loss for the period		(10,887,834)	(233,065)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Holdings Pte. Ltd.

Statement of Financial Position as at 31 March 2013

	Note	31.3.2013	30.6.2012
		$	$
Non-current asset			
Property, plant and equipment	8	61,191	–
Current assets			
Loan to a related party	9	10,300,000	5,000,000
Prepayments		4,531	–
Deposits		46,084	–
Cash and cash equivalents	10	603,692	596,415
		10,954,307	5,596,415
Total assets		11,015,498	5,596,415
Current liabilities			
Other payables and accruals	11	1,252,921	338,648
Amount due to a related party	12	9,392,644	–
Loan payable	9	12,000,000	6,000,000
		22,645,565	6,338,648
Total liabilities		22,645,565	6,338,648
Net current liabilities		(11,691,258)	(742,233)
Net liabilities		(11,630,067)	(742,233)
Equity			
Share capital	13	1,000	1,000
Accumulated losses		(11,631,067)	(743,233)
Total deficit		(11,630,067)	(742,233)
Total equity and liabilities		11,015,498	5,596,415

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Holdings Pte. Ltd.

Statement of Changes in Equity
for the financial period from 1 July 2012 to 31 March 2013

	Share capital (Note 13)	Accumulated Losses	Total
	$	$	$
31.3.2013			
At 1 July 2012	1,000	(743,233)	(742,233)
Loss for the period	–	(10,887,834)	(10,887,834)
Total comprehensive loss for the period	–	(10,887,834)	(10,887,834)
At 31 March 2013	1,000	(11,631,067)	(11,630,067)
31.3.2012			
At 21 October 2011 (date of incorporation)	1,000	–	1,000
Loss for the period	–	(233,065)	(233,065)
Total comprehensive loss for the period	–	(233,065)	(233,065)
At 31 March 2012	1,000	(233,065)	(232,065)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Holdings Pte. Ltd.

Cash Flow Statement
for the financial period from 1 July 2012 to 31 March 2013

	Note	1.7.2012 to 31.3.2013	21.10.2011 to 31.3.2012
		$	$
Cash flows from operating activities			
Loss before tax		(10,887,834)	(233,065)
Interest income	5	(355)	–
Depreciation of property, plant and equipment	6	5,529	–
Operating loss before working capital changes		(10,882,660)	(233,065)
Increase in prepayments		(4,531)	–
Increase in deposits		(46,084)	–
Increase in other payables and accruals		914,273	–
Net cash flows used in operating activities		(10,019,002)	(233,065)
Cash flows from investing activities			
Interest received		355	–
Purchase of property, plant and equipment	8	(66,720)	–
Loan to a related party		(5,300,000)	(5,000,000)
Net cash flows used in investing activities		(5,366,365)	(5,000,000)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		–	1,000
Proceeds from loans and borrowings		6,000,000	6,000,000
Amount due to a related party		9,392,644	–
Net cash flows generated from financing activities		15,392,644	6,001,000
Net increase in cash and cash equivalents		7,277	767,935
Cash and cash equivalents at 1 July 2012/ 21 October 2011 (date of incorporation)		596,415	–
Cash and cash equivalents at 31 March	10	603,692	767,935

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Wilton Resources Holdings Pte. Ltd. (the "Company") is a private limited company incorporated in Singapore.

The registered office and principal place of business of the Company is located at 390 Havelock Road, #07-06 King's Centre, Singapore 169662.

The principal activity of the Company is that of investment holding. The Company was incorporated on 21 October 2011.

2. Fundamental accounting concept

At the end of the reporting period, the Company has net current liabilities and net liabilities of $11,691,258 (2012: $742,233) and $11,630,067 (2012: $742,233) respectively. The financial statements have been prepared on a going concern basis as Ngiam Mia Je Patrick, one of the substantial shareholders, has agreed to provide continuing financial support to the Company to meet its liabilities as and when they fall due. The accompanying financial statements do not include any adjustments that might result should the Company be unable to operate as a going concern.

3. Summary of significant accounting policies

3.1 *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or $).

3.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial period except in the current financial period, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 July 2012. The adoption of these standards did not have any effect on the financial performance or position of the Company.

3.3 *Standards issued but not yet effective*

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Revised FRS 19 *Employee Benefits*	1 January 2013
Amendments to FRS 107 Disclosures – *Offsetting Financial Assets and Financial Liabilities*	1 January 2013
FRS 113 *Fair Value Measurement*	1 January 2013
INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Improvements to FRSs 2012	1 January 2013
– Amendment to FRS 1 *Presentation of Financial Statements*	1 January 2013
– Amendment to FRS 16 *Property, Plant and Equipment*	1 January 2013
– Amendment to FRS 32 *Financial Instruments: Presentation*	1 January 2013
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

3.4 *Functional and foreign currency*

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

(b) *Transactions and balances*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

3.5 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 3.11. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	3 years
Office equipment	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

3.6 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. 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.

3. Summary of significant accounting policies (cont'd)

3.6 *Financial assets (cont'd)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

3. Summary of significant accounting policies (cont'd)

3.6 ***Financial assets (cont'd)***

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the 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.

3.7 ***Impairment of financial assets***

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

(i) *Financial assets carried at amortised cost*

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3. Summary of significant accounting policies (cont'd)

3.7 ***Impairment of financial assets (cont'd)***

(ii) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3.8 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.9 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.10 ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities not at fair value through profit or loss, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

3. Summary of significant accounting policies (cont'd)

3.10 ***Financial liabilities (cont'd)***

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.11 ***Borrowing costs***

Borrowing costs are recognised in profit or loss when they are incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.12 ***Employee benefits***

(a) *Defined contribution plans*

The Company make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

3.13 ***Leases***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Summary of significant accounting policies (cont'd)

3.14 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised in profit or loss.

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3. Summary of significant accounting policies (cont'd)

3.14 ***Taxes (cont'd)***

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.15 ***Share capital and share issue expense***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3.16 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

3. Summary of significant accounting policies (cont'd)

3.16 ***Related parties (cont'd)***

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) 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).

4. Significant accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 *Key sources of estimation uncertainty*

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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

<u>Impairment of loans and receivables</u>

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 16.

4.2 *Judgments made in applying accounting policies*

There are no significant judgments made by management on the application of accounting policies of the Company that have a significant effect on the financial statements.

5. Interest income

	1.7.2012 to 31.3.2013	**21.10.2011 to 31.3.2012**
	$	$
Interest income from loans and receivables	355	–

Wilton Resources Holdings Pte. Ltd.

Notes to the Financial Statements – 31 March 2013

6. Loss before tax

The following items have been included in arriving at loss before tax:

	1.7.2012 to 31.3.2013	21.10.2011 to 31.3.2012
	$	$
Legal and professional fee	120,358	225,825
Depreciation of property, plant and equipment	5,529	–
Operating lease expense	24,248	–

7. Tax expense

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the periods ended 31 March 2013 and 2012 is as follows:

	1.7.2012 to 31.3.2013	21.10.2011 to 31.3.2012
	$	$
Loss before tax	(10,887,834)	(233,065)
Tax at statutory tax rate of 17% (2012: 17%)	(1,850,932)	(39,621)
Non-deductible expenses	1,851,412	39,621
Income not subject to tax	(480)	–
	–	–

8. Property, plant and equipment

	Furniture and fittings	Office equipment	Total
	$	$	$
Cost:			
At 1 July 2012	–	–	–
Additions	61,889	4,831	66,720
At 31 March 2013	61,889	4,831	66,720
Accumulated depreciation:			
At 1 July 2012	–	–	–
Depreciation charge for the period	(5,126)	(403)	(5,529)
At 31 March 2013	(5,126)	(403)	(5,529)
Net carrying amount:			
At 30 June 2012	–	–	–
At 31 March 2013	56,763	4,428	61,191

9. Loan to a related party and loan payable

On 29 October 2011, the Company, shareholders of the Company entered into a conditional sale and purchase agreement with Hartawan Holdings Limited ("Hartawan"), a company incorporated in Singapore and listed on the Catalist Board, to sell their 100% stake in the Company to Hartawan (the "Proposed Acquisition"). The Sale and Purchase Agreement is varied by the supplemental agreements dated 31 July 2012, 28 February 2013 and 1 July 2013 (collectively, the “S&P Agreements”). The S&P Agreements is conditional upon the completion of the Proposed Restructuring Exercise, namely, (i) the Company being the sole shareholder (to such extent permissible under the laws of Indonesia) of P.T. Wilton Investment (“PT WI”), (ii) PT WI being the sole shareholder (to such extent permissible under the laws of Indonesia) of P.T. Wilton Wahana Indonesia (“PT WWI”), and (iii) PT WWI being the sole shareholder (to such extent permissible under the laws of Indonesia) of P.T. Liektucha Ciemas (“PT LTC”) (the “Proposed Restructuring Exercise”).

Contemporaneous with the signing of the S&P Agreements, the Company entered into a convertible loan agreement with Hartawan for a convertible loan of up to $12 million. The convertible loan is to be advanced by Hartawan to the Company in two equal tranches of $6 million each. The convertible loan agreement is amended and varied by supplemental agreements dated 12 March 2012, 17 April 2012, 31 July 2012 and 1 July 2013 (collectively, the “Convertible Loan Agreements”). PT WI was included as a party to the Convertible Loan Agreements. The terms in the Convertible Loan Agreements provide for the Company to undertake to procure that the restructuring of PT WI, PT WWI and PT LTC shall be completed on or prior to 30 September 2013 (the “Indonesia Restructuring”), pursuant to which, PT WI, will be the holding company of PT WWI and PT WWI will be the holding company of PT LTC.

As stipulated in the Convertible Loan Agreements, the Company shall extend the convertible loan to PT WWI and PT LTC to enhance, among other uses, the building of infrastructure for the extraction of gold ore and mining operations, and a floatation plant for the processing and production of gold at the Concession Blocks.

9. Loan to a related party and loan payable (cont'd)

As at the end of the reporting period, the Company has drawn down an aggregate amount of $12 million (2012: $6 million) in two equal tranches of $6 million each. The tranche 1 and tranche 2 loan amounts were drawn down on 3 November 2011 and 14 August 2012 respectively. The convertible loan is non-interest bearing and is denominated in SGD.

The tranche 1 loan amount is secured by way of a personal guarantee by one of the Company's shareholders, Mr Wijaya Lawrence. In addition, as per the Convertible Loan Agreements, if the Proposed Acquisition under the S&P Agreements is not completed by 31 October 2013 (the "Longstop Date") and Hartawan has not made any election to require the Company to repay the loan, Hartawan may at any time and from time to time during the Conversion Period (as defined below), convert the whole of the outstanding Convertible Loan into the corresponding number of Conversion Shares.

"Conversion Shares" means upon conversion of the convertible loan, such number of new shares, representing 10% of the enlarged share capital of either the Company (where the Proposed Restructuring Exercise is completed) or PT WI (where only the Indonesian Restructuring is completed), immediately after conversion of the convertible loan, to be issued and credited as fully paid-up upon conversion.

"Conversion Period" means 30 days after the Longstop Date.

10. Cash and cash equivalents

	31.3.2013 $	**30.6.2012** $
Cash and bank balances, denominated in SGD	603,692	596,415

11. Other payables and accruals

	31.3.2013 $	**30.6.2012** $
Other payables	1,183	185,753
Accruals	1,251,738	152,895
	1,252,921	338,648

Other payables and accruals

Included in other payable and accruals is an amount of $1,089,505 (2012: nil) and $142,914 (2012: nil) which is denominated in United States Dollar and Indonesian Rupiah respectively.

Other payables are non-interest bearing.

Included in accruals is an amount of $1,232,419 (2012: nil) which relates to potential tax that the Company may be subject to in relation to exploration and evaluation expenses incurred.

Wilton Resources Holdings Pte. Ltd.

Notes to the Financial Statements – 31 March 2013

12. Amount due to a related party

The amount due to a related company is denominated in Indonesian Rupiah, non-trade related, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

13. Share capital

	No. of shares	$
Issued and fully paid:		
1,000 ordinary shares with no par value		
At 21 October 2011, 30 June 2012, 1 July 2012 and 1 March 2013	1,000	1,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

14. Related party transactions

(a) *Related party transactions*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and the related parties took place at terms agreed between the parties during the financial year.

	1.7.2012 to 31.3.2013	**21.10.2011 to 31.3.2012**
	$	$
Payment made on behalf by a company related to a director	9,392,644	–

(b) *Key management personnel*

Key management personnel are defined as the directors of the Company, both executive and non-executive, having authority and responsibility for planning, directing and controlling the activities of the Company.

	1.7.2012 to 31.3.2013	**21.10.2011 to 31.3.2012**
	$	$
Salaries	60,000	–
Central Provident Fund Contributions	1,050	–
Other short-term benefits	6,000	–
	67,050	–

15. Operating lease commitments

The Company has entered into a commercial property lease with a non-cancellable lease lease term of 3 years.

Minimum lease payments recognised as an expense in profit or loss for the financial period ended 31 March 2013 amounted to $24,248 (31.3.2012: nil).

Future minimum lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

	31.3.2013	**30.6.2012**
	$	$
Within one year	97,000	–
After one year but not more than five years	169,750	–
	266,750	–

16. Fair values of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Determination of fair value

Loan to a related party (Note 9), deposits, cash and cash equivalents (Note 10), other payables and accruals (Note 11), amount due to a related party (Note 12)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

Loan payable (Note 9)

Fair value information has not been disclosed for the convertible loan that is carried at cost as the convertible loan have no fixed term of conversion or repayment. If the Proposed Acquisition is not completed by the date stipulated in the S&P Agreement, Hartawan has the right to require the Company to repay the loan within 6 months from the date of Hartawan's written notice to the Company, or to convert the loan into Conversion shares. The Company does not have the right to elect to repay the loan.

Accordingly, as the timing of the redemption and conversion option cannot be reliably estimate and management has representation that there is no indicator that the Proposed Acquisition will not be completed, the fair value of the convertible loan cannot be estimated reliably.

16. Fair value of financial instruments (cont'd)

Classification of financial instruments

	Loans and receivables	
	31.3.2013	**30.6.2012**
	$	$
Financial assets		
Loan to a related party	10,300,000	5,000,000
Deposits	46,084	–
Cash and cash equivalents	603,692	596,415
Total loans and receivables	10,949,776	5,596,415

	Liabilities at amortised cost	
	31.3.2013	**30.6.2012**
	$	$
Financial liabilities		
Other payables and accruals	1,252,921	338,648
Amount due to a related party	9,392,644	–
Loan payable	12,000,000	6,000,000
Total financial liabilities at amortised cost	22,645,565	6,338,648

17. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its use of financial instruments. The key financial risks are credit risk, liquidity risk and foreign currency risk. The management reviews and agrees policies and procedures for the management of these risks, which are executed by the directors. It is, and has been throughout the current financial period the Company's policy that no derivatives shall be undertaken.

The following section provide details regarding the Company’s exposure to the above mentioned financial risks and the objectives, policies and processes for the management of liquidity risk.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and debt monitoring procedures.

The Company’s exposure to credit risk arises primarily from loan to a related party. For cash and cash equivalents, the Company minimises credit risk by dealing exclusively with reputable financial institutions with high credit ratings and no history of default.

<u>Credit risk concentration profile</u>

At the end of the reporting period, the Company has a significant concentration of credit risk in the form of outstanding balance due from a related party.

Wilton Resources Holdings Pte. Ltd.

Notes to the Financial Statements – 31 March 2013

17. Financial risk management objectives and policies (cont'd)

(a) *Credit risk*

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents, deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

As the Company is in net current and net liability positions, Ngiam Mia Je Patrick, one of the substantial shareholders, has agreed to provide continuing financial support to the Company to meet its liabilities as and when they fall due.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

	Within 1 year	
	31.3.2013	**30.6.2012**
	$	$
Financial assets		
Loan to a related party	10,300,000	5,000,000
Deposits	46,084	–
Cash and cash equivalents	603,692	596,415
Total undiscounted financial assets	10,949,776	5,596,415
Financial liabilities		
Other payables and accruals	(1,252,921)	(338,648)
Amount due to a related party	(9,392,644)	–
Loan payable	(12,000,000)	(6,000,000)
Total undiscounted financial liabilities	(22,645,565)	(6,338,648)
Total net undiscounted financial liabilities	(11,695,789)	(742,233)

17. Financial risk management objectives and policies (cont'd)

(c) *Foreign currency risk*

The Company has transactional currency exposures from expenses that are denominated in foreign currencies, primarily United Stated Dollar (USD) and Indonesian Rupiah (IDR).

The following table demonstrates the sensitivity analysis of the Company's loss before tax to a reasonably possibly change in USD and IDR against the functional currency of the Company with all other variables held constant.

	1.7.2012 to 31.3.2013	**21.10.2011 to 31.3.2012**
	$	$
	Loss before tax (Increase)/Decrease	
IDR/SGD		
– Strengthened 5%	(476,778)	–
– Weakened 5%	476,778	–
USD/SGD		
– Strengthened 5%	(54,475)	–
– Weakened 5%	54,475	–

18. Capital management

The Company was incorporated with the intended principal activity of investment holding. The capital of the Company is currently managed together with other companies owned by the shareholders and treated as a Group pending the completion of the Proposed Acquisition.

19. Comparatives

The comparative figures other than the statement of financial position cover the period from 21 October 2011 (date of incorporation) to 31 March 2012. These comparative figures have been compiled using the unaudited management financial statements and have not been audited by the auditor. The comparatives of statement of financial position relate to the financial period ended 30 June 2012 is audited.

20. Authorisation of financial statements for issue

The financial statements for the financial period ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 26 September 2013.

P.T. Wilton Wahana Indonesia and Subsidiary

Consolidated financial statements
with independent auditors' report
as of March 31, 2013 and June 30, 2012
and for the Nine-month period ended March 31, 2013
(with comparative figures for the Nine-month Period
ended March 31, 2012)

P.T. WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT
AS OF MARCH 31, 2013 AND JUNE 30, 2012
AND FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2013
(WITH COMPARATIVE FIGURES FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2012)

Table of Contents

****

Independent Auditors' Report

Report No. RPC-4533/PSS/2013

The Stockholders, Commissioner and Director
P.T. Wilton Wahana Indonesia

We have audited the accompanying consolidated statements of financial position of P.T. Wilton Wahana Indonesia ("the Company") and Subsidiary as of March 31, 2013 and June 30, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the nine-month period ended March 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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' judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of P.T. Wilton Wahana Indonesia and Subsidiary as of March 31, 2013 and June 30, 2012, and their consolidated financial performance and cash flows for the nine-month period ended March 31, 2013, in accordance with International Financial Reporting Standards.

Other Matters

The consolidated financial statements of P.T. Wilton Wahana Indonesia and Subsidiary for the nine-month period ended March 31, 2012 were not audited nor reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. These consolidated financial statements are presented for comparative purpose.

The consolidated financial statements of P.T. Wilton Wahana Indonesia and Subsidiary have been prepared for use by the Company for inclusion in the unaudited pro forma consolidated financial information of Hartawan Holdings Limited, a prospective shareholder of the Company and Wilton Resources Holdings Pte. Ltd., a prospective holding company of the Company. The consolidated financial statements are not prepared for use for other purpose and may not be appropriate for such use.

Purwantono, Suherman & Surja

Feniwati Chendana, CPA
Public Accountant Registration No. AP.0694

September 26, 2013

P.T. WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2013 and June 30, 2012
(Expressed in rupiah)

	Notes	March 31, 2013	June 30, 2012
ASSETS			
NON-CURRENT ASSETS			
Inventories	2d1,5	30,000,000	-
Exploration and evaluation assets	2d2,6	1,553,667,421	439,690,899
Mine properties	2d3,7	388,416,855	109,922,724
Property, plant and equipment	2d4,8	257,778,765	291,775,708
Deferred tax asset	2d16,12	945,239,193	321,641,088
Total Non-current Assets		**3,175,102,234**	**1,163,030,419**
CURRENT ASSETS			
Cash in banks	4	1,940,951,099	9,424,734,712
Due from related parties	11	73,414,405,737	25,783,659,060
Prepaid tax	12	-	698,166
Deposits		264,000,000	-
Total Current Assets		**75,619,356,836**	**35,209,091,938**
TOTAL ASSETS		**78,794,459,070**	**36,372,122,357**
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Trade payables	9	620,695,000	-
Accrued expenses	10	50,876,837	28,444,659
Due to a related party	11	80,734,684,380	37,076,200,000
Taxes payable	2d16	284,318	8,518,024
Total Current Liabilities		**81,406,540,535**	**37,113,162,683**
CAPITAL DEFICIENCY			
CAPITAL DEFICIENCY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital – issued and fully paid	13	300,000,000	300,000,000
Deficit		(2,926,581,465)	(1,055,540,326)
Capital Deficiency Attributable to Owners of the Company		**(2,626,581,465)**	**(755,540,326)**
Non-controlling Interests		14,500,000	14,500,000
NET CAPITAL DEFICIENCY		**(2,612,081,465)**	**(741,040,326)**
LIABILITIES NET OF CAPITAL DEFICIENCY		**78,794,459,070**	**36,372,122,357**

The accompanying notes form an integral part of these consolidated financial statements.

P.T. WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Nine-month period ended March 31, 2013
(With comparative figures for 2012)
(Expressed in rupiah)

	Notes	2013 (audited)	2012 (unaudited)
REVENUE		-	-
COST OF SALES	2d15,5	-	-
GROSS PROFIT		**-**	**-**
Administrative expenses	2d15		
Personnel		(86,181,372)	(62,850,000)
Depreciation		(59,978,943)	(19,566,503)
Utilities		(43,950,692)	(10,011,017)
Communication		(34,537,476)	(10,181,822)
Office supplies		(11,886,936)	(51,325,500)
Operating expenses	2d15		
Utilities		(179,458,501)	(1,575,644)
Transportation		(67,049,175)	-
Site equipment		(17,745,000)	-
Travelling		(13,354,750)	-
Permit		(7,786,400)	-
Security fees		(1,275,000)	-
Other operating expenses	2d15		
Loss on foreign exchange, net		(1,966,175,106)	(713,498,192)
Other		(6,409,401)	(2,948,003)
OPERATING LOSS		**(2,495,788,752)**	**(871,956,681)**
Finance income	2d14	1,149,508	1,270,825
LOSS BEFORE INCOME TAX		**(2,494,639,244)**	**(870,685,856)**
INCOME TAX BENEFIT	2d16,12		
Deferred		623,598,105	217,441,029
LOSS FOR THE PERIOD		**(1,871,041,139)**	**(653,244,827)**
OTHER COMPREHENSIVE LOSS		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(1,871,041,139)**	**(653,244,827)**
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(1,871,041,139)**	**(653,244,827)**
Non-controlling interests		-	-
Total		**(1,871,041,139)**	**(653,244,827)**

The accompanying notes form an integral part of these consolidated financial statements.

P.T. WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
Nine-month period ended March 31, 2013
(With comparative figures for 2012)
(Expressed in rupiah)

	Capital Deficiency Attributable to Owners of the Company				
	Share Capital - Issued and Fully Paid	Deficit	Sub-total	Non- controlling Interests	Net Capital Deficiency
Balance as of June 30, 2011	**300,000,000**	**(90,920,226)**	**209,079,774**	**14,500,000**	**223,579,774**
Loss for the period	-	(653,244,827)	(653,244,827)	-	(653,244,827)
Balance as of March 31, 2012	**300,000,000**	**(744,165,053)**	**(444,165,053)**	**14,500,000**	**(429,665,053)**
Balance as of June 30, 2012	**300,000,000**	**(1,055,540,326)**	**(755,540,326)**	**14,500,000**	**(741,040,326)**
Loss for the period	-	(1,871,041,139)	(1,871,041,139)	**-**	(1,871,041,139)
Balance as of March 31, 2013	**300,000,000**	**(2,926,581,465)**	**(2,626,581,465)**	**14,500,000**	**(2,612,081,465)**

The accompanying notes form an integral part of these consolidated financial statements.

P.T. WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
Nine-month period ended March 31, 2013
(With comparative figures for 2012)
(Expressed in rupiah)

	Notes	2013 (audited)	2012 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(2,494,639,244)	(870,685,856)
Adjustments to reconcile loss before tax to net cash provided by operating activities:			
Unrealised loss on foreign exchange due to restatement of due to a related party		2,312,855,502	2,929,792,057
Depreciation	8	59,978,943	19,566,503
Changes in operating assets and liabilities:			
Deposits		(264,000,000)	-
Inventories		(30,000,000)	-
Prepaid tax		698,166	687,443
Trade payables		620,695,000	-
Accrued expenses		22,432,177	-
Due to related parties		228,236,380	-
Taxes payable		(8,233,706)	16,186,895
Net Cash Provided by Operating Activities		**448,023,218**	**2,095,547,042**
CASH FLOWS FROM INVESTING ACTIVITIES			
Due from related parties	11	(47,630,746,677)	(19,455,607,399)
Investment in exploration and evaluation assets	6	(1,392,470,653)	(467,048,623)
Acquisitions of property, plant and equipment	8	(25,982,000)	(322,498,750)
Net Cash Used in Investing Activities		**(49,049,199,330)**	**(20,245,154,772)**
CASH FLOWS FROM FINANCING ACTIVITY			
Proceeds of loan from a related party		41,212,593,154	35,207,350,000
NET (DECREASE)/INCREASE IN CASH IN BANKS		**(7,388,582,958)**	**17,057,742,270**
Effects of exchange rate changes on cash in banks		**(95,200,655)**	**(1,590,865,359)**
CASH IN BANKS AT BEGINNING OF PERIOD		9,424,734,712	-
CASH IN BANKS AT END OF PERIOD	4	**1,940,951,099**	**15,466,876,911**

The accompanying notes form an integral part of these consolidated financial statements.

P.T. WILTON WAHANA INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of March 31, 2013 and June 30, 2012
and for the Nine-month period ended March 31, 2013
(With comparative figures for the Nine-month period ended March 31, 2012)
(Expressed in rupiah, unless otherwise stated)

1. GENERAL

a. Company's Establishment

P.T. Wilton Wahana Indonesia (the "Company") was established in the Republic of Indonesia on June 21, 2000 based on the notarial deed No. 10 of Tjoek Ratriawan, S.H. The deed of establishment was published in State Gazette No. 32 dated April 20, 2010 and approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. C-23622 HT.01.01.Year 2000 dated November 3, 2000.

The Company's Articles of Association has been amended from time to time. The latest amendment was covered by notarial deed No. 59 dated February 29, 2008 of H. Feby Rubein Hidayat, S.H. This latest amendment was reported to and acknowledged by the Ministry of Law and Human Rights in its decision letter No. AHU-26282.AH.01.02.Year 2008 dated May 19, 2008.

According to Article 3 of the Company's latest Articles of Association, its scope of activities covers general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, mining, electricity, mechanical, workshop, computer, printing and services.

The Company had engaged in the commercial operations of its trading business of lighting products from 2008 until the end of 2010, and thereafter it has been involved in the gold mining business.

Its 99%-owned subsidiary, P.T. Liektucha Ciemas ("LC"), was established in the Republic of Indonesia on April 20, 1996 based on the notarial deed No. 8 of Loes Rattu, S.H. The deed of establishment was published in State Gazette No. 36 dated May 6, 1997 and approved by the Ministry of Justice of the Republic of Indonesia in its decision letter No. C2-10.336.HT.01.01 Year 1996.

According to Article 3 of the Subsidiary's Articles of Association, its scope of activities covers mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services. As of March 31, 2013, the Subsidiary is still a dormant company.

The Company and its Subsidiary are collectively referred hereafter as "the Group". The Group has no ultimate parent company. Mr. Wijaya Lawrence is the controlling shareholder of the Group.

The address of the Group's registered office is at *Komplek Harco Mangga Dua* (*Agung Sedayu*), Block C No. 5, *Jalan Mangga Dua Raya*, Jakarta 10730, Indonesia.

As of March 31, 2013, the Company's Commissioner and Director are as follows:

Commissioner	Director
Dulhalim Lemena	Wijaya Lawrence

b. Areas of Interest and Mining Business Licenses

The Group's gold mines, known as the Ciemas Gold Project, are located in Sukabumi Regency, West Java Province, Indonesia, and consist of the following gold exploitation concessions:

<u>Concession Block 1 held by the Company:</u>

- Covers 2,878.5 hectares of areas of interest located at Mekarjaya Village, Ciemas Village, Cihaur Village, Simpenan Subdistrict and Ciemas Subdistrict; and
- Covered by Operation Production License (IUP - OP/ "Ijin Usaha Pertambangan - Operasi Produksi") No. 503.8/7797-BPPT/2011 for 20 years until September 7, 2030.

1. GENERAL (continued)

b. Areas of Interest and Mining Business Licenses (continued)

Concession Block 2 held by the Subsidiary:

- Covers 200 hectares of areas of interest located at Pasir Manggu Block, Mekarjaya Village, Ciemas Subdistrict; and
- Covered by IUP - OP No. 503.8/3106-BPPT/2012 for 20 years until January 4, 2028.

As of March 31, 2013, Mr. Wijaya Lawrence, the Company's shareholder and director, owns 40 hectares of the Concession Blocks based on land purchase agreements and related eight (8) land certificates. However, the related land certificates dated February 19 and 20, 2013, which are made under Mr. Wijaya Lawrence's and other related parties' names, were obtained for a total land area of 283,508 m2 only based on the land measurements carried out by the Government National Land Body (BPN/ "Badan Pertanahan Nasional"). For the remaining areas of the Concession Blocks which are classified as protected forestry areas, if required, the Company plans to apply for Borrow and Use Permits (IPPKH/ "Ijin Pinjam Pakai Kawasan Hutan") from the Ministry of Forestry to lease the forest land in the near future to more comprehensively explore and operate the Ciemas Gold Project.

The Company acts as the operator for both Concession Blocks, based on the Decision Letter No. 540/1357-Distamben dated May 15, 2012 of the Regent of Sukabumi. The approval for the joint operation between the Company and Subsidiary in the gold mining activities was granted under the following conditions:

- The joint operation shall be conducted in accordance with prevailing regulations.
- The rights and obligations as stated in the Mining Business License shall be performed.
- The joint operation agreement should be set up in accordance with the required scope that will bind both parties, and should be reported.

As of March 31, 2013, the joint operation agreement between the Company and Subsidiary has not been prepared.

The Group determines and reports its gold ore reserves and resources under Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and under the United Nations Framework Classification for Solid Fuels and Mineral Commodities ("UNFC Code or the Chinese Reserves System") which is comparable to the JORC Code. In order to estimate gold ore reserves and resources, assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, production costs, transport costs, commodity demand, commodity prices and exchange rates.

The gold ore reserves of the Group based on the report dated June 2013 of Independent Qualified Person's Report for the Ciemas Gold Project prepared by SRK Consulting (China) Ltd were as follows (in thousands of ounce of ore):

Location	Proven Reserves (Unaudited)	Probable Reserves (Unaudited)	Total (unaudited)
JORC Code:			
Cikadu	-	199.0	199.0
Cibatu	-	132.8	132.8
Pasir Manggu (West)	19.5	96.5	116.0
Sekolah	-	109.4	109.4
Total	**19.5**	**537.7**	**557.2**

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared for use by the Company for inclusion in the unaudited pro forma consolidated financial information of Hartawan Holdings Limited, a prospective shareholder of the Company and Wilton Resources Holdings Pte. Ltd., a prospective holding company of the Company. The significant accounting policies were applied consistently in the preparation of the consolidated financial statements.

The consolidated financial statements have been prepared using the historical cost basis of accounting, except as indicated in the succeeding notes.

The consolidated statement of cash flows classifies cash receipts and payments into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The consolidated financial statements are presented in Indonesian rupiah, which is also the Company's functional currency.

The accompanying consolidated financial statements of the Company and Subsidiary were authorised for issue by the Company's Director on September 26, 2013.

b. Basis of Consolidation

The consolidated financial statements include the Company's accounts and those of its Subsidiary.

In accordance with IAS 27 (Revised 2008), the Company prepares and presents the consolidated financial statements for a group of entities under its control.

Control is presumed to exist when the parent owns, directly or indirectly through another subsidiary, more than half of the voting power of an entity. Control also exists when the parent owns half or less of the voting power of an entity when there is:

a) power over more than half of the voting rights by virtue of an agreement with other investors;
b) power to govern the financial and operating policies of the entity under a statute or an agreement;
c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The financial statements of the Subsidiary are prepared for the same reporting period as that of the Company, using consistent accounting policies. All intra-group balances are eliminated in full.

Total comprehensive income within the Subsidiary is attributed to the non-controlling interests even if that results in a deficit balance.

Non-controlling interests in the Subsidiary represent the minority shareholders' proportionate share in the equity (including net income) of the subsidiary which is not wholly-owned.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Amended Standards and Interpretations

The accounting policies adopted for the year ended March 31, 2013 are consistent with those of the previous financial years, except for the following new and amended standards applicable for financial statements beginning on or after January 1, 2013:

- IAS 27 Separate Financial Statements (as revised in 2011)
- IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7
- IFRS 10 Consolidated Financial Statements
- IFRS 13 Fair Value Measurement
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The new and amended standards are described below:

IAS 27 *Separate Financial Statements* (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, joint arrangements, and associates in separate financial statements.

IFRS 7 *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements*
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets.

IFRS 10 *Consolidated Financial Statements*
IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues covered in SIC-12 *Consolidation - Special Purpose Entities*. IFRS 10 establishes a single control model that applies to all entities including structured entities (previously referred to as special purpose entities). The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and, therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

IFRS 13 *Fair Value Measurement*
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosure about fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*
IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Amended Standards and Interpretations (continued)

Standards issued but not yet effective

Standards issued but not yet adopted up to the date of issuance of the Groups's consolidated financial statements are listed below. These standards are reasonably expected to be applicable at a future date. The Group intends to adopt these standards and interpretations, if applicable, when they become effective. However, the Group has not yet performed a detailed analysis of the impact of the application of the amendments and hence has not yet quantified the extent of the impact.

- **IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32**

  These amendments clarify the meaning of "currently has a legally enforceable right to set off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendment becomes effective for annual periods beginning on or after January 1, 2014.

- **IFRS 9 Financial Instruments: Classification and Measurement**

  IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

d. Significant Accounting Policies and Practices

d1. Inventories

Inventories consist of stockpiles of unprocessed ore which is measured at the lower of cost or net realisable value. The cost comprises all actual costs incurred during pre-production stage to deliver the ore to the stockpiles.

Net realisable value is the estimated future sales price of the product the Group expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Stockpiles which are expected to be processed for more than 12 months after the reporting date are classified under non-current assets.

d2. Mineral exploration, evaluation and development expenditures

Exploration and evaluation activities involve the search for mineral, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such activities include:
(i) gathering exploration data through topographical, geochemical and geophysical studies;
(ii) exploratory drilling, trenching and sampling;
(iii) determining and examining the volume and grade of the resource; and
(iv) surveying transportation and infrastructure requirements.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d2. Mineral exploration, evaluation and development expenditures (continued)

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised from the commencement of commercial production.

Exploration and evaluation costs (including amortisation of capitalised license costs) are capitalised as incurred, except in the following circumstances:
(i) before the legal rights to explore a specific area are obtained;
(ii) after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable or proven reserves are discovered.

Capitalised exploration and evaluation costs are recorded under “Exploration and Evaluation Assets” and are subsequently measured at cost less any allowance for impairment. Such assets are not depreciated as they are not available for use but monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. To the extent that exploration and evaluation costs are not expected to be recovered, these are charged to profit or loss.

Cash flows associated with capitalised exploration and evaluation costs are classified as investing activities in the consolidated statements of cash flows, while cash flows in respect of exploration and evaluation costs that are expensed are classified as operating cash flows.

When proven reserves are determined, exploration and evaluation assets are reclassified to “Mines under development” within “Mining properties”. All development costs relating to construction of infrastructure required to operate the mine are capitalised and classified as “Mines under development”. Development costs are net of proceeds from the sale of mineral extracted during the development phase. Once development is completed, all assets included in “Mines under development” are reclassified as “Production mines” under mining properties or other component of property, plant and equipment. Items of assets of producing mine are stated at cost, less accumulated amortisation and accumulated impairment losses.

Mining properties include assets in production and in development, and assets transferred from exploration and evaluation assets. Mining properties in development are not amortised until production commences.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

The accumulated costs of producing mines are amortised on the unit-of-production basis over the economically recoverable reserves of the mine concerned.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d2. Mineral exploration, evaluation and development expenditures (continued)

Pre-license costs are expensed in the period in which they are incurred. Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the director concludes that future economic benefits are more likely than not to be realised. These expenditures include acquisition and renewal of rights to explore; technical feasibility, processing and mining study; environmental impact assessment, management and monitoring; drilling, explosives permitting and other exploration costs paid to contractors and consultants.

d3. Mine properties

Upon transfer of “Exploration and evaluation assets” to “Mines under construction” in “Mine properties”, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalised in “Mines under construction”. Development expenditure is net of proceeds from the sale of ore extracted during the development phase. The “Mines under construction” is not amortised until it is completed and the production stage is commenced, and the assets are transferred to “Producing mines” in “Mine properties”.

d4. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment in value, if any. The initial cost of property, plant and equipment comprises their purchase price and any directly attributable costs of bringing the property, plant and equipment to their working condition and location for their intended use.

Major repairs are capitalised as part of property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance costs are charged to profit or loss as incurred.

Depreciation of property, plant and equipment commences when the assets are available for their intended use and is computed using the straight-line method based on their estimated useful lives as follows:

Office equipment : 4 and 8 years

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the pattern of economic benefits expected from items of property, plant and equipment.

When property, plant and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited or charged to profit or loss.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d5. Impairment of non-financial assets

The Group assesses periodically whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of such asset's 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 from those of other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows 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 determining the fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses of continuing operations are recognised in profit or loss.

For assets, an assessment is made periodically as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

d6. Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets which are recorded at fair value through profit or loss.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d6. Financial assets (continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

The Group's financial assets include cash in banks, due from a related party, and advances to a shareholder, all of which belong under the loans and receivables category.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in profit or loss. The losses arising from impairment are recognised in profit or loss.

d7. Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, include directly attributable transaction costs.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in profit or loss.

d8. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d9. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Credit risk adjustment

The Group adjusts the price in the more advantageous market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Group's own credit risk associated with the instrument is taken into account.

d10. Amortised cost of financial instruments

Amortised cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

d11. Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

d12. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: (1) the rights to receive cash flows from the asset have expired; or (2) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d12. Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

d13. Foreign currency translation

The consolidated financial statements are presented in rupiah which is the Group's functional currency and the Group's presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange prevailing at the end of the reporting period. All differences are taken to the statements of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The exchange rates used as of March 31, 2013 and June 30, 2012 were as follows:

	March 31, 2013	June 30, 2012
US$1/Rupiah	9,719	9,480
Sin$1/Rupiah	7,816.16	7,415.24
AUD$1/Rupiah	10,129.64	9,523.62
CNY1/Rupiah	1,549.04	1,498.84

d14. Finance income

Finance income is recognised as it accrues on a time proportion basis taking into account the principal amount outstanding and the effective interest rate. The majority of finance income represents interest earned from cash in banks.

d15. Expenses

Expenses are recognised when incurred.

d16. Income tax

Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d16. Income tax (continued)

Deferred tax

Deferred tax is provided using the balance sheet liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carryforward of unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax losses can be utilised except: (1) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and (2) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

d17. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of provisions to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of comprehensive income net of any reimbursement.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in comformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

a. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- *Determination of functional currency*

  The functional currency of each of the entities under the Group is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the revenue and cost of rendering services.

- *Impairment of non-financial assets*

  An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the assets. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

- *Exploration and evaluation expenditure*

  The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

- *Production start date*

  The Group assesses the stage of each mine under construction to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

a. Judgments (continued)

- *Production start date (continued)*

The Group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from “Mines under construction” to “Producing mines” and/or “Property, plant and equipment”. Some of the criteria used to identify the production start date include, but are not limited to:

(i) Level of capital expenditure incurred compared to the original construction cost estimate
(ii) Completion of a reasonable period of testing of the mine plant and equipment
(iii) Ability to produce metal in saleable form (within specifications)
(iv) Ability to sustain ongoing production of metal.

When a mine development / construction project moves into the production phase, the capitalisation of certain mine development / construction costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation/ amortisation commences.

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:

- *Ore reserve and mineral resource estimates*

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group’s mining properties. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

- *Determination of fair values of financial assets and financial liabilities*

Where the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(Expressed in rupiah, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and Assumptions (continued)

- *Estimating useful lives of property, plant and equipment*

  The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be 4 and 8 years. These are common life expectancies applied in the industry where the Group conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets and, therefore, future depreciation charges could be revised.

- *Recovery of deferred tax assets*

  The Group reviews the carrying amounts of deferred tax assets at the end of each reporting date and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilised. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that sufficient taxable income will be generated to allow all or part of deferred tax assets to be utilised.

4. CASH IN BANKS

This account consists of the following:

	March 31, 2013	June 30, 2012
Cash in banks		
Singapore dollar	1,834,698,883	9,247,053,729
Rupiah	77,980,546	149,444,162
Chinese yuan dollar	10,496,295	10,166,632
Australian dollar	8,901,928	8,978,869
U.S. dollar	8,873,447	9,091,320
Total	**1,940,951,099**	**9,424,734,712**

Cash in banks includes a bank account in rupiah currency which earns interest at floating rates based on daily bank deposit rates.

5. INVENTORIES

As of March 31, 2013, the inventories consist of 3,038 tonnes of ore stockpiles with total cost of Rp30,000,000. The ore stockpiles, which were found during drilling and extraction during tunneling activities in the mining areas are to be processed more than 12 months from the reporting date and are presented under non-current assets.

(Expressed in rupiah, unless otherwise stated)

6. EXPLORATION AND EVALUATION ASSETS

The movements of this account are as follows:

	March 31, 2013 (Nine Months)	June 30, 2012 (One Year)
Beginning balance	439,690,899	-
Additions	1,392,470,653	549,613,623
Transfer to Mine Properties - Mines under Construction	(278,494,131)	(109,922,724)
Ending balance	**1,553,667,421**	**439,690,899**

As of March 31, 2013, a part of the exploration and evaluation expenditures of Pasir Manggu (West), Cibatu, Cikadu and Sekolah which were allocated proportionally to each area of interest in the Ciemas Gold Project based on the Company's gold reserves, was transferred to "Mine Properties - Mines under Construction" since the area of interest is already in the development stage.

Based on management's assessment on the Ciemas Gold Project's areas of interest, the Group's management believes that there were no impairment indicators for the exploration and evaluation assets that exist as of March 31, 2013.

7. MINE PROPERTIES

The movements of this account are as follows:

	March 31, 2013 (Nine Months)	June 30, 2012 (One Year)
Mines under Construction:		
Beginning balance	109,922,724	-
Transfer from Exploration and Evaluation Assets (Note 6)	278,494,131	109,922,724
Transfer to Producing Mines	-	-
Ending balance	**388,416,855**	**109,922,724**

The mine properties represent expenditures relating to Pasir Manggu (West), Cibatu, Cikadu and Sekolah. Based on management's assessment on the Ciemas Gold Project's areas of interest, the Group's management believes that there were no impairment indicators that exist for the mines under construction as of March 31, 2013.

8. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment (consisting of office equipment) account are as follows:

	March 31, 2013 (Nine Months)	June 30, 2012 (One Year)
Cost		
Beginning balance	332,265,750	3,120,000
Additions	25,982,000	329,145,750
Ending balance	358,247,750	332,265,750

(Expressed in rupiah, unless otherwise stated)

8. PROPERTY, PLANT AND EQUIPMENT (continued)

The movements in property, plant and equipment (consisting of office equipment) account are as follows:

	March 31, 2013 (Nine Months)	June 30, 2012 (One Year)
Accumulated depreciation		
Beginning balance	40,490,042	3,120,000
Depreciation	59,978,943	37,370,042
Ending balance	100,468,985	40,490,042
Net Book Value	**257,778,765**	**291,775,708**

Depreciation charged to the consolidated statement of comprehensive income amounted to Rp59,978,943 and Rp19,566,503 for the nine-month periods ended March 31, 2013 and 2012.

9. TRADE PAYABLES

This account pertains to the outstanding payables to:

	March 31, 2013	June 30, 2012
PT Inasa Sakha Kirana	573,545,000	-
PT Dahana (Persero)	28,025,000	-
PT Quarks Indonesia	19,125,000	-
Total	**620,695,000**	**-**

10. ACCRUED EXPENSES

This account consists of accruals for the following operating expenses:

	March 31, 2013	June 30, 2012
Salaries	23,800,000	-
Electricity	22,566,073	23,180,538
Telephone and Internet	3,052,734	1,345,079
Water	1,458,030	3,919,042
Total	**50,876,837**	**28,444,659**

(Expressed in rupiah, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are made based on terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the nine-month periods ended March 31, 2013 and 2012, the Group has not recorded any impairment of receivables relating to amounts owed by a related party. This assessment is undertaken each financial period by examining the financial position of the related party.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial periods:

	March 31, 2013	June 30, 2012
Amounts owed by related parties		
Other related parties	73,414,405,737	25,384,992,954
Key management personnel	-	398,666,106
	73,414,405,737	25,783,659,060
Amounts owed to a related party		
Key management personnel	228,236,380	-
Other related party (Sin$10,300,000 as of March 31, 2013 and Sin$5,000,000 as of June 30, 2012)	80,506,448,000	37,076,200,000
	80,734,684,380	37,076,200,000

a. Key management personnel

Key management personnel represents Mr. Wijaya Lawrence. Most of the Group's day-to-day activities are being handled by Mr. Wijaya Lawrence, the controlling shareholder. Disbursements related to the exploration and evaluation activities of the Group are recorded under "Due from related parties" accounts in the consolidated statements of financial position. The Company and Subsidiary's office building and a part of their gold exploitation concession blocks covering 40 hectares are owned by the controlling shareholder without any lease charged to both companies, since no lease agreements have been prepared as of March 31, 2013.

b. Other related parties

Amounts owed by related parties
Other related parties represent Wilton Resouces Holdings Pte. Ltd. (WRH) and close family member of Mr. Wijaya Lawrence. Disbursements related to the exploration and evaluation activities of the Group are recorded under "Due from related parties" accounts in the consolidated statements of financial position since they were paid on behalf of the key management personnel.

Amounts owed to a related party
On November 13, 2011 and October 1, 2012, the Company entered into a non-interest bearing Tranches I and II loan agreement with Wilton Resources Holdings Pte. Ltd. (WRH) for a loan facility of up to an aggregate principal amount of Sin$6,000,000 each tranche. The loan proceeds shall be used:

- for the preparation of a report that meets the JORC requirement and Catalyst MOG Rules;
- to cover the cost of building the infrastructure for the extraction of gold ores and mining operations at Concession Block 2;

(Expressed in rupiah, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS (continued)

- to fund further costs of building the infrastructure and flotation plants for the processing and production of gold at Concession Block 2; and
- for general costs of operating the Concession Blocks (Note 1a).

The loan is repayable 30 business days from the date of the lender's written notice to the Company for the repayment of the loan. As of March 31, 2013, the Company has drawn from the Tranches I and II loan facility amounting to Sin$5,000,000 and Sin$5,300,000, respectively.

The Company's director receives remuneration from the Company for the nine-month periods ended March 31, 2013 (audited) and 2012 (unaudited) amounting to Rp36,792,336 and Rp30,834,750, respectively.

12. INCOME TAXES

a. Prepaid tax

As of June 30, 2012, this account represents prepayments of income tax article 25 for corporate income tax for the fiscal year ended December 31, 2012.

b. Income tax benefit

The reconciliation between the income tax benefit calculated by applying the applicable tax rate of 25% to the loss before income tax and the income tax benefit as shown in the consolidated statements of comprehensive income for the nine-month periods ended March 31, 2013 and 2012 is as follows:

	March 31, 2013 (audited)	March 31, 2012 (unaudited)
Loss before income tax	**(2,494,639,244)**	**(870,685,856)**
Income tax benefit at the applicable tax rate of 25%	623,536,399	217,671,464
Tax effect on permanent differences		
Tax expense	349,083	87,271
Interest income already subjected to final tax	(287,377)	(317,706)
Income tax benefit per consolidated statements of comprehensive income	**623,598,105**	**217,441,029**

The tax effects of the unutilised tax losses are as follows:

	March 31, 2013	June 30, 2012
Deferred tax asset		
Unutilised tax losses	945,239,193	321,641,088

Under Indonesian taxation laws, unutilised tax losses may be carried forward for a period of 5 (five) years.

(Expressed in rupiah, unless otherwise stated)

12. INCOME TAXES (continued)

a. Income tax benefit (continued)

Deferred tax assets have been recognised in respect of these losses as management assessed that they may be used to offset taxable income.

The Company and Subsidiary submit their respective annual tax returns using the fiscal year (January - December) on the basis of self-assessment.

The Subsidiary has neither current tax expense nor taxable temporary differences due to its dormant condition.

13. SHARE CAPITAL

	March 31, 2013	June 30, 2012
Authorised, issued and fully paid - 300 ordinary shares at Rp1,000,000 par value per share	300,000,000	300,000,000

The Company's shareholders and the details of their respective share ownerships as of March 31, 2013 and June 30, 2012 are as follows:

Shareholders	Number of Shares	Percentage of Ownership	Amount
Wijaya Lawrence	290	96.67%	290,000,000
Dulhalim Lemena	10	3.33%	10,000,000
Total	**300**	**100.00%**	**300,000,000**

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value information

The following table sets out the carrying values, which also represent the estimated fair values, of the Group's financial instruments as of March 31, 2013 and June 30, 2012:

	March 31, 2013	June 30, 2012
Financial assets		
Cash in banks	1,940,951,099	9,424,734,712
Due from a related party	73,414,405,737	25,384,992,954
Advances to a shareholder	35,763,620	398,666,106
	75,391,120,456	35,208,393,772
Financial liabilities		
Trade payables	620,695,000	-
Accrued expenses	50,876,837	28,444,659
Due to a related party	80,506,448,000	37,076,200,000
	81,178,019,837	37,104,644,659
Net financial liabilities - net	**(5,786,899,381)**	**(1,896,250,887)**

(Expressed in rupiah, unless otherwise stated)

14. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair value of each of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of these financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

15. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial liabilities consist of trade payables, accrued expenses and due to a related party. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The main risks arising from the Group's financial instruments are liquidity risk and foreign currency risk. The Director reviews and approves policies for managing each of these risks which are summarised below:

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from related parties. Access to sources of funding is sufficiently available.

In relation of the Company's financial condition as of March 31, 2013, the Company has been furnished a support letter from Mr. Wijaya Lawrence, the majority shareholder of the Company, dated July 4, 2013 which states that he will not dispose his equity investments in the Company or to dissolve or liquidate the Company or to do any other actions which may materially affect the carrying value or classification of the assets and liabilities of the Company, and his commitment to provide the Company with continuous financial and operational supports to enable it to continue as a going concern and to meet its obligations, at least up to July 19, 2014.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of March 31, 2013.

	On demand	Less than 3 months	3 months to 1 year	Total
Financial liabilities				
Trade payables	-	620,695,000	-	620,695,000
Accrued expenses	-	50,876,837	-	50,876,837
Due to a related party	80,506,448,000	-	-	80,506,448,000
Total financial liabilities	80,506,448,000	671,571,837	-	81,178,019,837

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities (when cash in banks, trade payables and due to a related party are denominated in a different currency from the Group's functional currency).

15. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Sensitivity analysis

A strengthening of the Singapore dollar, as indicated below, against the rupiah would have increased capital deficiency and loss before tax by the amounts shown below computed on the net liability position in Singapore dollar at March 31, 2013. This analysis is based on foreign currency exchange rate variances that the Company and Subsidiary considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Loss before tax	Capital deficiency
March 31, 2013		
Singapore dollar (1% strengthening)	(786,717,491)	(589,791,294)

A weakening of the Singapore dollar against the rupiah at March 31, 2013 would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

16. SUBSEQUENT EVENTS

Based on Notarial Deed No. 87 dated March 25, 2013 of H. Feby Rubein Hidayat, SH., P.T. Liektucha Ciemas ("Liektucha")'s stockholders, in their Extraordinary General Meeting on March 22, 2013, approved the following matters:

- Sale and transfer of rights of shares of Liektucha owned by Mr. Yusuf Hermawan Jatikusumo totaling 12 shares or equivalent to Rp12,000,000 to the Company and 3 shares or equivalent Rp3,000,000 to Mr. Wijaya Lawrence.
- Change of stockholders' structure and composition as a result of the above capital stock transactions to become as follows:
  - P.T. Wilton Wahana Indonesia - 297 shares or equivalent to Rp297,000,000
  - Mr. Wijaya Lawrence - 3 shares or equivalent to Rp3,000,000
- Assign Liektucha's Director and Commissioner, as of March 22, 2013, as follows:

Director	Commissioner
Mr. Yusuf Hermawan Jatikusumo	Mr. Decky Susanto

Based on Notarial Deed No. 13 dated April 2, 2013 of H. Feby Rubein Hidayat, SH., both Mr. Yusuf Hermawan Jatikusumo and the Company, which is represented by Mr. Wijaya Lawrence, stated to the Notary, that on March 22, 2013, both party has been agreed to sell and transfer of rights of shares of Liektuchaowned by Mr. Yusuf Hermawan Jatikusumo totalling 12 shares or equivalent to Rp12,000,000 to the Company.

Based on Notarial Deed No. 14 dated April 2, 2013 of H. Feby Rubein Hidayat, SH., both Mr. Yusuf Hermawan Jatikusumo and Mr. Wijaya Lawrence, stated to the Notary, that on March 22, 2013, both party has been agreed to sell and transfer of rights of shares of Liektucha owned by Mr. Yusuf Hermawan Jatikusumo totalling 3 shares or equivalent to Rp3,000,000 to Mr. Wijaya Lawrence.

P.T. Wilton Investment

Financial statements with independent auditors' report
as of March 31, 2013 and June 30, 2012
and for the Nine-month period ended March 31, 2013 and 2012

P.T. WILTON INVESTMENT
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF MARCH 31, 2013 AND JUNE 30, 2012
AND FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2013 AND 2012

Table of Contents

****

Independent Auditors' Report

Report No. RPC-4534/PSS/2013

The Stockholders, Commissioner and Director
PT Wilton Investment

We have audited the accompanying statements of financial position of PT Wilton Investment ("the Company") as of March 31, 2013 and June 30, 2012, and the related statements of comprehensive income, changes in equity and cash flows for the nine-month period ended March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards and International Financial Reporting 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 these 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 and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Wilton Investment as of March 31, 2013 and June 30, 2012, and their financial performance and cash flows for the nine-month period ended March 31, 2013, in accordance with International Financial Reporting Standards.

Other matters

The financial statements of PT Wilton Investment for the nine-month period ended March 31, 2012 were not audited nor reviewed by us and, accordingly, we do not express opinion or any other form of assurance on them. These financial statements are presented for comparative purpose.

The financial statements of P.T. Wilton Investment have been prepared for use by the Company for inclusion in the unaudited pro forma consolidated financial information of Hartawan Holdings Limited, a prospective shareholder of the Company and Wilton Resources Holdings Pte. Ltd., a prospective holding company of the Company. The financial statements are not prepared for use for other purpose and may not be appropriate for such use.

Purwantono, Suherman & Surja

Feniwati Chendana, CPA
Public Accountant Registration No. AP.0694

September 26, 2013

P.T. WILTON INVESTMENT
STATEMENTS OF FINANCIAL POSITION
March 31, 2013 and June 30, 2012
(Expressed in rupiah, unless otherwise stated)

	Notes	March 31, 2013	June 30, 2012
ASSETS			
CURRENT ASSETS			
Cash in banks	3	53,481,697	53,121,719
Due from shareholders	4	8,531,110,974	8,531,110,974
TOTAL ASSETS		**8,584,592,671**	**8,584,232,693**
LIABILITY AND EQUITY			
LIABILITY			
CURRENT LIABILITY			
Tax payable	5	148,167	58,173
TOTAL LIABILITY		**148,167**	**58,173**
EQUITY			
Share capital	6	8,584,000,000	8,584,000,000
Retained earnings		444,504	174,520
TOTAL EQUITY		**8,584,444,504**	**8,584,174,520**
TOTAL LIABILITY AND EQUITY		**8,584,592,671**	**8,584,232,693**

The accompanying notes form an integral part of these financial statements.

P.T. WILTON INVESTMENT
STATEMENTS OF COMPREHENSIVE INCOME
Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

	Notes	March 31, 2013	March 31, 2012
OTHER INCOME/(EXPENSES)			
Gain on foreign exchange – net	2d8	2,389,152	945,374
Bank charges	2d9	(2,029,174)	(996,159)
Other Income/(Expense) – net		**359,978**	**(50,785)**
PROFIT/(LOSS) BEFORE INCOME TAX		**359,978**	**(50,785)**
INCOME TAX EXPENSE			
Current	2d10	(89,994)	-
PROFIT/(LOSS) FOR THE PERIOD		**269,984**	**(50,785)**
OTHER COMPREHENSIVE INCOME		**-**	**-**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**269,984**	**(50,785)**

The accompanying notes form an integral part of these financial statements.

P.T. WILTON INVESTMENT
STATEMENTS OF CHANGES IN EQUITY
Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

	Issued Share Capital	Retained Earnings	Total Equity
Balance as of June 30, 2011	**8,584,000,000**	**-**	**8,584,000,000**
Loss for the period	-	(50,785)	(50,785)
Balance as of March 31, 2012	**8,584,000,000**	**(50,785)**	**8,583,949,215**
Balance as of June 30, 2012	**8,584,000,000**	**174,520**	**8,584,174,520**
Profit for the period	-	269,984	269,984
Balance as of March 31, 2013	**8,584,000,000**	**444,504**	**8,584,444,504**

The accompanying notes form an integral part of these financial statements.

P.T. WILTON INVESTMENT
STATEMENTS OF CASH FLOWS
Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

	March 31, 2013	March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(loss) before income tax	359,978	(50,785)
Adjustments to reconcile profit before income tax to net cash provided by operating activities:		
Gain on foreign exchange – net	(2,389,152)	(945,374)
Due from shareholders	-	52,889,026
Net cash (used in)/provided by operating activities	**(2,029,174)**	**51,892,867**
NET (DECREASE)/INCREASE IN CASH IN BANKS	**(2,029,174)**	**51,892,867**
NET FOREIGN EXCHANGE DIFFERENCE	**2,389,152**	**945,374**
CASH IN BANKS AT BEGINNING OF PERIOD	53,121,719	-
CASH IN BANKS AT END OF PERIOD	**53,481,697**	**52,838,241**

The accompanying notes form an integral part of these financial statements.

P.T. WILTON INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
As of March 31, 2013 and June 30, 2012
And for the Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

1. GENERAL

Company's Establishment

PT Wilton Investment ("the Company") was established in the Republic of Indonesia on June 17, 2011 within the framework of the Indonesian Foreign Investment Law No. 25 of 2007 based on the notarial deed No. 23 of Musa Muamarta, S.H and approval from the Capital Investment Coordinating Board (BKPM) in its letter No. 01743/1/PPM/I/2011. The deed of establishment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-33035.AH.01.01.Tahun 2011 dated July 1, 2011.

The address of the Group's registered office is at *Komplek Harco Mangga Dua* (*Agung Sedayu*), Block C No. 5, *Jalan Mangga Dua Raya*, Jakarta 10730, Indonesia.

According to Article 3 of the Company's Articles of Association, the Company's purpose and objective is gold mining business. As of March 31, 2013, the Company is still a dormant company.

The Company has no ultimate parent company. Mr. Wijaya Lawrence is the controlling shareholder of the Company.

As of March 31, 2013, the Company's Commissioner and Director are as follows:

Commissioner	Director
Mrs. Hui Kun Lauw	Mr. Wijaya Lawrence

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied consistently in the preparation of the financial statements are as follows:

a. Basis of Financial Statements

The financial statements have been prepared using the historical cost basis of accounting and have been prepared in accordance with IAS 34, Interim Financial Reporting.

The statements of cash flows classify cash receipts and payments into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The financial statements are presented in Indonesian rupiah, which is the Company's functional and reporting currency.

The financial statements were authorised for issue by the Company's Director on September 26, 2013.

b. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared for use by the Company for inclusion in the unaudited pro forma consolidated financial information of Hartawan Holdings Limited, a prospective shareholder of the Company and Wilton Resources Holdings Pte. Ltd., a prospective holding company of the Company. The significant accounting policies were applied consistently in the preparation of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Amended Standards and Interpretations

Standards issued but not yet adopted

Standards issued but not yet adopted up to the date of issuance of the Company's financial statements are listed below. These standards are reasonably expected to be applicable at a future date. The Company intends to adopt these standards and interpretations, if applicable, when they become effective. However, the Company has not yet performed a detailed analysis of the impact of the application of the amendments and hence has not yet quantified the extent of the impact since the Company is still a dormant company as of March 31, 2013.

Effective for annual periods beginning on or after January 1, 2013

- **IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7**

  These amendments require an entity to disclose information about rights to set off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

- **IFRS 13 Fair Value Measurement**

  IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.

- **IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine***

  IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity.

  Effective for annual periods beginning on or after January 1, 2014

- **IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32**

  These amendments clarify the meaning of "currently has a legally enforceable right to set off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

- **IFRS 9 Financial Instruments: Classification and Measurement**

  IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices

d1. Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines its classification of their financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets which are recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

The Company's financial assets include cash in banks and due from shareholders, both of which belong under the loans and receivables category.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

d2. Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs. As of March 31, 2013 and June 30, 2012, the Company has no financial liabilities.

d3. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

P.T. WILTON INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
As of March 31, 2013 and June 30, 2012
And for the Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d4. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Credit risk adjustment

The Company adjusts the price in the more advantageous market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risk associated with the instrument is taken into account.

d5. Amortised cost of financial instruments

Amortised cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

d6. Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

d7. Derecognition of financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

P.T. WILTON INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
As of March 31, 2013 and June 30, 2012
And for the Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d8. Foreign currency translation

The financial statements are presented in rupiah which is the Company's functional currency and the Company's presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange prevailing at the end of the reporting period. All differences are taken to the statements of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. As of March 31, 2013, the rates of exchange used were Rp 9,719 to US$1 and Rp 7,816.16 to Sin$1.

d9. Expenses

Expenses are recognised when incurred.

d10. Income tax

Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax

Deferred tax is provided using the balance sheet liability method on all temporary differences at the end of the reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. CASH IN BANKS

This account consists of the following:

	March 31, 2013	June 30, 2012
Cash in banks		
Singapore Dollar	14,432,558	14,226,138
Australia Dollar	13,835,226	13,607,348
US Dollar	13,645,476	13,736,520
Chinese Yuan Dollar	10,398,437	10,061,713
Rupiah	1,170,000	1,490,000
Total	**53,481,697**	**53,121,719**

P.T. WILTON INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
As of March 31, 2013 and June 30, 2012
And for the Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

4. RELATED PARTY TRANSACTIONS

Transactions with related parties are made at terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties. Outstanding balances at the year-end are unsecured and interest-free. There have been no guarantees received or provided for any related party receivables or payables. For period ended March 31, 2013 and June 30, 2012, the Company has not recorded any impairment of receivables relating to amounts owed by the related parties. This assessment is undertaken each financial year by examining the financial position of the related parties.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial years:

	March 31, 2013	**June 30, 2012**
Amounts owed by related parties		
Due from shareholders		
Mr. Wijaya Lawrence	8,101,910,974	8,101,910,974
Mrs. Hui Kun Lauw	429,200,000	429,200,000
Total	**8,531,110,974**	**8,531,110,974**

Due from shareholders mainly represents share subscription receivables which are non-interest bearing, unsecured and have no fixed payment dates. Based on the letter dated on November 7, 2012 from Mr. Wijaya Lawrence, as the Company's director and one of the Company's shareholders, he confirmed that the share subscription receivables are denominated in rupiah currency, amounting to Rp8,584,000,000 same as the Company's initial unpaid share capital (see Note 6)

The Company's office building is owned by Mr. Wijaya Lawrence without any lease charged to to the Company.

5. INCOME TAXES

a. Tax payable

This account represents estimated corporate income tax payable as of March 31, 2013 amounting to Rp148,167.

b. Income tax expense

For nine-month period ended March 31, 2013, estimated current income tax expense amounted to Rp89,994. The applicable tax rate used in the corporate income tax computation is 25%. The Company's management believes that the profit before income tax is the same as the taxable income, since there is no temporary and permanent difference.

6. SHARE CAPITAL

	March 31, 2013	**June 30, 2012**
Authorised and issued - 10,000 shares at Rp858,400 or US$100 par value per share	8,584,000,000	8,584,000,000

P.T. WILTON INVESTMENT
NOTES TO THE FINANCIAL STATEMENTS
As of March 31, 2013 and June 30, 2012
And for the Nine-month period ended March 31, 2013 (audited) and 2012 (unaudited)
(Expressed in rupiah, unless otherwise stated)

6. SHARE CAPITAL (continued)

The shareholders and the details of their respective share ownerships as of March 31, 2013 and June 30, 2012 are as follows:

Shareholders	Number of Shares	Percentage of Ownership	USD Amount	Equivalent to rupiah
Mr. Wijaya Lawrence	9,500	95%	950,000	8,154,800,000
Mrs. Hui Kun Lauw	500	5%	50,000	429,200,000
Total	**10,000**	**100%**	**1,000,000**	**8,584,000,000**

As of March 31, 2013, the Company's share capital has not been paid by its shareholders, which should be fully paid based on the Company's deed of establishment.

In relation of the Company's financial condition as of March 31, 2013, the Company has been furnished a support letter dated on July 4, 2013 from Mr. Wijaya Lawrence, a majority shareholder of the Company, which states that:

(i) he will not dispose his equity investments in the Company or to dissolve or liquidate the Company or to do any other actions which may materially affect the carrying value or classification of the assets and liabilities of the Company,

(ii) his commitment to provide the Company with continuous financial and operational supports to enable it to continue as a going concern and to meet its obligations.

(iii) the share capital of the Company should be paid up in 2013, subject to the successful completion of the reverse takeover (RTO) project of Wilton Resources Holdings Pte. Ltd., Singapore.

7. FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Cash in banks and due from shareholders approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company is currently a dormant company and has no activity and, therefore, the management has no financial risk management policies since the financial risks are minimal.

Company Registration No. 201131457R

Wilton Resources Holdings Pte. Ltd.

Annual Financial Statements
21 October 2011 (date of incorporation) to 30 June 2012

Wilton Resources Holdings Pte. Ltd.

General Information

Directors

Chong Chin Fan	(appointed on 21 October 2011, date of incorporation)
Ngiam Mia Je Patrick	(appointed on 21 October 2011, date of incorporation)
Wijaya Lawrence	(appointed on 21 October 2011, date of incorporation)

Company Secretary

Leong Yoke Yeng

Registered Office

1 Robinson Road
#17-00 AIA Tower
Singapore 048542

Banker

Standard Chartered Bank

Auditor

Ernst & Young LLP

Index

Wilton Resources Holdings Pte. Ltd.

Directors' Report

The directors hereby present their report to the member together with the audited financial statements of Wilton Resources Holdings Pte. Ltd. (the "Company") for the financial period from 21 October 2011 (date of incorporation) to 30 June 2012.

Directors

The directors of the Company in office at the date of this report are:

Chong Chin Fan
Ngiam Mia Je Patrick
Wijaya Lawrence

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company as stated below:

	Direct interest		**Deemed interest**	
Name of directors	**At date of appointment**	**At the end of financial period**	**At the beginning of financial year**	**At the end of financial period**
Ordinary shares of the Company				
Ngiam Mia Je Patrick	500	500	–	–
Wijaya Lawrence	500	500	–	–

Except as disclosed in this report, no director who held office at the end of the financial period had interests in shares, share options, warrants or debentures of the Company, either at date of appointment or at the end of financial period.

Directors' contractual benefits

Since the date of incorporation, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Wilton Resources Holdings Pte. Ltd.

Directors' Report

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Chong Chin Fan
Director

Ngiam Mia Je Patrick
Director

Singapore
14 January 2013

Wilton Resources Holdings Pte. Ltd.

Statement by Directors

We, Chong Chin Fan and Ngiam Mia Je Patrick, being two of the directors of Wilton Resources Holdings Pte. Ltd., do hereby state that, in the opinion of the directors,

(a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2012, and the results of the business, changes in equity and cash flows of the Company for the financial period from 21 October 2011 (date of incorporation) to 30 June 2012; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Chong Chin Fan
Director

Ngiam Mia Je Patrick
Director

Singapore
14 January 2013

Wilton Resources Holdings Pte. Ltd.

Independent Auditor's Report
For the financial period from 21 October 2011 (date of incorporation) to 30 June 2012

To the Members of Wilton Resources Holdings Pte. Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Wilton Resources Holdings Pte. Ltd. (the "Company") set out on pages 6 to 22, which comprise the balance sheet as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial period from 21 October 2011 (date of incorporation) to 30 June 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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 auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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.

Wilton Resources Holdings Pte. Ltd.

Independent Auditor's Report
For the financial period from 21 October 2011 (date of incorporation) to 30 June 2012

To the Members of Wilton Resources Holdings Pte. Ltd.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 June 2012 and the results, changes in equity and cash flows of the Company for the financial period from 21 October 2011 (date of incorporation) to 30 June 2012.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Certified Public Accountants
Singapore

14 January 2013

Wilton Resources Holdings Pte. Ltd.

Statement of Comprehensive Income
for the financial period from 21 October 2011 (date of incorporation) to 30 June 2012

	Note	21.10.2011 to 30.6.2012
		$
Administrative expenses		(743,233)
Loss from operations	5	(743,233)
Income tax expense	6	–
Loss for the period		(743,233)
Total comprehensive loss for the period		(743,233)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Holdings Pte. Ltd.

Balance Sheet as at 30 June 2012

	Note	2011
		$
Current assets		
Loan to a related party	7	5,000,000
Cash and cash equivalents	8	596,415
		5,596,415
Current liabilities		
Other payables and accruals	9	338,648
Loan payable	7	6,000,000
		6,338,648
Net current liabilities		(742,233)
Net liabilities		(742,233)
Equity		
Share capital	10	1,000
Accumulated losses		(743,233)
Total deficit		(742,233)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Holdings Pte. Ltd.

Statement of Changes in Equity
for the financial period from 21 October 2011 (date of incorporation) to 30 June 2012

	Share capital (Note 10)	**Accumulated losses**	**Total**
	$	$	$
At 21 October 2011 (date of incorporation)	1,000	–	1,000
Loss for the period	–	(743,233)	(743,233)
Total comprehensive loss for the period	–	(743,233)	(743,233)
At 30 June 2012	1,000	(743,233)	(742,233)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Holdings Pte. Ltd.

Cash Flow Statement for the financial period from 21 October 2011 to 30 June 2012

	Note	21.10.2011 to 30.6.2012
		$
Cash flows from operating activities		
Loss before tax		(743,233)
Operating loss before working capital changes		(743,233)
Increase in other payables and accruals		338,648
Net cash flows used in operating activities		(404,585)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares		1,000
Proceeds from loans and borrowings		6,000,000
Net cash flows generated from financing activities		6,001,000
Cash flows from investing activity		
Loan to a related party		(5,000,000)
Net cash flows used in investing activity		(5,000,000)
Net increase in cash and cash equivalents		596,415
Cash and cash equivalents at 21 October 2011 (date of incorporation)		–
Cash and cash equivalents at 30 June 2012	8	596,415

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Holdings Pte. Ltd.

Notes to the Financial Statements – 30 June 2012

1. Corporate information

Wilton Resources Holdings Pte. Ltd. (the "Company") is a private limited company incorporated in Singapore.

The registered office and principal place of business of the Company is located at 1 Robinson Road, #17-00 AIA Tower, Singapore 048542.

The principal activity of the Company is that of investment holding. The Company was incorporated on 21 October 2011 and is inactive during the financial period.

2. Fundamental accounting concept

The Company is in a net liability position of $742,233 at the end of the reporting period. The financial statements have been prepared on a going concern basis as Patrick Ngiam, one of the controlling shareholders, has agreed to provide continuing financial support to the Company to meet its liabilities as and when they fall due. The accompanying financial statements do not include any adjustments that might result should the Company be unable to operate as a going concern.

3. Summary of significant accounting policies

3.1 *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or $).

3.2 *Standards issued but not yet effective*

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
Amendments to FRS 101 Government Loans	1 January 2013
FRS 107 Financial Instruments: Disclosures	1 January 2013
FRS 113 Fair Value Measurements	1 January 2013
INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014

3. Summary of significant accounting policies (cont'd)

3.2 ***Standards issued but not yet effective (cont'd)***

Description	**Effective for annual periods beginning on or after**
FRS 32 Financial Instruments: Presentation	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

3.3 ***Functional and foreign currency***

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

(b) *Transactions and balances*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

3.4 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. 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.

3. Summary of significant accounting policies (cont'd)

3.4 ***Financial assets (cont'd)***

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has 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 way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the 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.

3.5 ***Impairment of financial assets***

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

3. Summary of significant accounting policies (cont'd)

3.5 ***Impairment of financial assets (cont'd)***

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3.6 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.7 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.8 ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities not at fair value through profit or loss, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. Summary of significant accounting policies (cont'd)

3.9 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised in profit or loss.

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3. Summary of significant accounting policies (cont'd)

3.10 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) 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).

4. Significant accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

4.1 *Key sources of estimation uncertainty*

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.

Impairment of loans and receivables

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 12.

4.2 *Judgments made in applying accounting policies*

There are no significant judgments made by management on the application of accounting policies of the Company that have a significant effect on the financial statements.

5. Loss from operations

The following item has been included in arriving at loss from operations:

	2012
	$
Legal and professional fee	732,724

6. Income tax expense

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the period ended 30 June 2012 is as follows:

	2012
	$
Loss before tax	(743,233)
Tax at statutory tax rate of 17%	(126,350)
Expenses not deductible for tax purposes	126,350
	–

7. Loan to a related party and loan payable

On 29 October 2011, the shareholders of the Company entered into a conditional sale and purchase agreement (the "S&P Agreement") with Hartawan Holdings Limited ("Hartawan"), a company incorporated in Singapore and listed on the Catalist Board, to sell their 100% stake in the Company to Hartawan (the "Proposed Acquisition"). Pursuant to a restructuring exercise that will be undertaken for the Proposed Acquisition, the Company will acquire P.T. Wilton Investment ("PT WI"), P.T. Wilton Wahana Indonesia ("PT WWI") and P.T. Liektucha Ciemas ("PT LTC"). PT WWI and PT LTC own two concessionary blocks in West Java, Indonesia (the "Concessionary Blocks").

Concurrent to the signing of the S&P Agreement, the Company had also entered into a convertible loan agreement with Hartawan, whereby Hartawan has extended a convertible loan of $12 million ("Convertible Loan") to the Company, which will be drawn down in two tranches of $6 million each. The Company will in turn extend the convertible loan to a related party, P.T. Wilton Wahana Indonesia ("PT WWI"), an Indonesia incorporated Company which is 97% owned by Wijaya Lawrence.

The convertible loan is to facilitate and to enhance, among other uses, the building of infrastructure for the extraction of gold ore and mining operations, and a floatation plant for the processing and production of gold at the Concession Blocks.

As at the end of the reporting period, the first tranche of $6 million ("Tranche 1 Loan Amount") had been drawn down by the Company. $5 million of the drawn down amount has been extended to PT WWI and the amount remained outstanding as at the end of the reporting period. The second tranche of $6 million ("Tranche 2 Loan Amount") was drawn down by the Company subsequent to the end of the reporting period. The loan from Hartawan and loan to PT WWI are non-interest bearing and are denominated in SGD.

The loan is secured by way of a personal guarantee by Mr Wijaya Lawrence. In accordance with the Convertible Loan Agreement, the loan from Hartawan is repayable on demand and Hartawan may at any time and from time to time during the Conversion Period (as defined below), convert the whole of the outstanding Convertible Loan into the corresponding number of Conversion Shares. The loan to WWI is repayable 30 days from the Company's written notice to WWI and is expected to be settled in cash within 12 months from the end of the reporting period.

7. Loan to a related party and loan payable (cont'd)

"Conversion Shares" means (1) upon conversion of the Tranche 1 Loan Amount, such number of new shares, representing 5% of the enlarged share capital of the Company immediately after the conversion of the Tranche 1 Loan Amount, and (2) upon conversion of the Tranche 2 Loan Amount, such number of new shares, representing 5% of the enlarged share capital of the Company immediately after the conversion of the Tranche 2 Loan Amount, to be issued and credited as fully paid up upon conversion.

"Conversion Period" means in relation to the Tranche 1 Loan Amount, the period commencing on the tranche 1 drawdown date and expiring on the date Hartawan elects to require the Company to repay the Convertible Loan, and in relation to the Tranche 2 Loan Amount, the period commencing on the tranche 2 drawdown date and expiring on the date Hartawan elects to require the Company to repay the Convertible Loan.

8. Cash and cash equivalents

	2012
	$
Cash and bank balances, denominated in SGD	596,415

9. Other payables and accruals

	2012
	$
Other payables	185,753
Accruals	152,895
	338,648

Other payables and accruals

Included in other payable and accruals is an amount of $332,148 which is denominated in United States dollar.

Other payables and accruals are non-interest bearing and other payables have an average term of 14 days.

10. Share capital

	30.6.2012	
	No. of share	**$**
Issued and fully paid:		
1,000 ordinary shares with no par value	1,000	1,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11. Related party transactions

(a) *Related party transactions*

In addition to the related party information disclosed elsewhere in the financial statements, there are no significant transactions between the Company and the related parties took place at terms agreed between the parties during the financial year.

(b) *Key management personnel*

Key management personnel of the Company comprise the Directors of the Company. The Directors received no remuneration from the Company for the period ended 30 June 2012.

12. Fair values of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Determination of fair value

Loan to a related party (Note 7), cash and cash equivalents (Note 8), other payables and accruals (Note 9) and loan payable (Note 7)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

Wilton Resources Holdings Pte. Ltd.

Notes to the Financial Statements – 30 June 2012

12. Fair value of financial instruments (cont'd)

Classification of financial instruments

	2012 Loans and receivables
	$
Financial assets	
Loan to a related party	5,000,000
Cash and cash equivalents	596,415
Total loans and receivables	5,596,415

	Liabilities at amortised cost
	$
Financial liabilities	
Other payables and accruals	338,648
Loan payable	6,000,000
Total financial liabilities at amortised cost	6,338,648

13. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its use of financial instruments. The key financial risks are credit risk and liquidity risk. The management reviews and agrees policies and procedures for the management of these risks, which are executed by the directors. It is, and has been throughout the current financial period the Company's policy that no derivatives shall be undertaken.

The following section provide details regarding the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of liquidity risk.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and debt monitoring procedures.

The extent of the Company's credit exposure is represented by the aggregate carrying amount of loan to a related party and cash and cash equivalents.

Credit risk concentration profile

At the end of the reporting period, the Company has a significant concentration of credit risk in the form of outstanding balance due from a related party.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

13. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Company monitor and maintain a level of cash and cash equivalents, deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

	Within 1 year
	$
2012	
Financial assets:	
Loan to a related party	5,000,000
Cash and cash equivalents	596,415
Total undiscounted financial assets	5,596,415
Financial liabilities:	
Other payables and accruals	(338,648)
Loan payable	(6,000,000)
Total undiscounted financial liabilities	(6,338,648)
Total net undiscounted financial liabilities	(742,233)

Wilton Resources Holdings Pte. Ltd.

Notes to the Financial Statements – 30 June 2012

14. Capital management

The Company was incorporated with the intended principal activity of investment holding. The capital of the Company is currently managed together with other companies owned by the shareholders and treated as a Group pending the completion of the Proposed Restructuring.

15. Comparatives

The financial statements cover the financial period from 21 October 2011 (date of incorporation) to 30 June 2012. As this is the Company's first set of financial statements, there are no comparative figures.

16. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2012 were authorised for issue in accordance with a resolution of the directors on 14 January 2013.

PT Wilton Wahana Indonesia and Subsidiary

Consolidated financial statements
with independent auditors' report
years ended June 30, 2012, 2011 and 2010

PT WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
YEARS ENDED JUNE 30, 2012, 2011 AND 2010

Table of Contents

****

Independent Auditors' Report

Report No. PRC-3247/PSS/2013

The Stockholders, Commissioner and Director
PT Wilton Wahana Indonesia

We have audited the accompanying consolidated statements of financial position of PT Wilton Wahana Indonesia ("the Company") and Subsidiary as of June 30, 2012, 2011 and 2010, and the related consolidated statements of comprehensive income, changes in equity (capital deficiency) and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PT Wilton Wahana Indonesia and Subsidiary as of June 30, 2012, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

The consolidated financial statements of P.T. Wilton Wahana Indonesia and Subsidiary have been prepared for use by the Company for inclusion in the unaudited pro forma consolidated financial information of Hartawan Holdings Limited, a prospective shareholder of the Company and Wilton Resources Holdings Pte. Ltd., a prospective holding company of the Company. The consolidated financial statements are not prepared for use for other purpose and may not be appropriate for such use.

Purwantono, Suherman & Surja

Feniwati Chendana, CPA
Public Accountant Registration No. AP.0694

December 6, 2012

PT WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2012, 2011 and 2010
(Expressed in rupiah)

	Notes	2012	2011	2010
ASSETS				
CURRENT ASSETS				
Cash in banks	4	9,424,734,712	-	-
Advances to a related party	10	398,666,106	290,000,000	290,000,000
Due from a related party	10	25,384,992,954	-	-
Inventories	2e1,5	-	-	24,210,000
Prepaid tax	11	698,166	687,443	-
Total Current Assets		**35,209,091,938**	**290,687,443**	**314,210,000**
NON-CURRENT ASSETS				
Exploration and evaluation assets	2e3,6	439,690,899	-	-
Mine properties	2e4,7	109,922,724	-	-
Property and equipment	2e2,8	291,775,708	-	-
Deferred tax asset	2e17,11	321,641,088	-	-
Total Non-current Assets		**1,163,030,419**	**-**	**-**
TOTAL ASSETS		**36,372,122,357**	**290,687,443**	**314,210,000**
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accrued expenses	9	28,444,659	-	-
Due to a related party	10	37,076,200,000	66,916,308	50,671,403
Taxes payable	2e17	8,518,024	191,361	1,804,428
Total Current Liabilities		**37,113,162,683**	**67,107,669**	**52,475,831**
EQUITY/(CAPITAL DEFICIENCY)				
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	12	300,000,000	300,000,000	300,000,000
Deficit		(1,055,540,326)	(90,920,226)	(52,765,831)
Net Equity/(Capital Deficiency) Attributable to Owners of the Company		**(755,540,326)**	**209,079,774**	**247,234,169**
Non-controlling Interests		14,500,000	14,500,000	14,500,000
NET EQUITY/(CAPITAL DEFICIENCY)		**(741,040,326)**	**223,579,774**	**261,734,169**
TOTAL LIABILITIES AND EQUITY		**36,372,122,357**	**290,687,443**	**314,210,000**

The accompanying notes form an integral part of these consolidated financial statements.

PT WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended June 30, 2012, 2011 and 2010
(Expressed in rupiah)

	Notes	2012	2011	2010
SALES	2e15	-	160,712,929	173,692,500
COST OF SALES	2e16,5	-	(128,230,000)	(96,410,645)
GROSS PROFIT		-	32,482,929	77,281,855
Other operating income		-	2,098,676	-
Administrative expenses	2e16			
Office supplies		(90,009,400)	(1,199,000)	(4,712,993)
Personnel		(82,950,000)	(71,537,000)	(59,133,500)
Depreciation		(37,370,042)	-	-
Utilities		(24,270, 833)	-	-
Communication		(21,037,450)	-	-
Operating expenses	2e16	(41,581,945)	-	-
Other operating expenses	2e16			
Loss on foreign exchange, net	2e13	(987,130,770)	-	-
Others		(3,599,521)	-	-
OPERATING PROFIT/(LOSS)		**(1,287,949,961)**	**(38,154,395)**	**13,435,362**
Finance income	2e14	1,688,773	-	-
PROFIT/(LOSS) BEFORE INCOME TAX		**(1,286,261,188)**	**(38,154,395)**	**13,435,362**
INCOME TAX BENEFIT (EXPENSE)	2e17,11			
Current		-	-	(3,445,106)
Deferred		321,641,088	-	-
PROFIT/(LOSS) FOR THE YEAR		**(964,620,100)**	**(38,154,395)**	**9,990,256**
OTHER COMPREHENSIVE INCOME		**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(964,620,100)**	**(38,154,395)**	**9,990,256**
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company		(964,620,100)	(38,154,395)	10,240,256
Non-controlling interests		-	-	(250,000)
Total		**(964,620,100)**	**(38,154,395)**	**9,990,256**

The accompanying notes form an integral part of these consolidated financial statements.

PT WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
Years ended June 30, 2012, 2011 and 2010
(Expressed in rupiah)

	Equity (capital deficiency) attributable to owners of the Company				
	Share Capital - Issued and Fully Paid	**Deficit**	**Sub-total**	**Non- controlling Interests**	**Net Equity/ (Capital Deficiency)**
Balance as of July 1, 2009	**300,000,000**	**(63,006,087)**	**236,993,913**	**14,750,000**	**251,743,913**
Profit for the year	-	10,240,256	10,240,256	(250,000)	9,990,256
Balance as of June 30, 2010	**300,000,000**	**(52,765,831)**	**247,234,169**	**14,500,000**	**261,734,169**
Loss for the year	-	(38,154,395)	(38,154,395)	-	(38,154,395)
Balance as of June 30, 2011	**300,000,000**	**(90,920,226)**	**209,079,774**	**14,500,000**	**223,579,774**
Loss for the year	-	(964,620,100)	(964,620,100)	-	(964,620,100)
Balance as of June 30, 2012	**300,000,000**	**(1,055,540,326)**	**(755,540,326)**	**14,500,000**	**(741,040,326)**

The accompanying notes form an integral part of these consolidated financial statements.

PT WILTON WAHANA INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2012, 2011 and 2010
(Expressed in rupiah)

	Notes	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before income tax		(1,286,261,188)	(38,154,395)	13,435,362
Adjustments to reconcile profit/(loss) before income tax to net cash provided by operating activities:				
Unrealise loss on foreign exchange due to restatement of due to a related party		1,868,850,000	-	-
Depreciation	8	37,370,042	-	-
Changes in operating assets and liabilities:				
Advances to a related party		(108,666,106)	-	5,000,000
Inventories		-	24,210,000	(12,072,500)
Prepaid tax		(10,723)	(687,443)	-
Trade payable		-	-	(27,100,000)
Accrued expenses		28,444,659	-	-
Due to a related party		(66,916,308)	16,244,905	24,082,859
Taxes payable		8,326,663	(1,613,067)	(3,345,721)
Net Cash Provided by Operating Activities		**481,137,039**	**-**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES				
Due from a related party	10	(25,384,992,954)	-	-
Investment in exploration and evaluation assets	6	(549,613,623)	-	-
Acquisitions of property and equipment	8	(329,145,750)	-	-
Net Cash Used in Investing Activities		**(26,263,752,327)**	**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITY				
Proceeds from due to a related party		35,207,350,000	-	-
NET INCREASE IN CASH IN BANKS		**9,424,734,712**	**-**	**-**
CASH IN BANKS AT BEGINNING OF YEAR		**-**	**-**	**-**
CASH IN BANKS AT END OF YEAR	4	**9,424,734,712**	**-**	**-**

The accompanying notes form an integral part of these consolidated financial statements.

PT WILTON WAHANA INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years ended June 30, 2012, 2011 and 2010
(Expressed in rupiah, unless otherwise stated)

1. GENERAL

a. Company's Establishment

PT Wilton Wahana Indonesia ("the Company") was established in the Republic of Indonesia on June 21, 2000 based on the notarial deed No. 10 of Tjoek Ratriawan, S.H. The deed of establishment was published in State Gazette No. 32 dated April 20, 2010 and approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. C-23622 HT.01.01.Year 2000 dated November 3, 2000.

The Company's Articles of Association has been amended from time to time. The latest amendment was covered by notarial deed No. 59 dated February 29, 2008 of H. Feby Rubein Hidayat, S.H. This latest amendment was reported and noted by the Ministry of Law and Human Rights in its decision letter No. AHU-26282.AH.01.02.Year 2008 dated May 19, 2008.

The Company engaged in the commercial operations of its trading business of lighting products from 2008 until the end of 2010, and thereafter it has been involved in the gold mining business.

According to Article 3 of the Company's latest Articles of Association, the Company's scope of activities covers general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, mining, electricity, mechanical, workshop, computer, printing and services.

Its 95% owned subsidiary, PT Liektucha Ciemas ("LC"), was established in the Republic of Indonesia on April 20, 1996 based on the notarial deed No. 8 of Loes Rattu, S.H. The deed of establishment was published in State Gazette No. 36 dated May 6, 1997 and approved by the Ministry of Justice of the Republic of Indonesia in its decision letter No. C2-10.336.HT.01.01 Year 1996.

According to Article 3 of the Subsidiary's Articles of Association, the Subsidiary's scope of activities covers mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services. As of June 30, 2012, the Subsidiary is still a dormant company. The address of the Subsidiary's registered office is the same as the Company's address.

The Company and LC are collectively referred hereafter as "the Group". The Group has no ultimate parent company. Mr. Wijaya Lawrence is the controlling shareholder of the Group.

The address of the Group's registered office is at *Komplek Harco Mangga Dua* (*Agung Sedayu*), Block C No. 5, *Jalan Mangga Dua Raya*, Jakarta 10730, Indonesia.

As of June 30, 2012, the Company's Commissioner and Director are as follows:

Commissioner	Director
Dulhalim Lemena	Wijaya Lawrence

b. Areas of Interest and Mining Business Licenses

The Group's gold mines are located in Sukabumi Regency, West Java Province, Indonesia, namely the Ciemas Gold Project, which consists of the following gold exploitation concessions:

Concession Block 1 held by the Company:

- Covering 2,878.5 hectares of areas of interest located at Mekarjaya Village, Ciemas Village, Cihaur Village, Simpenan Subdistrict and Ciemas Subdistrict
- Covered by Operation Production License (IUP - OP/ "Ijin Usaha Pertambangan - Operasi Produksi") No. 503.8/7797-BPPT/2011 for 20 years until September 7, 2030.

1. GENERAL (continued)

b. Areas of Interest and Mining Business Licenses (continued)

Concession Block 2 held by the Subsidiary:

- Covering 200 hectares of areas of interest located at Pasir Manggu Block, Mekarjaya Village, Ciemas Subdistrict
- Covered by IUP - OP No. 503.8/3106-BPPT/2012 for 20 years until January 4, 2028.

As of June 30, 2012, Mr. Wijaya Lawrence, the Company's shareholder and director, owns 40 hectares of the partial of Concession Blocks' land based on land purchase agreements and the related land certificates were still in the process as of December 6, 2012. For the remaining Concession Blocks' land areas which are classified as protected forestry areas, if required, the Company plan to apply for Borrow and Use Permits (IPPKH/ "Ijin Pinjam Pakai Kawasan Hutan") from the Ministry of Forestry to lease the forest land in the near future to more comprehensively explore and operate the Ciemas Gold Project.

The Company acts as the operator for both Concession Blocks, based on the Decision Letter No. 540/1357-Distamben dated May 15, 2012 of the Regent of Sukabumi. The approval for the joint operation in the gold mining activities was granted with the following conditions:
- The joint operation shall be conducted in accordance with prevailing regulations
- The rights and obligations as stated in the Mining Business License shall be performed
- The joint operating agreement should be set up in accordance with the required scope that will bind both parties, and should be reported.

As of December 6, 2012, the joint operating agreement between the Company and Subsidiary has not been prepared.

The Group determines and reports its gold ore reserves and resources under Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and under the United Nations Framework Classification for Solid Fuels and Mineral Commodities ("UNFC Code or the Chinese Reserves System") which is comparable to the JORC Code. In order to estimate gold ore reserves and resources, assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, production costs, transport costs, commodity demand, commodity prices and exchange rates.

The gold ore reserves of the Group based on the report dated June 2012 of Independent Technical Review of Ciemas Gold Project prepared by SRK Consulting (Hong Kong) Ltd were as follows (in thousands of ounce of ore):

Location	Proven Reserve (Unaudited)	Probable Reserve (Unaudited)	Total (unaudited)
JORC Code:			
Pasir Manggu (West)	21	105.4	126.4
UNFC Code:			
Cikadu	-	172.2	172.2
Cibatu and Sekolah	-	178.3	178.3
Total	**21**	**455.9**	**476.9**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied consistently in the preparation of the consolidated financial statements are as follows:

a. Basis of Consolidated Financial Statements

The consolidated financial statements have been prepared using the historical cost basis of accounting, except for inventories which are stated at the lower of cost or net realisable value.

The consolidated statements of cash flows classify cash receipts and payments into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

b. Principles of Consolidation

The consolidated financial statements are presented in Indonesian rupiah, which is the Company's functional and reporting currency.

The consolidated financial statements of the Company and Subsidiary for the year ended June 30, 2012, 2011 and 2010 were authorised for issue by the Company's Director on December 6, 2012.

The consolidated financial statements include the Company's accounts and those of its Subsidiary.

In accordance with IAS 27 (Revised 2008), the Company prepares and presents the consolidated financial statements for a group of entities under its control.

Control is presumed to exist when the parent owns, directly or indirectly through another subsidiary, more than half of the voting power of an entity. Control also exists when the parent owns half or less of the voting power of an entity when there is:

a) power over more than half of the voting rights by virtue of an agreement with other investors;
b) power to govern the financial and operating policies of the entity under a statute or an agreement;
c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The financial statements of the Subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances are eliminated in full.

Total comprehensive income within the Subsidiary is attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Non-controlling interests in the Subsidiary represent the minority shareholders' proportionate share in the equity (including net income) of the subsidiary which is not wholly-owned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared for use by the Company for inclusion in the unaudited pro forma consolidated financial information of Hartawan Holdings Limited, a prospective shareholder of the Company and Wilton Resources Holdings Pte. Ltd., a prospective holding company of the Company. The significant accounting policies were applied consistently in the preparation of the consolidated financial statements for the years ended June 30, 2012, 2011 and 2010.

d. New and Amended Standards and Interpretations

The accounting policies adopted for the year ended June 30, 2012 are consistent with those of the previous financial years, except for the following new and amended standards applicable for financial statements beginning on or after January 1, 2011:

- IAS 24 *Related Party Disclosures* (as revised in 2009) effective January 1, 2011
- IAS 32 *Financial Instruments: Presentation* (amendment) effective February 1, 2010
- Improvements to IFRSs (May 2010)

The new and amended standards are described below:

IAS 24 *Related Party Disclosures* (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The Group has evaluated the relationship between related parties and disclosed it according to the revised standard.

IAS 32 *Financial Instruments: Presentation* (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group because the Group does not have these types of instruments.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.

- **IFRS 3 *Business Combinations***: The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute present ownership interests that entitle their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition-date fair value. This amendment has had no effect on the financial position or performance of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. New and Amended Standards and Interpretations (continued)

Improvements to IFRSs (continued)

- **IFRS 7 *Financial Instruments - Disclosures***: The amendment provides additional exemption on IFRS transition in relation to IFRS 7 *Financial Instruments: Disclosures*, to avoid the potential use of hindsight and to ensure that first-time adopters are not disadvantaged as compared with current IFRS preparers.

- **IAS 1 *Presentation of Financial Statements*:** The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard is not applicable to the Group as it does not have items of other comprehensive income.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 3 *Business Combinations* (Contingent consideration arising from business combination prior to adoption of IFRS 3 as revised in 2008)
- IFRS 3 *Business Combinations* (Un-replaced and voluntarily replaced share-based payment awards)
- IAS 27 *Consolidated and Separate Financial Statements*
- IAS 34 *Interim Financial Statements*

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. These standards are reasonably expected to be applicable at a future date. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

IAS 1 *Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (OCI)*
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendment affects presentation only and early adoption of this amendment is not expected to have significant impact to the Group as it does not have any item of OCI.

IAS 12 *Income Taxes - Recovery of Underlying Assets*
The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after January 1, 2012. This amendment is not expected to have an impact on the Group after initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. New and Amended Standards and Interpretations (continued)

***Standards issued but not yet effective* (continued)**

IAS 19 *Employee Benefits* (Amendment)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendments require the recognition of changes in defined benefit obligation and in fair value of plan assets when they occur, and hence eliminate the "corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service cost. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension assets or liability recognised in the consolidated statements of financial position to reflect the full value of the plan deficit or surplus. The amendment becomes effective for annual periods beginning on or after January 1, 2013. This amendment is not expected to have an impact on the Group after initial application. As of June 30, 2012, the Group has not recognised unfunded employee benefit obligations under Labor Law No. 13/ 2003 dated March 25, 2003 since the Group has only 3 employees.

IAS 27 *Separate Financial Statements* (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, joint arrangements, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The Group does not present separate financial statements.

IAS 28 *Investments in Associates and Joint Ventures* (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment will have no impact on the Group. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

IAS 32 *Financial Instruments* (Amended)
This amendment clarifies certain aspects because of the diversity in the application of the requirements on offsetting, focused on four main areas:
- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

The amendment becomes effective for annual periods beginning on or after January 1, 2014. The Group has not yet performed a detailed analysis of the impact of the application of the amendment and hence has not yet quantified the extent of the impact.

IFRS 7 *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements*
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011. Early adoption of this amendment will not have significant impact to the Group as it does not have transactions involving transfer of financial assets that are not derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. New and Amended Standards and Interpretations (continued)

***Standards issued but not yet effective* (continued)**

IFRS 9 *Financial Instruments: Classification and Measurement*
IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but *Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, moved the mandatory effective date to January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The Group has not yet performed a detailed analysis of the impact of the application of the new standard and hence has not yet quantified the extent of the impact.

IFRS 10 *Consolidated Financial Statements*
IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues covered in SIC-12 *Consolidation - Special Purpose Entities*. IFRS 10 establishes a single control model that applies to all entities including structured entities (previously referred to as special purpose entities). The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after January 1, 2013. The Group has not yet performed a detailed analysis of the impact of the application of the new standard and hence has not yet quantified the extent of the impact.

IFRS 11 *Joint Arrangements*
IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2013. The Group has not yet performed a detailed analysis of the impact of the application of the new standard and hence has not yet quantified the extent of the impact.

IFRS 12 *Disclosure of Interests in Other Entities*
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but will have no impact on the Group's financial position or performance. This standard becomes effective for annual periods beginning on or after January 1, 2013.

IFRS 13 *Fair Value Measurement*
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosure about fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard becomes effective for annual periods beginning on or after January 1, 2013. The Group has not yet performed a detailed analysis of the impact of the application of the new standard and hence has not yet quantified the extent of the impact.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. New and Amended Standards and Interpretations (continued)

Standards issued but not yet effective (continued)

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*
IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual reporting periods beginning on or after January 1, 2013. The interpretation is not expected to have an impact on the Group as it uses an underground mine method.

e. Significant Accounting Policies and Practices

e1. Inventories

The inventories are stated at the lower of cost or net realisable value. Cost is determined using the first-in, first out method. The Group provides allowance for inventory obsolescence and/or write-down in values of inventories based on a periodic review of the physical condition and net realisable values of the inventories.

e2. Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and impairment in value, if any. The initial cost of property and equipment comprises their purchase price and any directly attributable costs of bringing the property and equipment to their working condition and location for their intended use.

Major repairs are capitalised as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance costs are charged to profit or loss as incurred.

Depreciation of property and equipment commences when the assets are available for their intended use and is computed using the straight-line method based on their estimated useful lives as follows:

Office equipment : 4 and 8 years

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the pattern of economic benefits expected from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited or charged to profit or loss.

e3. Mineral exploration, evaluation and development expenditures

Exploration and evaluation activities involve the search for mineral, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such activities include:
(i) gathering exploration data through topographical, geochemical and geophysical studies;
(ii) exploratory drilling, trenching and sampling;
(iii) determining and examining the volume and grade of the resource; and
(iv) surveying transportation and infrastructure requirements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Significant Accounting Policies and Practices (continued)

e3. Mineral exploration, evaluation and development expenditures (continued)

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised from the commencement of commercial production.

Exploration and evaluation costs (including amortisation of capitalised license costs) are capitalised as incurred, except in the following circumstances:
(i) before the legal rights to explore a specific area are obtained;
(ii) after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable or proven reserves are discovered.

Capitalised exploration and evaluation costs are recorded under “Exploration and Evaluation Assets” and are subsequently measured at cost less any allowance for impairment. Such assets are not depreciated as they are not available for use but monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. To the extent that exploration and evaluation costs are not expected to be recovered, these are charged to profit or loss.

Cash flows associated with capitalised exploration and evaluation costs are classified as investing activities in the consolidated statements of cash flows, while cash flows in respect of exploration and evaluation costs that are expensed are classified as operating cash flows.

When proven reserves are determined, exploration and evaluation assets are reclassified to “Mines under development” within “Mining properties”. All development costs relating to construction of infrastructure required to operate the mine are capitalised and classified as “Mines under development”. Development costs are net of proceeds from the sale of mineral extracted during the development phase. Once development is completed, all assets included in “Mines under development” are reclassified as “Production mines” under mining properties or other component of property, plant and equipment. Items of assets of producing mine are stated at cost, less accumulated amortisation and accumulated impairment losses.

Mining properties include assets in production and in development, and assets transferred from exploration and evaluation assets. Mining properties in development are not amortised until production commences.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

The accumulated costs of producing mines are amortised on the unit-of-production basis over the economically recoverable reserves of the mine concerned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Significant Accounting Policies and Practices (continued)

e3. Mineral exploration, evaluation and development expenditures (continued)

Pre-license costs are expensed in the period in which they are incurred. Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the director concludes that future economic benefits are more likely than not to be realised. These expenditures include acquisition and renewal of rights to explore; technical feasibility, processing and mining study; environmental impact assessment, management and monitoring; drilling, explosives permitting and other exploration costs paid to contractors and consultants.

e4. Mine properties

Upon transfer of “Exploration and evaluation assets” into “Mines under construction” in “Mine properties”, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalised in “Mines under construction”. Development expenditure is net of proceeds from the sale of ore extracted during the development phase. The “Mines under construction” is not amortised until it is completed and the production stage is commenced, and the assets are transferred into “Producing mines” in “Mine properties”.

e5. Impairment of non-financial assets

The Group assesses periodically whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of such asset’s 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 from those of other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows 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 determining the fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses of continuing operations are recognised in the profit or loss.

For assets, an assessment is made periodically as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Significant Accounting Policies and Practices (continued)

e6. Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines its classification of their financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets which are recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

As of June 30, 2012, 2011 and 2010, the Group's financial assets include cash in banks, due from a related party and advances to a shareholder, both of which belong under the loans and receivables category.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at Amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

e7. Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

As of June 30, 2012, 2011 and 2010, the Group's financial liabilities include trade payable, accrued expenses, and due to a related party. The Group determined that these financial liabilities belong to the loans and borrowings category.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at Amortised cost using the EIR method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Significant Accounting Policies and Practices (continued)

e7. Financial liabilities (continued)

Subsequent measurement (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the profit or loss.

e8. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

e9. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Credit risk adjustment

The Company adjusts the price in the more advantageous market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risk associated with the instrument is taken into account.

e10. Amortised cost of financial instruments

Amortised cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

e11. Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Significant Accounting Policies and Practices (continued)

e11. Impairment of financial assets (continued)

For loans and receivables carried at Amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realise or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the profit or loss.

e12. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: (1) the rights to receive cash flows from the asset have expired; or (2) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Significant Accounting Policies and Practices (continued)

e13. Foreign currency translation

The consolidated financial statements are presented in rupiah which is the Company's functional currency and the Group's presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange prevailing at the end of the reporting period. All differences are taken to the statements of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. As of June 30, 2012, the rates of exchange used were Rp9,480 to US$1 and Rp7,415.24 to Sin$1.

e14. Finance income

Finance income is recognised as it accrues on a time proportion basis taking into account the principal amount outstanding and the effective interest rate. The majority of finance income represents interest earned from cash in banks.

e15. Revenue recognition

In 2011 and 2010, the Company's revenues from its lighting product trading business are recognised based on Cash on Delivery (COD) basis.

e16. Expenses

Expenses are recognised when incurred.

e17. Income tax

Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is provided using the balance sheet liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carryforward of unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax losses can be utilised except: (1) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and (2) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Significant Accounting Policies and Practices (continued)

e17. Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

e18. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of provisions to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of comprehensive income net of any reimbursement.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in comformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

a. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- *Determination of functional currency*

  The functional currencies of the entities under the Company are the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the revenue and cost of rendering services.

- *Impairment of non-financial assets*

  An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the assets. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

- *Exploration and evaluation expenditure*

  The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

- *Production start date*

  The Group assesses the stage of each mine under construction to determine when a mine moves into the production phase. This being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location.

  The Group considers various relevant criteria to assess when the production phases is considered to have commenced. At this point, all related amounts are reclassified from "Mines under construction" to "Producing mines" and "Property and equipment". Some of the criteria used to identify the production start date include, but are not limited to:

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

a. Judgments (continued)

(i) Level of capital expenditure incurred compared to the original construction cost estimate
(ii) Completion of a reasonable period of testing of the mine plant and equipment
(iii) Ability to produce metal in saleable form (within specifications)
(iv) Ability to sustain ongoing production of metal

When a mine development / construction project moves into the production phase, the capitalisation of certain mine development / construction costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation/ amortisation commences.

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:

- *Ore reserve and mineral resource estimates*

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property and equipment, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

- *Determination of fair values of financial assets and financial liabilities*

Where the fair value of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(Expressed in rupiah, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and Assumptions (continued)

- *Estimating useful lives of property and equipment*

  The costs of property and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property and equipment to be 4 and 8 years. These are common life expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

- *Recovery of deferred tax assets*

  The Group reviews the carrying amounts of deferred tax assets at the end of each reporting date and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilised. The Group's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that sufficient taxable income will be generated to allow all or part of deferred income tax assets to be utilised.

- *Uncertain tax exposure*

  In certain circumstances, the Group may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognised in respect of an uncertain tax liability, the Group applies similar considerations as it would use in determining the amount of a provision to be recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.* The Group makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognised tax benefit should be recognised.

4. CASH IN BANKS

This account consists of the following:

	2012	2011	2010
Cash in banks			
Singapore Dollar	9,247,053,729	-	-
Australia Dollar	8,978,869	-	-
US Dollar	9,091,320	-	-
Chinese Yuan Dollar	10,166,632	-	-
Rupiah	149,444,162	-	-
Total	**9,424,734,712**	**-**	**-**

Cash in banks includes bank account in rupiah currency which earns interest at floating rates based on daily bank deposit rates.

(Expressed in rupiah, unless otherwise stated)

5. INVENTORIES

As of June 30, 2010, inventories amounting to Rp24,210,000 consisted of lighting products. These were all subsequently sold in 2011 which formed part of the cost of sales totaling Rp128,230,000 in 2011.

6. EXPLORATION AND EVALUATION ASSETS

The movements of this account are as follows:

	2012	2011	2010
Beginning balance	-	-	-
Additions	549,613,623	-	-
Transfer to Mine Properties - Mines under Construction	(109,922,724)	-	-
Ending balance	**439,690,899**	**-**	**-**

As of June 30, 2012, a part of the exploration and evaluation expenditures of Pasir Manggu (West) which was allocated proportionally to each area of interest in the Ciemas Gold Project based on the Company's gold reserves, was transferred to "Mine Properties - Mines under Construction" since the area of interest is already in the development stage.

Based on management's assessment on the Ciemas Gold Project's areas of interest, the Group's management believes that there were no impairment indicators for the exploration and evaluation assets that exist as of June 30, 2012.

7. MINE PROPERTIES

The movements of this account are as follows:

	2012	2011	2010
Mines under Construction:			
Beginning balance	-	-	-
Transfer from Exploration and Evaluation Assets (Note 6)	109,922,724	-	-
Transfer to Producing Mines	-	-	-
Ending balance	**109,922,724**	**-**	**-**

Based on management's assessment on the Ciemas Gold Project's areas of interest, especially at Pasir Manggu (West), the Group's management believes that there were no impairment indicators that exist for the mines under construction as of June 30, 2012.

The fair market value of the 100% interest of the Ciemas Gold Project as of June 30, 2012 amounted to US$335 million, which were prepared in accordance to the VALMIN code using the "Discounted Cash Flow" and other valuation methods, by independent professional valuers, Greater China Appraisal Ltd as stated in their report dated on August 3, 2012.

(Expressed in rupiah, unless otherwise stated)

8. PROPERTY AND EQUIPMENT

The movements in property and equipment (consisting of office equipment) account are as follows:

	2012	2011	2010
Cost			
Beginning balance	3,120,000	3,120,000	3,120,000
Additions	329,145,750	-	-
Ending balance	332,265,750	3,120,000	3,120,000
Accumulated depreciation			
Beginning balance	3,120,000	3,120,000	3,120,000
Depreciation	37,370,042	-	-
Ending balance	40,490,042	3,120,000	3,120,000
Net Book Value	**291,775,708**	**-**	**-**

Depreciation charged to the consolidated statement of comprehensive income amounted to Rp37,370,042 for the year ended June 30, 2012.

9. ACCRUED EXPENSES

This account consists of accruals for the following operating expenses:

	2012	2011	2010
Utilities	24,525,617	-	-
Internet	3,919,042	-	-
Total	**28,444,659**	**-**	**-**

10. RELATED PARTY TRANSACTIONS

Transactions with related parties are made based on terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the years ended June 30, 2012, 2011 and 2010, the Group has not recorded any impairment of receivables relating to amounts owed by a related party. This assessment is undertaken each financial year by examining the financial position of the related party.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial years:

	2012	2011	2010
Amounts owed by a related party			
Other related party	25,384,992,954	-	-
Key management personnel	398,666,106	290,000,000	290,000,000
Total	25,783,659,060	290,000,000	290,000,000
Amounts owed to a related party			
Other related party (Sin$5,000,000)	37,076,200,000	-	-
Key management personnel	-	66,916,308	50,671,403
Total	37,076,200,000	66,916,308	50,671,403

10. RELATED PARTY TRANSACTIONS (continued)

a. Key management personnel

Key management personnel represent Mr. Wijaya Lawrence. Most of the Group day-to-day activities are being handled by Mr. Wijaya Lawrence, the controlling shareholder. Disbursements related to the exploration and evaluation activities of the Group are recorded under “Advances to a Shareholder” and “Due from a related party” accounts in the consolidated statements of financial position since they were paid on behalf of the key management personnel. The Company and Subsidiary’s office building and a part of their gold exploitation concession blocks’ land covering 40 hectares are owned by the controlling shareholder without any lease charged to both companies, since no lease agreements have been prepared as of December 6, 2012.

b. Other related party

Amounts owed by a related party
Other related party represent close family member of Mr. Wijaya Lawrence. Disbursements related to the exploration and evaluation activities of the Group are recorded under “Due from related parties” accounts in the consolidated statements of financial position since they were paid on behalf of the key management personnel.

Amounts owed to a related party
On November 13, 2011, the Company entered into a non-interest bearing loan agreement with WRH for a loan facility up to an aggregate principal amount of Sin$6,000,000. The loan proceeds shall be used:

- for the preparation of a report that meets the JORC requirement and Catalist MOG Rules;
- to cover the cost of building the infrastructure for the extraction of gold ores and mining operations at Concession Block 2; and
- for general operating costs of operating the Concession Block (Note 1a).

The loan is repayable 30 business days from the date of the lender’s written notice to the Company for the repayment of the loan. As of June 30, 2012, the Company has drawn from the loan facility amounting to Sin$5,000,000 or an equivalent of Rp37,076,200,000.

The Company’s director receives remuneration from the Company for the years ended June 30, 2012, 2011 and 2010 amounting to Rp41,119,500, Rp33,628,500 and Rp26,718,000, respectively.

11. INCOME TAXES

a. Prepaid tax

As of June 30, 2012 and 2011, this account represents prepayments of income tax article 25 for corporate income tax for the fiscal year ended December 31, 2012 and 2011, respectively.

(Expressed in rupiah, unless otherwise stated)

11. INCOME TAXES (continued)

b. Income tax benefit (expense)

The reconciliation between the income tax benefit (expense) calculated by applying the applicable tax rate of 28% in 2009, 25% in 2010, 2011 and 2012 to the profit (loss) before income tax and the income tax benefit (expense) as shown in the consolidated statements of comprehensive income for the years ended June 30, 2012, 2011 and 2010 is as follows:

	2012	2011	2010
Profit (loss) before income tax	**(1,286,261,188)**	**(38,154,395)**	**13,435,362**
Income tax benefit (expense) at the applicable tax rate of 28% in 2009, 25% in 2010, 2011 and 2012	321,716,879	9,538,599	(3,445,106)
Tax effect on permanent differences			
Tax expense	346,402	-	-
Interest income already subjected to final tax	(422,193)	-	-
Unrecognised tax loss as deferred tax asset	-	(9,538,599)	-
Income tax benefit (expense) per consolidated statements of comprehensive income	**321,641,088**	**-**	**(3,445,106)**

The tax effects of significant temporary differences between financial and tax reporting of the Company are as follows:

	2012	2011	2010
Deferred tax asset			
Tax loss	**321,641,088**	**-**	**-**

Under Indonesian taxation laws, tax losses may be carried forward for a period of 5 (five) years. The Company and Subsidiary submit annual tax returns using the fiscal year (January - December) on the basis of self-assessment.

The Company has tax losses that are available for offset against future taxable profits of the Company. Deferred tax assets have been recognised in respect of these losses as management assessed that they may be used to offset taxable profits.

The Subsidiary has neither current tax expense nor taxable temporary differences due to its dormant condition.

12. SHARE CAPITAL

	2012	2011	2010
Authorised, issued and fully paid - 300 ordinary shares at Rp1,000,000 par value per share	300,000,000	300,000,000	300,000,000

The Company's shareholders and the details of their respective share ownerships as of June 30, 2012, 2011 and 2010 are as follows:

Shareholders	Number of Shares	Percentage of Ownership	Amount
Wijaya Lawrence	290	96.67%	290,000,000
Dulhalim Lemena	10	3.33%	10,000,000
Total	**300**	**100.00%**	**300,000,000**

(Expressed in rupiah, unless otherwise stated)

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value information

The following table sets out the carrying values, which also represent the estimated fair values, of the Group's financial instruments as of June 30, 2012, 2011 and 2010:

	2012	2011	2010
Financial assets			
Cash in banks	9,424,734,712	-	-
Due from a related party	25,384,992,954	-	-
Advances to a shareholder	398,666,106	290,000,000	290,000,000
	35,208,393,772	290,000,000	290,000,000
Financial liabilities			
Accrued expenses	28,444,659	-	-
Due to a related party	37,076,200,000	66,916,308	50,671,403
	37,104,644,659	66,916,308	50,671,403
Net financial assets (liabilities)	**(1,896,250,887)**	**223,083,692**	**239,328,597**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash in banks, advances to a shareholder, trade payable, accrued expenses and due to a related party approximate their carrying amounts largely due to the short-term maturities of these instruments.

14. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial liabilities comprise trade payable, accrued expenses and due to a related party. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The main risks arising from the Group's financial instruments are liquidity risk and foreign currency risk. The Director reviews and approves policies for managing each of these risks which are summarised below:

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from related parties. Access to sources of funding is sufficiently available.

In relation of the Company's financial condition as of June 30, 2012, the Company has been furnished a support letter from Mr. Wijaya Lawrence, a majority shareholder of the Company, dated December 6, 2012 which states that: he will not dispose his equity investments in the Company or to dissolve or liquidate the Company or to do any other actions which may materially affect the carrying value or classification of the assets and liabilities of the Company, and his commitment to provide the Company with continuous financial and operational supports to enable it to continue as a going concern and to meet its obligations, at least up to June 30, 2013.

(Expressed in rupiah, unless otherwise stated)

14. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of June 30, 2012.

	On demand	Less than 3 months	3 months to 1 year	Total
Financial liabilities				
Accrued expenses	-	28,444,659	-	28,444,659
Due to a related party	37,076,200,000	-	-	37,076,200,000
Total financial liabilities	**37,076,200,000**	**28,444,659**	-	**37,104,644,659**

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities (when cash in banks, trade payables and due to a related party are denominated in a different currency from the Group's functional currency).

15. EVENT AFTER THE REPORTING DATE

On October 1, 2012, the Company entered into a non-interest bearing Tranche 2 loan agreement with Wilton Resources Holdings Pte. Ltd., Singapore, up to an aggregate principal amount of Sin$6,000,000. The loan shall be used for to fund further costs of building the infrastructure and flotation plants for the processing and production of gold at Concession Block 2; and general operating costs of operating the Concession Block. The loan shall be repayable 30 business days from the date of the lender's written notice to the Company for the repayment of the loan. As of December 6, 2012, the Company has drawn from the loan facility amounting to Sin$5,000,000.

PT Wilton Investment

Financial statements with independent auditors' report
years ended June 30, 2012 and 2011

PT WILTON INVESTMENT
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
YEARS ENDED JUNE 30, 2012 AND 2011

Table of Contents

****

Independent Auditors' Report

Report No. RPC-3306/PSS/2013

The Stockholders, Commissioner and Director
PT Wilton Investment

We have audited the accompanying statements of financial position of PT Wilton Investment ("the Company") as of June 30, 2012 and 2011, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PT Wilton Investment as of June 30, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

The financial statements have been prepared for use by the Company for inclusion in the proforma consolidated financial statements of Hartawan Holdings Limited, Singapore, a prospective shareholder. The financial statements are not prepared for use for other purpose and may not be appropriate for such use.

Purwantono, Suherman & Surja

Feniwati Chendana, CPA
Public Accountant Registration No. AP.0694

December 6, 2012

PT WILTON INVESTMENT
STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011
(Expressed in rupiah, unless otherwise stated)

	Notes	2012	2011
ASSETS			
CURRENT ASSETS			
Cash in banks	4	53,121,719	-
Due from shareholders	5	8,531,110,974	8,584,000,000
TOTAL ASSETS		**8,584,232,693**	**8,584,000,000**
LIABILITY AND EQUITY			
LIABILITY			
CURRENT LIABILITY			
Tax payable	6	58,173	-
TOTAL LIABILITY		**58,173**	**-**
EQUITY			
Share capital	7	8,584,000,000	8,584,000,000
Retained earnings		174,520	-
TOTAL EQUITY		**8,584,174,520**	**8,584,000,000**
TOTAL LIABILITY AND EQUITY		**8,584,232,693**	**8,584,000,000**

The accompanying notes form an integral part of these financial statements.

PT WILTON INVESTMENT
STATEMENTS OF COMPREHENSIVE INCOME
Years Ended June 30, 2012 and 2011
(Expressed in rupiah, unless otherwise stated)

	Notes	2012	2011
OTHER INCOME (EXPENSES)			
Gain on foreign exchange, net	2d9	1,981,673	-
Bank charges	2d10	(1,748,980)	-
Other Income, net		**232,693**	**-**
PROFIT BEFORE INCOME TAX		**232,693**	**-**
INCOME TAX EXPENSE			
Current	2d11	(58,173)	-
PROFIT FOR THE YEAR		**174,520**	**-**
OTHER COMPREHENSIVE INCOME		**-**	**-**
TOTAL COMPREHENSIVE INCOME		**174,520**	**-**

The accompanying notes form an integral part of these financial statements.

PT WILTON INVESTMENT
STATEMENTS OF CHANGES IN EQUITY
Years Ended June 30, 2012 and 2011
(Expressed in rupiah, unless otherwise stated)

	Issued Share Capital	Retained Earnings	Total Equity
Balance as of June 30, 2011	**8,584,000,000**	**-**	**8,584,000,000**
Profit for the year	-	174,520	174,520
Balance as of June 30, 2012	**8,584,000,000**	**174,520**	**8,584,174,520**

The accompanying notes form an integral part of these financial statements.

PT WILTON INVESTMENT
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2012 and 2011
(Expressed in rupiah, unless otherwise stated)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	232,693	-
Adjustments to reconcile profit before income tax to net cash provided by operating activities:		
Due from shareholders	52,889,026	-
Net cash provided by operating activities	**53,121,719**	
NET INCREASE IN CASH IN BANKS	**53,121,719**	**-**
CASH IN BANKS AT BEGINNING OF YEAR	-	-
CASH IN BANKS AT END OF YEAR	**53,121,719**	**-**

The accompanying notes form an integral part of these financial statements.

1. GENERAL

Company's Establishment

PT Wilton Investment ("the Company") was established in the Republic of Indonesia on June 17, 2011 within the framework of the Indonesian Foreign Investment Law No. 25 of 2007 based on the notarial deed No. 23 of Musa Muamarta, S.H and approval from the Capital Investment Coordinating Board (BKPM) in its letter No. 01743/1/PPM/I/2011. The deed of establishment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-33035.AH.01.01.Tahun 2011 dated July 1, 2011.

The address of the Company's registered office is at Harco Mangga Dua Complex, Block C No. 5, Mangga Dua Raya, Central Jakarta.

According to Article 3 of the Company's Articles of Association, the Company's purpose and objective is gold mining business. As of June 30, 2012, the Company is still a dormant company.

The Company has no ultimate parent company. Mr. Wijaya Lawrence is the controlling shareholder of the Company.

As of June 30, 2012, the Company's Commissioner and Director are as follows:

Commissioner	Director
Mrs. Hui Kun Lauw	Mr. Wijaya Lawrence

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied consistently in the preparation of the financial statements are as follows:

a. Basis of Financial Statements

The financial statements have been prepared using the historical cost basis of accounting.

The statements of cash flows classify cash receipts and payments into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The financial statements are presented in Indonesian rupiah, which is the Company's functional and reporting currency.

The financial statements for the year ended June 30, 2012 and 2011 were authorized for issue by the Company's Director on December 6, 2012.

b. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared for use by the Company for inclusion in the proforma financial statements of Hartawan Holdings Limited, Singapore, a prospective shareholder. The significant accounting policies were applied consistently in the preparation of the financial statements for the years ended June 30, 2012 and 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Amended Standards and Interpretations

The accounting policies adopted for the year ended June 30, 2012 are consistent with those of the previous financial year, except for the following new and amended standards applicable for financial statements beginning on or after January 1, 2011:

- IAS 24 *Related Party Disclosures* (as revised in 2009) effective January 1, 2011
- IAS 32 *Financial Instruments: Presentation* (amendment) effective February 1, 2010
- Improvements to IFRSs (May 2010)

The new and amended standards are described below:

IAS 24 *Related Party Disclosures* (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The Company has evaluated the relationship between related parties and disclosed it according to the revised standard.

IAS 32 *Financial Instruments: Presentation* (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Company because the Company does not have these types of instruments.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Company.

- **IFRS 7 *Financial Instruments - Disclosures***: The amendment provides additional exemption on IFRS transition in relation to IFRS 7 *Financial Instruments: Disclosures*, to avoid the potential use of hindsight and to ensure that first-time adopters are not disadvantaged as compared with current IFRS preparers.

- **IAS 1 *Presentation of Financial Statements*:** The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard is not applicable to the Company as it does not have items of other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Amended Standards and Interpretations (continued)

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. These standards are reasonably expected to be applicable at a future date. The Company intends to adopt these standards and interpretations, if applicable, when they become effective. However, the Company has not yet performed a detailed analysis of the impact of the application of the amendments and hence has not yet quantified the extent of the impact since the Company is still a dormant company as of June 30, 2012.

IAS 1 *Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (OCI)*
The amendments to IAS 1 change the Companying of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment becomes effective for annual periods beginning on or after July 1, 2012.

IAS 12 *Income Taxes - Recovery of Underlying Assets*
The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after January 1, 2012.

IAS 19 *Employee Benefits* (Amendment)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendments require the recognition of changes in defined benefit obligation and in fair value of plan assets when they occur, and hence eliminate the "corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service cost. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension assets or liability recognized in the statements of financial position to reflect the full value of the plan deficit or surplus. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

IAS 32 *Financial Instruments* (Amended)
This amendment clarifies certain aspects because of the diversity in the application of the requirements on offsetting, focused on four main areas:
- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

The amendment becomes effective for annual periods beginning on or after January 1, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Amended Standards and Interpretations (continued)

IFRS 7 *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements*
The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011.

IFRS 9 *Financial Instruments: Classification and Measurement*
IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but *Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, moved the mandatory effective date to January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

IFRS 13 *Fair Value Measurement*
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosure about fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard becomes effective for annual periods beginning on or after January 1, 2013.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*
IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual reporting periods beginning on or after January 1, 2013.

d. Significant Accounting Policies and Practices

d1. Impairment of non-financial assets

The Company assesses periodically whether there is an indication that an asset may be impaired. If any such indication exists, the estimates the asset's recoverable amount. An asset's recoverable amount is the higher of such asset's 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 from those of other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows 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 determining the fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses of continuing operations are recognized in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d1. Impairment of non-financial assets (continued)

For assets, an assessment is made periodically as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

d2. Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines its classification of their financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets which are recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

The Company's financial assets include cash in banks and due from shareholders, both of which belong under the loans and receivables category.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

d3. Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d3. Financial liabilities (continued)

Initial recognition (continued)

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

As of June 30, 2012 and 2011, the Company has no financial liabilities belong to the loans and borrowings category.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in the profit or loss when the liabilities are derecognized, as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the profit or loss.

d4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

d5. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Credit risk adjustment

The Company adjusts the price in the more advantageous market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risk associated with the instrument is taken into account.

d6. Amortized cost of financial instruments

Amortized cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d7. Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognized in the proft or loss.

d8. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d8. Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

d9. Foreign currency translation

The financial statements are presented in rupiah which is the Company's functional currency and the Company's presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange prevailing at the end of the reporting period. All differences are taken to the statements of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. As of June 30, 2012, the rates of exchange used were Rp 9,480 to US$1 and Rp 7,415.24 to Sin$1.

d10. Expenses

Expenses are recognized when incurred.

d11. Income tax

Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity (capital deficiency) is recognized in equity and not in the statements of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet liability method on all temporary differences at the end of the reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and (2) in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is possible that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Significant Accounting Policies and Practices (continued)

d11. Income tax (continued)

Deferred tax assets are recognized for all deductible temporary differences and carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused tax losses can be utilized except: (1) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and (2) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting 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 assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in comformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgments

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

- *Determination of functional currency*

  The functional currencies of the entities under the Company are the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the revenue and cost of rendering services.

(Expressed in rupiah, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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:

- *Determination of fair values of financial assets and financial liabilities*

  Where the fair value of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- *Uncertain tax exposure*

  In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.* The Company makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

4. CASH IN BANKS

This account consists of the following:

	2012	**2011**
Cash in banks		
Third parties (including Sin$1,919, AUD443, CNY6,783 and US$1,449)	53,121,719	-
Total	**53,121,719**	**-**

5. RELATED PARTY TRANSACTIONS

Transactions with related parties are made at terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties. Outstanding balances at the year-end are unsecured and interest-free. There have been no guarantees received or provided for any related party receivables or payables. For the years ended June 30, 2012 and 2011, the Company has not recorded any impairment of receivables relating to amounts owed by the related parties. This assessment is undertaken each financial year by examining the financial position of the related parties.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial years:

5. RELATED PARTY TRANSACTIONS (continued)

	2012	2011
Amounts owed by related parties		
Due from shareholders		
Mr. Wijaya Lawrence	8,101,910,974	8,154,800,000
Mrs. Hui Kun Lauw	429,200,000	429,200,000
Total	**8,531,110,974**	**8,584,000,000**

Due from shareholders mainly represents share subscription receivables which are non-interest bearing, unsecured and have no fixed payment dates. Based on the letter dated on November 7, 2012 from Mr. Wijaya Lawrence, as the Company's director and one of the Company's shareholders, he confirmed that the share subscription receivables are denominated in rupiah currency, amounting to Rp8,584,000,000 same as the Company's initial unpaid share capital (see Notes 7 and 10)

The Company's office building is owned by Mr. Wijaya Lawrence without any lease charged to to the Company.

6. INCOME TAXES

a. Tax payable

This account represents estimated corporate income tax payable as of June 30, 2012 amounting to Rp58,173.

b. Income tax expense

For the year ended June 30, 2012, estimated current income tax expense amounted to Rp58,173. The applicable tax rate used in the corporate income tax computation is 25% for the year ended June 30, 2012. The Company's management believes that the profit before income tax is the same as the taxable income for the year ended December 31, 2012, since there is no temporary and permanent difference.

7. SHARE CAPITAL

	2012	2011
Authorized and issued - 10,000 shares at Rp858,400 or US$100 par value per share	8,584,000,000	8,584,000,000

The shareholders and the details of their respective share ownerships as of June 30, 2012 and 2011 are as follows:

Shareholders	Number of Shares	Percentage of Ownership	USD Amount	Equivalent to rupiah
Mr. Wijaya Lawrence	9,500	95%	950,000	8,154,800,000
Mrs. Hui Kun Lauw	500	5%	50,000	429,200,000
Total	**10,000**	**100.00%**	**1,000,000**	**8,584,000,000**

(Expressed in rupiah, unless otherwise stated)

7. SHARE CAPITAL (continued)

As of December 6, 2012, the Company's share capital has not been paid by its shareholders, which should be fully paid based on the Company's deed of establishment (see Note 9).

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value information
The following table sets out the carrying values, which also represent the estimated fair values, of the Company's financial instruments as of June 30, 2012 and 2011:

	2012	2011
Cash in banks	53,121,719	-
Due from shareholders	8,531,110,974	8,584,000,000
Total	**8,584,232,693**	**8,584,000,000**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash in banks and due from shareholders approximate their carrying amounts largely due to the short-term maturities of these instruments (see Note 9).

Fair value heirarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As of June 30, 2012 and 2011, the Company does not have financial instruments measured and carried at fair value.

9. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The main risks arising from the Company's financial instruments are foreign currency risk and liquidity risk. The Director reviews and approves policies for managing each of these risks which are summarized below:

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's cash in banks which are denominated in a different currency from the Company's functional currency.

9. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

Liquidity Risk

In relation of the Company's financial condition as of June 30, 2012, the Company has been furnished a support letter dated on December 6, 2012 from Mr. Wijaya Lawrence, a majority shareholder of the Company, which states that:

(i) he will not dispose his equity investments in the Company or to dissolve or liquidate the Company or to do any other actions which may materially affect the carrying value or classification of the assets and liabilities of the Company,

(ii) his commitment to provide the Company with continuous financial and operational supports to enable it to continue as a going concern and to meet its obligations, at least up to June 30, 2013.

(iii) the share capital of the Company should be paid up in June 2013, subject to the successful completion of the reverse takeover (RTO) project of Wilton Resources Holdings Pte. Ltd., Singapore.

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
(Company Registration No.: 200207389D)
(Incorporated in the Republic of Singapore)
20 Cecil Street
#21-02 Equity Plaza
Singapore 049705

26 September 2013

To: The Independent Directors of Hartawan Holdings Limited in relation to the Proposed Whitewash Resolution

Winstedt Chong Thim Pheng (Executive Chairman)
Cynthia Tan Kwee Hiang (Executive Director)
Er Kwong Wah (Lead Independent and Non-Executive Director)
Dr Tan Eng Liang (Independent and Non-Executive Director)
Chng Hee Kok (Non-Executive Director)
Tan Sin Huat Dennis (Non-Executive Director)
Wong Kok Hoe (Non-Executive Director)

To: The Independent Directors of Hartawan Holdings Limited in relation to the Proposed Put Option

Er Kwong Wah (Lead Independent and Non-Executive Director)
Dr Tan Eng Liang (Independent and Non-Executive Director)
Chng Hee Kok (Non-Executive Director)
Tan Sin Huat Dennis (Non-Executive Director)
Wong Kok Hoe (Non-Executive Director)

Dear Sirs

(1) THE PROPOSED WHITEWASH RESOLUTION IN CONNECTION WITH THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WILTON RESOURCES HOLDINGS PTE. LTD. BY THE COMPANY FROM THE VENDORS AND/OR THEIR CONCERT PARTIES FOR THE PURCHASE CONSIDERATION OF S$300 MILLION; AND

(2) THE PROPOSED PUT OPTION GRANTED BY WINSTEDT CHONG THIM PHENG TO THE COMPANY TO ACQUIRE THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF EACH OF THE HARTAWAN SUBSIDIARIES AS AN INTERESTED PERSON TRANSACTION.

---

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 26 September 2013 issued by the Company to the Shareholders (the "**Circular**") shall have the same meaning herein.*

1 INTRODUCTION

On 31 October 2011 (the "**Announcement Date**"), the Board announced, *inter alia*, that the Company had, on 29 October 2011, entered into the conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") with Wijaya Lawrence and Ngiam Mia Je Patrick (each, a "**Vendor**", and collectively, the "**Vendors**") and Wilton Resources Holdings Pte. Ltd. ("**Wilton**"), pursuant to which the Company shall acquire the entire issued and paid-up share capital of Wilton for a purchase consideration of S$300 million (the "**Purchase Consideration**"), which shall be fully satisfied by the allotment and issuance of 1,500,000,000 Consolidated Shares ("**Consideration Shares**") to the Vendors at an issue price of S$0.20 for each Consideration Shares ("**Issue Price**"). Pursuant to Chapter 10 of the Catalist Rules, the Proposed Acquisition will constitute a "Reverse Takeover".

Upon the allotment and issuance of the Consideration Shares to the Vendors and/or their designated holders following the Completion, the Vendors and/or their Concert Parties will hold 1,493,600,000 Consideration Shares, representing 68.48% of the enlarged issued Shares of the Company upon Completion ("**Enlarged Issued Shares**") and the remaining 6,400,000 Consideration Shares, representing 0.29% of the Enlarged Issued Shares will be collectively held by the independent investors being Christopher Chong Meng Tak, James Koh Juh Gang, Tan Thiam Hee, Ang Kok Eng, Ang Kok Leong, Ang Kok Tian and Ang Sin Liu (collectively, the "**Investors**"), who have entered into an investment agreement dated 5 May 2011 with PT WWI and the Vendor, Wijaya Lawrence. The Investors are not presumed to be acting in concert with the Vendors and/or their Concert Parties. As such, pursuant to Rule 14 of the Code, the Vendors and their Concert Parties will be required to make a mandatory general offer for all remaining issued Shares not held by the Vendors and their Concert Parties (the "**General Offer**") unless such obligation is waived by the Security Industry Council (the "**SIC**"). On 23 February 2012, the SIC granted the waiver in respect of the obligations of the Vendors and their Concert Parties to make a General Offer, subject to, *inter alia*, the approval of the Independent Shareholders for the Proposed Whitewash Resolution at the forthcoming EGM and the appointment of an independent financial adviser ("**IFA**") to advise the Independent Shareholders on the Proposed Whitewash Resolution.

In connection with the Proposed Acquisition, Winstedt Chong Thim Pheng (the "**Undertaking Shareholder**"), the Executive Chairman and a Controlling Shareholder of the Company, has granted a put option to the Company (the "**Put Option**") based on the terms and conditions set out in the Put Option Agreement entered into by the Company and the Undertaking Shareholder on 1 July 2013. Under the Put Option Agreement, the Company has the right to require the Undertaking Shareholder to purchase from the Company the entire issued and paid-up capital of each of the Hartawan Subsidiaries namely, Hartawan Property Management Pte. Ltd. ("**Hartawan Property**"), Hotel Re! Pte. Ltd. ("**Hotel Re!**") and Wallich Development Pte. Ltd. ("**Wallich**") (which has been struck off on 15 August 2013) (each a "**Hartawan Subsidiary**" and collectively, the "**Hartawan Subsidiaries**") during the period commencing on the date of completion of the Proposed Acquisition pursuant to the Sale and Purchase Agreement ("**Completion**") to the date falling 60 days thereafter ("**Option Period**"). The exercise price of the Proposed Put Option ("**Exercise Price**") will be equivalent to the total net asset value ("**NAV**") of the Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the Notice of EGM.

Pursuant to Chapter 9 of the Catalist Rules, Winstedt Chong Thim Pheng, the Executive Chairman and a Controlling Shareholder of the Company, is deemed to be an interested person ("**Interested Person**"). Accordingly, the Proposed Put Option granted by the Interested Person is deemed to be an "interested person transaction" (the "**Interested Person Transaction**").

Based on the latest unaudited financial results of the Hartawan Subsidiaries for the financial year ended 30 June 2013 ("**FY2013**"), the aggregate NAV of the Hartawan Subsidiaries is S$3.32 million as at 30 June 2013 and the amortisation and depreciation charges for the period from 1 July 2013 to 31 August 2013, being the end of the month preceding the date of the Notice of EGM, is S$0.16 million. The Exercise Price is hence S$3.16 million which represents 7.2% of the Hartawan Group's latest audited net tangible assets ("**NTA**") of S$44.1 million as at 30 June 2012 and accordingly, exceeds 5% of the Hartawan Group's latest audited NTA as at 30 June 2012. Based on our discussions with the Directors and management of the Company, the Directors have confirmed that there were no material acquisitions and disposals undertaken by the Hartawan Subsidiaries from 1 July 2013 to the Latest Practicable Date (as defined below).

As at the Latest Practicable Date, the Directors have confirmed that the Hartawan Subsidiaries did not have any material contingent liabilities, and from 1 July 2013 to the Latest Practicable Date (as defined below), there were no material changes in their financial performance and position.

As such, pursuant to Chapter 9 of the Catalist Rules, the Proposed Put Option is subject to the approval of the Independent Shareholders and the opinion from an IFA on whether the financial terms of the Proposed Put Option is on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

The Proposed Acquisition and Proposed Put Option are inter-conditional upon each other.

PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") has been appointed by the Company as the IFA to the Directors who are deemed independent of the Proposed Whitewash Resolution and the Proposed Put Option, to provide an opinion, from a financial point of view, on (i) whether the Proposed Whitewash Resolution is prejudicial to the interests of the Independent Shareholders, and (ii) whether the grant of the Proposed Put Option by the Interested Person is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders. This IFA letter ("**IFA Letter**") forms part of the Circular.

In respect of the Proposed Whitewash Resolution, we note that the entire Board of Directors is deemed to be independent of the Proposed Whitewash Resolution ("**Whitewash Independent Directors**"). In respect of the Proposed Put Option, save for Winstedt Chong Thim Pheng and his spouse, Cynthia Tan Kwee Hiang, who are deemed interested in the Proposed Put Option, the remaining Directors are deemed to be independent in respect of the Proposed Put Option ("**Put Option Independent Directors**" and together with the Whitewash Independent Directors, "**Independent Directors**").

2 TERMS OF REFERENCE

The purpose of this IFA Letter is to provide an independent opinion, from a financial point of view, on whether (i) the Proposed Whitewash Resolution is prejudicial to the interests of the Independent Shareholders, and (ii) the grant of the Proposed Put Option by the Interested Person is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition, the Proposed Whitewash Resolution and the Proposed Put Option, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Acquisition, the Proposed Whitewash Resolution and the Proposed Put Option. We do not, by this IFA Letter, warrant the merits of the Proposed Acquisition, the Proposed Whitewash Resolution and the Proposed Put Option, other than to form an opinion.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Hartawan Group and/or the Target Group. We have also relied on information provided and representations made by the Directors of the Company and the Company's advisers. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information, representation and assurance. We have nevertheless made such enquiries and exercised our judgment as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Proposed Transactions including the Proposed Whitewash Resolution and the Proposed Put Option, the Hartawan Group, the Target Group and the Enlarged Group are fair and accurate, and that the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the terms of (i) the Proposed Whitewash Resolution; and (ii) the Proposed Put Option, and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Hartawan Group, the Target Group and/or the Enlarged Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Hartawan Group, the Target Group and/or the Enlarged Group in connection with our opinion in this IFA Letter.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Hartawan Group and/or the Target Group and, have made reference to the information provided to us. Our opinion as set out in this IFA Letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of 16 September 2013 (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. **We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.** Independent Shareholders should further take note of any announcements relevant to their consideration of (i) the Proposed Whitewash Resolution; and (ii) the Proposed Put Option, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than our IFA Letter set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than our IFA Letter set out in the Circular).

This IFA Letter sets out, *inter alia*, our opinion, from a financial point of view, on (i) whether the Proposed Whitewash Resolution is prejudicial to the interests of the Independent Shareholders, and (ii) whether the grant of the Proposed Put Option by the Interested Person is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders, and should be considered in the context of the entirety of this IFA Letter and the Circular.

3 BACKGROUND INFORMATION ON THE HARTAWAN GROUP

The Company is an investment holding company and was incorporated in Singapore on 30 January 2003 under the name "Vita Holdings Pte Ltd". The Company changed to its current name on 28 August 2008. The Company and its subsidiaries (collectively, the "**Hartawan Group**") are principally involved in property leasing and management and hospitality businesses. The Company is currently listed on the Catalist.

4 BACKGROUND INFORMATION ON THE TARGET GROUP AND THE VENDORS

4.1 Background information on the Target Group

Wilton is an investment holding company and was incorporated on 21 October 2011 in Singapore. Pursuant to the restructuring exercise to be undertaken in connection with the Proposed Acquisition, Wilton will be the ultimate holding company of the Target Subsidiaries upon Completion. The Target Group is principally engaged in the business of the exploration and development of gold mines, and the production of gold dore. As at the Latest Practicable Date, the Target Group is focusing on gold mining at the Deposits and has commenced extraction of gold ore at the Pasir Manggu Deposit.

The Target Group will be formed through a restructuring exercise ("**Proposed Restructuring Exercise**") which will involve the acquisition of the issued and paid-up share capital of each of the Target Subsidiaries for purposes of the Proposed Acquisition, as contemplated in the Sale and Purchase Agreement. Pursuant to the Proposed Restructuring Exercise, the Target Company will become the holding company of the Target Group. The Target Group, through the Target Subsidiaries, possesses the relevant mining business permits and the Production Operations IUPs over the Concession Blocks in West Java Province, Indonesia.

Based on the Independent Qualified Person's Report as set out in Appendix XIII of the Circular, the total resources and reserves estimates in the Deposits based on the Joint Ore Reserves Committee ("**JORC**") Code 2004 edition are as below:

Resources

Category	**Resource (kt)**	**Au (g/t)**	**Au (kg)**	**Au ('000 oz)**
Measured	101	7.00	705	23
Indicated	2,315	8.51	19,689	633
Inferred	1,937	8.36	16,186	520
Total				**1,176**

Reserves

Category	**Reserve (kt)**	**Au (g/t)**	**Au (kg)**	**Au ('000 oz)**
Proved	103.2	5.89	607.3	19.5
Probable	2,337.3	7.16	16,726.3	537.8
Total				**557.3**

4.2 Background information on the Vendors

The Vendor, Wijaya Lawrence, is an Indonesian citizen and the proposed President and Executive Chairman of the Enlarged Group. The other Vendor, Ngiam Mia Je Patrick, is a Singapore citizen and the chairman and chief executive officer of IPC Corporation Limited. As at the Latest Practicable Date, Wijaya Lawrence and Ngiam Mia Je Patrick own 60% and 40% of the issued and paid-up share capital of the Target Company respectively and are collectively the legal and beneficial owners of the 1,000 issued and paid-up share capital of the Target Company.

Please refer to the Letter for more information on the Target Group and its business.

5 OVERVIEW OF THE PROPOSED ACQUISITION

5.1 Details of the Proposed Acquisition

The following has been extracted from Sections 2.1 to 2.6 of the Circular and has been reproduced in italics below. Shareholders are advised to read the extract below carefully:

"*2.1 Purchase Consideration*

Pursuant to the Sale and Purchase Agreement, the consideration of the Proposed Acquisition shall be S$300 million, which shall be fully satisfied by the allotment and issuance of an aggregate of 1,500,000,000 Consolidated Shares to the Vendors and/or their designated holders, at an Issue Price of S$0.20 for each Consideration Share. The Consideration Shares will be credited as fully paid-up and will be allotted and issued free from any encumbrances and together with all rights attaching or accruing thereto. The Consideration Shares will rank pari passu with the existing issued Shares of the Company as at the Completion Date, as well as the Advisory Shares.

The Vendors have indicated that the Consideration Shares will be allotted and issued to the Vendors and/or their designated holders as follows:

No.	***Name***	***Relationship with the respective Vendor(s)***	***Number of Consolidated Shares***	***Percentage of shareholding in the Enlarged Share Capital of the Company (%)[(1)]***
1	*Wijaya Lawrence*	*Brother-in-law of Ngiam Mia Je Patrick*	*582,640,000*	*26.71*
2	*Ngiam Mia Je Patrick*	*Brother-in-law of Wijaya Lawrence*	*364,150,000*	*16.70*
3	*Lauw Hui Kun*	*Sister of Wijaya Lawrence and sister-in-law of Ngiam Mia Je Patrick*	*189,358,000*	*8.68*
4	*Lauw Hui Chin*	*Sister of Wijaya Lawrence and sister-in-law of Ngiam Mia Je Patrick*	*101,962,000*	*4.67*
5	*Ngiam Shi Yun Joyce*	*Niece of Ngiam Mia Je Patrick and daughter of Benjamin Ngiam, Ngiam Mia Je Patrick's brother*	*81,933,750*	*3.76*
6	*Ngiam Mia Hai Bernard*	*Brother of Ngiam Mia Je Patrick*	*54,622,500*	*2.50*
7	*Ngiam Mia Hong Alfred*	*Brother of Ngiam Mia Je Patrick*	*54,622,500*	*2.50*
8	*Ngiam Hian Yong Jeffrey*	*Nephew of Ngiam Mia Je Patrick and son of Benjamin Ngiam, Ngiam Mia Je Patrick's brother*	*27,311,250*	*1.25*
9	*Nicco Investment Pte. Ltd. ("**SPC**")*	*Sole Shareholder is Nicco Darmasaputra Lawrence, the son of Wijaya Lawrence and nephew of Ngiam Mia Je Patrick*	*37,000,000*	*1.70*
10	*Christopher Chong Meng Tak*	*Unrelated third party*	*1,920,000*	*0.09*

11	*James Koh Jyl Gang*	*Unrelated third party*	*1,280,000*	*0.05*
12	*Tan Thiam Hee*	*Unrelated third party*	*640,000*	*0.03*
13	*Ang Kok Eng*	*Unrelated third party*	*640,000*	*0.03*
14	*Ang Kok Leong*	*Unrelated third party*	*640,000*	*0.03*
15	*Ang Kok Tian*	*Unrelated third party*	*640,000*	*0.03*
16	*Ang Sin Liu*	*Unrelated third party*	*640,000*	*0.03*
	Total		*1,500,000,000*	*68.77*

Note:

(1) The percentage of shareholding is computed based on the Enlarged Share Capital of 2,181,145,130 Consolidated Shares after the allotment and issuance of the Consideration Shares and the Advisory Shares.

*Wijaya Lawrence, Ngiam Mia Je Patrick, Lauw Hui Kun, Lauw Hui Chin, Ngiam Shi Yun Joyce, Ngiam Mia Hai Bernard, Ngiam Mia Hong Alfred, Ngiam Hian Yong Jeffrey and the SPC are collectively referred to as the "**Vendors and/or their Concert Parties**".*

*The sole shareholder of the SPC is Nicco Darmasaputra Lawrence, who is the son of the Vendor, Wijaya Lawrence, and nephew of the Vendor, Ngiam Mia Je Patrick. The directors of the SPC are Nicco Darmasaputra Lawrence and Chong Chin Fan, who is the proposed Vice President (Finance) and Executive Director of the Enlarged Group. The SPC was incorporated on 19 September 2013 for the sole purpose of acting as the designated holder of 37,000,000 Consideration Shares ("**Incentive Shares**"), which will serve as a share incentive scheme for the benefit of the key management of the Enlarged Group following Completion ("**Share Incentive Scheme**"). Under the Share Incentive Scheme, the Incentive Shares will be allotted to key management personnel to attract, retain and provide incentives to key management staff. The Incentive Shares may also be awarded to give recognition for past contributions and services as well as motivate other staff to contribute towards the Enlarged Group's long-term prospects. As the SPC is holding the Incentive Shares for the benefit of the Share Incentive Scheme, it will not, in the interim, exercise any of its voting rights in respect of the Incentive Shares prior to allocation of any of the Incentive Shares. In the event that the Vendors decide that the Incentive Shares are not to be distributed pursuant to the Share Incentive Scheme, such shares will be allotted to Ngiam Mia Hai Bernard, Ngiam Mia Hong Alfred, Ngiam Shi Yun Joyce, Ngiam Hian Yong Jeffrey, Lauw Hui Kun and Lauw Hui Chin (collectively, the "**Holders**"). In such event, the relevant Holders will consequently observe any implications of the Code. Any allocation under the Share Incentive Scheme will only be made after the Vendors' Moratorium.*

The Enlarged Group will comply with the relevant Catalist Rules for the implementation of the Share Incentive Scheme.

The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis, taking into consideration the Fair Market Value of the Concession Blocks.

The Independent Valuer was appointed by the Target Group to provide a valuation on the Concession Blocks and the Independent Valuation Report is annexed hereto in Appendix XIV. Shareholders are advised to read the Independent Valuation Report carefully, including the section entitled "Key Assumptions and Limitations" therein. The Fair Market Value of the Concession Blocks as at 31 May 2013 was US$341 million.

2.2 Issue Price

The Issue Price of S$0.20 per Consideration Share represents a premium of 65.3% to the volume weighted average price of S$0.121 per Share for trades transacted on Catalist on 27 October 2011, being the full Market Day immediately preceding the date of the Sale and Purchase Agreement.

2.3 Rationale for the Proposed Acquisition

The Directors believe that the Proposed Acquisition is an investment opportunity that would be in the interests of the Company for the following reasons:

(i) Transform the Company into a gold mining company

The Proposed Acquisition would enable the Company to venture into the gold mining business, transforming it from a property leasing and management and hospitality group. The Board has considered the risks associated with the Proposed Acquisition and the prospects of the gold mining business of the Target Group with the potential benefits of the Proposed Acquisition, including, among others, potential earnings once the Target Group commences mining operations.

Please refer to the Letter for more information on the business, prospects and financial information of the Target Group.

(ii) Better core business for the Company

*The Hartawan Group has been incurring losses in its Existing Business and continues to face challenges in the future. The Hartawan Group reported a net loss of S$6.9 million and S$0.3 million in FY2011 and FY2012 respectively. With the Proposed Put Option, the Hartawan Subsidiaries may be disposed and the Existing Business may be terminated. Hartawan Dormitory Management Pte. Ltd. and Green Mountain Marine Shipping Pte. Ltd., both subsidiaries of Hartawan, had been struck off on 6 September 2012. The entire shareholding interest of another subsidiary of Hartawan, Whitehouse Holdings Private Limited, comprising 2,400,000 ordinary shares, was disposed to HSR Global Limited in the sale and purchase agreement dated 25 September 2012. The disposal was completed on 28 September 2012. On 16 October 2012, the Company announced that it would apply for the striking off of Wallich Development Pte. Ltd. ("**Wallich**") and accordingly* Wallich was struck off on 15 August 2013.

The Hartawan Group has been actively seeking new investment opportunities. By venturing into the gold mining business, the Board believes that it could enhance the value of the Company and improve Shareholders' return.

The Directors are of the view that gold, being a relatively scarce and valuable resource, has high commercial value and relatively stable demand despite the recent global economic uncertainties and volatility in gold prices. Based on the volumetric information as stated in the Independent Qualified Person's Report on the Concession Blocks and the prevailing market price of gold, the Directors consider the Proposed Acquisition to be a good opportunity for the Hartawan Group to enter into the gold mining business as the Company's new core business.

(iii) Enhance investment profile of the Enlarged Group

Upon Completion, the Proposed Acquisition will have the potential to significantly increase the market capitalisation as well as the value of the Company and widen the investor base for the Shares. This would in turn enable the Company to attract more extensive analyst coverage, leading to an overall increase in investor interest and trading liquidity in the Company's Shares.

2.4 *The Proposed Acquisition as a "Very Substantial Acquisition" or "Reverse Takeover"*

Based on the audited consolidated financial statements of the Hartawan Group for FY2011 and the unaudited pro forma consolidated financial information of the Target Group for FY2011, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006(a)	
Net asset value of the assets to be disposed of	
Net asset value of the Hartawan Group	*Not applicable*
Relative figure	
Rule 1006(b)	
Net loss attributable to the Target Group for FY2011	*S$5,545.8*[(1)]
Net loss of the Hartawan Group for FY2011	*S$6.9 million*
Relative figure	*0.08%*
Rule 1006(c)	
Aggregate value of consideration to be given	*S$300.0 million*
The Company's market capitalisation	*S$98.3 million*[(2)]
Relative figure	*305.19%*
Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration for the Proposed Acquisition	*1,500,000,000*
Number of equity securities in issue	*676,782,840*[(3)]
Relative figure	*221.64%*
Rule 1006(e)	
Aggregate volume or amount of proved and probable reserves to be disposed of	
Aggregate of the Target Group's proved and probable reserves	*Not applicable*[(4)]
Relative figure	

Notes:

(1) Based on the average exchange rate of S$1.00:IDR6,852.08 for FY2011.

(2) The Company's market capitalisation of approximately S$98.3 million was computed based on the Company's issued share capital of 812,139,411 shares and the volume weighted average price of the Shares of S$0.121 traded on Catalist on 27 October 2011 (being the full Market Day immediately preceding the date of the Sale and Purchase Agreement).

(3) Based on 676,782,840 Consolidated Shares after the Proposed Share Consolidation, but prior to Completion.

(4) Not applicable as the Hartawan Group is not involved in the mining business, including that of gold mining.

As the relative figures under Rules 1006 (c) and (d) of the Catalist Rules exceed 100%, the Proposed Acquisition constitutes a "Very Substantial Acquisition" or "Reverse Takeover" transaction as defined under Chapter 10 of the Catalist Rules. In addition, as the Vendors and/or their Concert Parties will collectively hold 68.48% of the Enlarged Share Capital, a change in control of the Company will arise as a result.

Accordingly, the Proposed Acquisition is subject, to among others, the approval of Shareholders by way of an ordinary resolution at the EGM and the LQN being obtained.

2.5 Conditions Precedent

Completion is conditional upon, inter alia, the fulfillment of the following conditions precedent on or before the Longstop Date, as set out under the Sale and Purchase Agreement:

(a) Satisfactory due diligence

The results of such legal and financial due diligence investigations on the Target Group conducted by the Company and its advisers over the Concession Blocks, business, affairs, operations, assets and liabilities, financial condition (including the adequacy of cashflow for the operations of the Target Group subsequent to Completion), prospects and records of the Target Group, being satisfactory to the Company in its absolute discretion and are in compliance with the requirements of the Catalist Rules.

(b) Completion of restructuring

*The completion of the restructuring of the Target Group, namely (i) Wilton being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WI, (ii) PT WI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT WWI, and (iii) PT WWI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of PT LTC ("**Proposed Restructuring Exercise**").*

(c) Gold reserves / Fair Market Value

The issue of the Independent Valuation Report stating that the Fair Market Value of a 100% interest in the Ciemas Gold Project is not less than US$280,500,000.

(d) Convertible Loan Agreement

(i) The Convertible Loan shall have been disbursed in full; and

(ii) Wilton is not in breach of any material term of the Convertible Loan Agreement.

(e) Production of gold

PT WWI and/or PT LTC shall have commenced the extraction of gold ore from the Concession Block 2, as confirmed by the Company's qualified professional mining engineers and the Company, by September 2012.

(f) Renewal of the IUP

The period of validity of the IUP in respect of the Concession Block 2 shall have been validly extended to at least 2028.

(g) *Waiver or release of the Target Group's indebtedness to its shareholders*

(i) *the present shareholders of the Target Subsidiaries giving such waivers and releases in favour of the Target Subsidiaries (in such form and substance satisfactory to the Company) and releasing the Target Subsidiaries from all debts and liabilities due, incurred and owing by each Target Subsidiary to its respective shareholders up to the Completion Date pursuant to any shareholders' loan; and*

(ii) *Wijaya Lawrence executing a guarantee and indemnity in favour of the Company and the Target Group (in such form and substance satisfactory to the Company), to secure any liabilities, and indemnify the Company and the Target Group against any liabilities, incurred by the Target Group up to the Completion Date.*

(h) *Lease of the land by Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono, to the Target Company*

The lease in the name of a subsidiary of the Target Company through the Land Borrow Agreements, in accordance with the laws, rules and regulations of Indonesia, of approximately 28.3 hectares of land on the Concession Blocks purchased by Wijaya Lawrence, Decky Susanto, Nicco Darmasaputra Lawrence, Haryanto and Tirto Sarjono.

(i) *Compliance with Permits*

Such Permits as are necessary for the Target Group's operations having been obtained and remaining valid and subsisting, and each of the Target Company and the Target Subsidiaries are not in material breach of the terms and conditions of such Permits.

(j) *Fixed assets, leases and employees*

(i) *All fixed assets, plant, machinery and equipment, necessary for the business and operations of the Target Group and currently owned or to be acquired by the Vendors or their nominees (if any), being transferred at no extra cost and free of encumbrances to the Target Group;*

(ii) *the leases for all fixed assets, plant, machinery and equipment, necessary for the business and operations of the Target Group, entered or to be entered into by the Vendors or their nominees (if any), being novated to the Target Group on terms reasonably satisfactory to the Company; and*

(iii) *the contracts of employment entered or to be entered into by the Vendors or their nominees with personnel, necessary for the business and operations of the Target Group (if any), being novated to the Target Group on terms reasonably satisfactory to the Company.*

(k) *Representations and covenants*

The warranties of the Vendors, Wilton and the Company contained in the Sale and Purchase Agreement shall be true in all material respects on and as of the Completion Date with the same force and effect as though made on and as of the Completion Date. The Vendors, Wilton and the Company shall have performed and complied with all covenants and agreements required by the Sale and Purchase Agreement to be performed or complied with by the Vendors, Wilton and the Company, on or prior to, the Completion Date.

(l) *Consents and approvals*

All consents and approvals required shall have been obtained without restrictions or limitations whatsoever unacceptable to the Company and the Vendors, and be in full force and effect, and the Company and the Vendors shall have been furnished with evidence reasonably satisfactory to them of the granting of such consents and approvals, in particular, and without limitation:

(i) *the approval of the Shareholders at a general meeting and its Board (as appropriate) in respect of:*

(aa) *the Proposed Acquisition;*

(bb) *the proposed allotment and issuance of the Consideration Shares;*

(cc) *the Proposed Share Consolidation;*

(dd) *the Proposed Put Option;*

(ee) *the Proposed Change of Name; and*

(ff) *the proposed change of core business of the Hartawan Group to the business of the Target Group.*

(ii) *the receipt and non-withdrawal of the LQN;*

(iii) *any conditions attached to the LQN which is required to be fulfilled on or before Completion having been fulfilled on or before Completion to the satisfaction or the SGX-ST or otherwise waived by the SGX-ST;*

(iv) *the receipt and non-withdrawal of the approval of SIC granted to the Vendors and/or their Concert Parties to dispense with the requirements of Rule 14 of the Code to make an offer to the Shareholders arising from the allotment and issuance of the Consideration Shares to the Vendors and/or their Concert Parties, subject to the conditions set out in SIC's approval; and*

(v) *the Proposed Whitewash Resolution.*

(m) *The Company remaining on the SGX-ST*

(i) *the Company shall remain listed on Catalist from the date of the Sale and Purchase Agreement until the date of the transfer of the Sale Shares to the Company and the allotment and issuance of the Consideration Shares; and*

(ii) *the Company and the Vendors having secured such number of placees for such number of Consideration Shares pursuant to the Compliance Placement as is necessary to satisfy the Company's shareholdings spread and distribution requirements so as to maintain the Company's listing status after Completion.*

(n) *Shareholder's Undertakings*

The Company shall within seven (7) days from the date of the Sale and Purchase Agreement procure a written undertaking from the Undertaking Shareholder, inter alia, that as at the date of the EGM to approve the Proposed Acquisition, he will be a shareholder holding (directly or indirectly) not less than 185,897,411 Shares representing not less than 22.89% of the issued and paid-up share capital of the Company based on the issued share capital of 812,139,411 Shares, and he will vote in favour of all the resolutions set forth in the Company's Circular.

(o) Independent Financial Adviser's opinion

An IFA to the Independent Directors is appointed by the Company and the IFA is of the opinion that the Proposed Put Option and the Proposed Whitewash Resolution are not prejudicial to the interests of the Company and its Independent Shareholders.

(p) No breach of warranties

There being no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect of any of the warranties of the Vendors, Wilton and the Company contained in the Sale and Purchase Agreement if they were repeated on and as of the date of Completion.

As at the Latest Practicable Date, save for conditions (b), (g) and (l), all the conditions precedent have been fulfilled. An announcement will be made by the Company to notify Shareholders of the fulfillment of all the conditions precedent in due course."

Shareholders should note it is envisaged that the Proposed Restructuring Exercise will only be completed after the EGM. As at the Latest Practicable Date, the Proposed Restructuring Exercise has not been completed.

As the completion of the Proposed Restructuring Exercise is one of the conditions precedent for the Proposed Acquisition under the Sale and Purchase Agreement, should the Proposed Restructuring Exercise not be completed, the Proposed Acquisition will not take place. Further, should the structure of the Target Group differ from the structure as set out in Section B3 of the Letter and/or the Proposed Acquisition is not completed by the Longstop Date on 31 October 2013, our opinion may vary significantly.

For the purpose of our evaluation and assessment of the Proposed Whitewash Resolution, we have assumed that the Proposed Restructuring Exercise has been completed and the Target Group is in place and has been formed in the structure set out in Section B3 of the Letter.

Independent Shareholders should also note that our opinion is based upon market, economic, industry, monetary and other conditions, in effect on, and the information provided to us as of the Latest Practicable Date. Such conditions, in particular, gold prices, may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

"2.6 Other Salient Terms

(a) Moratorium

*Each of the Vendors has undertaken and, if necessary, shall procure their designated holders to undertake, not to sell, realise, transfer or otherwise dispose of (i) any part of their shareholdings in the Company immediately after Completion for a period of twelve (12) months commencing from the listing of the Consideration Shares on Catalist, and (ii) more than 50% of their shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision) (the "**Vendors' Moratorium**"), provided that the Vendors' Moratorium shall not apply to the Compliance Placement. Each of the Vendors has further undertaken and shall procure their designated holder(s) to further undertake that they shall abide by such other conditions as may be imposed by the SGX-ST for the transaction contemplated under the Sale and Purchase Agreement, provided that such conditions are not onerous and shall be reasonably acceptable to such Vendor.*

(b) Compliance Placement

*Upon Completion and the allotment and issuance of the Consideration Shares in favour of the Vendors and/or their designated holders, in the event the percentage of the Shares that are held in public hands falls below the minimum free float requirements under the Catalist Rules, the Vendors (and/or their designated holders) and/or the Company shall carry out a placement in the form of vendor sales of the then existing issued shares of the Company and/or allotment of new Shares of the Company to public investors (together, the "**Compliance Placement**") to enable the Company to comply with the shareholding spread and distribution requirements set out in the Catalist Rules."*

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Acquisition, and we do not warrant the merits of the Proposed Acquisition.

5.2 Proposed Whitewash Resolution in connection with the Proposed Acquisition

As at the Latest Practicable Date, the Vendors and/or their Concert Parties do not hold any Shares or instruments convertible into, rights to subscribe for and options in respect of the Shares. On 14 December 2011, the Vendors submitted a letter of confirmation to SIC declaring that it had not acquired and will not acquire any Shares prior to the Proposed Acquisition.

Prior to the Proposed Acquisition and the Proposed Share Consolidation, existing Shareholders of the Company, who collectively hold 812,139,411 Shares, own 100% of the issued share capital of the Company. Upon completion of the Proposed Acquisition and the Proposed Share Consolidation, existing Shareholders (excluding the Vendors and/or their designated holders) shall have their ownership diluted to 31.03% of the Enlarged Share Capital.

Upon allotment and issuance of the Consideration Shares to the Vendors and/or their designated holders following Completion, the Vendors and/or their Concert Parties will hold 1,493,600,000 Consideration Shares, representing 68.48% of the Enlarged Share Capital.

Pursuant to Rule 14 of the Code and Section 139 of the SFA, the Vendors and/or their Concert Parties will be required to make a General Offer for all the remaining issued Shares not owned, controlled or agreed to be acquired by the Vendors and/or their Concert Parties at the highest price paid or agreed to be paid by the Vendors and/or their Concert Parties for the Shares in the past six (6) months, from the date the Consideration Shares are issued to the Vendors, unless such obligation is waived by SIC.

Shareholders should note that the passing of the ordinary resolution relating to the Proposed Acquisition is conditional upon the Proposed Whitewash Resolution being approved by Independent Shareholders, as the Proposed Whitewash Resolution is a condition precedent in the Sale and Purchase Agreement.

Shareholders should further note that the allotment and issuance of the Consideration Shares will result in the Vendors and/or their Concert Parties carrying over 49% of the voting rights of the Company (based on the Enlarged Share Capital of the Company), and that the Vendors will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer. Shareholders should also note that by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive the general offer which the Vendors and/or their Concert Parties would otherwise be obliged to make at the highest price paid by them in the past six (6) months preceding the date of the allotment and issuance of the Consideration Shares.

We wish to highlight to the Whitewash Independent Directors that our evaluation and opinion, from a financial point of view, on whether the Proposed Whitewash Resolution is prejudicial to the interests of the Company and its Independent Shareholders, has been made on the basis that all the conditions precedent set out in Section 2.5 of the Circular in respect of the Proposed Acquisition will be fulfilled at Completion. Whitewash Independent Directors should note that as set out in Section 2.5 of the Circular, as at the Latest Practicable Date, save and except for conditions (b), (g) and (l), all the conditions precedent have been fulfilled. Should there be any waiver or failure to fulfill any of the conditions precedent at Completion, our opinion may vary significantly.

6 THE PROPOSED PUT OPTION

6.1 Details of the Proposed Put Option

The following has been extracted from Sections 5.1 to 5.4 of the Circular and is set out in italics below. Shareholders are advised to read the extract below carefully:

"5.1 Details of the Proposed Put Option

The Company had on 1 July 2013 entered into the Put Option Agreement with the Undertaking Shareholder. The Proposed Put Option is a condition precedent in the Sale and Purchase Agreement and the obligation of the Undertaking Shareholder and the Company to enter into and complete the Proposed Put Option is subject to the fulfillment on or prior to the Longstop Date of the conditions as set out in Section 2.5 of this Circular.

Pursuant to the Put Option Agreement, the Undertaking Shareholder, in consideration of the sum of S$1.00, grants to the Company the option to require the Undertaking Shareholder to purchase all (and not part of) the Option Assets, being the number of shares representing the entire issued and paid-up share capital of each of the Hartawan Subsidiaries.

The Company is entitled, during the Option Period, to serve a notice of exercise in writing on the Undertaking Shareholder, to require the Undertaking Shareholder to purchase the Option Assets for an aggregate consideration equivalent to the total NAV of the Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the Notice of EGM.

Based on the unaudited management accounts of the Hartawan Subsidiaries as at 30 June 2013, the NAV of the Hartawan Subsidiaries was approximately S$3.3 million. After adjusting for amortisation and depreciation for the period from 1 July 2013 and up to 31 August 2013, being the end of the month preceding the date of the Notice of EGM, the aggregate consideration for the Option Assets shall be S$3.2 million.

5.2 Rationale for the Proposed Put Option

The Existing Business of the Hartawan Group is facing intensified competition and an uncertain business environment, resulting in the outlook of its business being increasingly challenging. The Hartawan Group reported a net loss of S$6.9 million and S$0.3 million in FY2011 and FY2012 respectively. With the Proposed Put Option, the Hartawan Subsidiaries may be disposed and the Existing Business may be terminated.

In view of the above and the opportunity to acquire a new business through the Proposed Acquisition, the Directors are of the view that the Proposed Put Option presents an opportunity to exit from a business that may require further financing resources to fund its operations going forward.

5.3 Information on the Undertaking Shareholder

Winstedt Chong Thim Pheng is the Executive Chairman of the Company and is also a Controlling Shareholder of the Company, being directly and indirectly interested in an aggregate of 187,560,411 Shares representing 23.09% of the issued share capital of the Company as at the Latest Practicable Date. Please refer to Section 10.3 of this Circular for more information on the Undertaking Shareholder's shareholding interest in the Company.

5.4 Information on the Hartawan Subsidiaries

The Company's Existing Business is carried out by the Hartawan Subsidiaries.

Details of the Hartawan Subsidiaries are as follows:

Name of subsidiary	***Date and place of incorporation***	***Issued and paid-up share capital/registered capital***	***Principal activity***	***Effective equity interest held by the Enlarged Group on Completion***
Hartawan Property Management Pte. Ltd.	*18 December 1999, Singapore*	*S$300,000*	*Property leasing and management*	*100%*
Hotel Re! Pte. Ltd.	*3 September 2007, Singapore*	*S$16,000,000*	*Hotel operator*	*100%*
Wallich(1)	*18 July 1991, Singapore*	*S$100,000*	*Dormant*	*100%*

Note:

(1) On 16 October 2012, the Company announced that they will apply for the strike off of Wallich, and accordingly, Wallich was struck off on 15 August 2013".

As set out in Section 10.2 of the Circular, we note that pursuant to the Proposed Acquisition, it is intended that the Company will exercise the Proposed Put Option upon Completion.

6.2 Proposed Put Option as an Interested Person Transaction

In connection with the Proposed Acquisition, Winstedt Chong Thim Pheng, the Executive Chairman and a Controlling Shareholder of the Company, has granted the Proposed Put Option to the Company based on the terms and conditions set out in the Put Option Agreement.

Under the Put Option Agreement, the Company has the right to require the Interested Person to purchase from the Company the entire issued and paid-up capital of each of Hartawan Subsidiaries at the Exercise Price equivalent to the total NAV of the Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to the end of the month preceding the date of the Notice of EGM, during the Option Period.

Pursuant to Chapter 9 of the Catalist Rules, Winstedt Chong Thim Pheng, the Executive Chairman and a Controlling Shareholder of the Company, is deemed to be an interested person as defined under Chapter 9 of the Catalist Rules. Accordingly, the Proposed Put Option granted by the Interested Person is deemed to be an "interested person transaction". As the Exercise Price of S$3.16 million of the Proposed Put Option exceeds 5% of the Hartawan Group's latest audited NTA as at 30 June 2012, pursuant to Chapter 9 of the Catalist Rules, the Proposed Put Option is subject to the approval of the Independent Shareholders and the opinion from an IFA on whether the financial terms of the Proposed Put Option is on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed Put Option, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Put Option, and we do not warrant the merits of the Proposed Put Option.

7 EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION AND THE PROPOSED PUT OPTION AS AN INTERESTED PERSON TRANSACTION

7.1 Evaluation of the Proposed Whitewash Resolution

In arriving at our opinion on whether the Proposed Whitewash Resolution is prejudicial to the interests of its Independent Shareholders, we have given due consideration to, *inter alia*, the following:

(a) Rationale for the Proposed Acquisition;

(b) Financial assessment of the Issue Price; and

(c) Financial assessment of the Purchase Consideration.

(a) Rationale for the Proposed Acquisition

Please refer to the rationale of the Proposed Acquisition which has been set out in Section 2.3 of the Circular and paragraph 5 of this IFA Letter.

(b) Financial assessment of the Issue Price

The Purchase Consideration of S$300 million shall be satisfied by the allotment and issuance of 1,500,000,000 Consideration Shares at the Issue Price of S$0.20 to the Vendors and/or their designated holders. In assessing the Issue Price of the Consideration Shares, we have considered the following:

(i) NTA of the Hartawan Group;

(ii) Market quotations and trading activity of the Company; and

(iii) Financial assessment of the Issue Price vis-à-vis comparable completed transactions.

We note that the Hartawan Group had been reporting losses since FY2007. Due to the loss-making position of the Hartawan Group, we have not used the earnings approach in assessing the valuation of the Hartawan Group. The earnings approach is commonly used for the valuation of a company with profits as a going concern. Such valuation methodology, however, will not be meaningful for a loss-making company.

Notwithstanding the above, based on the latest available unaudited financial results for FY2013, the Hartawan Group had reported a net profit after tax of S$0.4 million. For illustration purposes, based on the net profit after tax for FY2013, the Issue Price values the Hartawan Group at a price-to-earnings ratio of 342.7 times.

(i) NTA of the Hartawan Group

Based on the latest available audited financial statements for FY2012, the Hartawan Group had reported a NTA of S$44.1 million as at 30 June 2012. Based on the 812,139,411 existing issued shares of the Company, the Hartawan Group has a NTA per Share of S$0.0543. The Hartawan Group has intangible assets of approximately S$66,000 as at 30 June 2012.

Based on the latest available unaudited financial statements for FY2013, the Hartawan Group had reported a NTA of S$44.5 million. Based on the 812,139,411 existing issued shares of the Company, the Hartawan Group has a NTA per Share of S$0.0548. The Hartawan Group has intangible assets of approximately S$42,000 as at 30 June 2013. We have hence used the NTA based approach of valuing the Hartawan Group.

The NTA based approach of valuing a company or group is based on the aggregate value of all the tangible assets of the company in their existing condition, after deducting the sum of all liabilities and intangible assets of the company. The NTA based approach is meaningful as it shows the extent to which the value of each share is backed by tangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NTA based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, the proceeds of which are used to settle the liabilities, minority interest and obligation of the company or group with the balance to be distributed to its shareholders. However, the NTA based approach does not take into account or consideration the presence of any intangible assets such as goodwill, trademarks and brand names. The NTA of a company or group is equivalent to the historical cost of replacing its assets in their existing condition after deducting its liabilities, obligations and intangible assets, with the values of the assets in their existing condition, obligations and intangible assets being determined as the amounts or values as recorded or reflected in its financial statements.

We note that the Consideration Shares are to be issued after the completion of the Proposed Share Consolidation on the basis of 10 Consolidated Shares for every 12 existing Shares held. The Issue Price of S$0.20 per Consideration Share is therefore equivalent to S$0.1667 per Share on a pre-Share Consolidation basis.

For illustrative purposes only, the Issue Price on a pre-Share Consolidation basis of S$0.1667 represents a premium of 207.0% and 204.1% over the Hartawan Group's NTA per Share of S$0.0543 and S$0.0548 as at 30 June 2012 and 30 June 2013, respectively.

Based on the Issue Price, the implied valuation of the Hartawan Group is S$135.4 million. The price-to-net tangible assets ("**P/NTA**") ratio is therefore 3.07 times and 3.04 times as at 30 June 2012 and 30 June 2013, respectively.

We further note that the Proposed Put Option had been granted by the Undertaking Shareholder to the Company under which, the Company has the right to require the Undertaking Shareholder to purchase the Hartawan Subsidiaries at the Exercise Price. As set out in Section 10.2 of the Circular, it is intended that the Company will exercise the Put Option upon Completion. In the event the Proposed Put Option is exercised by the Company, all assets and liabilities attributable to the Hartawan Subsidiaries will be disposed of to the Undertaking Shareholder and the Company will not have any operating businesses and assets and would mainly consists of cash and cash equivalents and the Convertible Loan owing by Wilton to the Company of S$12.0 million (as further described in Section 8 of the Circular). Consequently, the Company will be a "cash company" as defined under Rule 1017 of the Catalist Rules.

Taking into consideration the resultant status of the Hartawan Group upon the exercise of the Proposed Put Option and subsequent sale of the Hartawan Subsidiaries to the Undertaking Shareholder, based on the implied valuation of the Hartawan Group of S$135.4 million, the premium of S$91.2 million and S$90.9 million over NAV of the Hartawan Group as at 30 June 2012 and 30 June 2013 would represent the value accorded by the Vendors for the listing status of the Company.

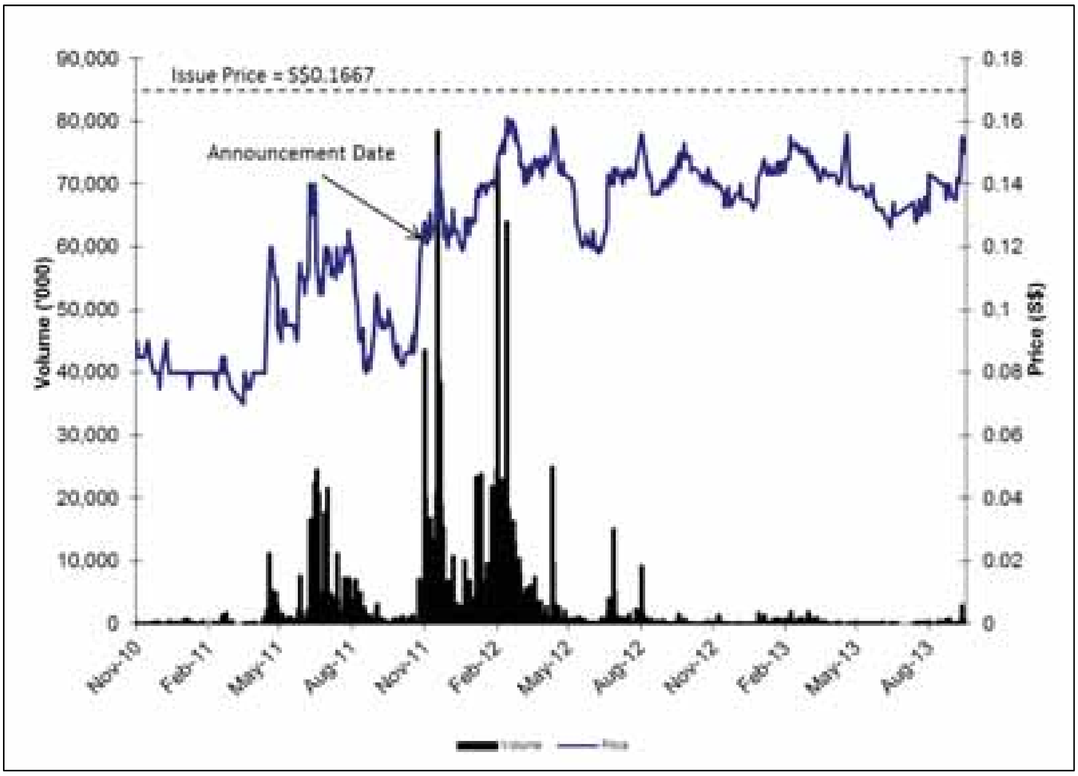
The above computations and analysis are meant as an illustration and it does not necessarily mean or imply that the net realisable value of the Hartawan Group is as stated above. It also does not imply that the assets or properties of the Hartawan Group can be disposed of at the estimated value indicated above and that after payment of all liabilities and obligations, the values or amounts as indicated for the respective types of NTA is realisable or distributable to the Shareholders of the Company.

(ii) Market quotations and trading activity of the Company

As mentioned above, as the Proposed Share Consolidation, which will consolidate every 12 existing Shares into 10 Consolidated Shares, has yet been effected and the historical share price and trading of the Shares are on a pre-Share Consolidation basis, for the purpose of evaluating the share price and trading volume of the Shares, we have used the Issue Price on a pre-Share Consolidation basis and references made to "**Issue Price**" in this sub-paragraph (ii) would mean S$0.1667.

We set out below a historical chart on the prices and trading volumes of the Shares for the period commencing from 31 October 2010 (being the Market Day 1-year prior to the Announcement Date) and up to the Latest Practicable Date (the "**Period under Review**").

Price and traded volume of the Shares for the period from 31 October 2010 to the Latest Practicable Date



Source: Bloomberg

The volume-weighted average price ("**VWAP**") of the Shares, the highest and lowest transacted prices for the Shares and the average number of Shares traded on a daily basis for the Period under Review is set out below.

	VWAP[1] (S$)	Premium of the Issue Price over VWAP (%)	Lowest transacted price (S$)	Highest transacted price (S$)	Average daily trading volume[2] ('000)	Average daily trading volume as a % of free float[3] (%)
For the period prior to the Announcement Date						
1-year	0.114	46.0	0.070	0.155	1,775	0.38
6-month	0.116	43.3	0.079	0.155	3,079	0.66
3-month	0.100	67.1	0.079	0.122	1,362	0.29
1-month	0.104	59.8	0.081	0.122	1,430	0.31
27 October 2011, being the last traded day prior to the Announcement	0.120	38.8	0.116	0.122	6,626	1.43
For the period after the Announcement and up to the Latest Practicable Date						
Between the Announcement Date and up to the Latest Practicable Date	0.144	15.9	0.110	0.164	2,694	0.58
16 September 2013, being the last traded day prior to the Latest Practicable Date	0.151	10.6	0.150	0.155	642	0.14

Source: Bloomberg

Notes:

(1) The VWAP had been weighted based on the average traded price of the Shares and traded volume for the relevant trading days for each period.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period divided by the number of market days during that period ("**Total Market Days**").

(3) Free float refers to the Shares other than those held by the Directors and the substantial shareholders of the Company, and amounts to approximately 463.0 million Shares, representing approximately 57.0% of the issued Shares as at the Latest Practicable Date.

Based on the above, we note that:

(a) The Issue Price represents a premium of 40.1% and 38.8% over the last traded price of S$0.119 and the VWAP of the Shares of S$0.120, respectively, on 27 October 2011, being the last traded day of the Shares preceding the Announcement Date;

(b) The Issue Price represents a premium of 46.0%, 43.3%, 67.1% and 59.8% over the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Announcement Date, respectively;

(c) The Issue Price represents a premium of 15.9% over the VWAP of the Shares for the period between the market day immediately after the Announcement and up to the Latest Practicable Date;

(d) As at the Latest Practicable Date, the Issue Price represents a premium of 11.1% over the last traded price of the Shares of S$0.150;

(e) During the period from 31 October 2010 up to the last traded day of the Shares prior to the trading halt on 27 October 2012 (both dates inclusive), the Shares were traded on 190 market days or 76% of the Total Market Days. The total number of Shares traded during this period was approximately 445.6 million Shares with an average daily trading volume of 1.8 million Shares, representing 0.38% of the free float; and

(f) During the period after the Announcement Date and up to the Latest Practicable Date, the Shares were traded on 381 market days or 81% of the Total Market Days. The total number of Shares traded during this period was 1.3 billion Shares with an average daily trading volume of 2.7 million Shares, representing 0.58% of the free float.

We note that during the Period under Review, the Shares had traded within a range of S$0.070 to S$0.164 and constantly traded below the Issue Price. During the 1-year period prior to the Announcement Date, Shares traded within a range of S$0.070 to S$0.155. Subsequent to the Announcement Date and up to the Latest Practicable Date, Shares had traded to a higher range of S$0.110 to S$0.164.

Trading liquidity of the Shares had also increased with the average daily trading volume for the period subsequent to the Announcement and up to the Latest Practicable Date being 0.58% of the free float as compared to that of 0.38% for the 1-year period prior to the Announcement Date.

The Whitewash Independent Directors should note that the past trading performance for the Shares may not be relied upon as an indication or promise of its future trading performance.

(iii) Financial assessment of the Issue Price vis-à-vis comparable completed transactions

In our assessment of the reasonableness of the Issue Price, we have considered the details of other similar recently completed "Very Substantial Acquisition" and "Reverse Takeover" transactions undertaken by SGX-ST listed companies wherein the relevant purchase considerations was satisfied via the issuance and allotment of new shares, with or without cash payment (the "**Comparable Transactions**") to provide, *inter alia*, a comparison of the premium/discount of the issue prices of the shares over/to the last transacted prices for the shares of these companies prior to the date of the relevant announcement and the NTA of the companies.

Name of Company	Date of announcement	Issue Price (S$)	NTA (million)	Premium/(Discount) of issue price over/(to) the last traded price prior to announcement (%)	Issue Price/ NTA (times)
Fastube Limited[1]	13-May-10	0.64	RMB(35.2)	(24.71)	n.m.
Esmart Holdings Limited[2]	28-Jun-10	0.015765	S$1.0	5.10	11.64
Eagle Brand Holdings Limited[3]	1-Oct-10	0.005	RMB3.5	11.33	8.16
SM Summit Holdings Limited[4]	13-Jan-11	0.10	S$46.7	(25.93)	0.78
Kyodo-Allied Industries Ltd[5]	10-Mar-11	0.365	S$11.2	30.00	1.21
Asia Silk Holdings Limited[6]	25-Mar-11	0.03	RMB8.63	–	2.51
Radiance Group Limited[7]	30-Jun-11	0.3087	S$42.6	(9.21)	0.48
Sinobest Technology Holdings Ltd.[8]	5-Jul-11	0.12	RMB155.9	(7.69)	0.43
Ultro Technologies Limited[9]	26-Dec-11	0.028	S$5.4	64.71	2.23
High				64.71	11.64
Mean				4.85	3.43
Median				–	1.72
Low				(25.93)	0.43
Company[10]	**31-Oct-11**	**0.20**	**S$44.5**	**40.08**	**3.04**

Source: Bloomberg and circulars of the respective Comparable Transactions

Notes:

(1) Based on the issue price on a pre-share consolidation basis of S$0.064 and the audited net liabilities of the group as at 31 December 2011 before the completion of the (a) disposal of its subsidiaries together with the current business of the company; and (b) the net trade receivables and cash and cash equivalents of the company as at the completion of the disposal. n.m. denotes not meaningful due to the net liabilities position of the group.

(2) Based on the audited NTA of the group as at 31 December 2009 before the completion of the cessation and/or disposal of its existing business.

(3) The premium of the issue price over the last traded price prior to the announcement is based on the issue price of S$0.0835 adjusted for the distribution of S$0.0785 in cash for each share held by shareholders on 12 November 2010. The P/NTA ratio is based on the issue price of S$0.005 and the unaudited NAV of the group as at 28 February 2011 as announced by the company on the SGXNET. The company became a cash company within the meaning of the Rule 1015 of the SGX-ST Listing Manual following the completion of the company's disposal of its main operating subsidiaries on 30 July 2010.

(4) Based on the unaudited NTA of the group as at 31 March 2011.

(5) Based on the issue price on a pre-share consolidation basis of S$0.104 and the audited NTA of the group as at 30 June 2010 before the full conversion of its convertible loan.

(6) Based on the adjusted unaudited NTA of the group as at 30 June 2011 which assumes that the completion of the disposal of its existing business had been effected on 30 June 2011. Following the disposal but before the completion of the acquisition, the assets of Asia Silk Holdings Limited will consist wholly of cash. Accordingly, the company will become a "cash company" within the meaning of Rule 1017 of the Catalist Rules. The issue price is at the last traded price prior to the announcement.

(7) Based on the issue price on a pre-share consolidation basis of S$0.077175 and the audited NTA of the group as at 31 December 2011 before the completion of the acquisition.

(8) Based on the unaudited NTA of the group as at 30 June 2012 before the disposal of the company's shareholding interest in the operating subsidiaries involving a selective share cancellation.

(9) Based on the audited NTA of the group as at 31 December 2011.

(10) Based on the issue price on a pre-Share Consolidation basis of S$0.1667 and the unaudited NTA of the Hartawan Group as at 30 June 2013 before the Completion. The discount to the last traded price prior to the Announcement was based on the Issue Price on a pre-Share Consolidation basis and the last traded share price of S$0.119 on the last trading day prior to the Announcement.

Based on the above, we note that:

(i) the premium of 40.08% as implied by the Issue Price over the last traded price prior to the Announcement is within the range and higher than the mean and median premia and discounts of the Comparable Transactions; and

(ii) the historical P/NTA ratio as implied by the Issue Price of 3.04 times is within the range and lower than the mean but higher than the median of the P/NTA ratios of the Comparable Transactions.

The Whitewash Independent Directors should note that as the circumstances for each of the companies listed is unique and as the companies or the transactions may not be identical to the Hartawan Group, Target Group or the Proposed Acquisition in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects and other relevant criteria, the analysis is necessarily limited. Further, the list of Comparable Transactions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the Issue Price and the Comparable Transactions serves as an illustrative guide only.

(c) Financial assessment of the Purchase Consideration

The Purchase Consideration of S$300 million was arrived at on a willing-buyer and willing-seller basis, taking into consideration the Fair Market Value of the Concession Blocks. The Target Group had appointed the Independent Valuer, Greater China Appraisal Limited ("**GCA**") to provide a valuation on the Concession Blocks.

Based on the Independent Valuation Report issued on 26 September 2013, the Independent Valuer, determined the aggregate Fair Market Value to be US$341 million as of the valuation date on 31 May 2013 ("**Valuation Date**"). A copy of the Independent Valuation Report can be found in Appendix XIV of this Circular.

In assessing the Purchase Consideration, we have considered the following:

(i) Financial performance of the Target Group;

(ii) Financial assessment of the Purchase Consideration vis-à-vis comparable companies of the Target Group;

(iii) Financial assessment of the Purchase Consideration vis-à-vis comparable precedent transactions;

(iv) Independent Valuation Report prepared by the Independent Valuer; and

(v) Historical gold prices.

(i) Financial performance of the Target Group

The Target Group is principally engaged in the business of exploration and mining of gold, and the production of gold dore. As at the Latest Practicable Date, the Target Group is focusing on gold mining at the Deposits and has commenced extraction of gold ore at the Pasir Manggu Deposit. As at the Latest Practicable Date, the Target Group has not commenced production of gold dore.

For the purposes of evaluating the financial terms of the Proposed Whitewash Resolution, we have considered the report on the unaudited pro forma consolidated financial information of the Target Group for the financial years ended 30 June 2010, 2011 and 2012 and for the nine-month financial period ended 31 March 2013 as set out in Appendix V of the Circular.

Based on the unaudited pro forma consolidated financial information of the Target Group as set out in Appendix V of the Circular, the financial highlights of the Target Group in respect of FY2010, FY2011, FY2012 and 9M2013 are set out below:

(IDR'million)	**FY2010**	**FY2011**	**FY2012**	**9M2013**
Revenue	173	161	–	–
Gross profit	77	33	–	–
EBITDA (as defined below)	(9,338)	(38)	(1,348)	(13,145)
Loss before tax	(9,338)	(38)	(1,385)	(13,248)
Loss after tax	(9,341)	(38)	(1,063)	(12,624)

(IDR'million)	**As at 30 June 2010**	**As at 30 June 2011**	**As at 30 June 2012**	**As at 30 March 2013**
Assets				
Current assets	8,646	9,328	50,298	31,954
Non-current assets	–	–	1,163	76,671
Total assets	**8,646**	**9,328**	**51,461**	**108,625**
Liabilities				
Current liabilities	8,646	9,328	51,461	108,625
Non-current liabilities	–	–	–	–
Total liabilities	**8,646**	**9,328**	**51,461**	**108,625**
NTA	**–**	**–**	**–**	**–**

(IDR'million)	**FY2010**	**FY2011**	**FY2012**	**9M2013**
Net cash used in operating activities	–	–	(2,858)	(4,501)
Net cash used in investing activities	–	–	(26,263)	(49,570)
Net cash from financing activities	8,622	–	42,860	46,644
Net increase / (decrease) in cash and cash equivalents	8,622	–	13,739	(7,427)
Effects of exchange rate changes on the cash and cash equivalents	–	–	162	239
Cash and cash equivalents at end of the year/period	8,622	8,622	22,523	15,335

Prior to FY2011, the main business activity of the Target Group was the sale of lighting products through a retail outlet in Indonesia. This business ceased in October 2010 (first half of FY2011). Thereafter, the Target Group is principally engaged in the business of exploration and mining of gold, and the production of gold dore. Accordingly, the financial performance and position of the Target Group for FY2010 and FY2011 relates to the prior business of the sale of lighting products.

The Target Group did not record any revenue or cost of goods sold for FY2012 and 9M2013 as production and the sale of gold dore has not commenced as of the Latest Practicable Date.

For FY2012, the loss before tax of IDR1.4 billion was mainly attributable to general and administrative expenses of IDR0.3 billion comprised mainly staff-related expenses, office supplies, utilities, depreciation, communication expenses and professional fees, and other operating expenses of IDR1.1 billion relating to net foreign exchange losses. Exploration and evaluation expenses for FY2012 were borne by a shareholder on behalf of the Target Group. As such, no exploration and evaluation expenses were recorded in FY2012.

For 9M2013, the loss before tax of IDR13.2 billion was mainly due to exploration and evaluation expenses of IDR9.6 billion which comprised mainly drilling costs, technical feasibility studies, mine and process design and other expenses which were incurred on the Concession Blocks. In addition, the Target Group incurred general and administrative expenses of IDR1.4 billion relating to professional fees, staff-related expenses, office rental, depreciation and travelling expenses, and other operating expenses of IDR2.2 billion mainly relating to net foreign exchange losses.

As at 30 June 2012, the Target Group had total assets of IDR51.5 billion mainly comprising amount due from related parties of IDR25.4 billion as advances to shareholders for exploration and evaluation expenses undertaken at the Deposits and cash and cash equivalents of IDR24.9 billion. Total liabilities of IDR51.5 billion comprise current loan payable to the Company of IDR44.5 billion relating to the first tranche of the Convertible Loan of S$6.0 million and other payables and accruals of IDR7.0 billion. As the Target Group had total assets of IDR51.5 billion and total liabilities of IDR51.5 billion, the Target Group has nil net assets as at 30 June 2012.

As at 31 March 2013, the Target Group had total assets of IDR108.6 billion mainly comprising exploration and evaluation assets of IDR60.0 billion which relates to capitalised exploration and evaluation expenditure, and mining properties of IDR15.0 billion comprising mainly the carrying value of mining rights, mine design in progress and the value of producing mines transferred from exploration and evaluation assets as the Deposits were determined to be in the development stage. The Target Group also had cash and cash equivalents of IDR31.3 billion. Total liabilities of IDR108.6 billion comprise current loan payable to the Company of IDR93.8 billion relating to the Convertible Loan of S$12.0 million and other payables and accruals of IDR13.6 billion. As the Target Group had total assets of IDR108.6 billion and total liabilities of IDR108.6 billion, the Target Group has nil net assets as at 31 March 2013.

The nil net assets position as at 30 June 2012 and 31 March 2013 was mainly due to one of the shareholders, Wijaya Lawrence, indemnifying the net liabilities of the Target Group up to the Completion Date, in accordance with the conditions of the Sale and Purchase Agreement.

The management of the Company further confirmed that based on the representations from the Vendors and the due diligence review conducted by the Company in respect of the Proposed Acquisition, as at the Latest Practicable Date, the Target Group did not have any material contingent liabilities, and from 1 April 2013 to the Latest Practicable Date, there were no adverse material changes in their financial performance and position.

We wish to highlight to the Whitewash Independent Directors that the above analysis is only for illustrative purposes and is not meant to be an indication of, or comment on the Target Group's future profitability, growth prospects, financial position and working capital sufficiency.

(ii) Financial assessment of the Purchase Consideration vis-à-vis comparable companies of the Target Group

For the purpose of evaluating the Purchase Consideration of the Proposed Acquisition, we have made reference to the valuation statistics of selected companies listed on various stock exchanges which are engaged in the gold mining activities in Indonesia, which we consider to be broadly comparable to the Target Group ("**Indonesia Comparable Companies**") to provide an indication of the current market expectations with regard to the perceived valuation of the Target Group.

In addition, we have also made reference to the valuation statistics of selected companies listed on the SGX-ST which are engaged in gold mining activities, which we consider to be broadly comparable to the Target Group ("**Singapore Comparable Companies**") to provide an indication of the current market expectations with regard to the perceived valuation of the Target Group.

We recognise that there is no company listed on the SGX-ST or other stock exchanges which we may consider to be identical to the Target Group in terms of, *inter alia*, market capitalisation, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial position and other relevant criteria. Therefore, the comparison made with respect to the Indonesia and Singapore Comparable Companies merely serves as an illustrative market valuation of the Target Group as at the Latest Practicable Date.

In addition, the Whitewash Independent Directors should note that companies listed on different stock exchanges may be subject to different risk-reward expectations, trading conditions and any cross border valuation statistics will be subject to differing political, regulatory, market, investment, economic and currency conditions and as such may not be directly comparable to the Target Group.

A brief description of the Indonesia Comparable Companies is set out as follows:

Indonesia Comparable Companies	Country of Listing	Business Activity Description	Financial Year Ended
G-Resources Group Ltd. ("**G-Resources**")	Hong Kong	G-Resources explores for and produces precious metals. The company explores for gold and silver in Sumatra, Indonesia.	30 June 2012
Archipelago Resources PLC ("**Archipelago**")	London	Archipelago is a gold mining and exploration company primarily in South East Asia. The company's principal activities are gold mining and exploration at the Toka Tindung project on North Sulawesi, Indonesia as well as exploration initiatives in the Philippines and Vietnam.	31 December 2012
Intrepid Mines Limited ("**Intrepid Mines**")	Australia	Intrepid Mines is an international precious metals development and exploration company with primary operations in Indonesia. The company's current project is located in the province of East Java, where it explores for gold, silver, and copper-gold.	31 December 2012
Kingsrose Mining Limited ("**Kingsrose**")	Australia	Kingsrose is a gold exploration and production company. The company has interests in the Way Linggo Gold Project in Southern Sumatra.	30 June 2013
Sumatra Copper and Gold PLC ("**Sumatra**")	Australia	Sumatra is a mining company. The company explores copper and gold on the island of Sumatra in Indonesia.	31 December 2012
Sihayo Gold Limited ("**Sihayo**")	Australia	Sihayo is a mineral exploration company with exploration projects located in Indonesia, Malawi, and India with minor interests in Australia. The company is focused on its Pungkut Gold Project.	30 June 2012
Robust Resources Ltd ("**Robust**")	Australia	Robust is an Australian-based, Indonesian-focused miner exploring for precious and base metal mineral deposits in Indonesia and the Philippines. The company's most advanced projects are on Romang Island which is located in eastern Indonesia.	30 June 2012
Reliance Resources Ltd. ("**Reliance**")	Canada	Reliance explores for gold on the islands of Sulawesi and Halmahera in East Indonesia. The company operates on the Tanoyan, Palopo, Kapa Kapa and Roko Gold Projects.	30 June 2012

Indonesia Comparable Companies	Country of Listing	Business Activity Description	Financial Year Ended
Barisan Gold Corporation (“**Barisan**”)	Canada	Barisan is a mineral exploration company. The company is a gold, copper, and porphyry exploration company engaged in the exploration, acquisition and development of mineral properties in Indonesia.	31 August 2012

Source: Bloomberg and websites of the respective Indonesia Comparable Companies

A brief description of the Singapore Comparable Companies is set out as follows:

Singapore Comparable Companies	Country of Listing	Business Activity Description	Financial Year Ended
LionGold Corp Ltd (“**LionGold**”)	Singapore	LionGold is an investment holding company focusing on gold mining, mine development and exploration globally.	31 March 2013
CNMC Goldmine Holdings Limited (“**CNMC**”)	Singapore	CNMC explores for gold and processes mined ore into gold dore. The company operates in the Sokor Gold Zone in Malaysia.	31 December 2012

Source: Bloomberg and websites of the respective Singapore Comparable Companies

In our evaluation, we have considered the following widely used valuation measures:

Valuation Ratio	Description
PE	PE ratio or earnings multiple is the ratio of a company’s market capitalisation divided by the historical consolidated net profit attributable to shareholders. The PE ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation charges. It is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.

Valuation Ratio	Description
P/NTA	NTA refers to consolidated net tangible assets, which is the total assets of a company less intangible assets (such as goodwill, patents and trademarks) and total liabilities. P/NTA refers to the ratio of a company's share price divided by NTA per share. The ratio represents an asset-based relative valuation which takes into consideration the book value or NTA backing of a company. The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net tangible assets of the company.
Enterprise value-to-Earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**")	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cashflow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. The difference between EV/EBITDA and the PE ratio (described above) is that it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.
Enterprise value-to-Resources ("**EV/Resources**")	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. Resources refer to the aggregate measured, indicated and inferred gold resources the company has attributable to its projects. We have relied on the JORC compliant resources estimates as reported in their latest annual reports, financial statements and publicly available announcements as available as at the Latest Practicable Date. We wish to highlight that the estimated resources of the Indonesia and Singapore Comparable Companies may not reflect the entire potential resources that could be explored and commercialised. The EV/Resources ratio illustrates the ratio of the market value of an entity's business in relation to the resources owned by the company. Any comparison made in relation to the EV/Resources ratio is solely for illustration purposes only.

Valuation Ratio	Description
Enterprise value-to-Reserves (“**EV/Reserves**”)	EV refers to enterprise value which is the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. Reserves refer to the proved and probable gold reserves the company has attributable to its projects. We have relied on the JORC compliant reserves estimates as reported in their latest annual reports, financial statements and publicly available announcements as available as at the Latest Practicable Date. We wish to highlight that the estimated proved and probable reserves of the Indonesia and Singapore Comparable Companies may not reflect the entire potential reserves that could be explored and commercialised. The EV/Reserves ratio illustrates the ratio of the market value of an entity’s business in relation to the reserves owned by the company. Any comparison made in relation to the EV/Reserves ratio is solely for illustration purposes only.

The valuation ratios of the Indonesia Comparable Companies based on their respective last traded share prices as at the Latest Practicable Date are set out as follows:

Indonesia Comparable Companies	Grade (g/t)	Share Price[(1)] (S$)	Market Capitalisation (S$'million)	PE[(2)] (times)	P/NTA[(3)] (times)	EV/ EBITDA[(4)] (times)	EV/ Resources[(5)] (S$/oz)	EV/ Reserves[(6)] (S$/oz)
G-Resources	1.31	0.039	1,020	n.m.[(6)]	1.02	n.m.[(7)]	129.35	343.20
Archipelago	1.33	0.923	537	9.48	1.75	4.12	185.41	378.39
Intrepid Mines	0.71	0.337	187	n.m.[(7)]	1.37	n.m.[(7)]	85.45	n.m.[(7)]
Kingsrose	6.91	0.473	159	88.04	2.01	38.60	359.76	n.m.[(7)]
Sumatra	1.35	0.142	59	n.m.[(7)]	1.61	n.m.[(7)]	57.11	138.31
Sihayo	2.60	0.047	40	n.m.[(7)]	1.22	n.m.[(7)]	19.36	n.m.[(7)]
Robust	–[(8)]	0.236	25	n.m.[(7)]	0.46	n.m.[(7)]	20.53	48.85
Reliance	1.41	0.024	3	n.m [(7)]	0.30	n.m.[(7)]	13.02	n.m.[(7)]
Barisan	1.49	0.086	3	n.m.[(7)]	0.12	n.m.[(7)]	n.m.[(7)]	n.m.[(7)]
High				88.04	2.01	38.60	359.76	378.39
Mean				48.76	1.10	21.36	108.75	227.19
Median				48.76	1.22	21.36	71.28	240.76
Low				9.48	0.12	4.12	13.02	48.85
Target Group (implied by the Purchase Consideration)			**300**	**n.m.[(7)]**	**n.m.[(7)]**	**n.m.[(7)]**	**255.10**	**538.31**

Source: Bloomberg, annual reports, financial statements, respective companies' websites and PPCF calculations

The valuation ratios of the Singapore Comparable Companies based on their respective last traded share prices as at the Latest Practicable Date are set out as follows:

Singapore Comparable Companies	Grade (g/t)	Share Price[(1)] (S$)	Market Capitalisation (S$'million)	PE[(2)] (times)	P/NTA[(3)] (times)	EV/ EBITDA[(4)] (times)	EV/ Resources[(5)] (S$/oz)	EV/ Reserves[(6)] (S$/oz)
LionGold	–[(9)]	1.655	1,560	n.m.[(7)]	6.83	n.m.[(7)]	230.58	1,757.43
CNMC	1.6	0.250	106	113.11	7.08	16.38	306.67	842.08
High				113.11	7.08	16.38	306.67	1,757.43
Low				113.11	6.83	16.38	230.58	842.08
Target Group (implied by the Purchase Consideration)			**300**	**n.m.[(7)]**	**n.m.[(7)]**	**n.m.[(7)]**	**255.10**	**538.31**

Source: Bloomberg, annual reports, financial statements, respective companies' websites and PPCF calculations

Notes:

(1) Share price refers to the last traded share price as at the Latest Practicable Date which has been translated to Singapore Dollars at the prevailing exchange rate as at the Latest Practicable Date.

(2) Historical PE ratio of the Indonesia and Singapore Comparable Companies is calculated based on their latest audited financial statements as announced on the respective stock exchanges as at the Latest Practicable Date. The historical PE ratio for the Target Group is based on the unaudited pro forma consolidated financial information of the Target Group for FY2012. Based on the unaudited pro forma consolidated financial information of the Target Group, we note that the PE ratio of the Target Group is not meaningful as the Target Group was loss-making for FY2012.

(3) The P/NTA ratio of the Indonesia and Singapore Comparable Companies is calculated based on the latest audited financial statements as announced on the respective stock exchanges as at the Latest Practicable Date. The historical P/NTA ratio for the Target Group is based on the unaudited pro forma consolidated financial information of the Target Group for FY2012. Based on the unaudited pro forma consolidated financial information of the Target Group, we note that the P/NTA ratio of Target Group is not meaningful as the Target Group had nil net assets as at 30 June 2012.

(4) The EV/EBITDA ratio of the Indonesia and Singapore Comparable Companies is calculated based on (i) the sum of their respective market capitalisation as at the Latest Practicable Date and bank borrowings, less cash based on their latest audited financial statements, and (ii) their EBITDA based on their latest audited financial statements. Based on the unaudited pro forma consolidated financial information of the Target Group, we note that the EV/EBITDA ratio for the Target Group is not meaningful as the Target Group had reported a loss before interest, taxes, depreciation and amortisation for FY2012.

(5) The EV/Resources ratio of the Indonesia and Singapore Comparable Companies is calculated based on (i) the sum of their respective market capitalisation as at the Latest Practicable Date and bank borrowings, less cash based on their latest audited financial statements, and (ii) JORC compliant resources estimates of gold as reported in their latest annual reports, financial statements and publicly available announcements as available as at the Latest Practicable Date. The EV/Resources ratio of the Target Group is calculated based on (i) the Purchase Consideration of S$300 million, and (ii) JORC compliant resources estimates of gold of 1.176 million ounce stated in the Independent Qualified Person's Report as set out in Appendix XIII of the Circular. For purposes of this comparison, other mineral resources were not taken into consideration.

(6) The EV/Reserves ratio of the Indonesia and Singapore Comparable Companies is calculated based on (i) the sum of their respective market capitalisation as at the Latest Practicable Date and bank borrowings, less cash based on their latest audited financial statements, and (ii) JORC compliant reserves estimates of gold as reported in their latest annual reports, financial statements and publicly available announcements as available as at the Latest Practicable Date. The EV/Reserves ratio of the Target Group is calculated based on (i) the Purchase Consideration of S$300 million, and (ii) JORC compliant reserves estimates of gold of 0.557 million ounce stated in the Independent Qualified Person's Report as set out in Appendix XIII of the Circular. For purposes of this comparison, other mineral resources were not taken into consideration.

(7) n.m. denotes not meaningful.

(8) The average gold grade for Robust varies from a range of 0.24 g/t to 1.04 g/t.

(9) The average gold grade for LionGold varies from a range of 1.1 g/t to 14.0 g/t.

Based on the above, we note that:

(a) EV/Resources ratio of the Target Group as implied by the Purchase Consideration of S$255.10/oz is within the range and higher than the mean and median of the EV/Resources ratios of the Indonesia Comparable Companies;

(b) EV/Reserves ratio of the Target Group as implied by the Purchase Consideration of S$538.31/oz is above the range of the EV/Reserves ratios of the Indonesia Comparable Companies;

(c) EV/Resources ratio of the Target Group as implied by the Purchase Consideration of S$255.10/oz is within the range of the EV/Resources ratios of the Singapore Comparable Companies; and

(d) EV/Reserves ratio of the Target Group as implied by the Purchase Consideration of S$538.31/oz is below the range of the EV/Reserves ratios of the Singapore Comparable Companies.

We further note that the average gold grades for the measured, indicated and inferred resources of the projects of the Indonesia Comparable Companies range from 0.24 g/t to 6.91 g/t. Based on the Independent Qualified Person's Report as set out in Appendix XIII of the Circular, we note that the average gold grades for the measured, indicated and inferred resources in the Deposits of 7.00 g/t, 8.51 g/t and 8.35 g/t, respectively, are above the range of average gold grades for the measured, indicated and inferred resources of the projects of the Indonesia Comparable Companies.

(iii) Financial assessment of the Purchase Consideration vis-à-vis comparable precedent transactions

In our assessment of the Purchase Consideration, we have also compared the valuation ratio of the Target Group as implied by the Purchase Consideration against the transactions completed since 1 January 2005 (the "**Comparable Precedent Transactions**") of gold mining projects in Indonesia with known JORC compliant resources, unless otherwise indicated, that we deem comparable to the Target Group.

We wish to highlight that the list of Comparable Precedent Transactions is by no means exhaustive and there may not be any target company/asset that is directly comparable to the Target Group in terms of, *inter alia*, market capitalisation, size of operations, clientele base, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects, the grade of gold of the respective gold projects, gold price at the time of transaction and other relevant criteria. As such, the Comparable Precedent Transactions are not directly comparable to the Proposed Acquisition and serves merely as an illustrative guide. The consideration depends on various factors, including the existing level of control in the target company, the level of control required, potential synergy, prevailing market conditions, size of consideration, type of consideration offered and general economic and business risks. As such, any comparison made with respect to the Comparable Precedent Transactions is intended to serve as an illustrative guide only. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation of the Target Group as at the Latest Practicable Date.

Valuation Ratio	Description
Consideration-to-Resources ("**Consideration/ Resources**")	Consideration refers to the implied purchase consideration paid for by the acquirer for 100% stake in the acquired gold mine project, whether by way of cash or issuance of shares, which has been adjusted for the current gold price of US$1,313/oz as at the Latest Practicable Date, in order to remove the effect of the differences in gold prices. The value of the shares issued, as the case may be, is computed based on the share price of the acquirer company as at the date of announcement of the transaction. Resources refer to the gold resources attributable to the acquired gold mine project. We have relied on the JORC compliant measured, indicated and inferred resources estimates as reported in the relevant announcement of the transaction unless otherwise stated. The Consideration/Resources ratio illustrates the consideration per ounce of gold. Any comparison made in relation to the Consideration/Resources ratio are solely for illustration purposes only. For the purpose of this comparison, differences in gold grades and the other mineral resources were not taken into consideration.

Completion date	Acquired gold mine project	Acquirer	Seller	Stake (%)	Consideration (US$'million)	Adjusted Consideration[1] (US$'million)	Consideration/ Resources[2] (US$/oz)
6-May-05	Awak Mas Gold Deposit	Vista Gold Corp.	–	100	1.50	4.67	2.44[3]
25-Jul-06	Martabe Gold Mine	Agincourt Resources Ltd	Newmont Mining Corp	100	80.25	159.61	30.12
20-May-08	The Banda Properties	Avocet Mining PLC	–	75	1.81[4]	4.87	4.87[4]
27-Feb-09	Way Linggo Gold Project	Kingsrose Mining Limited	P.T. Natarang Mining	85	14.56	25.18	226.86
6-Jul-09	Cibaliung Gold Project	P.T. Aneka Tambang	Arc Exploration Limited	95	65.40[5]	101.04	210.49
30-Jun-09	Martabe Gold and Silver Project	China Sci-Tech Holdings Limited	Oz Minerals Limited	100	222.4	319.85	54.21
11-Jan-11	Toka Tindung Gold Project	Archipelago Resources plc	P.T. Austindo Nusantara Jaya	10	4.53	43.04	24.60
High							226.86
Mean							79.08
Median							30.12
Low							2.44
Target Company						**237.74**[6]	**202.16**[6]

Source: Bloomberg, websites and announcements of the respective companies and PPCF calculations

Notes:

(1) The implied consideration for a 100% stake in the respective gold projects which has been adjusted for the current gold price of US$1,313/oz as at the Latest Practicable Date.

(2) Resources refer to the aggregate measured, indicated and inferred gold resources attributable to the acquired gold mine project. We have relied on the JORC compliant resources estimates as reported in their respective announcements.

(3) The resource of the acquired gold mine project was based on a resource analysis prepared in accordance with the Canadian National Instrument 43-101 guidelines.

(4) The acquired gold mine project had no JORC compliant resources. Based on an initial purchase consideration of 712,000 shares with a subsequent addition of 1,000,000 shares. The 1,000,000 shares will be issued in two stages which will be triggered upon the publication of a total of 500,000 ounce and 1,000,000 ounce of JORC compliant resource. Accordingly, we have considered the purchase consideration to be computed based on Avocet Mining PLC's share price translated at the exchange rate of US$1:GBP$0.498 as at the 29 June 2007, being the announcement date, and JORC compliant resources of 1,000,000 ounce.

(5) Based on a nominal consideration of S$1 and the acquirer's obligation to service the seller's debt to a bank of US$65.4 million.

(6) Translated based on the prevailing exchange rate of US$1:S$1.2619 as at the Latest Practicable Date (*Source: Bloomberg*). Based on JORC compliant resources of 1.176 million ounce as stated in the Independent Qualified Person's Report as set out in Appendix XIII of the Circular.

Based on the above, we note that the Consideration/Resources ratio of the Target Group implied by the Purchase Consideration of US$202.16/oz is within the range and higher than the mean and median of the Consideration/Resources ratios of the Comparable Precedent Transactions.

(iv) Independent Valuation Report prepared by the Independent Valuer

For the purpose of the Proposed Acquisition, the Independent Valuer, GCA, was appointed by the Target Group to provide a valuation on the Concession Blocks which are held by the Target Company through the Target Subsidiaries, namely, P.T. Liektucha Ciemas and P.T. Wilton Wahana Indonesia. The Independent Valuation Report prepared by the Independent Valuer as set out in Appendix XIV of the Circular.

As announced by the Company on 2 August 2012, the Independent Valuer determined the aggregate Fair Market Value to be US$335.0 million as at the valuation date on 18 June 2012.

Following the issuance of the updated Independent Qualified Person's Report by SRK Consulting (HK) Ltd in September 2013, GCA had issued an updated Independent Valuation Report dated 26 September 2013. Shareholders should read the following extract from the Independent Valuation Report carefully:

"15.4 <u>*VALUATION CONCLUSION*</u>

Given the reconciliation of the results of the Comparable Transaction Method and the Discounted Future Cash Flow Method, we report our valuation of the Ciemas Gold Project using different valuation methodologies and our preferred value by considering the status and condition of the Ciemas Gold Project in Appendix 2.

The applicable value range for the Ciemas Gold Project is from US$233M (being Scenario 2) to US$367M (being Scenario 4). It is our opinion that ***US$341M*** *is the preferred value of the Ciemas Gold Project.*

The reason for selecting this preferred value from the value range is as follows,

- *The Ciemas Gold Project is considered to have good potential for the discovery of additional ore (and therefore extend the production life) as:*
  - *extensions to the known deposits;*
  - *conversion of Inferred Resources to Indicated and Measured Resources and then Reserves; and*
  - *discovery of additional deposits.*
- *From the site inspection and the Shuikoushan Metallurgical report, silver is present in the ore from the Ciemas Gold Project. However, the DCF scenarios do not attribute any value to silver at this stage; and*
- *The gold price has just experienced a large drop immediately before the Valuation Date and a relatively low gold price was used for the purpose of this valuation and caused a lower valuation range than if a higher but realistically achievable gold price was used. The preferred value would compensate for this downward bias of the valuation range caused by temporary gold price movement.*

The preferred value, though at the upper end of the valuation range, reflects what we believe to be the most likely and achievable value as at the valuation date. Movements in the gold price of US$200/oz were seen to affect the valuation by approximately US$20M, which should serve to emphasise the sensitivity of the valuation to the assumed gold price."

As stated in the Independent Valuation Report, the Independent Valuer arrived at the Fair Market Value range of US$233 million (or S$295 million equivalent[1]) to US$367 million (or S$464 million equivalent[1]) and in their opinion US$341 million (or S$431 million equivalent[1]) is the preferred value. For the purposes of the Independent Valuation Report, preferred value is the value that is assessed by GCA to be the most likely value from within a range, after taking into account the risk and the possible variation in ore grade, metallurgical recovery, capital and operating costs, commodity prices, and exchange rates. In this regard, we note that the value of the Target Group as implied by the Purchase Consideration is within the Fair Market Value range and at a discount of 30.4% to the preferred Fair Market Value of US$341 million (or S$431 million equivalent[1]) arrived at by the Independent Valuer.

Shareholders should note that the Fair Market Value range was based on, *inter alia*, the assumption of gold prices within the range of US$1,250/oz and US$1,550/oz. As at the Latest Practicable Date, gold price was at US$1,313/oz which represents a 5.0% premium and a 15.3% discount to the low-end and high-end of the range of the assumed gold price, respectively, in the Independent Valuation Report as at the Valuation Date.

We further note that the gold price to derive the preferred Fair Market Value was around US$1,500/oz. As at the Valuation Date, gold price was US$1,388/oz. Since the Valuation Date, gold price decreased by 5.4% as at the Latest Practicable Date. Please refer to paragraph 7.1(c)(v) of this IFA Letter for the historical price chart of gold prices for the period from 31 October 2010, being the date one-year prior to the Announcement Date up to the Latest Practicable Date.

Notwithstanding the recent decline in gold prices as observed in paragraph 7.1(c)(v) of this IFA Letter, we note that the preferred Fair Market Value as arrived at by the Independent Valuer was at the higher end of the Fair Market Value range as the Independent Valuer is of the following view which has been extracted and reproduced in italics from the Independent Valuation Report, "*The preferred value, though at the upper end of the valuation range, reflects what we believe to be the most likely and achievable value as at the valuation date.*"

Shareholders should note that in the event of a significant drop in gold prices, the Fair Market Value based on the Independent Valuation Report as at the Valuation Date may differ from the actual value of the Ciemas Gold Project as at the Completion. As mentioned in paragraph 2 of this IFA Letter, we wish to highlight that our opinion is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of the Latest Practicable Date. Such conditions, in particular, gold prices, may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

A copy of the Independent Valuation Report can be found in Appendix XIV of this Circular. Shareholders are advised to read the Independent Valuation Report carefully.

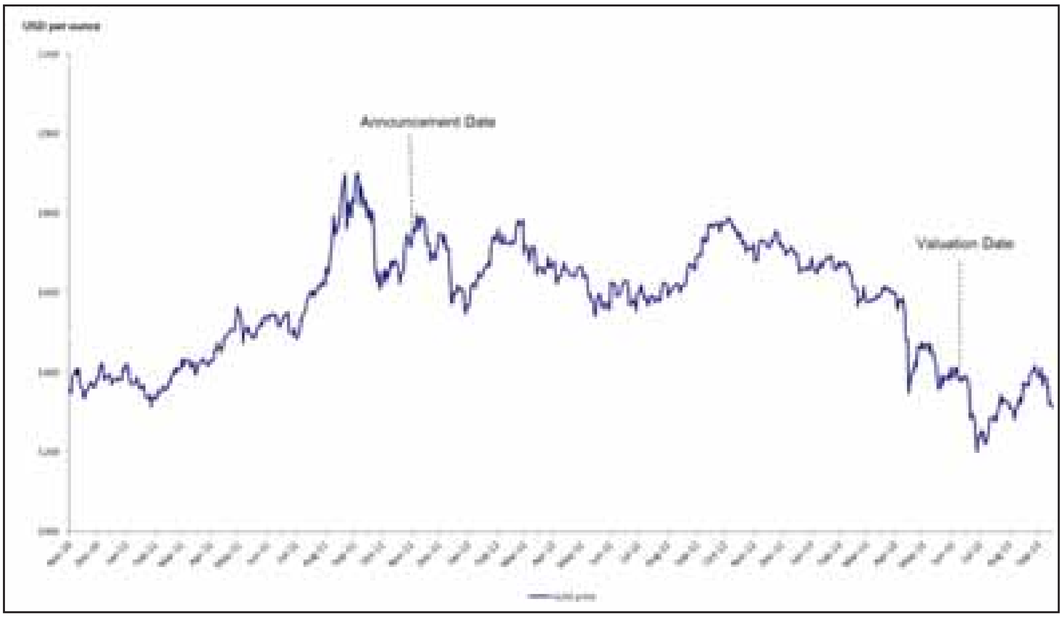
The management of the Company has confirmed that they have made due and careful enquiries in relying on assumptions and projections underlying the financial forecast of the Target Group.

1 Translated based on the prevailing exchange rate of US$1:S$1.2643 as at 31 May 2013, being the Valuation Date. *(Source: Bloomberg)*

We recommend the Whitewash Independent Directors to advise the Independent Shareholders to read the Independent Valuation Report carefully, in particular the terms of reference and key assumptions and critical factors.

(v) Historical gold prices

Gold spot prices for the period from 31 October 2010 to the Latest Practicable Date



Source: Bloomberg

	Average Gold Price (US$/oz)
Period prior to the Announcement Date	
1-year	1,520
Announcement Date	1,715
Period prior to the Latest Practicable Date	
1-year	1,549
6-month	1,399
3-month	1,317
1-month	1,378
As of Latest Practicable Date	1,313

Source: Bloomberg

Based on the above, we note that the average historical gold price for the one-year period prior to the Announcement Date was US$1,520/oz. As at the Announcement Date, gold price was at US$1,715/oz.

From 31 October 2011 to mid-April 2013, gold prices had traded within a range of US$1,539/oz to US$1,795/oz. Subsequent to mid-April 2013, gold prices had declined to below US$1,500 and had continued to decline to a low of US$1,201/oz in end-June 2013. Thereafter and up to the Latest Practicable Date, gold prices had generally increased and traded at a high of US$1,418/oz in end-August 2013. As at the Latest Practicable Date, gold price was at US$1,313/oz.

The average historical gold price for the 1-year, 6-month, 3-month and 1-month periods prior to the Latest Practicable Date were US$1,549/oz, US$1,399/oz, US$1,317/oz and US$1,378/oz, respectively.

For the purpose of our evaluation, we have relied on the Independent Valuation Report and we have not taken into account future gold price trends and prospects but have only taken into consideration the historical gold prices prior to and as at the Announcement Date up to the Latest Practicable Date.

As set out in the risk factor entitled "*The Target Group's business, revenues and profits will be affected by the volatility of prices for gold and the global economy*" in Section 11.1(c) of the Circular which is reproduced below, Shareholders should read carefully the following carefully:

"The Target Group's financial performance will be highly sensitive to changes in the prices of gold. The price of gold fluctuates and is affected by numerous factors, including expectations with respect to the rate of inflation, exchange rates, interest rates, global and regional political and economic crises and governmental policies with respect to gold holdings by central banks. The demand for and supply of gold affect gold prices, but not necessarily in the same manner as demand for and supply of other commodities affect the prices of other commodities.

The Target Group's business, financial condition, performance and business prospects are dependent upon the prices, demand for and supply of, gold, in addition to the global economy. Declines in gold prices and any economic downturn may adversely affect its business, revenues and profits. Its profitability is, and will largely be determined by the difference between the prices received for gold that the Target Group produces and the costs of producing and selling the gold dore produced. Historically, international prices for gold have fluctuated widely in response to a variety of factors. The Target Group does not, and will not, have control over the factors affecting international prices for gold. Such factors include, but are not limited to, the following:

(i) global and regional political developments in gold-producing regions;

(ii) the ability of the gold-producing nations to set and maintain gold production levels and prices;

(iii) other actions taken by major gold-producing or consuming countries;

(iv) global and regional demand for and supply of gold;

(v) domestic and foreign government regulations; and

(vi) global and regional economic and political conditions.

The Target Group expects that there may be continued volatility and uncertainty in international prices for gold in the future, and accordingly, its revenue and profit in any financial reporting period may be subject to significant volatility."

Shareholders should further note that gold prices fluctuate and are affected by numerous factors, including expectations with respect to the rate of inflation, exchange rates, interest rates, global and regional political and economic crises and governmental policies with respect to gold holdings by central banks. Shareholders should also note that there is no assurance gold prices will maintain at current levels and may in the recent future decline significantly and as such, the Target Group and the Fair Market Value may be affected accordingly.

Independent Directors should advise Shareholders to read the other risk factors as set out in Section 11 of the Circular carefully.

7.2 Evaluation of the Proposed Put Option

In arriving at our opinion on whether the Proposed Put Option is on normal commercial terms and not prejudicial to the interests of its Independent Shareholders, we have given due consideration to, *inter alia*, the following:

(a) Rationale for the Proposed Put Option;

(b) Financial assessment of the terms of the Proposed Put Option;

(c) Remaining lease term of the leased properties of the Hartawan Subsidiaries; and

(d) No other alternative or suitable buyer for the Hartawan Subsidiaries.

(a) Rationale for the Proposed Put Option

The rationale of the Proposed Put Option as set out in Section 5.2 of the Circular has been extracted and reproduced in italics below.

"The Existing Business of the Hartawan Group is facing intensified competition and an uncertain business environment, resulting in the outlook of its business being increasingly challenging. The Hartawan Group reported a net loss of S$6.86 million and S$0.29 million in FY2011 and FY2012 respectively. With the Proposed Put Option, the Hartawan Subsidiaries may be disposed and the Existing Business may be terminated.

In view of the above and the opportunity to acquire a new business through the Proposed Acquisition, the Directors are of the view that the Proposed Put Option presents an opportunity to exit from a business that may require further financing resources to fund its operations going forward."

(b) Financial assessment of the terms of the Proposed Put Option

The Exercise Price of the Proposed Put Option is S$3.16 million which is equivalent to the aggregate NAV of the Hartawan Subsidiaries as at 30 June 2013, as adjusted for amortisation and depreciation for the period from 1 July 2013 to 31 August 2013, being the end of the month preceding the Notice of EGM.

(i) Financial performance and position of the Hartawan Subsidiaries

We note that the Company had on 16 October 2012, announced that it will apply for the strike off of Wallich and all its attributable assets and liabilities have been assigned to the Company. On 15 August 2013, Wallich has been struck off.

Accordingly, for the purpose of evaluating the Exercise Price, we have considered the audited financial statements for FY2010, FY2011 and FY2012 and the unaudited management accounts for FY2013 for each of Hartawan Property and Hotel Re!. The financial highlights of each of Hartawan Property and Hotel Re! are set out in the tables below.

Hartawan Property

(S$'000)	FY2010 (Audited)	FY2011 (Audited)	FY2012 (Audited)	Unaudited FY2013
Revenue	3,327	1,727	1,223	811
Gross profit	1,807	854	619	440
Profit/(loss) before tax	744	132	60	(259)
Profit/(loss) after tax	611	101	166	(239)

	Audited As at 30 June 2012	Unaudited As at 30 June 2013
Non-current assets	543	447
Current assets	459	339
Total Assets	**1,002**	**786**
Shareholders' Equity	**726**	**486**
Current liabilities	48	261
Non-current liabilities	228	39
Total Equity and Liabilities	**1,002**	**786**

Revenue from Hartawan Property had declined year-on-year since FY2010 from S$3.33 million in FY2010 to S$1.73 million in FY2011 and to S$0.81 million in FY2013. This was mainly due to the lease expiry of properties under Hartawan Property. Hartawan Property had 4 leased properties as at 30 June 2010 which decreased to 3 leased properties as at 30 June 2011 and to 2 leased properties as at 30 June 2012. As at 30 June 2013, Hartawan Property had 2 leased properties.

Net profit margins have declined from 18.4% in FY2010 to 5.9% in FY2011. Net profit margin for FY2012 was 13.6%. However, we note that Hartawan Property had reported income tax credit of S$0.11 million in FY2012 which arise from losses transferred from related companies under the Group Relief Scheme granted by tax authorities. Excluding this income tax credit, the profit after tax and net profit margin would have been S$0.06 million and 4.9% for FY2012, respectively. For FY2013, Hartawan Property had reported a loss after tax of S$0.24 million.

We further note in the Group's financial results announcement for FY2013 the commentary in respect of the trends and industry conditions of the property leasing business which has been extracted as follows, "*In property leasing business, the Group also faces challenges in passing on the rental increase imposed by the landlord as it does not own the properties.*" We also note that as stated in the Chairman's statement in the Company's annual reports for FY2010, FY2011 and FY2012 that the Group foresees demand and rental rates for commercial properties to remain weak and the Group had been seeking opportunities to divest part of its property leasing business.

Based on the NAV of Hartawan Property of S$0.49 million as at 30 June 2013 and the depreciation charges for the period from 1 July 2013 to 31 August 2013 of S$0.03 million, the portion of the Exercise Price attributable to Hartawan Property is S$0.46 million ("**Property Consideration**").

PE ratio

Based on the latest financial results of Hartawan Property for FY2013, we note that Hartawan Property had recorded a loss after tax of S$0.24 million for FY2013. As such, the PE ratio is not meaningful.

P/NTA ratio

As at 30 June 2013, Hartawan Property had net assets of S$0.49 million. As Hartawan Property does not have any intangible assets, its NAV is equivalent to its NTA. As at 30 June 2013, its NAV consists of assets which mainly comprise property, plant and equipment of S$0.40 million and cash and cash equivalents of S$0.21 million and liabilities which mainly comprise rental deposits received of S$0.19 million and provision for lease reinstatement of S$0.09 million. We note that Hartawan Property does not own any land or buildings and derives its revenue mainly from rental income by sub-letting its leased properties. Based on its NTA as at 30 June 2013, the Property Consideration values Hartawan Property at a P/NTA ratio of **0.95 times**.

EV/EBITDA ratio

Based on the Property Consideration, the implied EV of Hartawan Property is S$0.46 million. For FY2013, Hartawan Property had recorded a loss before interest, taxes, depreciation and amortisation of S$0.11 million. As such, the EV/EBITDA ratio is not meaningful.

Hotel Re!

(S$'000)	Audited FY2010	Audited FY2011	Audited FY2012	Unaudited FY2013
Revenue	6,701	8,817	10,309	10,157
Gross profit	5,616	7,348	8,432	8,429
Profit/(loss) before tax	75	(2,517)	502	883
Profit/(loss) after tax	75	(2,611)	195	729

	Audited As at 30 June 2012	Unaudited As at 30 June 2013
Non-current assets	3,053	2,501
Current assets	2,569	2,191
Total Assets	**5,622**	**4,692**
Shareholders' Equity	**4,108**	**2,837**
Current liabilities	1,421	1,383
Non-current liabilities	93	472
Total Equity and Liabilities	**5,622**	**4,692**

Revenue from Hotel Re! had increased year-on-year since FY2010 from S$6.70 million in FY2010 to S$8.82 million in FY2011 and to S$10.31 million in FY2012 and decreased marginally to S$10.16 million in FY2013. This is due to improved contributions from room and event sales as a result of positive growth in Singapore's tourism industry. Net profit margin was 1.1% for FY2010, 1.9% for FY2012 and 7.2% for FY2013. Hotel Re! recorded a loss after tax of S$2.61 million in FY2011 due mainly to impairment losses on its property, plant and equipment of S$2.25 million in FY2011.

Notwithstanding the improving revenue and net profit margins, we note in the Group's financial results announcement for FY2013 the commentary in respect of the trends and industry conditions of the hospitality business which has been reproduced in italics, "*The lease of Hotel Re! is expiring in February 2016. The Group continues to face challenges in hospitality business due to a shortage of manpower, higher manpower cost and increased competition in the industry as more hotels are launched.*" We also note that as stated in the Chairman's statement in the Company's annual reports since FY2011, that the Group expects the hospitality business to be challenging due to the reasons mentioned above.

Based on the NAV of Hotel Re! of S$2.84 million as at 30 June 2013 and the depreciation charges for the period from 1 July 2013 to 31 August 2013 of S$0.14 million, the portion of the Exercise Price attributable to Hotel Re! is S$2.70 million ("**Hotel Consideration**").

PE ratio

Based on the latest financial results of Hotel Re! for FY2013, we note that Hotel Re! had recorded a profit after tax of S$0.73 million. Based on the profit after tax for FY2013, the Hotel Consideration values Hotel Re! at a PE ratio of **3.70 times**.

P/NTA ratio

As at 30 June 2013, Hotel Re! had net assets of S$2.84 million comprising intangible assets of S$0.04 million. Accordingly, the NTA of Hotel Re! is S$2.80 million which consists of assets mainly comprising property, plant and equipment of S$2.19 million, cash and cash equivalents of S$1.56 million, other receivables of S$0.40 million and deposits and prepayments of S$0.40 million, and liabilities mainly comprising other payables and accruals of S$0.84 million, provision for reinstatement costs of S$0.41 million and trade payables of S$0.25 million. Based on its NTA as at 30 June 2013, the Hotel Consideration values Hotel Re! at a P/NTA ratio of **0.97 times**.

EV/EBITDA ratio

Based on the Hotel Consideration, the implied EV of Hotel Re! is S$2.70 million. For FY2013, Hotel Re! had reported an EBITDA of S$1.99 million. Based on the EBITDA for FY2013, the Hotel Consideration values Hotel Re! at an EV/EBITDA ratio of **1.35 times**.

(ii) Financial Assessment of the Exercise Price of the Proposed Put Option vis-à-vis comparable companies of the Hartawan Subsidiaries

The Hartawan Subsidiaries comprise three (3) wholly-owned subsidiaries of the Company, namely, Hartawan Property, Hotel Re! and Wallich. Wallich has been struck off on 15 August 2013. As at the Latest Practicable Date, Hartawan Property is engaged in the property leasing and management business and Hotel Re! is engaged in the hotel operations business.

In this regard, in assessing the Exercise Price of the Proposed Put Option, we have considered companies whose business activities are, in our opinion, broadly comparable to Hartawan Property ("**Property Comparable Companies**") and Hotel Re! ("**Hotel Comparable Companies**"), and which are listed and traded on the SGX-ST to give an indication of the current market expectations with regard to the perceived valuation of Hartawan Property and Hotel Re! as at the Latest Practicable Date.

We wish to highlight that there is no company listed on the SGX-ST which we may consider to be identical to Hartawan Property and Hotel Re! in terms of, *inter alia*, market capitalisation, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. In addition, we wish to highlight that contrary to the respective comparable companies which are publicly listed on a stock exchange, the Hartawan Subsidiaries are privately-owned companies which are not listed on any stock exchange. Therefore, the comparison made with respect to the Property Comparable Companies and Hotel Comparable Companies merely serves as an illustrative market valuation of Hartawan Property and Hotel Re! as at the Latest Practicable Date.

A brief description of the Property Comparable Companies listed on the SGX-ST is set out as follows:

Property Comparable Companies	Business Activity Description	Financial Year Ended
Bund Center Investment, Ltd. (“**Bund Center**”)	The group is engaged in the ownership of a five-star hotel in Shanghai and the ownership and management of commercial and retail properties in the PRC.	31 December 2012
Hong Fok Corporation Limited (“**Hong Fok**”)	The principal activity of Hong Fok is that of investment holding whose subsidiaries are primarily engaged in property investment, property development and construction, property management, investment trading and investment holding and management.	31 December 2012
Lee Kim Tah Holdings Limited (“**LKT**”)	LKT develops, manages, and invests in properties. The company also owns and operates shopping complex, as well as provides building and civil engineering construction, and consultant engineering services.	31 December 2012
SuperBowl Holdings Limited (“**SuperBowl**”)	SuperBowl owns and operates bowling alleys and recreation centers and is also involved in property investment. The company also provides recreational membership and management services, operates a country club, restaurants and food courts, and trades amusement and fun equipment.	31 December 2012

Source: Bloomberg and websites of the respective Property Comparable Companies

A brief description of the Hotel Comparable Companies listed on the SGX-ST is set out as follows:

Hotel Comparable Companies	Business Activity Description	Financial Year Ended
Mandarin Oriental International Limited ("**Mandarin Oriental**")	Mandarin Oriental is a hotel investment and management company.	31 December 2012
Hotel Properties Limited ("**Hotel Properties**")	Hotel Properties, through its subsidiaries, operates and manages hotels. The company also operates restaurants and retails and distributes food and fashion merchandise. In addition, Hotel Properties trades shares, develops and invests in properties, hotels, and resorts.	31 December 2012
GuocoLeisure Limited ("**GuocoLeisure**")	GuocoLeisure is an investment holding company. The company holds investments in the areas of hotels and resorts, and portfolio investments. GuocoLeisure also invests in property for residential and tourism purposes.	30 June 2013
Hotel Grand Central Limited ("**Hotel Grand**")	Hotel Grand owns, operates, and manages hotels. The company also collects rent, develops properties, and provides marketing and support services.	31 December 2012
Banyan Tree Holdings Limited ("**Banyan Tree**")	Banyan Tree owns and manages hotels. The company also operates spas, galleries and golf courses, and invests in property. Banyan Tree offers design and project management services as well.	31 December 2012
Stamford Land Corporation Limited ("**Stamford Land**")	Stamford Land is an investment holding company. The company owns and manages hotels and travel agencies. Stamford Land also develops and invests in properties.	31 March 2013
Bonvests Holdings Limited ("**Bonvests**")	Bonvests is an investment holding company whose subsidiaries develop real estate and operate waste collection and disposal, and contract cleaning. The group also develops and operates hotels locally and overseas, as well as operates food and beverage restaurants. Bonvests also trades securities and rents properties.	31 December 2012
Amara Holdings Limited ("**Amara**")	Amara operates hotels and restaurants, provides food and beverage catering services and develops and invests in properties. The company owns and operates Amara Hotel and invests in shares.	31 December 2012

Hotel Comparable Companies	Business Activity Description	Financial Year Ended
Global Premium Hotels Ltd. ("**Global Premium**")	Global Premium is engaged in the business of developing and operating economy-tier to mid-tier class of hotels.	31 December 2012
Hotel Royal Limited ("**Hotel Royal**")	Hotel Royal owns and operates the Hotel Royal in Singapore. The company, through its subsidiaries, also manages and invests in properties in Malaysia and New Zealand.	30 June 2013
L.C. Development Limited ("**L.C. Development**")	L.C. Development is an investment holding company whose subsidiaries invest in properties and develop properties for sale. The group also manages properties, and owns and manages hotels and serviced residences.	31 December 2012
HL Global Enterprises Limited ("**HL Global**")	HL Global is an investment holding company whose subsidiaries invest in properties for rental purposes. The company provides building and civil engineering construction services, develops and manages properties, and operates hotels and restaurants. HL Global also operates multimedia transactional payphone kiosk and sells computer hardware and software.	31 December 2012

Source: Bloomberg and websites of the respective Hotel Comparable Companies

In our evaluation, we have considered the following widely used valuation measures:

Valuation Ratio	Description
PE	PE ratio or earnings multiple is the ratio of a company's market capitalisation divided by the historical consolidated net profit attributable to shareholders. The PE ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation charges. It is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
P/NTA	NTA refers to consolidated net tangible assets, which is the total assets of a company less intangible assets (such as goodwill, patents and trademarks) and total liabilities. P/NTA refers to the ratio of a company's share price divided by NTA per share. The ratio represents an asset-based relative valuation which takes into consideration the book value or NTA backing of a company. The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net tangible assets of the company.

Valuation Ratio	Description
EV/EBITDA	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cash flow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. The difference between EV/EBITDA and the PE ratio (described above) is that it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.

The valuation ratios of the Property Comparable Companies based on their respective last traded share prices as at the Latest Practicable Date are set out as follows:

Property Comparable Companies	**Financial year-end**	**Share Price as at the Latest Practicable Date[(1)] (S$)**	**Market Capitalisation (S$'million)**	**PE[(2)] (times)**	**P/NTA[(3)] (times)**	**EV/ EBITDA[(4)] (times)**
Bund Center	31-Dec-12	0.235	714	27.36	1.55	10.55
Hong Fok	31-Dec-12	0.735	582	7.51	0.48	11.64
LKT	31-Dec-12	0.940	475	15.09	0.98	15.28
SuperBowl	31-Dec-12	0.505	165	12.82	1.46	10.71
High				27.36	1.55	15.28
Mean				15.70	1.12	12.05
Median				13.95	1.22	11.18
Low				7.51	0.48	10.55
Hartawan Property (implied by the Property Consideration)	**30-Jun-13**		**0.46**	**n.m.** [(5)]	**0.95**	**n.m.** [(5)]

Source: Bloomberg, annual reports, SGX-ST announcements and PPCF calculations

The valuation ratios of the Hotel Comparable Companies based on their respective last traded share prices as at the Latest Practicable Date are set out as follows:

Hotel Comparable Companies	Financial year-end	Share Price as at the Latest Practicable Date[1] (S$)	Market Capitalisation (S$'million)	PE[2][6] (times)	P/NTA[3] (times)	EV/ EBITDA[4] (times)
Mandarin Oriental	31-Dec-12	1.620	1,625	22.47	1.80	11.20
Hotel Properties	31-Dec-12	3.050	1,548	11.94	1.05	10.84
GuocoLeisure	30-Jun-13	0.815	1,115	20.08	0.93	10.10
Hotel Grand	31-Dec-12	1.040	621	36.57	1.42	11.48
Banyan Tree	31-Dec-12	0.675	514	34.59	0.99	12.78
Stamford Land	31-Mar-13	0.565	488	15.40	0.94	9.68
Bonvests	31-Dec-12	1.150	462	18.53	0.64	12.73
Amara	31-Dec-12	0.555	320	10.88	1.15	12.36
Global Premium[6]	31-Dec-12	0.245	258	13.97	0.63	21.20
Hotel Royal	31-Dec-12	3.200	269	19.56	0.70	13.57
L.C. Development	30-Jun-13	0.155	162	116.66 [6]	0.56	10.74
HL Global	31-Dec-12	0.046	44	n.m.	n.m.	12.76
High				36.57	1.80	21.20
Mean				20.40	0.98	12.45
Median				19.04	0.94	11.92
Low				10.88	0.56	9.68
Hotel Re! (implied by the Hotel Consideration)	**30-Jun-13**		**2.70**	**3.70**	**0.97**	**1.35**

Source: Bloomberg, annual reports, SGX-ST announcements and PPCF calculations

Notes:

(1) Share prices are the last traded share prices at the Latest Practicable Date.

(2) Historical PE ratio is calculated based on the latest available full-year financial results as announced on the SGX-ST as at the Latest Practicable Date. The PE ratio of Hotel Re! is computed as described in paragraph 7.2(b)(i) above.

(3) The P/NTA ratio is calculated based on the latest available full-year financial results as announced on the SGX-ST as at the Latest Practicable Date. The P/NTA ratios of Hartawan Property and Hotel Re! are computed as described in paragraph 7.2(b)(i) above.

(4) The EV/EBITDA ratio is calculated based on (i) the sum of their respective market capitalisation as at the Latest Practicable Date and bank borrowings, less cash based on their latest available full-year financial results and (ii) their EBITDA based on their latest available full-year financial results. The EV/EBITDA ratio of Hotel Re! is computed as described in paragraph 7.2(b)(i) above.

(5) n.m. denotes not meaningful as Hartawan Property was loss-making and had recorded a loss before interest, taxes, depreciation and amortisation for FY2013.

(6) In computing the statistics of the PE ratios, L.C. Development has been excluded as a statistical outlier.

Based on the above, we note the following:

In respect of Hartawan Property,

(i) the historical PE ratio of Hartawan Property is not meaningful as Hartawan Property was loss-making for FY2013;

(ii) the historical P/NTA ratio of Hartawan Property as implied by the Property Consideration of 0.95 times is within the range and below the mean and median of the P/NTA ratios of the Property Comparable Companies; and

(iii) the historical EV/EBITDA ratio of Hartawan Property is also not meaningful as Hartawan Property recorded a loss before interest, taxes, depreciation and amortisation for FY2013.

In respect of Hotel Re!,

(iv) the historical PE ratio of Hotel Re! as implied by the Hotel Consideration of 3.70 times is below the range of the historical PE ratios of the Hotel Comparable Companies;

(v) the historical P/NTA ratio of Hotel Re! as implied by the Hotel Consideration of 0.97 times is within the range and below the mean but above the median of the P/NTA ratios of the Hotel Comparable Companies; and

(vi) the historical EV/EBITDA ratio of Hotel Re! as implied by the Hotel Consideration of 1.35 times is below the range of the historical EV/EBITDA ratios of the Hotel Comparable Companies.

(c) Remaining lease term of the leased properties of the Hartawan Subsidiaries

As mentioned in paragraph 7.2(b)(i) above, Hartawan Property does not own any properties. It derives its revenue mainly from rental income by sub-letting properties it leases from Singapore Land Authority ("**SLA**"). As at the Latest Practicable Date, Hartawan Property has 2 leased properties, namely 1 Pegu Road and 2 Mackenzie Road and their leases will be expiring in the next two (2) years. The leases for 1 Pegu Road and 2 Mackenzie Road will be expiring on 20 September 2016 and 31 December 2014, respectively. As confirmed with the Directors, the 2 leased properties will not be eligible for renewal upon the expiry of their leases. Hartawan Property may have to search for other opportunities in order to continue its property leasing business upon the lease expiry of its properties.

In relation to Hotel Re!, Hotel Re! does not own the land and building of the hotel premises. Hotel Re! also leases the hotel premises at 175A Chin Swee Road from SLA. The hotel premises has a remaining lease term of approximately 2.4 years and the current lease will be expiring in February 2016. As confirmed with the Directors, the hotel premises is expected to be put up for public tender upon the expiry of the current lease. There is no certainty that Hotel Re! will be able to successfully tender for the hotel premises to continue its hospitality business. In the event that Hotel Re! successfully tenders for the lease of the hotel premises, the new lease terms may differ from the existing terms under its current lease agreement.

Under the terms of the leases of the leased properties, the Hartawan Subsidiaries are required to restore the sites to their original condition upon termination of the leases. Reinstatement works would commence in the months preceding the termination of the lease and operations of Hartawan Property and Hotel Re! may need to be scaled down during that period as a result. Further, notwithstanding that the Company has provided for the reinstatement costs annually, the reinstatement works may result in a cash outflow from the Hartawan Subsidiaries upon expiry of the leases.

(d) No other alternative or suitable buyer for the Hartawan Subsidiaries

As mentioned in paragraph 7.2(b)(i) of this IFA Letter, the Chairman's statement in the Company's annual reports for FY2010, FY2011 and FY2012 stated that the Group foresees demand and rental rates for commercial properties to remain weak and the Group had been seeking opportunities to divest part of its property leasing business.

The buyer of the Hartawan Subsidiaries is the Executive Chairman of the Company and has been appointed to the Board since 2009. He is currently in charge of managing the business of the Hartawan Group. He is also a Controlling Shareholder of the Company, having a direct and deemed interest of 23.09% of the issued share capital of the Company as at the Latest Practicable Date.

In addition, the Board has confirmed that they have not received any alternative offers or proposals from third parties for the purchase of the Hartawan Subsidiaries as at the Latest Practicable Date and are of the view that the relatively short remaining lease term of the leased properties as further described in paragraph 7.2(c) above, is one of the key reasons for the lack of alternative offers.

7.3 Other relevant considerations in relation to the Proposed Whitewash Resolution and the Proposed Put Option

(a) Financial effects of the Proposed Transactions

The pro forma financial effects of the Proposed Acquisition, Proposed Share Consolidation and the Proposed Put Option (the "**Proposed Transactions**") are set out in Section 10.13 of the Circular for illustrative purposes only and based on the audited consolidated financial statements of the Hartawan Group for FY2012 and the unaudited pro forma consolidated financial information of the Target Group for FY2012 and on certain assumptions. We recommend that the Independent Directors advise the Independent Shareholders to read Section 10.13 of the Circular carefully, in particular the assumptions relating to the preparation of the financial effects.

We set out below a summary of the financial effects of the Proposed Transactions.

(i) Share Capital

Assuming that the Proposed Transactions were completed on 30 June 2012, the share capital of the Hartawan Group would have increased substantially due to the issuance of the Consideration Shares.

(ii) Loss per Share

Assuming that the Proposed Transactions were completed on 1 July 2011, the Hartawan Group's loss per Share would have increased mainly due to the write off of goodwill arising from the Proposed Acquisition as noted from the unaudited pro forma consolidated financial information of the Enlarged Group as set out in Appendix IV of the Circular.

(iii) NTA per Share

Assuming that the Proposed Transactions were completed on 30 June 2012, the Hartawan Group's NTA per Share would have decreased substantially mainly due to the dilutive effect on the NTA per Share as a result of the issuance of the Consideration Shares.

(b) Dilution impact of the Proposed Acquisition

As at the Latest Practicable Date, the issued share capital of the Company comprises 812,139,411 Shares. There are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting shares in the Company.

The interests of the substantial Shareholders of the Company and the other existing Shareholders in the issued Shares as at the Latest Practicable Date are set out in the table below.

Following the Proposed Share Consolidation and after the allotment and issuance of 1,500,000,000 Consideration Shares to the Vendors and/or their designated holders, the Company will have an enlarged issued share capital of 2,181,145,130 Shares after the Proposed Acquisition but before the Compliance Placement. The percentage shareholdings of the various parties and the Vendors in the Company immediately after the Proposed Transactions but before the Compliance Placement are set out below.

	As at the Latest Practicable Date		**After the Proposed Share Consolidation but before the Proposed Acquisition**		**After the Proposed Transactions (before the Compliance Placement)**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Vendors and/or their Concert Parties	–	–	–	–	1,493,600,000	68.48
Investors	–	–	–	–	6,400,000	0.29
Undertaking Shareholder(1)	187,560,411	23.09	156,300,342	23.09	156,300,342	7.17
Canaccord Genuity	–	–	–	–	4,362,290	0.20
Other existing Shareholders	624,579,000	76.91	520,482,498	76.91	520,482,498	23.86
	812,139,411	**100.00**	**676,782,840**	**100.00**	**2,181,145,130**	**100.00**

Note:

(1) Winstedt Chong Thim Pheng has a direct interest of 1,663,000 Shares and a deemed interest in 185,897,411 Shares registered in the name of DBSN Services Pte Ltd.

Based on the above, upon the completion of the Proposed Acquisition, the Vendors and/or their Concert Parties will collectively hold 68.48% of the Enlarged Issued Shares, the Investors will collectively hold 0.29% of the Enlarged Issued Shares and the Undertaking Shareholder will have his direct and deemed shareholding interest decreased from 23.09% to 7.17%. Despite the substantial dilution of his direct and deemed shareholding interest, the Undertaking Shareholder still remains a substantial Shareholder of the Company after the Proposed Acquisition.

The existing Shareholders other than the Undertaking Shareholder would have their aggregate shareholding interests diluted from 76.91% to 23.86%.

(c) Completion of the Proposed Restructuring Exercise will take place after the EGM

The Target Group will be formed through a restructuring exercise ("**Proposed Restructuring Exercise**") which will involve the acquisition of the issued and paid-up share capital of each of the Target Subsidiaries for purposes of the Proposed Acquisition, as contemplated in the Sale and Purchase Agreement. Pursuant to the Proposed Restructuring Exercise, the Target Company will become the holding company of Target Group.

We understand that the Proposed Restructuring Exercise will require certain steps to be undertaken including, among others, approvals from the Indonesian government authorities for the completion of the Proposed Restructuring Exercise. We note in its due diligence reports that the Indonesian legal counsel has advised that these steps are administrative in nature and are to be completed to achieve the desired structure. However, since the Company is a mining business permit holder, the application to the Indonesian Capital Investment Coordinating Board would need to enclose a technical recommendation letter from the Regent (*Bupati*) as one of the requirements. Issuance of a technical recommendation is subject to the policy of each Regency on terms and conditions of the application as well as the issuance of the recommendation. This might cause delay in the obtainment of the recommendation. Other issues that may cause delay, for example, would be any change of technical regulations or transfer of government officials. Save for the aforesaid issues, the steps for the transfer of shares in the Target Company are merely administrative and the Indonesian legal counsel do not expect the Company to meet any difficulties in obtaining the required approvals.

As the completion of the Proposed Restructuring Exercise is one of the conditions precedents for the Proposed Acquisition, should the Proposed Restructuring Exercise not be completed, the Proposed Acquisition will not take place. The Proposed Restructuring Exercise and the Proposed Acquisition are to be completed by the Longstop Date on 31 October 2013.

(d) Moratorium by the Vendors and/or their designated holders

It is envisaged that upon Completion, the Vendors and/or their Concert Parties and the Investors, will hold in aggregate approximately 68.77% of the Enlarged Issued Shares.

To demonstrate their commitment to the Enlarged Group, each of the Vendors and their Concert Parties and the Investors has undertaken not to sell, contract to sell, realise, transfer, pledge, grant any option to purchase or otherwise dispose of (i) any part of their respective shareholdings in the Company immediately after Completion for a period of 12 months commencing from the listing of the Consideration Shares on Catalist, and (ii) 50% of their respective shareholdings in the Company for the subsequent six (6) months, or such period as may be required by the SGX-ST (such shareholdings being adjusted for any bonus issue or subdivision) ("**Moratorium Period**"), provided that the moratorium shall not apply to the Compliance Placement. Nicco Darmasaputra Lawrence, the sole shareholder of the SPC, has also undertaken not to sell, contract to sell, realise, transfer, pledge, grant any option to purchase or otherwise dispose any part of his shareholding interest in the SPC during the Moratorium Period.

(e) Convertible Loan extended to Target Company

On 31 October 2011, the Company had entered into the Convertible Loan Agreement with the Target Company for an interest-free Convertible Loan of up to S$12 million to be advanced by the Company to the Target Company. The Convertible Loan has been drawn down in two (2) equal tranches on 3 November 2011 and 14 August 2012. The Convertible Loan Agreement was amended and restated on 1 July 2013 and PT WI was included as a party to the Convertible Loan Agreement. Pursuant to the terms of the amended and restated Convertible Loan Agreement, if the Sale and Purchase Agreement is not completed by the Longstop Date, the Company shall have the right to elect to repay the Convertible Loan or to convert the Convertible Loan into new shares in the share capital of the Target Company (where the Proposed Restructuring Exercise is completed) or PT WI (where only the Indonesian Restructuring had been completed), as the case may be, and thereafter holding an effective 10% of the enlarged issued shares of the Target Company or PT WI, as the case may be.

We note that the Convertible Loan Agreement does not stipulate the terms for repayment of the Convertible Loan, whether by way of cash or conversion into shares, if the Proposed Acquisition is completed by the Longstop Date.

On the assumption that the Proposed Acquisition is completed, the Convertible Loan, on disbursement by the Company to the Target Group, will be accounted for and shall remain as a shareholder's loan from the Company to the Target Group, an intercompany balance. As such, there is no net effect arising from the Convertible Loan on the pro forma financial information of the Enlarged Group.

(f) No other alternative proposal or investment opportunity

We note from the Chairman's statement in the Company's annual reports since FY2010 that the Hartawan Group has been actively seeking opportunities to expand via mergers and acquisitions, and to grow its businesses. The Proposed Acquisition would enable the Company to venture into the gold mining business, transforming it from a property leasing and management and hospitality group. The Directors are of the view that by venturing into the gold mining business, this could enhance the value of the Company and improve Shareholders' return.

The Directors have confirmed that as at the Latest Practicable Date, other than the Proposed Acquisition, the Company has not received any alternative proposals or investment opportunity.

(g) The Proposed Acquisition is, *inter alia*, conditional upon the Proposed Whitewash Resolution and the Proposed Acquisition and the Proposed Put Option are inter-conditional upon each other

We note that the passing of the resolution for the Proposed Acquisition is conditional upon the Proposed Whitewash Resolution. In the event the Proposed Whitewash Resolution is not approved by Shareholders at the EGM, the Proposed Acquisition would not take place.

In addition, the Proposed Acquisition and Proposed Put Option are inter-conditional upon each other. In the event the Proposed Acquisition and/or the Proposed Put Option are not approved by Shareholders at the EGM, both the Proposed Acquisition and Proposed Put Option will not take place.

8 OUR OPINION

In arriving at our opinion on the Proposed Whitewash Resolution and the Proposed Put Option, we have taken into consideration, *inter alia*, the following factors as set out below. The following should be read in conjunction with, and in the context of, the full text of this IFA Letter.

In respect of the Proposed Acquisition,

(a) The rationale of the Proposed Acquisition;

(b) The financial assessment of the Issue Price:

   (i) The Issue Price on a pre-Share Consolidation basis of S$0.1667 represents a premium of 207.0% and 204.1% over the Hartawan Group's NTA per Share of S$0.0543 and S$0.0548 as at 30 June 2012 and 30 June 2013, respectively;

(ii) Based on the Issue Price, the implied valuation of the Hartawan Group is S$135.4 million. The P/NTA ratio is therefore 3.07 times and 3.04 times as at 30 June 2012 and 30 June 2013, respectively. Taking into consideration the resultant status of the Hartawan Group upon the exercise of the Proposed Put Option and subsequent sale of the Hartawan Subsidiaries, based on the implied valuation of the Hartawan Group, the premium of S$91.2 million and S$90.9 million over NAV of the Hartawan Group as at 30 June 2012 and 30 June 2013 would represent the value accorded by the Vendors for the listing status of the Company;

(iii) The Issue Price represents a premium of 40.1% and 38.8% over the last traded price and the VWAP of the Shares respectively, on 27 October 2011, being the last traded day of the Shares preceding the Announcement Date;

(iv) The Issue Price represents a premium of 46.0%, 43.3%, 67.1% and 59.8% over the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Announcement Date, respectively;

(v) The Issue Price represents a premium of 15.9% over the VWAP of the Shares for the period between the market day immediately after the Announcement and up to the Latest Practicable Date;

(vi) As at the Latest Practicable Date, the Issue Price represents a premium of 11.1% over the last traded price of the Shares of S$0.150;

(vii) During the period from 31 October 2010 up to the last traded day of the Shares prior to the trading halt on 27 October 2012 (both dates inclusive), the Shares were traded on 190 market days or 76% of the Total Market Days. The total number of Shares traded during this period was approximately 445.6 million Shares with an average daily trading volume of 1.8 million Shares, representing 0.38% of the free float;

(viii) During the period after the Announcement and up to the Latest Practicable Date, the Shares were traded on 381 market days or 81% of the Total Market Days. The total number of Shares traded during this period was 1.3 billion Shares with an average daily trading volume of 2.7 million Shares, representing 0.58% of the free float;

(ix) The premium of 40.08% as implied by the Issue Price over the last traded price prior to the Announcement is within the range and higher than the mean and median premia and discounts of the Comparable Transactions; and

(x) The historical P/NTA ratio as implied by the Issue Price of 3.04 times is within the range and lower than the mean but higher than the median of the P/NTA ratios of the Comparable Transactions;

(c) The financial assessment of the Purchase Consideration:

(i) The Target Group's financial results for FY2010 and FY2011 relates to its prior business in the sale of lighting products. As of the Latest Practicable Date, the Target Group had not commenced production and the sale of gold dore. As such, no revenue was recorded for FY2012 and 9M2013. The Target Group had reported loss after tax for FY2012 and 9M2013 and had nil net assets as at 30 June 2012 and 31 March 2013 mainly due to one of the shareholders, Wijaya Lawrence, indemnifying the net liabilities of the Target Group up to the Completion Date, in accordance with the conditions of the Sale and Purchase Agreement;

(ii) EV/Resources ratio of the Target Group as implied by the Purchase Consideration of S$255.10/oz is within the range and higher than the mean and median of the EV/Resources ratios of the Indonesia Comparable Companies. EV/Reserves ratio of the Target Group as implied by the Purchase Consideration of S$538.31/oz is above the range of the EV/Reserves ratios of the Indonesia Comparable Companies;

(iii) EV/Resources ratio of the Target Group as implied by the Purchase Consideration of S$255.10/oz is within the range of the EV/Resources ratio of the Singapore Comparable Companies. EV/Reserves ratio of the Target Group as implied by the Purchase Consideration of S$538.31/oz is below the range of the EV/Reserves ratio of the Singapore Comparable Companies;

(iv) We further note from the Independent Valuation Report that the average gold grades for the measured, indicated and inferred resources in the Deposits of 7.00 g/t, 8.51 g/t and 8.35 g/t, respectively, are above the range of average gold grades for the measured, indicated and inferred resources of the projects of the Indonesia Comparable Companies; and

(v) The Consideration/Resources ratio of the Target Group implied by the Purchase Consideration of US$202.16/oz is within the range and higher than the mean and median of the Consideration/Resources ratios of the Comparable Precedent Transactions;

(d) With reference to the Independent Valuation Report, we note that the value of the Target Group as implied by the Purchase Consideration is within the Fair Market Value range and at a discount of 30.4% to the preferred Fair Market Value arrived at by the Independent Valuer as at the Valuation Date; and

(e) The historical gold prices for the period from 1-year prior to the Announcement Date up to the Latest Practicable Date.

In respect of the Proposed Put Option,

(a) The rationale of the Proposed Put Option;

(b) With respect to the financial performance and position of the Hartawan Property:

(i) Revenue from Hartawan Property declined from S$3.33 million in FY2010 to S$0.81 million in FY2013. Net profit margins declined from 18.4% in FY2010 to 13.6% in FY2012. Excluding income tax credit of S$0.11 million in FY2012, profit after tax and net profit margin would have been S$0.06 million and 4.9%, respectively. For FY2013, Hartawan Property had reported a loss after tax of S$0.24 million;

(ii) Based on the NAV of Hartawan Property of S$0.49 million as at 30 June 2013 and the depreciation charges for the period from 1 July 2013 to 31 August 2013 of S$0.03 million, the portion of the Exercise Price attributable to Hartawan Property is S$0.46 million;

(iii) Hartawan Property had recorded a loss after tax of S$0.24 million for FY2013. As such, the PE ratio is not meaningful;

(iv) Based on the NTA of Hartawan Property as at 30 June 2013, the Property Consideration values Hartawan Property at a P/NTA ratio of 0.95 times; and

(v) Hartawan Property had recorded a loss before interest, taxes, depreciation and amortisation of S$0.11 million for FY2013. As such, the EV/EBITDA ratio is not meaningful;

(c) With respect to the financial performance and position of the Hotel Re!:

(i) Revenue from Hotel Re! increased from S$6.70 million in FY2010 to S$10.31 million in FY2012 and decreased marginally to S$10.16 million for FY2013. Net profit margins increased from 1.1% in FY2010 to 7.2% in FY2013. Hotel Re! recorded a loss after tax of S$2.61 million in FY2011 due mainly to impairment losses on its plant, property and equipment of S$2.25 million in FY2011;

(ii) Based on the NAV of Hotel Re! of S$2.84 million as at 30 June 2013 and the depreciation charges for the period from 1 July 2013 to 31 August 2013 of S$0.14 million, the portion of the Exercise Price attributable to Hotel Re! is S$2.70 million;

(iii) Based on the profit after tax of Hotel Re! for FY2013, the Hotel Consideration values Hotel Re! at a PE ratio of 3.70 times;

(iv) Based on the NTA as at 30 June 2012, the Hotel Consideration values Hotel Re! at a P/NTA ratio of 0.97 times; and

(v) Based on the EV as implied by the Hotel Consideration and the EBITDA of S$1.99 million for FY2013, the Hotel Consideration values Hotel Re! at an EV/EBITDA ratio of 1.35 times;

(d) In respect of the Property Consideration vis-à-vis the Property Comparable Companies, the historical P/NTA ratio of Hartawan Property as implied by the Property Consideration of 0.95 times is within the range and below the mean and median of the P/NTA ratios of the Property Comparable Companies;

(e) In respect of the Hotel Consideration vis-à-vis the Hotel Comparable Companies,

(i) the historical PE ratio of Hotel Re! as implied by the Hotel Consideration of 3.70 times is below the range of the historical PE ratios of the Hotel Comparable Companies;

(ii) the historical P/NTA ratio of Hotel Re! as implied by the Hotel Consideration of 0.97 times is within the range and below the mean but above the median of the P/NTA ratios of the Hotel Comparable Companies; and

(iii) the historical EV/EBITDA ratio of Hotel Re! as implied by the Hotel Consideration of 1.35 times is below the range of the historical EV/EBITDA ratios of the Hotel Comparable Companies;

(f) The Hartawan Subsidiaries do not own properties but derives its revenue from properties leased from SLA. In relation to Hartawan Property, as confirmed with the Directors, the 2 leased properties will not be eligible for renewal upon the expiry of their leases. Hartawan Property may have to search for other opportunities in order to continue its property leasing business upon the lease expiry of its properties. In relation to Hotel Re!, as confirmed with the Directors, the hotel premises will be put up for public tender upon the expiry of the hotel premises. There is no certainty that Hotel Re! will be able to successfully tender for the hotel premises to continue its hospitality business and under the existing terms pursuant to its current lease agreement; and

(g) There are no other alternative and suitable buyer for the Hartawan Subsidiaries.

Other relevant considerations in respect of the Proposed Whitewash Resolution and Proposed Put Option,

(a) The financial effects of the Proposed Transactions:

(i) Assuming that the Proposed Transactions was completed on 30 June 2012, the share capital of the Hartawan Group would have increased substantially due to the issuance of the Consideration Shares;

(ii) Assuming that the Proposed Transactions were completed on 1 July 2011, the Hartawan Group's loss per Share would have increased mainly due to the write off of goodwill arising from the Proposed Acquisition as noted from the unaudited pro forma consolidated financial information of the Enlarged Group as set out in Appendix IV of the Circular.; and

(iii) Assuming that the Proposed Transactions was completed on 30 June 2012, the Hartawan Group's NTA per Share would have decreased substantially due mainly to the dilutive effect on the NTA per Share as a result of the issuance of the Consideration Shares;

(b) The dilution impact of the Proposed Acquisition whereby upon the completion of the Proposed Acquisition, the Vendors and/or their Concert Parties will collectively hold 68.48% of the Enlarged Issued Shares, the Investors will collectively hold 0.29% of the Enlarged Issued Shares and the Undertaking Shareholder will have his shareholding interest decreased from 23.09% to 7.17%. The existing Shareholders other than the Undertaking Shareholder would have their aggregate shareholding interests diluted from 76.91% to 23.86%;

(c) The Target Group will be formed through a Proposed Restructuring Exercise and will only be completed after the EGM. As the completion of the Proposed Restructuring Exercise is one of the conditions precedents for the Proposed Acquisition, should the Proposed Restructuring Exercise not be completed, the Proposed Acquisition will not take place;

(d) Moratorium by the Vendors and/or their designated holders which demonstrates their commitment to the Company;

(e) We note that the Convertible Loan Agreement does not stipulate the terms for repayment of the Convertible Loan, whether by way of cash or conversion into shares, if the Proposed Acquisition is completed by the Longstop Date. On the assumption that the Proposed Acquisition is completed, the Convertible Loan, on disbursement by the Company to the Target Group, will be accounted for and shall remain as a shareholder's loan from the Company to the Target Group which is an intercompany balance. As such, there is no net effect arising from the Convertible Loan on the pro forma financial information of the Enlarged Group;

(f) The Directors have confirmed that as at the Latest Practicable Date, other than the Proposed Acquisition, the Company has not received any alternative proposals or investment opportunity; and

(g) The passing of the resolution for the Proposed Acquisition is conditional upon the Proposed Whitewash Resolution and the Proposed Acquisition and Proposed Put Option are inter-conditional upon each other.

Shareholders should note that as of the Latest Practicable Date, the Target Group has not commenced the production of gold dore. The Enlarged Group may not progress to the next stage of development or to a stage where it is able to generate revenue. Independent Directors should advise Shareholders to read the Section entitled "Risk Factors – Risks relating to the Business and Industry of the Target Group" of the Circular carefully.

Shareholders should also note it is envisaged that the Proposed Restructuring Exercise will only be completed after the EGM. As at the Latest Practicable Date, the Proposed Restructuring Exercise has not been completed.

As the completion of the Proposed Restructuring Exercise is one of the conditions precedent for the Proposed Acquisition under the Sale and Purchase Agreement, should the Proposed Restructuring Exercise not be completed, the Proposed Acquisition will not take place. Further, should the structure of the Target Group differ from the structure as set out in Section B3 of the Letter and/or the Proposed Acquisition is not completed by the Longstop Date on 31 October 2013, our opinion may vary significantly.

For the purpose of our evaluation and assessment of the Proposed Whitewash Resolution, we have assumed that the Proposed Restructuring Exercise has been completed and the Target Group is in place and has been formed in the structure set out in Section B3 of the Letter.

Independent Shareholders should also note that our opinion is based upon market, economic, industry, monetary and other conditions, in effect on, and the information provided to us as of the Latest Practicable Date. Such conditions, in particular, gold prices, may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

Independent Shareholders should further note that gold prices fluctuate and are affected by numerous factors. For the period one-year prior to the Announcement Date and up to the Latest Practicable Date, gold prices had traded from a low of US$1,201/oz to a high of US$1,900/oz. We note that the gold price of US$1,313/oz as at the Latest Practicable Date may not be as compelling as compared to the gold price of US$1,715/oz as at the Announcement Date.

Having regard to the considerations set out in this IFA Letter and the information available as at the Latest Practicable Date, from a financial point of view, we are of the opinion that,

(i) the Proposed Whitewash Resolution, as one of the conditions precedent of the Proposed Acquisition, is, on balance, not prejudicial to the interests of the Independent Shareholders. Accordingly, we advise that the Whitewash Independent Directors recommend the Independent Shareholders to vote in favour of the Proposed Whitewash Resolution; and

(ii) the grant of the Proposed Put Option by the Interested Person is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders.

Independent Directors should also note that transactions of the Shares are subject to possible market fluctuations and accordingly, our opinion on (i) the Proposed Whitewash Resolution; and (ii) the Proposed Put Option do not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This IFA Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of (i) the Proposed Whitewash Resolution; and (ii) the Proposed Put Option and should not be relied on by any other party. The recommendation made to the Independent Shareholders in relation to (i) the Proposed Whitewash Resolution; and (ii) the Proposed Put Option shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular and to be referred to for the purposes of the proceedings in the EGM to be held in relation to (i) the Proposed Whitewash Resolution; and (ii) the Proposed Put Option, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purpose other than for the purpose of the EGM without the prior written consent of PPCF in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,
For and on behalf of
PrimePartners Corporate Finance Pte. Ltd.

Mark Liew	Mah How Soon
Managing Director, Corporate Finance	Senior Director, Corporate Finance

Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas, Sukabumi Region, Republic of Indonesia

Report Prepared for

PT. Wilton Wahana Indonesia

Prepared by

srk consulting

Project Number SHK191

September 2013

Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas, Sukabumi Region, Republic of Indonesia

PT. Wilton Wahana Indonesia

Komplek Harco Mangga Dua
(Agung Sedayu), Block C No5
J1.Mangga Dua Raya
Jakarta 10730
Indonesia

SRK Consulting (China) Ltd.
B1205, COFCO Plaza
No. 8 Jianguomennei Dajie
Dongcheng District
Beijing, 100005, China
Telephone No: +86 10 6511 1000

Dr Anson Xu, axu@srk.cn
SHK191

September 2013

Compiled by:	Peer Reviewed by:
Dr Anson Xu, *FAusIMM* Project Manager Principal Consultant – Geology	Mike Warren *FAusIMM* Corporate Consultant – Project Evaluations
Authors:	
Hong Gao, Falong Hu, Muhui Huang, Richard Kosacz, Yuanhai Li, Jinhui Liu, Pengfei Xiao, Anson Xu and Wanqing Zhang	
Peer Reviewers: Dr Yonglian Sun and Mike Warren	

Executive Summary

PT. Wilton Wahana Indonesia (“Wilton” or “the Company”) commissioned SRK Consulting (China) Limited (“SRK”) to review all technical aspects of the Ciemas Gold Project (“Ciemas”) located near the town of Pelabuhan Ratu in the Sukabumi Region of West Java, Indonesia. Furthermore, SRK was required to update the report on the project with new findings and to issue an Independent Qualified Person’s Report (“IQPR” or the “Report”) for inclusion in documents to be submitted for a proposed listing (“Proposed Listing”) on the Stock Exchange of Singapore Limited (“SGX”).

Summary of Principal Objectives

The purpose of this Report is to provide an independent technical assessment of the project based on all available technical data in compliance with the requirements for listing a mining company on the Singapore Stock Exchange; the Report is to be included in documents to be submitted for a proposed listing on SGX.

Outline of Work Program

The work program involved three phases:

- Phase 1: Review of provided historical data and information, and a site visit to the Ciemas Gold Project near Ciemas, Sukabumi, Indonesia, in March 2012. Tasks include: discussion of issues with Wilton staff, collection and review of documents; analysis of the provided data, writing of a draft report, review of additional data, and finalisation of the initial resource review report.
- Phase 2: In April and October 2012, SRK supervised the Company in conducting a data verification and supplemental exploration program which was recommended for the quality assurance and quality control (“QA/QC”) of the previous database, and upgrading the resource categories, including verification drilling on site, collection of drilling and assay data, and re-modelling the deposits of Pasir Manggu West, Cibatu, Cikadu, and Sekolah.
- Phase 3: In March 2012, and March 2013, the SRK team conducted site visits, and reviewed the Company’s mining, mineral processing, environmental measures, and mine economic potential, conducted an analysis of the provided data, prepared and updated the IQPR report.

Results

Overall

Wilton operates the Ciemas Gold Project in West Java, Indonesia with two mining licences covering a total area of approximately 30.8 square kilometres (km^2). The Ciemas Project consists of a number of gold deposits and occurrences. The gold mineralization in Ciemas is hosted in quartz veins, structural altered rocks with tectonic breccia, or in quartz porphyry. Through previous exploration programs, gold mineral resources have been estimated at least four deposits. Wilton drilled 17 holes in 2012 to verify the gold mineralization at the Pasir Manggu West, Cikadu, Sekolah, and Cibatu deposits. SRK has reviewed the exploration work and the integrated database, and estimated that the Ciemas Project contains 2,416,000 tonnes (“t”) of Joint Ore Reserves Committee (“JORC”) Code compliant Measured + Indicated Resources averaging 8.44 grams per tonne (“g/t”) of gold, and 1,937,000 t of Inferred Resource averaging 8.36 g/t of gold at the areas of Pasir Manggu, Cibatu, Sekolah, and Cibatu. SRK also notes that there are other deposits within the Ciemas licence area managed by Wilton with previously reported promising exploration mineral resources which are not JORC compliant.

In 2012, Shandong Gold Group Yantai Design Research Engineering Co. Ltd. (“Yantai Institute”) conducted a feasibility study on the project and Henan Metallurgical Design Institute (“HMDI”) created mining designs for three areas (Pasir Manggu, Cikadu, and Cibatu-Sekolah) proposed to be developed by underground mining. The main access systems is planned to consist of shafts and inclined shafts. The combined mining capacity of the three mines is scheduled to be about 1,500 tonnes per day ("tpd"). HMDI recommended shrinkage stoping mining based on the similar geometry and geotechnical conditions of the ore bodies in Pasir Manggu, Cikadu, and Cibatu-Sekolah. In February 2013, the feasibility study and mining designs were revised by P.T. Asia Sejati Industri ("ASI"). SRK believes that further optimization of the mining method is necessary. Cut and fill mining methods should be given consideration in the three mines. Using the parameters (the "modifying factors) proposed in the feasibility study, SRK has converted the Mineral Resource into Ore Reserves. The Proved and Probable Ore Reserves total about 2.44 million tonnes ("Mt") averaging 7.10 g/t of gold at a cut-off grade of 1.69 g/t of gold. Assuming the mine operates 300 days per annum, the currently estimated Ore Reserve may support a mine life of at least six (6) years, while continuous exploration and study as recommended could define more mineralisation to sustain further production.

It is also proposed that a processing plant with a capacity of 120,000 tonnes per annum ("tpa") should be constructed at the project, adopting a gravity and flotation flowsheet. SRK recommends that a 400 tpd or 120,000 tpa mine can be developed first at Pasir Manggu to match the capacity of the planned processing plant. These together with the anticipated 500 tpd (or 150,000 tpa) production capacity at Cikadu and 600 tpd (or 180,000 tpa) at Cibatu and Sekolah, yield a total production capacity of 1,500 tpd (or 450,000 tpa) with an expanded corresponding processing capacity for the whole project.

It is SRK's opinion that the proposed capital investment of US$92,750,000 is reasonable for a 1,500 tpd project composed of three underground mining areas with a combined 1,500 tpd production, a 1,500 tpd concentrator, and the corresponding infrastructure and facilities. The working capital is estimated at US$7,964,000. The total unit cash operating cost is estimated at US$66 per mined tonne.

SRK has undertaken a pre-tax discounted cash flow analysis of the project, based on technical and economic inputs/assumptions that SRK considers to be reasonable. The project demonstrates a positive return on investment and overall economic viability.

Considering the quality of the mineral resources and ore reserves, and the conditions of development, SRK believes that future operation of the project will be economically feasible and attractive. There is also potential to define more resources within the tenements.

Operational Licences and Permits

SRK has sighted the original business licences for the Ciemas project, one for the Company and the other for the PT. Liek Tucha Ciemas ("Liek Tucha"). SRK has sighted an original supporting document indicating that the Company owns 95% of PT. Liek Tucha Ciemas. SRK has also sighted the two original Mining Business Licences ("IUPs") that have been issued for the Ciemas project. These were both issued by the Integrated Licensing Services Board Administration of Sukabumi District.

SRK has sighted the relevant land documents indicating that the Company has secured land access rights to approximately 28.35 hectares ("ha") of land from the local residents in Pasir Manggu and Cileuweung gold bearing zone areas during past five years.

Geology

The Ciemas Gold Project is situated within a volcanic polymetallic metallogenic belt in Ciletah Bay, Indonesia, containing gold ("Au"), silver ("Ag"), lead ("Pb"), zinc ("Zn"), and copper ("Cu"). The belt is formed mainly of volcanic breccias and mostly covered by Quaternary eluvium and alluvium as well as a post-mineralisation tuff blanket up to 20 m thick. Volcanic breccias, tuffs, and andesite are widely distributed in the Project area.

Two sets of fractures are developed, striking to the northeast and northwest with extensions varying from about 100 to 1,000 m; the fracture belts are generally 1 – 20 m wide. These fractures are the primary gold ore-controlling tectonics and ore-bearing zones in this area.

Most gold mineralized bodies present in the northeast zone contain brecciated chalcedony-quartz carrying pyrite, arsenopyrite, and small amounts of galena and sphalerite mineralization. The zone is covered by strongly silicified clay several metres thick and containing disseminated pyrite. The indistinct external propylitic alternation envelope features chlorite and scattered pyrite.

Pasir Manggu is made up of three (3) sets of quartz veins from southwest to northeast which occur in andesitic lava and andesitic pyroclastic rock. They generally strike northeast ("NE") at 45° and dip southeast ("SE") at 75° - 80°. Pasir Manggu West, located at the southwestern most end of Pasir Manggu, was explored by drill holes on 20 × 20 m and 40 × 40 m grids, which delineated a mineralized belt with four major veins extending about 600 m along the strike in accordance with the tectonic framework. According to the drilling findings, the gold mineralized veins are still open at depth and the defined down-dip extension exceeds 120 m at most but with an average defined depth of 50 – 70 m. The true thickness of gold veins in Pasir Manggu West varies from 1 m or less up to 10 m, with average thickness about 4 m. The average grade of gold mineralized veins at Pasir Manggu West is about 7 g/t Au.

Cikadu is composed of two main mineralized bodies on a northwest ("NW") strike and dip of 60° to 75°, with a length of 700 m, a thickness of 1 to 10 m, and an average Au grade of about 9 g/t.

Cibatu-Sekolah comprises 11 mineralized bodies plunging NW and dipping 60° to 75°, including five main bodies striking for a total length of 1,500 m, 1 to 10 m thick, and with an average Au grade of about 9 g/t.

The structure and type of alternation in the northwest belt are similar to those found in the northeastern belt, but the NW belt contains small amounts of chalcopyrite, and more galena and sphalerite. This zone mainly occurs in the Ciaro region. There are several NW veins in the east which have been subject to extensive mining in the past.

There are several north-south ("NS") striking zones in various locations, but due to insufficient exploration works, their ore bearing potentials are unknown. Several veins around Pasir Manggu strike approximately east-west, and are regarded as related to the northwest zone.

There are few outcrops of intrusive rocks; quartz porphyry outcrops are observed in the Cileuweung block. Potential for further discoveries of numerous gold occurrences are scattered throughout the Ciemas exploration license. The primary mineral commodity is the gold ore.

Three types of gold ores were distinguished and can be described as quartz-vein, tectonically altered-rock, and quartz porphyry ores.

Exploration

In general, exploration work including geological mapping, drilling and surface outcrop exposure (i.e., trenching and pitting), soil and bedrock sampling, and geochemical and geophysical surveys over a significant portion of the Project's concession area were completed in a series of staged exploration programs.

Beginning in 1986, a former Australian company, Parry Corporation Limited ("Parry"), contracted with Liek Tucha (the concession holder at the time) and commenced exploration work in the project area. Detailed exploration work was concentrated in Pasir Manggu, consisting of geological mapping, geochemical and geophysical surveys, extensive outcrop sampling, trenching (called "costean" by Parry), pitting, reverse-circulation ("RC") drilling, and diamond drilling. Diamond and RC drilling, as well as pit sampling and trenching, were also conducted in the deposit areas of Cibatu, Cikadu, and Sekolah. Most of the diamond drill holes ("DDH") conducted in the Project were completed by Parry between 1986 and 1990.

Another Australian company, Terrex Resources NL ("Terrex"), joined the exploration from 1990 to 1994. Work carried out by Terrex included RC drilling, percussion drilling, and some trenching (costean). The exploration was focused on the targets of Pasir Manggu, Cibatu, Cikadu, and Sekolah; and resources in these areas were preliminarily estimated based on extensive sample results. During this time, Terrex started prospecting on other deposits in the project area.

An Australian-Indonesian joint venture, PT. Meekatharra Minerals ("Meekatharra"), conducted a detailed follow-up exploration in the project area from 1995 to 2000. Meekatharra reviewed and evaluated previous geological data, and additional exploration completed during this period included detailed geological mapping and additional sampling from trenches and pits, as well as evaluation diamond drilling. In the Ciaro porphyry copper-gold deposit area, a total of eight additional holes were drilled to further the geochemical and geophysical prospecting.

Geophysical prospecting including Induced Polarization ("IP") and a ground magnetic survey was conducted across the Pasir Manggu quartz veins in 2008. Wilton also completed some trenching and pitting as well as surface sampling in the Project area.

Of all the deposits, Pasir Manggu was considered the most advanced in terms of exploration, followed by Cibatu, Cikadu, and Sekolah. Feasibility study reports were prepared for the Pasir Manggu deposit in 1997 and 2010.

In 2012, Wilton completed a total of 17 DDHs to verify the historical data and explore the gold mineralization at Pasir Manggu West, Cikadu, Sekolah, and Cibatu. Core samples were prepared by the Intertek Laboratory in Jakarta and were analysed with fire assays.

To date, the major exploration work completed in the Ciemas Gold Project area consists of detailed geological and topographical mapping, geophysical and geochemical surveys, 360 costean/trenches/pits, 217 DDHs, 114 RC drillholes (reverse circulation hole or RCH), 7,500 hand auger drillholes, and 120 percussion drillholes.

Samples and Data Compilation

Samples from the Project were collected mainly from DDHs, RCHs, trenches, and pits. The compiled exploration database for Pasir Manggu, Cikadu, Sekolah, and Cibatu has been reviewed by SRK. For other properties of this Project, exploration is represented by trenching and pitting; however these data are insufficient for a JORC Code compliant resource review/estimation. The delineation of mineralized bodies for the Ciemas Project is based primarily on the drilling results. As the historical pitting and trenching data records are incomplete, the resource estimation in this Report only involves the DDH and RCH drilling.

Core and channel sampling comprised the primary sampling methods. The sampling grids were generally 20 m × 20 m (only in Pasir Manggu West), 40 m × 40 m, and 80 m × 80 m. Most of the DDHs were drilled with a dip angle of 60°. Drill cores were split into two halves and the basic sample length was around 1 m. Channel samples were collected from trenches and pits. Channel samples were about 1 m long.

Most of the drill cores were HQ-sized, which was considered adequate for splitting and sampling. In Pasir Manggu, a total of 691 core samples with an average length of 0.94 m were taken from 80 DDHs. In Cikadu, Sekolah, and Cibatu, a total of 1,290 core samples with an average length of 0.97 m were taken from 118 DDHs.

In Pasir Manggu West, a total of 769 samples with an average length of 1 m were taken from 64 RCHs. In Cikadu, Sekolah, and Cibatu, a total of 443 chip samples with an average length of 0.98 m were taken from 42 RCHs.

In Pasir Manggu West, a total of approximately 450 samples with an average length of 0.90 m were taken from 16 trenches and pits. Trenches and pits excavated in Cikadu, Sekolah, and Cibatu have not been compiled in a complete database for review.

The Ciemas Gold Project has been explored and evaluated with staged and separate works and by various companies or consultants, and historical data were not appropriately inherited during the changes of owners and stages. Data compilation and integration was performed by Wilton with its technical consultants prior to SRK's review. The samples were assayed by laboratories Kep Seksi Kimia Mineral, Inchcape Testing Service, and PT. Inchcape Utama Service. SRK sighted part of the original laboratory sample results for the historical exploration (all works conducted before 2008); however, there were no detailed indications regarding the assaying methodology or QA/QC measures. To evaluate the reliability and accuracy of the historical sampling and assays, Wilton conducted verification drilling following SRK's recommendations made in March 2012.

Collar, survey, and sample data for 80 DDHs with a cumulative depth of 6,797 m and 64 RCHs with a cumulative depth of 3,295z m at Pasir Manggu were incorporated into the exploration database. The compiled database also contains 118 DDHs with a cumulative depth of 11,436.2 m and 42 RCHs with a cumulative depth of 2,011 m conducted at Cikadu, Sekolah, and Cibatu. SRK notes that additional exploration work has been completed in the Project area, but due to incomplete reviews, low data quality, or unverifiable sources, they have been excluded from the final database.

Prior to the 2012 verification drilling, in 2009 – 2011 Wilton staff, in concert with an independent consultant geologist, Prof. Zhengwei Zhang, a technical advisor for Wilton who is also a professor and research fellow at the Chinese Academy of Sciences' Institute of Geochemistry, based in Guiyang, China, re-assessed the quality of historical data using data compilation and some valuation trenching and pitting conducted by Wilton. SRK inspected a number of drilling collars and surface trenches on site and reviewed drill logs. Drilling, logging, bulk density testing, sampling procedures, and data quality aspects were discussed and reviewed with Wilton staff.

Verification and Infill Drilling

In 2012, Wilton completed 17 DDHs for verification purposes.

A total of 408 intervals of 342 m cores were sampled, of which 100 samples with an average length of 0.6 m were taken from Pasir Manggu West; the remaining 308 samples were taken from Cikadu, Sekolah, and Cibatu.

In six of the holes drilled at Pasir Manggu West, nine mineralized quartz veins with alteration envelopes were intersected. All verification holes confirmed the continuity of gold mineralization both at depth as well as horizontally. Four holes drilled in Cikadu, four in Sekolah, and three in Cibatu also returned encouraging results. The mineralization trends, average grades, and intersected thickness disclosed by drilling in 2012 are generally consistent with the historical drilling findings. SRK compared the verification results with the historical drillholes in cross-sections and found overall consistency among the integrated data. This verification drilling confirms the accuracy of the historical data which can be used for Resource Assessment. Detailed tables and cross-sections are presented in Appendix 3 in this Report.

Mineral Resources

SRK has reviewed the Project's resources in accordance with international industry standards and for compliance with the Australasian Code for Reporting Identified Mineral Resources and Ore Reserves prepared by the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2004 (the "JORC Code" or "JORC Code 2004 Edition").

Mineral resource estimates for the Project were conducted by SRK using the integrated database in 2012 and 2013. The resource estimates for Pasir Manggu West, Cikadu, Sekolah, and Cibatu were performed with digital three-dimensional ("3D") geological models. Generally the geological wireframes and 3D solid models of the gold veins conform to the gold mineralized bodies outlined by the previous 2D estimate and the drilling intersections. SRK believes a cut-off grade of 1.0 g/t Au is suitable for the Mineral Resource reporting for the Ciemas Project assuming underground mining, a 90% processing recovery rate, a gold price of 1,500 United States Dollar per ounce (US$/oz), and operating cost of 66 US$/t. The estimated Mineral Resources under a cut-off grade of 1.0 g/t Au as of 31 May 2013 are listed in Table ES-1.

Please note that the gold Mineral Resources stated in this report are inclusive of gold Ore Reserves.

Table ES-1: Summary of Mineral Resources of Ciemas Project as of 31 May 2013

Property	Category	Resource (kt)	Au (g/t)	Au (kg)	Au ('000 oz)
Pasir Manggu West	Measured	101	7.00	705	23
	Indicated	461	7.64	3,521	113
	Inferred	157	4.03	635	20
Cikadu	Indicated	833	8.78	7,314	235
	Inferred	493	9.66	4,765	153
Sekolah	Indicated	428	9.44	4,045	130
	Inferred	500	9.43	4,714	152
Cibatu	Indicated	592	8.12	4,809	155
	Inferred	786	7.72	6,072	195
Total	**Measured**	101	7.00	705	23
	Indicated	2,315	8.51	19,689	633
	Inferred	1,937	8.36	16,186	520

Note: *cut-off grade: 1.0 g/t Au.

The information in this Report which relates to Mineral Resource estimates is based on information compiled by Dr Anson Xu, Mr Jinhui Liu, and Mr Pengfei Xiao, employees of SRK Consulting (China) Ltd. Dr Xu, FAusIMM, Mr Liu, MAusIMM, and Mr Xiao, MAusIMM, have sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu, Mr Liu and Mr Xiao consent to the reporting of this information in the form and context in which it appears.

Exploration Potential

In addition to the Mineral Resources stated in this Report, SRK notes that other gold resources were previously estimated as a potential of the project in the Cigombong, Cileuweung, Cibak, Ciheulang, and Japudali ore bearing zones.

It is reported by Wilton and previous consultants that the Ciaro (Cileuweung-Cigombong) copper-gold porphyry has great potential. Geophysical and geochemical works have been completed in the area, and Meekatharra drilled five holes with a very wide spacing (more than 100 m). It is recommended that follow-up exploration be conducted on the porphyry potential.

Completed drilling shows that the gold mineralizations at Pasir Manggu and Cibatu, Sekolah, and Cikadu are still open in both strike and down-dip directions. Therefore, more drilling is recommended to expand the exploration area and depth range.

The variability of gold grades and intersection intervals is not yet known, in particular where the data density is low. It is SRK's opinion that in-fill drilling at Sekolah, Pasir Manggu Middle, and Pasir Manggu East should be conducted to update the resources and/or make new discoveries.

Studies on a few drill core samples suggest that other associate elements such as Ag, Pb, Zn, and Cu may be enriched locally. These elements are recommended for further analysis.

Under the JORC Code, only Measured and Indicated Resources can be converted into Proved and Probable Reserves by considering a number of modifying factors during feasibility studies. SRK is of the opinion that the feasibility study for the Project should follow the updated geological model and resource estimates.

Ore Reserves

In general, Measured Resources were converted into Proved Ore Reserves and Indicated Resources were converted into Probable Ore Reserves, in compliance with the JORC Code 2004 Edition.

A processing recovery rate of 90% was applied to the Ore Reserve estimate. The mining dilution was designed at 17% and the mining loss/reduction was 15%. The ore reserves were reported at a gold cut-off grade of 1.69 g/t as of 31 May 2013. A summary of the Ore Reserve estimate is shown in Table ES-2.

Table ES-2: Summary of Ore Reserves as of 31 May 2013

Property	Category	Reserve (kt)	Au(g/t)	Au (kg)	Au ('000oz)
Pasir Manggu West	Proved	103.2	5.89	607.3	19.5
	Probable	455.8	6.59	3,001.5	96.5
	Proved +Probable	559.0	6.46	3,608.8	116.0
Cikadu	Probable	843.8	7.34	6,190.8	199.0
Sekolah	Probable	433.2	7.85	3,402.5	109.4
Cibatu	Probable	604.5	6.83	4,131.5	132.8
Total	Proved	103.2	5.89	607.3	19.5
	Probable	2,337.3	7.16	16,726.3	537.8
	Proved +Probable	2,440.5	7.10	17,333.7	557.3

Note: The information in this report which relates to Ore Reserves is based on information compiled by Mr Qiuji Huang and Dr Anson Xu, employees of SRK Consulting (China) Ltd. Mr Qiuji Huang, MAusIMM and Dr Xu, FAusIMM, have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Xu supervised the work of Mr Falong Hu MAusIMM. Dr Xu and Mr Huang consent to the reporting of this information in the form and context in which it appears.

Mining

The basic designs for the three mines were completed by HMDI in 2012 and updated by ASI in February 2013. The designed mining capacities of Pasir Manggu, Cikadu and Cibatu-Sekolah are 400 tpd, 500 tpd, and 600 tpd, respectively. The development systems of the three mines are designed as follows:

Pasir Manggu Mine: A co-development system was designed with an adit, a main shaft, an auxiliary shaft, and an inclined shaft. The designed level interval is 40 m and the main mining levels are at 475 m, 435 m, and 395 m. The adit will be mainly used as the haulage drift for the 475 m level. Two 1.2 cubic metre ("m^3") skips will be installed in the main shaft for ore hoisting. A single cage with a balance weight will be installed in the auxiliary shaft for hoisting workers and material. The inclined shaft will have a dip angle of 25° and is designed for ore hoisting, and will also serve as the fresh air intake and as an access-way for equipment and workers. Broken ore from all levels will be loaded into trucks. Above 475 m, the ore will be directly hauled to the surface by trucks through the adit. Below 475 m, the ore will be first transported into the ore storage bin, and then hoisted to surface by the main shaft skip or by the tramcar in the inclined shaft. The major development work at the time of SRK's site visit was one inclined shaft which has been driven down to about 200 m along the dip.

Cikadu Mine: An inclined shaft development was recommended. Each mining level will be 40 m high and the main mining levels will be at 440 m, 400 m, and 360m. The inclined shaft with a 25° angle is designed for ore hoisting, and will also serve as the fresh air intake and as an access-way for material, equipment, and workers. Broken ore at all levels will be loaded into YFC0.75 tramcars and transported by rail to the bottom of the inclined shaft. Tramcars full of ore will be hoisted to the surface via the inclined shaft.

Cibatu-Sekolah Mine: A development system with main and ventilation shafts has been recommended. Two main mining levels are set at 440 m and 400 m with a 40 m interval. The main shaft, with a diameter of 3.4 m and depth of 120 m, will be located near the border zone at the footwall of the Cibatu and Sekolah ore bodies. One 2.2 m × 1.35 m single-cage with a balance weight will be installed in the main shaft to hoist ore, waste, material, equipment, and workers. Three ventilation shafts are designed for the return air, and can also serve as safety exits. Broken ore or waste at all levels will be loaded into YFC0.75 tramcars and transported by rail to the bottom of the main shaft . Tramcars full of ore or waste will be hoisted to the surface by the cage in the main shaft.

Shrinkage stoping mining was recommended by HMDI based on the similar geometry and geotechnical conditions of the ore-bodies in Pasir Manggu, Cikadu, and Cibatu-Sekolah. The designed mining loss rate and dilution rate are 15% and 20%, respectively. SRK believed that it is possible to lower the mining loss and dilution rate by further optimising the mining method. Cut and fill mining methods should be given consideration in the three mines.

In 2013, ASI was commissioned to complete a reserve estimate and mining production schedule for the three mines. ASI set the overall mining capacity at about 1,500 tpd based on the development systems designed by HMDI in April 2012. SRK suggests that the development systems should be further optimised to fit the smaller mining capacity of the Cikadu and Cibatu-Sekolah mines.

Table ES-3 gives the mining production schedule from each mine, modified from ASI's study. SRK estimates the mine construction will take 1.5 to 2 years prior to the commencement of mining operation. In SRK's opinion, the Company should hasten the resource upgrade in order to extend the mine life.

Table ES-3: Mining Production Schedule (in ktpa)

Mine Name			Year 1	2	3	4	5	6
Pasir Manggu	Ore (kt)	559	80	120	120	120	119	
	Au (g/t)	6.46	6.46	6.46	6.46	6.46	6.46	
Cikadu	Ore (kt)	844	130	150	150	150	150	114
	Au (g/t)	7.34	7.34	7.34	7.34	7.34	7.34	7.34
Cibatu	Ore (kt)	605	80	105	105	105	105	105
	Au (g/t)	6.83	6.83	6.83	6.83	6.83	6.83	6.83
Sekolah	Ore (kt)	433	70	75	75	75	75	63
	Au (g/t)	7.85	7.85	7.85	7.85	7.85	7.85	7.85
Subtotal Cibatu-Sekolah	Ore (kt)	1038	150	180	180	180	180	168
	Au (g/t)	7.26	7.31	7.26	7.26	7.26	7.26	7.21
Total	Ore (kt)	2441	360	450	450	450	449	282
	Au (g/t)	7.1	7.13	7.07	7.07	7.07	7.07	7.26

Note: Data in this table is taken from the Independent Internal Report compiled by ASI in 2013; however, some modification was conducted for the purpose of the optimization based on SRK's Ore Reserve statements.

Ore Processing

SRK visited the project area in 2012, and the proposed site for processing plant construction is considered by SRK to be favourable, with good accessibility and infrastructure.

The Company commissioned the Research and Development Centre for Mineral and Coal Technology ("the Centre") in Jakarta, Indonesia to conduct a processing test. Yantai Design and Research Engineering Co., Ltd ("Yantai Institute") in China was commissioned to complete a feasibility study.

The processing test conducted by the Centre indicates that the Ciemas project ore is highly amenable, and a high recovery rate is expected to be obtained through gravity separation, flotation, and cyanidation. Gold dore bullion (alloyed gold) is planned to be produced as the final product and the total processing recovery rate is expected to be up to 90%.

Yantai Institute completed the feasibility study for the Ciemas project, including a design for the processing plant setting the production capacity at 300 tpd of raw ore. Gold concentrate generated from gravity separation and flotation is also expected, and the processing recovery rate is also assumed to be up to 90%.

SRK opines that the processing test results and production flowsheet conducted by the Centre are reasonable, and SRK also supports the feasibility study completed by Yantai Institute. It is SRK's opinion that the gravity-cyaniding flowsheet could be used in future plant design, and the final product is proposed to be gold dore bullion after cyaniding.

However, the design of the processing plant should be adjusted based on the new processing test results.

SRK's suggestions are as follows:

- More analysis and tests should be conducted by the Centre, including multiple-element analysis, ore physical property tests, grinding tests, tailings sedimentation, and ore proportion;
- A cyanidation leaching test for gold flotation concentrate should be conducted to provide sufficient and accurate technical indexes for the design institute;
- The production flowsheet and equipment selection should be revised based on the latest processing test; and
- The recovery rates for associate valuable metals and diminution of hazardous elements should be improved in further processing tests and production.

Safety

SRK has sighted the original Occupational Health and Safety ("OHS") officer appointment approval for the Ciemas Gold Project with its English translation. This approval was issued by the Department of Mining and Energy of the Regent of Sukabumi on 9 December 2011.

In addition, SRK reviewed some sections of the feasibility study reports with respect to the proposed OHS management measures for the project.

SRK notes that the project is still under construction, and therefore records of OHS statistics, such as the number and type of incident/accidents and associated injuries, have not yet been generated.

Capital Costs (CAPEX) and Operating Costs (OPEX)

According to the Independent Internal Report compiled by ASI in 2013, the combined mining capacity of Pasir Manggu, Cikadu, and Cibatu-Sekolah is about 450 thousand tonnes per year ("ktpa"), or 1,500 tpd. The capital investment for mining is forecast to be US$92,750,000, and working capital is US$7,964,000. Table ES-4 provides details of the capital investment requirements.

Table ES-4: Capital Investment Breakdown

Item	Capital ('000US$)	%
Mining	32,918	35
Processing	18,000	19
Tailings storage facility	9,000	10
Water supply	700	1
Power supply	1,575	2
Infrastructure	14,000	15
General layout	3,000	3
Others	13,557	15
Total	**92,750**	**100**

SRK is of the opinion that the proposed capital expenditure is likely to achieve the aims of the company and result in the forecasted production for Ciemas mine.

For Pasir Manggu Mine, Cikadu Mine, and Cibatu-Sekolah Mine, the total unit production cost was estimated at US$66/mined tonne. Based on the total yearly production cost data compiled by ASI, SRK has analysed the unit production cost, which is shown in Table ES-5. The annual total operating cost has been recalculated based on the production schedule and unit costs. The details are shown in Table ES-5.

Table ES-5: Details of Unit Production Cost (in US$/t ore)

Item	Value (US$/t ore)	%
Consumables	20.45	31
Fuel & Power	13.19	20
Man Power, Transportation of workforce, Allowances	21.14	32
General Administration	9.24	14
Environmental protection	0.66	1
Sales Expenses	1.32	2
Total	**66.00**	**100**

Environmental and Social Issues

SRK has conducted a site visit and reviewed related environmental impact assessments and the approvals, which have been compiled in accordance with the relevant Indonesian laws, regulations, and decrees. SRK notes that the sites are generally being managed to meet minimum Indonesian national requirements listed in the related environmental approvals.

In summary, the most significant inherent environmental and social risks for the development of the Ciemas Project, currently identified as part of the project assessment and SRK's review, are:

- Land disturbance and subsidence;
- Poor water management (i.e., stormwater/surface water drainage including any mine dewatering);
- Waste rock stockpiling/waste rock dump management;
- Poor dust management; and
- Soil and groundwater contamination (i.e., poor hydrocarbon storage and handling).

It is SRK's opinion that the environmental and social risks for the Ciemas Project are categorised as moderate/tolerable risks (i.e., requiring risk management measures) and the risks are generally manageable.

Project Risk Analysis

Mining is a relatively high risk industry. In general, the risk may decrease from exploration and development to the production stage. The Ciemas Gold Project is an advanced exploration/development project with some historical open pit production, and risks exist in various areas. SRK considered various technical aspects which may affect the project's feasibility and future cash flow under the proposed production schedule, and conducted a qualitative risk analysis which has been summarised in the following table.

Table ES-6: Risk Assessment Table

Risk Source/Issue	Likelihood	Consequence	Risk Rating
Geology and Resource			
Lack of Significant Resource	Unlikely	Moderate	Low
Lack of Significant Reserve	Unlikely	Major	Medium
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls	Unlikely	Major	Medium
Low Production Pumping System Adequacy	Unlikely	Moderate	Low
Significant Geological Structure	Possible	Moderate	Medium
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Ground Conditions	Possible	Moderate	Medium
Poor Mine Plan	Possible	Moderate	Medium
Ore Processing			
Lower Yields (output / raw ore)	Possible	Moderate	Medium
Lower Recovery	Possible	Moderate	Medium
High Production Cost	Likely	Moderate	Medium
Poor Plant Reliability	Unlikely	Moderate	Medium
Environmental and Social			
Land disturbance, rehabilitation and site closure	Possible	Moderate	Medium
Poor Water management (i.e. stormwater/surface water drainage – including any mine dewatering).	Possible	Moderate	Medium
Poor Waste rock stockpiling/ dumping management	Possible	Moderate	Medium
Land contamination (i.e. hydrocarbon storage and handling).	Possible	Moderate	Medium
Social aspects (i.e. local community interactions)	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delays	Possible	Moderate	Medium
Capital Cost Increases	Possible	Moderate	Medium
Operating Cost Underestimated	Possible	Moderate	Medium
Other Risks			
Regional Earthquakes	Possible	Major	High

Table of Contents

List of Tables

List of Figures

List of Appendices

Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (China) Limited (“SRK”) by PT. Wilton Wahana, Indonesia (“Wilton”). The opinions in this Report are provided in response to a specific request from Wilton to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

1 Introduction and Scope of Report

PT. Wilton Wahana Indonesia ("Wilton" or "the Company") engaged SRK Consulting (China) Limited ("SRK") to undertake an independent review of the geology, exploration, resource, mining, mineral processing, environmental, social and economics of the Ciemas Gold Project ("Ciemas"), and to provide Wilton, potential equity investors and possible future shareholders with an Independent Competent or Qualified Person's Report ("ICPR" or "IQPR" or the "Report") compliance to JORC Code and to present a clear understanding of the project. Dr Anson Xu, the key author of this report, is an Australian Joint Ore Reserves Committee ("JORC") Code Competent Person ("CP") as well as Qualified Person ("QP") according to the Canadian professional designation.

The projects and operations at Ciemas are operated by Wilton. The final IQPR may be included with listing documents of the proposed Reverse Take-Over ("RTO") process of a company that is listed on the Singapore Exchange's ("SGX").

2 Background and Briefing

2.1 Background of the Project

Wilton is a lawfully registered corporation in Indonesia, focused on mineral development, mining and related commercial business. Wilton consolidated the previous exploration/mining tenements into mining concessions from 2008 to 2011.

SRK was commissioned by Wilton to review and report all relevant technical aspects of Wilton's exploration/mining properties in the Sukabumi Region, Republic of Indonesia. The mining concessions are currently wholly held by the Company. Copies of the original mining concessions are shown in Appendix 1.

2.2 Background of the Properties

The reviewed properties have been managed by several previous tenement holders, who have conducted prospecting and exploration works at various levels of detail from the 1980s to the present; the work still continues.

The licensed mining concession of the Ciemas project consists of the following major blocks: Pasir Manggu (West, Middle, and East), Cibatu, Sekolah, Cikadu, Cigombong, Cileuweung, Cibak, Cikole, Cipirit, Ciheulang and Japudali.

The tenement is currently in the stage of detailed exploration and pre-mining at Pasir Manggu West, Cikadu, and Cibatu -Sekolah.

3 Program Objectives and Work Program

3.1 Purpose of the Report

The principal objectives of this Report is to provide Wilton and the potential equity investors and possible future shareholders and the SGX with an IQPR suitable for inclusion in documents that Wilton plans to submit to the SGX in relation to the proposed RTO listing on the Catalist. The SRK report is proposed to provide the SGX and existing and potential shareholders of Wilton with an IQPR which provides an unbiased technical assessment of the risk and opportunities associated with the mining and processing assets of Wilton’s Ciemas gold project.

3.2 Reporting Standard

This Report has been prepared as a “Qualified Person” report complying with the Listing Rules which referred to *Practice Note 4c, Disclosure Requirements For Mineral, Oil And Gas Companies*, of the SGX. The Report has also been prepared to the standard of an Independent Technical Assessment Report under the guidelines of the Valmin Code. The Valmin Code is the code adopted by the Australasian Institute of Mining and Metallurgy and incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves. The standard is binding upon all members of the Australasian Institute of Mining and Metallurgy (“AusIMM”).

This Report is not a valuation report and does not express an opinion as to the value of mineral asset. Aspects reviewed in this Report do include product prices, socio-political issues, and environmental considerations; however, SRK does not express an opinion regarding the specific value of the assets and tenement involved.

3.3 Limitations Statement

SRK is not professionally qualified to opine upon and/or confirm Wilton’s percentage ownership of the project tenements and/or that Wilton has any unresolved legal matters relating to any transfer of ownership or associated fees and royalties. SRK has therefore assumed that there are no legal impediments regarding the existence of the relevant tenements and that Wilton has legal right to all underlying tenements as purported. Assessing the legal tenures and rights to the prospects of Wilton and/or any of its subsidiary companies are the responsibility of legal due diligence conducted by entities other than SRK.

3.4 Work Program

The work program included the following items carried out by three phases:

- Phase 1: Review of provided historical data and information, site visit to the Ciemas Gold Project near Ciemas, Sukabumi, Indonesia, in March 2012. Specific tasks included discussion of issues with Wilton staff, collection and review of documents, analysis of the provided data, writing of a draft report, review of additional data, and finalisation of the initial resource review report.
- Phase 2: In April and October 2012, SRK supervised the Company in conducting a data verification and supplemental exploration program which was recommended for the quality assurance and quality control (“QA/QC”) of the previous database, and upgraded the resource categories, including verification drilling on site, collection of the drilling and assay data, and re-modelling the Pasir Manggu West, Cibatu, Cikadu, and Sekolah deposits.
- Phase 3: In March 2012, and March 2013, SRK team conducted site visits, and reviewed the Company’s mining, mineral processing, environmental measures, and mine economic potential, analysed the provided data, prepared and updated the IQPR report.

3.5 Project Team

The SRK team and their areas of responsibility are shown in Table 3-1.

Table 3-1: SRK Consultants, Title and Responsibility

SRK Personnel	Project Role
Dr Anson Xu	Principal Consultant – chief compiler of updated report in 2013, and joint Competent/Qualified Person for Mineral Resources and Ore Reserves
Richard Kosacz	Principal Consultant - Geology Review and chief compiler of report in 2012
Jinhui Liu	Senior Consultant - Exploration, Data Verification and Resource Review and joint Competent Person for Mineral Resource
Pengfei Xiao	Senior Consultant - Exploration, Resource Estimate and QA/QC Protocol and joint Competent Person for Mineral Resource
Zhongxin Guo	Senior Consultant - Mining and Mine Economic Assessment
Wanqing Zhang	Senior Consultant – Mining review for updating the report
Falong Hu	Consultant- Ore reserve conversion for updating report
Qiuji Huang	Principal Consultant – Review of Mining and Reserve Conversion and joint Competent Person for Ore Reserves
Hong Gao	Senior Consultant - Mineral Processing Assessmentand joint Competent Person for Ore Reserves
Dr Yuanhai Li	Senior Consultant – Environmental and Social Assessment
Muhui Huang	Senior BD Supervisor -Project Coordinate, Translation, Technical Legality
Dr Yonglian Sun	Principal Consultant- Internal Peer Review and Quality Control
Mike Warren	Corporate Consultant - External Peer Review and Quality Control

Dr Anson Xu (Anson), ***PhD (Geology), FAusIMM,*** is a Principal Consultant (geology) who specializes in exploration of mineral deposits. He has more than 20 years' experience in exploration and development of various types of mineral deposits including copper-nickel sulphide deposits related to ultra basic rocks, tungsten and tin deposits, diamond deposits, and in particular, various types of gold deposits, such as vein, fracture-breccia zone, alteration, and carlin type deposits. He was responsible for the resource estimations of several diamond deposits, and review of resource estimations of several gold deposits. He managed the completion of several technical reports for clients from both China and overseas, including technical reporting projects such as Canadian NI43-101 reports and Hong Kong Stock Exchange (HKEx) IPO technical reports. ***Dr Xu is the main Competent/Qualified Person and chief compiler of the updated Report.***

Richard Kosacz, ***M.Sc.Eng. P.Geo, MAuIMM, MPGS,*** is a Principal Consultant (Geology). Richard has over 30 years of geological experience which includes mine and exploration geological services along with international geological consulting for numerous mineral deposits. Richard has also planned, managed and conducted regional as well as target-scale mineral exploration programs, from the initial stages right through to the resource definition drilling stage. His portfolio of geological research and services includes precious metals (Au-Ag, Pt-Pd), base metals (Cu, Zn, Pb) and other nonferrous metal deposits in different geological environments, worldwide. Richard also has extensive experience in the management of field data (geological and geochemical) as well as high level skills in geological interpretation and modelling. ***Mr Kosacz is also a Competent or Qualified Person for this Report.***

Jinhui Liu, ***M.Sc***, ***MAusIMM,*** is a Senior Consultant (Geology who has more than 7 years' experience in mineral deposit exploration. He has been involved in many due diligence and QA/QC projects, as well as Canadian NI43-101 reports and HKEx IPO technical reports for numerous clients. He is familiar with a wide range of deposit types, including Au, Cu, Fe, Ni, Pb-Ag-Zn, Fe, and Mo in Mongolia, Indonesia, Kyrgyzstan, Madagascar, and China. He specializes in several software packages such as Surpac, Micromine, and Leapfrog in geological modelling, data interpretation, and JORC Code resource estimation and classification. ***Mr Liu assisted Mr Kosacz in data verification and geological resource review of the project.***

Pengfei Xiao, ***M.Sc, MAusIMM, MSEG,*** is a Senior Consultant (Geology). He graduated from the Institute of Geology and Geophysics, Chinese Academy of Sciences and specialised in comprehensive geophysical exploration of metal mineral deposits applying geo-electric and electromagnetic methods. Since he joined SRK China in 2008, Pengfei has accumulated experience in more than 30 consulting projects including due diligence reviews (geology, exploration, and resource reviews), exploration design and resource verifications in China, Mongolia, Africa, South America, Southeast Asia and Central Asia. These projects involve precious, base, and other nonferrous metal deposits, and also include some non-metal projects. Pengfei also has expertise in exploration QA/QC protocols for sampling, and sample preparation and analysis. Recently he has assisted in compiling public technical reports to aid SRK clients in successful property transactions. ***Mr Xiao assisted Mr Kosacz in reviewing and assessing the geology including the resource of the project.***

Wanqing Zhang, ***M.Eng, Registered Consulting (Investing) Engineer***, is a Senior Consultant (Mining) at SRK China. He has more than 7 years' experience in the mining industry and has taken part in many design and consulting projects for metal mines located both in China and abroad. He has extensive experience in preliminary valuation, pre-feasibility studies, feasibility studies, and basic and detailed mine design. He has expertise in final pit limit optimization, pit scheduling, underground mine development, selection of mining methods, and underground ventilation system optimization. In addition, he has a broad understanding of CAPEX and OPEX estimation, financing, and financial analysis in the mining industry. He has twice been awarded ministerial recognition for excellence in engineering consulting achievement. ***Mr Zhang conducted the mining review for updating the report under the supervision of Dr Xu.***

Falong Hu, ***B.Eng, MAusIMM,*** is a Consultant (Mining) who has a Bachelor's degree in Mining Engineering from Central South University. Before joining SRK he worked as an on-site and head office mining engineer at Sino Gold Mining Limited (which later merged with Eldorado Gold Corp.) and Silvercorp Metals Inc. He is familiar with underground mine production systems and has been involved in mine design, scheduling, and development; underground mining production; longhole blasting; rock mechanics; ventilation; back-fill; and cost accounting. He is also proficient in digital modelling using Gencom Surpac. ***Mr. Hu completed the mine modelling and conversion of ore reserves under the supervision of Dr. Xu.***

Qiuji Huang***, B.Eng. MAusIMM, Mining Association of the Chinese Society for Metals Member, China Association of National Gold member,*** is a Senior Consultant (Mining). Prior to joining SRK, he was the technical department manager for a number of gold mines in southwest China, responsible for mine development and mining design. Later he joined the Gold Administration Bureau of Guangxi province and the Guangxi Branch of National Gold, where he was in charge of review, purchase, planning, and production management. Qiuji has nearly 30 years of mining experience, including deposit development and planning, open-pit mining, underground mining, mine design and consultation. The commodities involved range from precious metals (Au, Ag) to non-ferrous metals (Cu, Zn, Pb, W, Mo), ferrous metals (Fe, Mn) and other metal deposits as well as non-metallic deposits formed under different conditions (such as: U, K, S, coal and stone). Other experience includes mine technology, review, mine construction, production test, mine management, and more. Since joining SRK, Qiuji has been involved in many due diligence studies in China, Asia, Africa and South America, including CNNC, and CITIC DAMENG, all of which have been listed successfully on the Hong Kong Stock Exchange. ***Mr. Huang reviewed the mining and reserve conversion.***

Hong Gao***, B.Eng. MGSC, MCGA, MAusIMM,*** is a Senior Consultant (Processing). He has 30 years' experience in mineral processing and mineral resources information collecting. He is proficient in mine development and construction processes, and has specific expertise in separable experiments, concentrator design, equipment installation, production commissioning and on-site production management. He has been involved in separable experiments for dozens of mines in Xinjiang, for which he was also responsible for the concentrator designs, on-site installations and production commissioning. Since joining SRK, Hong Gao has been involved in many due diligence projects in China, including Hanking Mining's Fe ore projects and fluorite projects for Shenzhou Mining, most of which have been listed successfully on the Hong Kong Stock Exchange. ***Mr Gao was responsible for the mineral processing assessment.***

Yuanhai Li (Andy), *Ph.D,* is a Senior Consultant (Environmental) with SRK Consulting (China). He is an environmental scientist with 11 years' experience in environmental management for the hazardous waste treatment industries. This experience has been gained mainly from within United States and China. He has particular expertise in environmental due diligence reviews, phase II/III site investigations, environmental impact assessment, wetland and landfill rehabilitation, and environmental risk assessment. In addition, he has extensive experience in environmental engineering with a thorough knowledge of dealing with various environmental hazardous waste/solid waste issues, including contaminated site assessment, Landfill closures/Brownfield redevelopment, contaminated site remedial designs. He also has deep understanding of water/wastewater treatment design, water distribution systems, storm water management systems, geographic information systems (GIS), and geotechnical issues through various projects. Furthermore he is also proficient in AutoCAD/Microstation, ArcGIS, and GMS. ***Mr Li is responsible for review of environmental and social aspects.***

Muhui Huang (Chris), ***Juris Master,*** is a Senior Business Development Supervisor with SRK China. He earned his Master's degree from China University of Political Science and Law and Bachelor's degree from Beijing Foreign Studies University. With three years' engineering consulting experience and three years' mining project consulting experience, he has been in charge of project management, translation and logistics services for many SRK projects, including the HKEx IPOs of Citic Dameng's Manganese Project in Guangxi, China and Jiangxi Yinhai Lead-Zinc Project in Jiangxi, China; the HKEx Substantial Transaction of Jiulong Molybdenum Project in Shanxi, China; technical reviews for Yindongpo Gold & Silver Project in Henan, China, Kalimantan Merge Coal Project in Kalimantan, Indonesia, State Grid Copper Project M&A in Kazakhstan, and Tongling Non-Ferrous Copper Project M&A in Ecuador; and QA/QC for Meulaboh Bara Coal Project Exploration in Aceh, Indonesia. ***Mr Huang assisted the CP in project management, document review and translation.***

Dr Yonglian Sun, ***BEng, PhD, FAusIMM, MIEAust, CPEng***, is the Managing Director of SRK China and a Principal Consultant with over 20 years experience in geotechnical engineering, rock mechanics and mining engineering in five countries across four continents. He has extensive international mining experience with an emphasis in site investigation, analysis and modelling of geotechnical issues in open pits, underground mines, and tunnels. He also possesses considerable experience in evaluating mining projects. In recent years, Yonglian has coordinated and led dozens of due diligence projects, most of which have been successfully listed in the Stock Exchange of Hong Kong Limited. Yonglian is a fellow with the Australasia Institute of Mining and Metallurgy and a Chartered professional engineer with the Institute of Engineers Australia. ***Dr Sun provided the internal peer review for the Report.***

Mike Warren, ***BSc (Mining Eng), MBA, FAusIMM, FAICD,*** Corporate Consultant (Project Evaluations), is a mining engineer with over 30 years experience, including on-site and head office roles and five years in investment banking. Mike has led SRK review teams on mining projects in Australia, New Zealand, Papua New Guinea, Canada, Brazil, Mongolia and China. Experience in China has included the Independent Technical Reports for the Fujian Zijin Mining Industry Co, Ltd IPO on HKEx, the Competent Person or Qualified Person's Report for the Aluminium Corporation of China (Chalco) IPO on both Hong Kong and New York stock exchanges, the IPO for Lingbao Gold, the IPO for Xinjiang Xinxin Mining Company Limited and the Competent Person or Qualified Person's Report for the Sino Gold dual listing on HKEx. Mike is based in Sydney. He is a Fellow of the Australasian Institute of Mining and Metallurgy and Fellow of the Australian Institute of Company Directors. ***Mr Warren provided the external peer review for the Report.***

3.6 Qualified Person Statement

As the author of portions of and chief compiler of the Report for Wilton on certain mineral properties in Sukabumi Region, Republic of Indonesia, I, Anshun (Anson) Xu, do hereby certify that:

- I am a Principal Consultant in Geology and Mineral Resources, and a partner and director of SRK Consulting (China) Limited ("SRK") with an office at:

B1205 COFCO Plaza
8 Jianguomen Nei Dajie
Beijing, the People's Republic of China
100005
Phone: 86-10-6511 1000
Fax: 86-10-8512 0385
Email: axu@srk.cn

- I graduated with a Bachelor's degree in Geology of Mineral Deposits from Nanjing University, China (B.Sc.) in 1982, a Master's degree in Geology of Mineral Deposits from Chengdu University of Technology, China (M.Sc.) in 1988, and a Doctoral degree in Geology from University of Nebraska-Lincoln, USA (Ph.D.) in 1996.

  I have practiced my profession since 1982. From 1982 to 1990 I worked as a teacher of geochemistry and geology of ore deposits at the Chengdu University of Technology. From 1990 to 1996, I worked in the University of Nebraska-Lincoln as a teaching and research assistant; and from1996 to 2004 I worked in Canadian mining companies as a chief geologist. Since 2005 I have worked as a mining consultant with SRK. I have worked in exploration management, Mineral Resource estimates, Ore Reserve conversion and technical review and reporting for various types of mineral deposits, including gold, silver, iron, copper, nickel, cobalt, lead-zinc, diamond, bauxite, and others located in China, Canada, Mongolia, Kazakhstan, Indonesian, Philippines, North Korea, Congo, Cameron, Madagascar, and Peru. I authored or co-authored several technical reports for IPO listing on the Toronto Stock Exchange and The Stock Exchange of Hong Kong Limited.
- I have been a fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) (No. 224861) since 2005, and am currently in good standing.
- I have read the definition of "Competent Person" set out in the JORC Code and certify that by reason of my education, affiliation with a professional association and past relevant work experiences, I fulfil the requirements to be a "Competent Person" for the purposes of the JORC Code.
- I visited the Ciemas Gold Deposit during the period of 27 - 30 March 2013.
- I am the primary author responsible for updating this technical report and the full content of this report.
- I have had no previous involvement with the Wilton's projects. I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the Wilton's. Project, nor in the securities of Wilton and/or its subsidiary mining companies.
- I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
- I am independent of the issuer applying all of the tests described in the JORC Code.
- I have read the JORC and VALMIN Codes, and the Technical Report has been prepared in compliance with these codes.

Mr Richard Kosacz, Mr Jinhui Liu, Mr Pengfei Xiao, Mr Wanqing Zhang, Mr. Qiuji Huang, Mr Hong Gao, and Mr Mike Warren are also independent Competent Persons on resource, mining and reserve, ore processing, and overall quality control. Their qualifications have been outlined in the short biographical noted above.

3.7 Statement of SRK's Independence

Neither SRK nor any of the authors of this Report have any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

SRK has no prior association with Wilton in regard to the mineral assets that are the subject of this IQPR. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

SRK's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the Report.

Neither SRK's staff nor any authors of this report have any direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Company or any of the Company or any of its subsidiaries within the two years immediately preceding the issue of this transaction.

Neither SRK nor any of the authors of this report have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

3.8 Representation

Wilton represented to SRK that full disclosure has been made of all material information and that, to the best of their knowledge and understanding, such information is complete, accurate, and true. SRK has no reason to doubt the representation.

3.9 Indemnities

As recommended by the VALMIN Code, Wilton has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- Which results from SRK's reliance on information provided by Wilton or due to Wilton not providing material information; or
- Which relates to any consequential extension workload through queries, questions, or public hearings arising from this Report.

3.10 Consents

SRK consents to this Report being included, in full, in documents that Wilton proposes to submit to the SGX, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

3.11 SRK's Experience

SRK Consulting is an independent, international consulting group with extensive experience in preparing independent technical reports for various stock exchanges around the world (see www.srk.com for a review). SRK is a one-stop consultancy offering specialist services to mining and exploration companies for the entire life cycle of a mining project, from exploration through to mine closure. Among SRK's more than 1,500 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration companies, agribusiness companies, construction firms and government departments.

Formed in Johannesburg, South Africa, in 1974 SRK now employs more than 1,600 professionals internationally in 50 permanent offices on six continents. A broad range of internationally recognized associate consultants complements the core staff.

SRK Consulting employs leading specialists in each field of science and engineering. Its seamless integration of services, and global base, has made the company a world's leading practice in due diligence, feasibility studies, and confidential internal reviews.

The SRK Group's independence is ensured by the fact that it holds no equity in any project and that its ownership rests solely with its staff. This permits the SRK Group to provide its clients with conflict-free and objective recommendations on crucial judgment issues.

SRK Consulting has been active in China since 1999 and SRK Consulting (China) Ltd. was established in 2005. In January 2009, SRK China opened its branch office in Nanchang (capital of Jiangxi Province) focusing on mine design and pre-feasibility study projects. SRK China works mainly on Chinese/Asian mining projects independently or together with SRK's other offices, mainly SRK Consulting (Australasia) Pty Ltd. We have prepared dozens of independent technical reports on mining projects for various companies who acquired Chinese projects or completed public listings on stock exchanges. A summary of list is shown in Table 3-2.

Table 3-2: Recent Reports to HKEx by SRK

Company	Year	Nature of Transaction
Yanzhou Coal Limited	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminum Corporation of China)	2001	Listing on HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on HKEx
Lingbao Gold Limited	2005	IPO Listing on HKEx
Yue Da Holdings Limited	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on HKEx
Sino Gold Mining Limited	2007	Dual Listing on HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of an uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on HKEx
China Hanking Holdings Limited	2011	IPO Listing on HKEx
China Daye Nonferrous Metaql Mining Ltd	2012	Very Substantial Acquisition on HKEx
China Nonferrous Mining Corporation Ltd	2012	IPO Listing on HKEx

3.12 Forward-Looking Statements

Estimates of resources, reserves, and mine production are inherently forward-looking statements, which being projections of future performance will necessarily differ from the actual performance. The errors in such projections result from the inherent uncertainties in the interpretation of geologic data, in variations in the execution of mining and processing plans, in the inability to meet construction and production schedules due to many factors including weather, availability of necessary equipment and supplies, fluctuating prices, ability of the workforce to maintain equipment, and changes in regulations or the regulatory climate.

The possible sources of error in the forward-looking statements are addressed in more detail in the appropriate sections of this report. Also provided in the report are comments on the areas of concern inherent in the different areas of the mining and processing operations.

4 Regional Description

4.1 Regional Location and Access

Administratively, the Ciemas deposit area is located in the Jampang Kulon area, in the southwestern part of the Sukabumi Region, West Java Province, Republic of Indonesia, 200 km south of Jakarta.

An expressway connects Jakarta and the city of Bogor (55 km), from where a secondary paved road leads through Sukabumi to the coastal city of Pelabuhan Ratu, from where access to the mine and exploration area is provided by 45 km of paved asphalt road. Generally, access to the area is convenient. However, the road deteriorates as it approaches the mine. Figure 4-1 shows the regional and local location of the project area.

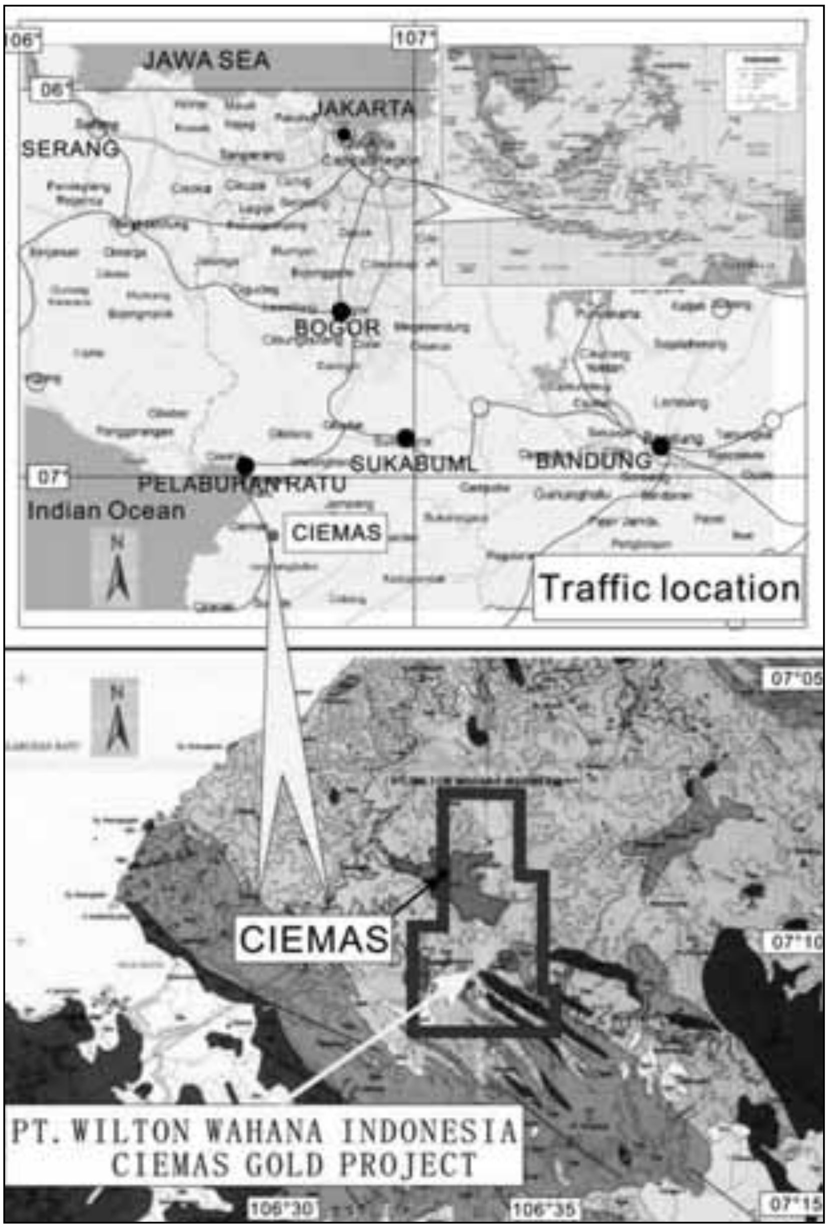


Figure 4-1: Project Location in Sukabumi Region, Indonesia

4.2 Topography and Climate

The landform of the exploration and mining area is represented by an undulating terrain with elevations varying from 379 to 760 m above sea level ("ASL"), generally with the lower parts in the southern areas.

The typical monsoon tropical climate is characteristic of the West Java province; the year has two seasons, dry and rainy. The temperature is stable year round, remaining between 18° and 28°C day and night. Precipitation is nearly 4,000 mm per annum, mostly concentrated between November and April, which is the rainy season.

Water resources are abundant and the level of groundwater is high. Most of the ore bodies are located below the groundwater table. Sukabumi has a tropical monsoon climate, with hot weather, thick soil layers, and dense vegetation.

4.3 Regional Economy and Infrastructure

The project is located in an impoverished mountainous area. The local economy is based mainly on agriculture. Main crops include rice, bananas, corn, and papayas, and plantations of cloves, rubber, and tea are also common.

Presently the power supply is via the local grid; generators are another major source of electricity. A large-scale power station and port project are under construction in Pelabuhan Ratu, about 12 km in a straight line from the mine site.

The water supply is sufficient due to the extremely well-developed river system and high levels of precipitation; water pools and elevated tanks are available on the mine site.

Wilton is one of the few mining enterprises in the Ciemas area; in some places local people pan gold from strongly altered volcanic rock outcrops and soils.

The Indonesian government is focused on attracting investment and increasing employment opportunities. Wilton intends to recruit a majority of project employees from the local population.

5 Operational Licences and Permits

5.1 Business Licences

SRK has sighted two original business licenses, one for PT. Wilton Wahana Indonesia and one for PT. Liek Tucha Ciemas ("Liek Tucha"). SRK has also sighted an original supporting document with its translation indicating that the Company owns 95% of Liek Tucha. Details of the business licences for the Ciemas Project are presented in Table 5-1.

Table 5-1: Business Licences

Business Licence No.	Issued To	Issued By	Issue Date	Expiry Date	Business Activities	Type of Goods/Services
[illegible]	Pt. Wilton Wahana Indonesia	Industry and Trade Service, Jakarta Special Capital Region Province	3-Apr-13	3-Apr-18	Trading	Electronics, Mine (Coal, Mineral), Telecommunication
[illegible]	Pt. Liek Tucha Ciemas	Integrated permit service agency, Government of Sukabumi Regency	12-Feb-13	18-Jan-18	Trade of Goods	Mining of Gold

5.2 Mining Licences

Indonesian national law on mining, *Mineral and Coal Mining (No.4 of 2009)* (the "Mining Law"), allows the issue of mining licences under the following three categories:

- **Mining Business Licence** – called an *Izin Usaha Pertambangan* ("IUP") in Indonesian, a general mining licence issued to specific companies conducting mining business activities within a Commercial Mining Business Area – a mining area for larger scale mining, called a *Wilayah Usaha Pertambangan* ("WUP") mining area.
- **Special Mining Business Licence** – *Izin Usaha Pertambangan Khusus* ("IUPK"), a licence issued to specific companies conducting mining business activities within a specific State Reserve Area – a mining area reserved for the national strategic interest, called a *Wilayah Pencadangan Negara* ("WPN") mining area.
- **People's Mining Licence** – *Izin Pertambangan Rakyat* ("IPR"), a licence granted only to Indonesian citizens/invertors conducting mining business of a limited size and investment, within a People's Mining Area – a mining area for small scale local mining, called a *Wilayah Pertambangan Rakyat* ("WPR") mining area.

Two IUPs have been issued for the Ciemas Project, one for the Company and the other for P.T.Liek Tucha Ciemas. SRK has sighted these two original IUPs with their respective English translations. The details of these IUPs are summarised in Table 5-2, and the approximate mining areas are depicted in Figure 5-1.

Table 5-2: Ciemas Project IUPs

IUP No.	Issued To	Issued By	Issue Date	Expiry Date [1]	Area (km^2)	Mining Type
503.8/7797-bppt/2011	Pt. Wilton Wahana Indonesia	Integrated Licensing Services Board Administration of Sukabumi District	5-Oct-11	7-Sep-30	28.785	Construction, production, transportation, and sale, as well as processing and purification (gold mine)
503.8/3106-bppt/2012	Pt. Liek Tucha Ciemas	Integrated Licensing Services Board Administration of Sukabumi District	8-May-12	4-Jan-28	2.00	Construction, production, transportation, and sale, as well as processing and purification (gold mine)

[1] Can be extended 2 times (twice) based on mining commodity pursuant to Law No. 4 of 2009.

SRK notes that the common standard conditions for the Ciemas Project IUPs include the following key technical items:

- The companies have the right to implement the project's "Production Operation" which is defined as including "construction, production, processing, purification, and transportation and sales".
- The companies have the right to utilise the general facilities and infrastructure for IUP Production Operation activity.
- The companies must appoint a "head of technical mine" (mining technical manager) responsible for the IUP production operation, and the mining environmental, health and safety management.
- The companies must submit the initial annual project Work Program and Budgets (called *Rencana Kerja dan Anggaran Belanja* or "RKAB" in Indonesian) to the Head of the Sukabumi District not more than 60 (sixty) working days after the issuance of the IUP. The follow up RKABs are to be submitted in November of each year.
- The companies must submit a "reclamation plan" and "post mining plan" (no dates are provided).
- The reclamation warranty (rehabilitation guarantee) is to be assigned before commencement of production.
- The mining security closure (post-mine guarantee) must be reserved.
- The companies must submit the Mine Closure Plan (*Rencana Penutupan Tambang* or "RPT") two years before the end of production activities.
- The companies must provide the agreed-upon compensation to the "rights holder of the land and forest enforcement" that has been disturbed by IUP production operation.
- The companies are required to construct all relevant project related infrastructure, including transport (ports, railways, roads), communications, power/water supply facilities, and accommodation and social support facilities (including waste treatment facilities).

5.3 Land Purchase Agreements

SRK has sighted the original land access/compensation agreements for the Ciemas project and was also provided with a list of land access/compensation agreements created by the Company. According to this list, the Company has obtained land access rights of approximately 28.35 hectares ("ha") from the local residents in the Pasir Manggu and Cileuweung gold bearing zone areas during past five years.

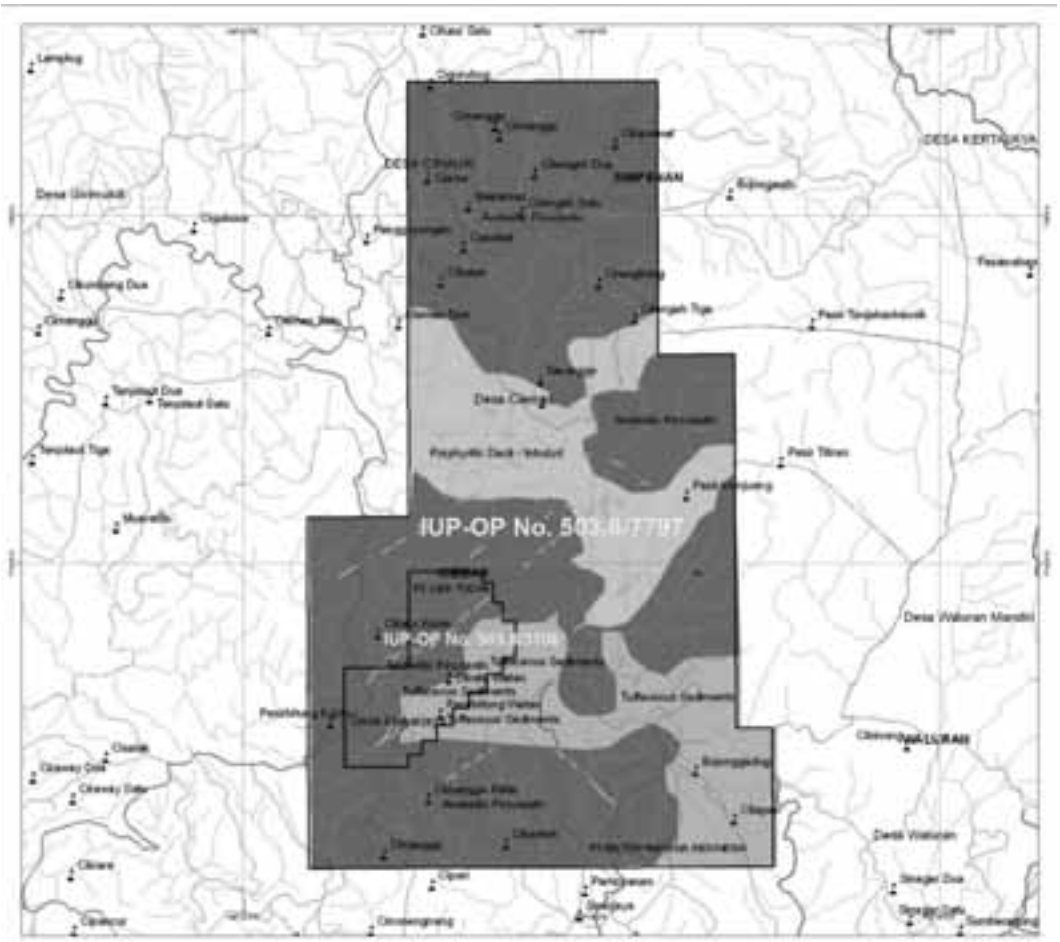


Figure 5-1: Wilton's Exploration and Mining Licence Areas

6 Geological Description

The exploration and mining areas for the Ciemas Project are situated within the volcanic polymetallic metallogenic belt of gold ("Au"), lead ("Pb"), zinc ("Zn"), and copper ("Cu"), in Ciletah Bay, Indonesia. The belt is formed mainly of volcanic breccias and mostly covered by Quaternary eluvium and alluvium, up to 20 m thick. Volcanic breccias, tuffs, and andesite are widely distributed, but their thickness is unclear.

Two sets of fractures are developed, 1 to 20 m wide, striking northeast ("NE") and northwest ("NW") with extensions varying from about 100 to 1,000 m. These fractures are the primary ore-controlling tectonics and ore-bearing zones in this area (as shown in Figure 6-1).

There are few outcrops of intrusive rocks; quartz porphyry outcrops are observed in the Cileuweung block. Gold ore is the primary mineral commodity. In addition to the seven ore blocks in Ciemas there is one Au and Pb-Zn deposit in Cikondang, 62 km northeast of the mine. Three types of gold ore were distinguished and can be described as quartz-vein, tectonic altered-rock, and quartz porphyry ores.

6.1 Stratigraphy

The main strata are related to the three active volcanoes located north of the project area. Basalt lava flows and pyroclastic rocks were generated by the oldest volcano, Kiaramat, while silicified andesite and tuff were generated by the Cikramat and Tugu volcanoes

The main strata are as follows:

- **Jampang Formation:** fine to coarse pyroclastic rock, porphyritic pyroxene andesite containing lava flows, tuffs and coral limestone, hornblende andesite, quartz andesite, and porphyritic basalt angular grain;
- **Jampang Formation** - **Cikarang bed:** tuff and lapilli tuff, tuffaceous sandstone inter-bedded with lava and breccias, and mudstone and calcareous sediments;
- **Jampang Formation** - **Ciseuruh layer:** breccias, but locally the upper layer may be inter-bedded with andesite and basalt lava flows;
- **Ciletuh Formation**: quartz and carbonaceous aggregates, sandstone, and shale, with an unconformable upper section;
- **Ciemas andesite:** the widely distributed intrusion body is treated as Ciemas andesite, featuring abundant coarse quartz, and in some places regarded as quartz porphyry; and
- **Other:** gravel of recent fluvial terraces and residues of beach sediments are widely distributed in this area

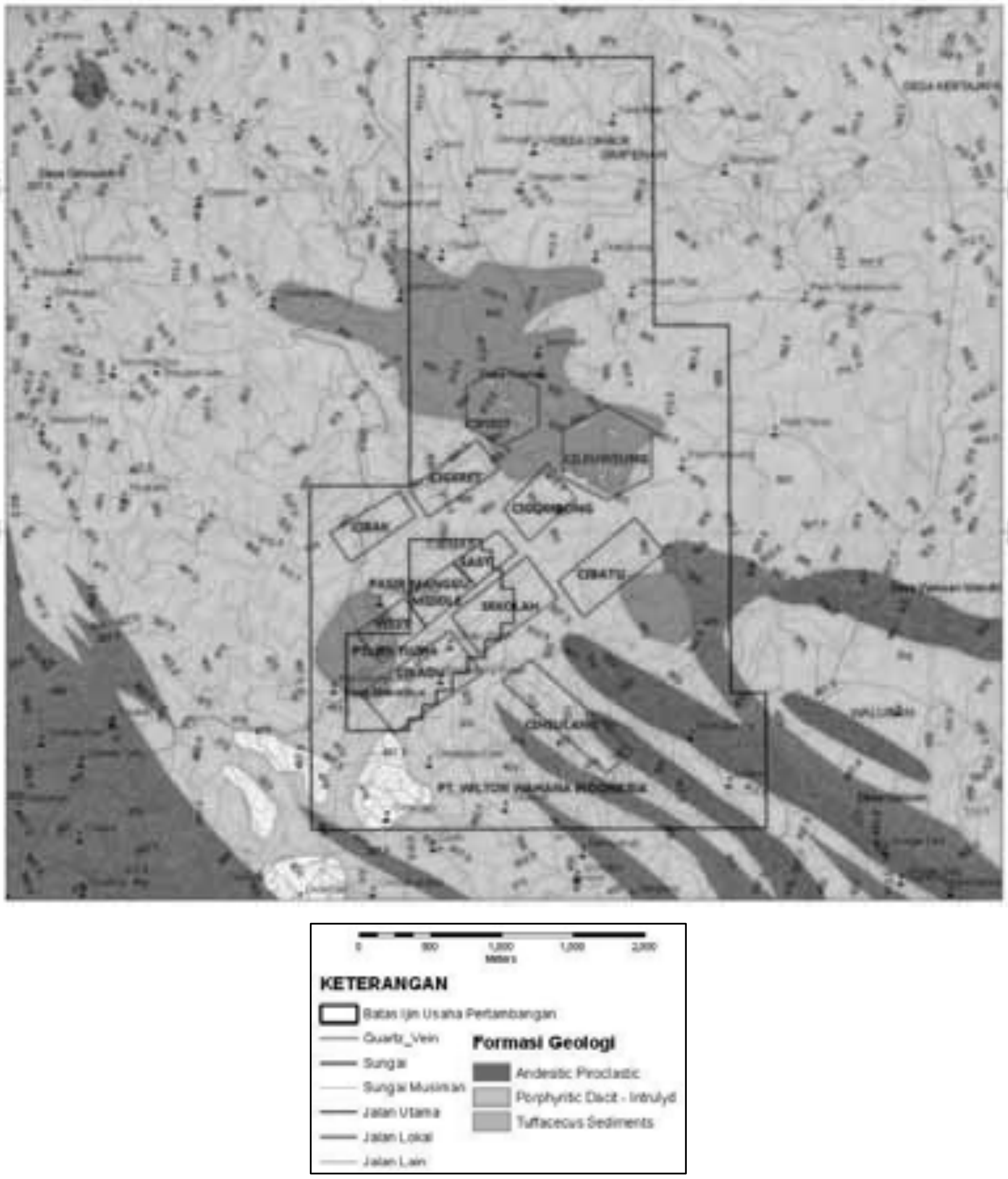


Figure 6-1: Geology of Ciemas Area with Gold Bearing Zones

6.2 Tectonics

The tectonic framework in the mining area is consistent with the regional structure, and is dominated by NE and NW fractures. The fractures are 100 m to 1,000 m long, and 1 to 20 m wide, controlling the gold mineralization. Within these tectonic zones, chalcedony-quartz veins are intermingled, often showing boudinage along the strike and inclination.

The gold mineralization is related to different fault stages of dominant structures and tension tectonics zones. These tectonic zones may be secondary fractures related to the Sumendala fault. The volcano mouth and relevant dacite (possibly quartz porphyry) intrusion also provides favourable geological conditions for mineralization.

The gold ore bodies formed by tectonics are mainly grouped into two directions, one heading NE and the other NW. There are also north-south ("NS") oriented tectonic structures related to the alternation zone inside a dacite intrusion.

- **Northeast belt:** most gold ore bodies are present in this zone, which generally contains brecciated chalcedony-quartz carrying pyrite, arsenopyrite, and small amount of galena and sphalerite mineralization. The zone is covered by strongly silicified clay several metres wide containing disseminated pyrite. The indistinct external porphyritic alternation envelope features chlorite and scattered pyrite.
- **Northwest belt:** the structure and type of alternation of this zone are similar to that of north-eastern, but contains smaller amounts of chalcopyrite, and more galena and sphalerite. This zone mainly occurs in the Ciaro region. There are several northwest veins in the east which have been subject to extensive mining in the past.
- **Other zones:** there are several NS striking zones in some locations, but due to insufficient exploration works, their ore bearing potentials are unknown. There are several veins around Pasir Manggu striking approximately east-west, which are regarded as related to the northwest zone.

The exploration works distinguished four ore-controlling tectonic zones: Japudali, Pasir Manggu, Cibatu, and Cikole.

1. **Japudali ore-controlling zone:** striking to the northwest and dipping northeast at angles of 60° - 70°. This zone is more than 1,000 m long and 30 m wide. It is composed of volcanic breccia and shale. There is a quartz vein developed within the belt, hosting chalcopyrite mineralization, which encloses several gold ore bodies.
2. **Pasir Manggu ore-controlling zone:** striking northeast and inclining southeast, with dips varying from 60° to 70°. The fracture is more than 1,000 m long and is 30 m wide. The fracture belt is made up of volcanic breccia and shale. A quartz vein is developed in the belt, which delimitates several gold ore bodies.
3. **Cibatu ore-controlling zone:** striking approximately to the northeast and dipping northwest, at 60° - 70°. The zone is more than 1,000 m long and is 20 m wide. It is composed of volcanic breccia and shale. A quartz vein is developed in the belt with accompanying silicification which carries Pb-Zn-Cu mineralization, and two probable gold ore bodies.
4. **Cikole ore-controlling zone:** striking approximately northwest and dipping southwest, at angles of 60° - 70°. The belt is more than 1,000 m long and 20 m wide. It is made up of volcanic breccia and shale. A quartz vein is developed in the belt with associated silification carrying pyrite and chalcopyrite mineralization, which hosts one gold mineralized body.

6.3 Magmatic Rock

The regional geology of southwest Java is controlled by Miocene volcanic activities, which may form a southern extension of the Sumendala fault. The mine is located at the south end of the Sumendala fault, in the Jampang Kulon area of West Java. Sumendala is an important control factor for hydrothermal mineralization and volcanic activities in this area. A newly discovered quartz porphyry body in this area has outcrops covering 300 ha around the Jinpenweite area. The lithology consists mainly of quartz porphyry with phenocrysts of quartz and hornblende. The quartz is represented by abundant dipyramidal coarse quartz while the hornblende features dihexagonal prisms.

6.4 Mineralized Zones

Nine (9) major gold ore bearing zones have been delineated within the Ciemas project license (see Figure 6-1): Pasir Manggu (subdivided into three zones named West, Middle, and East), Cigombong, Cileuweung, and Cibak, which represent quartz vein ore types; Cikadu, Sekolah, Cibatu, and Japudali are tectonic altered ore types; and Cipirit is related to the quartz porphyry body.

In addition to the nine major zones, other gold occurrences within the Ciemas licence area have been discovered primarily by previous trenching and pitting. Of all the mineralized zones, only Pasir Manggu, Cikadu, Sekolah, and Cibatu have been explored by detailed drilling, and gold mineralized bodies in these zones are defined as shown in Figure 6-2.

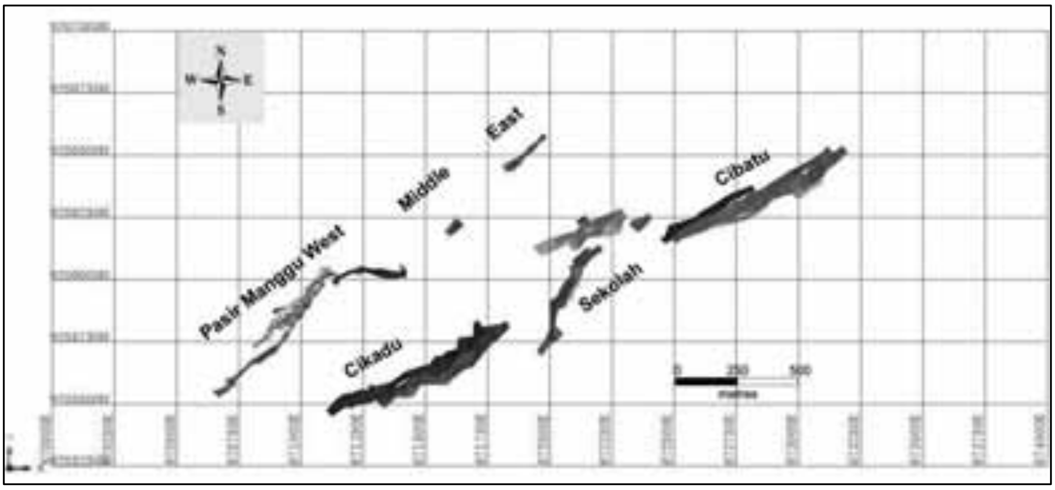


Figure 6-2: Major Gold Mineralized Bodies of the Ciemas Project

6.4.1 The Pasir Manggu Gold Bearing Zone

Pasir Manggu is made up of three (3) sets of quartz veins which occur in andesitic lava and andesitic pyroclastic rock. It generally strikes NE at 45° and dips southeast ("SE") at 75° - 80°. Previous prospecting divided Pasir Manggu into three separate blocks: Pasir Manggu West, Pasir Manggu Middle, and Pasir Manggu East (see Figure 6-2); Pasir Manggu West has been explored by drill holes on 20 × 20 m and 40 × 40 m grids, which delineated a mineralized belt extending about 800 m in accordance with the structural framework. Some drilling and trenching has been conducted at Pasir Manggu Middle and East, but due to gaps in the historical records, these areas are not considered comprehensively studied except some small mineralized bodies defined according to the available drill data.

Geological interpretation indicated that there are several high-grade mineralized veins in the Pasir Manggu zone, which are controlled by the intersection of the southward Pasir Manggu fracture and some northeast oriented faults. These faults dislocate the mineralized belt by right-lateral movement.

A total of 10 gold mineralized bodies are distinguished in Pasir Manggu West according to accomplished exploration, including four major mineralized bodies about 300 – 650 m long and 1.0 - 10 m thick each, with gold grades varying from 1 – 226 grams per tonne ("g/t").

The gold mineralization at Pasir Manggu is borne predominately in quartz veins and the primary mineralized veins (bodies) are hosted in volcanic breccia. Ore in shallow zones near surface are almost totally oxidised. The oxidised zones are about 30 m deep.

The mineral composition of the ore is complicated. Metal minerals include chalcopyrite, pyrrhotite, pyrite, marcasite, and limonite. The gangue minerals are mainly quartz, minor plagioclase, chlorite, epidote, sericite, biotite, clay calcite, dolomite, and ankerite.

Figure 6-3: Pasir Manggu West Gold Bearing Zone Showing Exploration Lines with Executed and Planned Diamond Drill Holes (DDH)

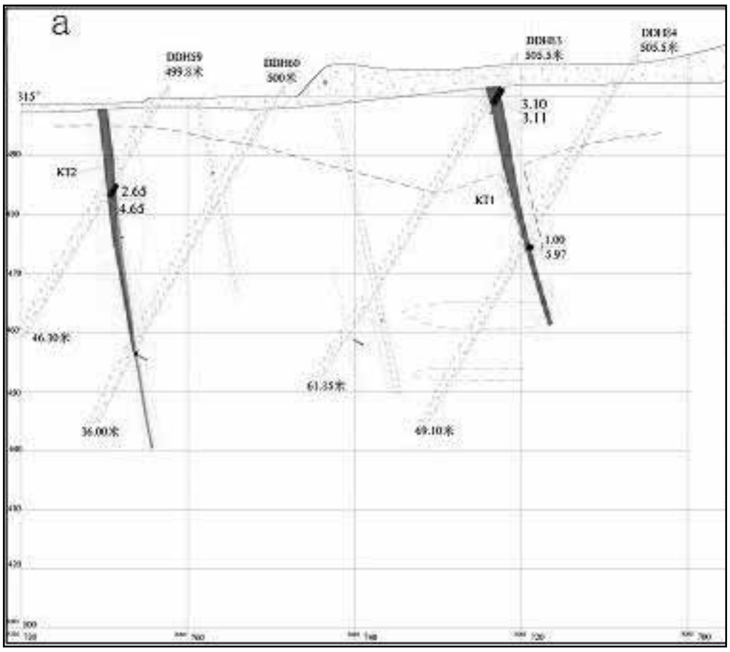


Figure 6-4: Typical Cross-section through Pasir Manggu

Silver ("Ag") is also associated found in the gold mineralized veins at Pasir Manggu, with a maximum grade of 512 g/t and minimum of 10 – 60 g/t.

The ore occurs in fine grained xenomorphic, panidiomorphic-hypautomorphic granular, and poikilitic textures, and in disseminated, fine stockwork, sparsely filling disseminated, and occasionally bulky structures. The paragenetic association of minerals is represented by pyrite-gold-quartz mineralization.

There are two ore types in Pasir Manggu: oxidized ore close to the surface, and sulphide ore at depth. The oxidized belt is generally 5 – 10 m wide. Based on the ore type it is classified as a quartz vein gold ore.

In the primary ore, the ore minerals are pyrite, marcasite, arsenopyrite, galena, sphalerite, chalcopyrite, argentite, and electrum. The ratio of Au and Ag in electrum is 4:1, and the average content of arsenic ("As") within the gold mineralized bodies at Pasir Manggu is about 0.5%. Other significant metals are Pb (0.05%) and Zn (0.06%).

The ore vein is enveloped from both sides by strongly to pervasively altered andesitic breccias transformed into clay minerals such as illite and montmorillonite. The alteration halo can reach 5 m in thickness. Furthermore, the argillic alteration is replaced by a porphyry alternation belt containing chalcopyrite and pyrite, with a hanging wall 5 m thick and a much narrower footwall.

Figure 6-5: Outcrop of Gold Mineralized Body #2 in Pasir Manggu West

6.4.2 The Cikadu Gold Bearing Zone

The gold mineralization at Cikadu is within the structural fractured zone, represented by volcanic breccia with argillictic alteration. There are two major mineralized bodies defined in this zone, namely Cikadu #1 and Cikadu #2. The two bodies are approximately parallel in the plan view. The overall strike of the mineralized bodies is about 55°, and they both dip northwest with angles varying from 60° to 75°.

Cikadu #1 strikes about 600 m and is 120 m along down-dip. It has been intersected by 40 diamond drill holes ("DDH") and 8 reverse circulation holes ("RCH"). The true thickness of the mineralized body varies from 2 m to 10 m. Cikadu #2 is about 700 m along strike with 100 m down dip extension. It has been intersected by 33 DDHs and 4 RCHs. Cikadu #2 is about 3 m thick on average. Drill holes show that the gold mineralization at Cikadu extends from near surface down to 150 m along dip, and is still open at the depth.

Chemical analysis of the core samples indicates that gold grades at the two Cikadu mineralized bodies vary from 1 g/t up to 82 g/t.

6.4.3 The Sekolah Gold Bearing Zone

The Sekolah Zone is located northeast of Cikadu and southwest of Cibatu. The gold mineralized bodies at Sekolah occur in a fractured zone, presenting a mineralization belt more than 1,000 m long, oriented northeast (NE) – southwest ("SW"). Eight (8) mineralized bodies are delineated at Sekolah, including three larger bodies and five smaller ones. Due to an insufficient level of exploration, more work needs to be done to disclose whether the smaller mineralized bodies are branches or join to the main bodies.

The mineralized zone of Sekolah has been intersected by 34 DDHs and 16 RCHs. The three main mineralized bodies defined by drilling are 270 m to 500 m long along the strike, with orientations varying from 35° to 60°, with thicknesses within a range of 2 – 10 m. The gold grades vary from 5 to 58 g/t, averaging about 9 g/t.

The ore-bearing rock is represented mainly by altered volcanic breccia. The main mineralized bodies dip northwest at 60° - 75°. The maximum down dip extension of the mineralization exceeds 150 m and is still open to the depth. Silicification and pyritization are common. The ore is mainly sulphide ore and contains relatively little oxidized ore. Genesis of the ore is connected to a tectonic alteration.

6.4.4 The Cibatu Gold Bearing Zone

Two main gold bearing bodies, Cibatu #1 and #2, are identified in this tectonic belt, and one smaller mineralized body, Cibatu #3, was outlined based on drilling results. Cibatu #3 is probably a branch of the largest body, Cibatu #2.

Cibatu #1 extends approximately 420 m along its strike of about 55° and dips to the northwest with an angle about 60° - 75°. It is interpreted according to results from 10 DDHs; the intersections intervals vary from 1 m to 5 m with an average thickness of 3 m. The intersected gold grade at Cibatu #1 varies from 1 g/t to 5 g/t.

Cibatu #2 is the largest mineralized body defined in this zone. It strikes approximately parallel to Cibatu #1 with an extension of more than 780 m from its southwestern end to the northeast. It dips northwest with an angle of about 60° - 75°. This mineralized body is interpreted based on 30 DDHs and 19 RCHs results and the true thickness varies from 2 m to 10 m. It separates into two major branches at its eastern part. The gold grade derived from drilling samples at Cibatu #2 range between 0 – 78 g/t, and statistics shows that the mean grade is 8.2 g/t.

Cibatu #3 is believed to be a branch of Cibatu #2 as it is closely with the south end of Cibatu #2. It is parallel to Cibatu #2, with a similar strike and dip azimuth. This mineralized body is open for further exploration. It is interpreted by four DDHs and three RCHs, with a strike of 100 m. Sample analysis shows gold grades at Cibatu #3 vary from 0.3 g/t to 46 g/t.

The ore-bearing rock at Cibatu is mainly represented by crushed altered volcanic breccia. The mineralized body dips northwest at 60° - 75°. Sulphide ore dominates, with a minor presence of oxidized ore. The ores are strongly silicified, with galena, sphalerite, and local chalcopyrite mineralization. Galena and sphalerite represent 3% and 6% of the mass, respectively. Genesis of the ore is regarded as being a result of tectonic alteration.

6.4.5 The Cigombong Gold Bearing Zone

An auger drilling geochemical survey on a 20 × 80 m grid, basic rock geochemical survey, and pit/trenching prospecting discovered two gold bearing ore bodies in the Cigombong zone, which intersect northwestern Pasir Manggu tectonics and several east-west ("EW") veins within an argillic altered dacite intrusion. This zone hosts four gold mineralized bodies, of which two are recognized as the primary mineralized bodies. The mineralized bodies are 200 – 700 m long, 1 m – 10 m thick, and the Au grade is 1.03 - 10.47 g/t.

The ore-bearing rock is a quartz vein within silicified volcanic breccia, and the mineralized body dips northwest at 75°.

The mineral composition of the ore is complicated. Ore minerals include chalcopyrite, pyrrhotite, pyrite, marcasite, and limonite. The gangue minerals are quartz, plagioclase, chlorite, epidote, sericite, biotite, clay calcite, dolomite, and ankerite.

The ore occurs in xenomorphic fine-grained, panidiomorphic-hypautomorphic granular, and poikilitic textures and in disseminated, fine stockwork, sparsely filling disseminated, or massive structures.

The paragenetic association of the mineral composition is pyrite-gold-quartz.

The ore is oxidized on the surface and sulphide ore at depth, with the oxidized belt generally 5 - 10 m wide. The industrial type is classified as quartz vein gold ore.

6.4.6 The Cibak Ore Bearing Zone

The Cibak zone is located near Bojong Genting village, and was discovered by pitting and trenching exploration works. There are three narrow northeast striking quartz veins. The mineralized body dips NW at 60° (azimuth and dip angle: 315° and 60°, respectively), and is about 800 m long along the strike. It is hosted within andesite volcanic breccia and related to the pyrite and autunite alteration.

The ore bodies have been defined by pits, one along 600 m of its length with thickness varying from 0.8 to 4.0 m, and with Au grades from 4.1 - 12.4 g/t; the other is 500 m long, 2 m thick, and has Au grades of 3.8 - 10.8 g/t. The third vein is about 200 m long, about 1 – 4 m wide, and the Au grade ranges from 2.4 - 21.8 g/t.

The ore-bearing rock is a quartz vein, and the ore bodies occur as veins, hosted in volcanic breccia. The ore bodies dip to the northwest at 70 - 75°. The ore type is quartz vein gold ore.

6.4.7 The Cileuweung Gold Bearing Zone

Five (5) gold ore bodies were delimitated within the Cileuweung zone, including one main mineralized body. The ore bodies are100 – 500 m long, 1 – 3 m thick, and the Au grade is 2.20 - 14.79 g/t. The ore-bearing rock is a quartz vein and the ore bodies occur as veins hosted in volcanic breccia. The ore bodies dip to the northwest at angles of 45 - 60°.

The mineral composition of the ore is complicated. Metal minerals include chalcopyrite, pyrrhotite, pyrite, marcasite, and limonite. Gangue minerals include quartz, plagioclase, chlorite, epidote, sericite, biotite, clay calcite, dolomite, and ankerite.

The ore occurs in xenomorphic fine-grained, panidiomorphic-hypautomorphic granular, and poikilitic textures and disseminated, fine stockwork, sparsely filling disseminated, and massive structures.

The paragenetic association of mineral composition is pyrite-gold-quartz.

The ore is oxidized near the surface and sulphide ore at depth, and the oxidized belt is generally 5 - 10 m wide. Based on the type of ore bearing rock, its industrial type is classified as quartz vein gold ore.

6.4.8 The Japudali Gold Bearing Zone

The Japudali gold ore bodies occur in a tectonically fractured belt where four ore bodies were delineated. The ore bodies are more than 200 m long, 2 – 10 m wide, and have Au grades ranging from 1 – 50 g/t. As indicated by the analytical results of samples, the average gold grade of surface samples is 8.46 g/t, the gold grade of tunnel samples averages 7.70 g/t, and the gold grade in core samples of pyrite and silicified volcanic breccia is 0.78 g/t.

The ore-bearing rock is mainly altered volcanic breccia. The mineralized body dips northeast at 70 - 75°. The natural ore type is mainly sulphide ore with lesser amounts of oxidized ore. Silicification and pyritization have occurred, and copper ore is represented by chalcopyrite with a local maximum grade of 2.0% Cu. The genesis of the ore is regarded as a tectonic alteration.

6.4.9 The Cipirit Gold Bearing Zone

The Cipirit zone is subject to frequent mining by local residents. It is a siliceous clay altered belt occurring in dacite with varying from dozens to hundreds of metres wide. This belt is generally oriented NW-SE and inclines southwesterly, marked by silicification and sparse pyritization. The drilling indicates that this is not a broad gold anomaly belt; rather it comprises several parallel quartz veins with sparsely distributed galena, pyrite, and sphalerite. Sampling results returned medium ore grades and it is recommended that further prospecting be continued.

6.4.10 Other Ore Occurrences

Several other mineralized bodies and occurrences have been discovered in the Ciemas area. In Cipipisan, one trench revealed a quartz vein 22 m thick with a gold grade of 1.08 g/t (including a portion 12 m thick with a grade of 3.52 g/t Au).

In the Ciheulang gold occurrence area, the gold mineralization is hosted in volcanic breccia within a structural fracture zone striking about 1,000 m from southwest to northeast.

6.5 Ore Types

According to a previous assessment, the main ore types in Ciemas area are quartz veins and altered ore; however, through recent field investigation and laboratory testing, a new type (quartz porphyry) was found.

6.5.1 Pyrite-Quartz Vein

The primary mineral is quartz (±70%), and the secondary minerals are calcite, pyrite, limonite, and jarosite (±25%); trace minerals are chalcopyrite, azurite, galena, molybdenite, and malachite. Quartz is colourless, with a hypidiomorphic granular texture; its aggregates occur in veins of different sizes, with locally coarse granules occurring perpendicular or approximately perpendicular to the wall of the quartz vein. Coarse hexagonal pyramidal and columnar crystals are common.

Calcite is white, and is mainly distributed within quartz veins in tabular aggregates, veinlets, or pellets. Pyrite forms automorphic to hypidiomorphic cubes or pentagonal dodecahedrons, mostly fine to medium grained or locally coarse to medium sized. The automorphic crystals of coarse and medium sizes are better developed in veins, veinlet, and pellets, or as disseminated textures in quartz veins.

Limonite was formed by the oxidation of pyrite; consequently, its texture, structure, and distribution are similar to that of pyrite. Pseudomorphosis of pyrite cubes is common, and the ore structure is automorphic-hypidiomorphic-xenomorphic. It occurs in massive, banded, or disseminated textures.

Figure 6-6: Boulders of Epithermal Quartz-Pyrite Vein Partially Oxidized

The chemical composition of ore is mainly silicon dioxide ("SiO_2"), followed by pyrite/iron sulphide ("FeS_2"), iron oxide ("Fe_2O_3"), and calcium carbonate ("$CaCO_3$"), with local minor Cu, Pb and molybdenum ("Mo") sulphides.

Based on their degree of oxidation, the ore can be divided into oxidised, mixed, and primary ores. Oxidised ore is present near the surface in outcrops, trenches, mining pits, and shallow shafts. Mixed ore is mainly found near surface tunnels, or on the surface locally. Primary ore occurs in deep tunnels, but occasionally can be found on the surface or in shallow workings.

Figure 6-7: Oxidized Ore Zone in Pasir Manggu West

6.5.2 Tectonically Altered Ore

Tectonically altered ore is represented mainly by limonite, pyrite, and locally, malachite. Due to the foliation development and high level of fracturing, it has lost its primary ore texture and become more completely oxidated, and its depth can reach 80 m. The iron oxidation is strongest on the surface.

The ore minerals are pyrite, limonite, chalcopyrite, and malachite. The gangue minerals are quartz, sericite, chlorite, and calcite. The ore is granular with crystalloblastic, fractured, massive, and sheet structures. Pyrite is always distributed in star-like textures along fractured contacts or mylonite tectonic faces, and also locally as an irregular stockwork. Chlorite forms veinlets and irregular stockwork. The alteration is mainly represented by pyrite and chlorite, followed by silicification, iron oxidation, silification, and epidotization.

Based on their degree of oxidation, ores can be divided into oxidated mixed ores and primary ores. Oxidated ores are mainly located near surface outcrops, in trenches, pits, or shallow shafts. Mixed ores occur in near-surface tunnels, and primary ores dominate in deep tunnels.

6.5.3 Quartz Porphyry

In the greisen belt at the top of Cipirit's quartz porphyry rock mass, there is a stratabound gold bearing mineralized body, which is related to post-magmatic hydrothermal activity. The degrees of argillic alteration and iron oxidation are high. The ore minerals are pyrite, limonite, chalcopyrite, and malachite. The gangue minerals are quartz, sericite, chlorite, and calcite.

Oxidation can reach depths of 40 m. Argillic alteration is pervasive on the surface, and the Au grade is 0.3 - 5.6 g/t; the maximum grade of single sample from an outcrop was 8.0 g/t, and single samples from deep drilling returned grades of 1.0 - 6.8 g/t Au. The ore minerals are pyrite, limonite, chalcopyrite, and malachite, and the gangue minerals are quartz, sericite, chlorite, and calcite.

Chemical analysis results show that the Au grade is generally low, less than 1.5 g/t. The Au grade has a positive correlation with the iron ore mineralization.

Figure 6-8: Outcrop of Quartz Porphyry Body at Cipirit

7 Exploration

7.1 Exploration History

In 1888, the gold mineralization was first discovered by a Dutch geologist in the Jampang area near the Ciemas Project.

From 1921 - 1924 the Dutch Geological Survey in Bandung carried out geological investigation for gold and base metal deposits in Jampang.

In 1941 another Dutch geologist carried out follow up geological investigation on gold and base metal mineralizations in Jampang.

From 1942 - 1945, further follow up geological investigation work on gold and base metal deposits conducted by the Dutch Geological Survey Office in Bandung was interrupted due to the Japanese invasion and occupation.

In 1957 Dutch geologists re-started the follow up geological investigation on gold and base metal mineralizations in the Jampang region.

Also in 1975, Indonesian geologists with the Geological Survey of Indonesia in Bandung conducted geological mapping work in the Jampang region, including in the Ciemas area.

In the early 1980s, local mining activity began in the Ciemas Project area.

In 1985 Liek Tucha obtained a mining permit for the mineralized area, particularly for the gold-bearing epithermal vein system. In the same time an Australian geologist visited the Ciemas Project area.

Between 1986 and 1988 an Australian mining company, Parry Corporation Ltd. ("Parry"), carried out a detailed geological exploration, particularly on the Pasir Manggu gold vein system within the Ciemas mining licence under a joint venture agreement with the license-holder, Liek Tucha. The exploration work consisted of 4,000 m of trenching, 2,100 m of reverse-circulation ("RC") drilling, and 7,800 m of diamond core drilling conducted on several gold bearing epithermal vein systems and base metal vein systems.

In early 1992, further geological exploration was carried out by Terrex Resources NL ("Terrex"), which consisted of 3,600 m of trenching and 3,500 m of RC drilling. Most of this work was concentrated on the untested broad alteration zones, which in some places have been heavily mined by the local miners.

From 1996 - 1998, PT. Meekatharra Minerals ("Meekatharra") conducted follow up geological exploration work on the Ciemas Project area, including a petrology report prepared by Kingston Morrison Mineral Services based on 74 surface rock samples and 22 drill core samples.

In December 2007, a consulting geologist prepared a general geological evaluation report based on the available exploration data of the Ciemas project for Wilton.

In December 2008, Wilton was granted a mining permit for a total area of 3,078.50 ha (2,878.50 ha + 200 ha) and presently, Wilton holds an Operation Production ("IUP-OP") mining permit which is valid until 2030.

From 2009 - 2011, multiple additional exploration works were conducted including topography, compilation mapping, trenching, and geophysics. After conducting a geological field evaluation and data compilation work, a geological report was prepared by Prof. Zhengwei Zhang, a technical advisor for Wilton who is also a professor and research fellow at the Chinese Academy of Sciences' Institute of Geochemistry, based in Guiyang, China, on the Ciemas Gold Prospect, particularly the Pasir Manggu epithermal gold vein system, but also on the other adjacent epithermal gold veins and the porphyry copper-gold anomaly area.

In 2012, 17 diamond drillholes with a cumulative depth of 1,746 m were completed in Pasir Manggu West, Sekolah, Cikadu, and Cibatu for the purposes of data verification and mineralization identification.

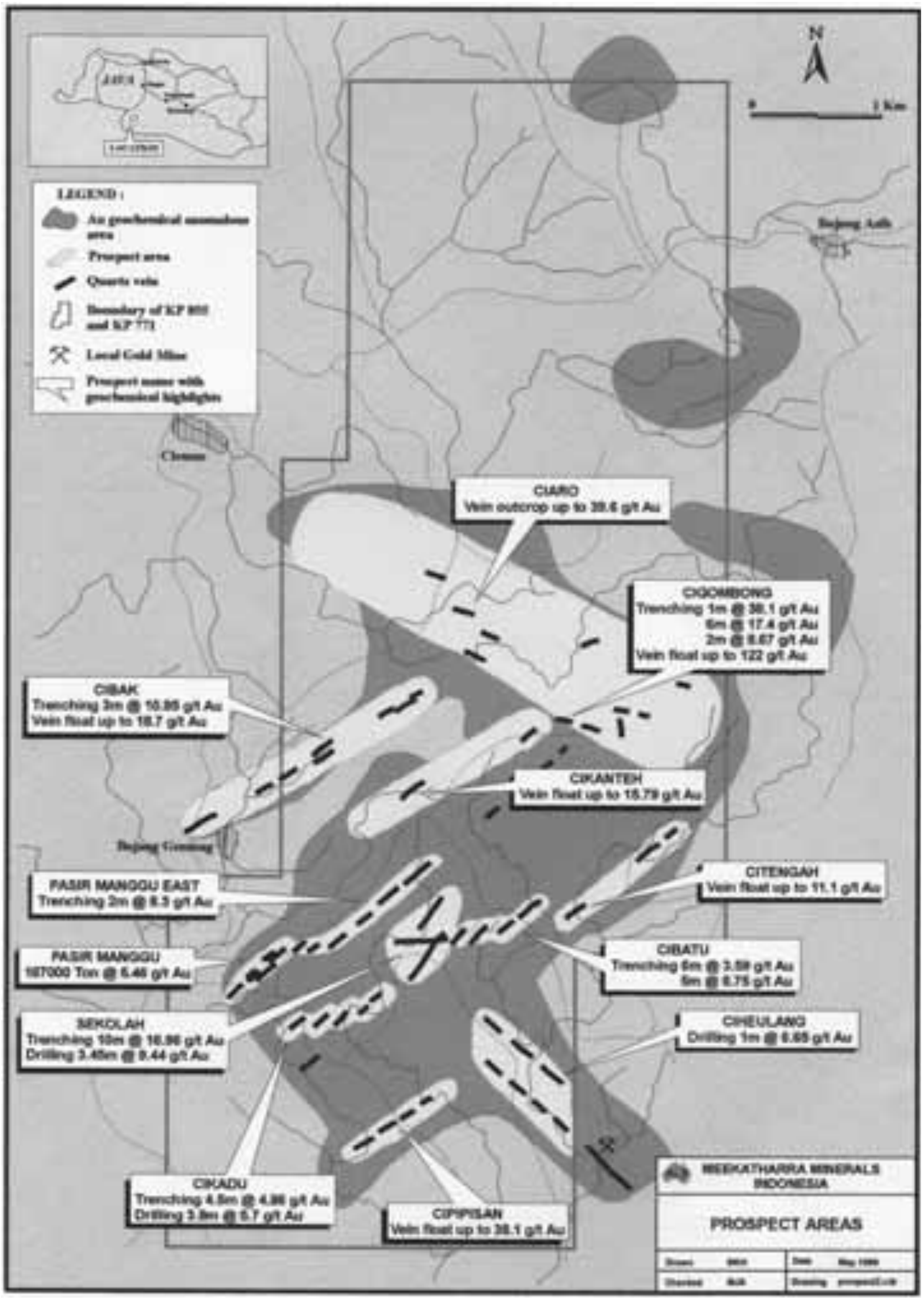


Figure 7-1: Highlights of Exploration Activity at Ciemas

7.2 Exploration Potential and Further Exploration Plan

Based on historical and verification drilling results (completed in 2012), the deposits at Pasir Manggu West, Cikadu, Sekolah, and Cibatu are still open in both strike and down-dip directions.

None of the completed drillholes have a penetrating depth of greater than 165 m in this tenement. Therefore, more DDHs are recommended for exploring the depth potential in these zones.

Only two mineralized veins are interpreted in Pasir Manggu Middle and East zones on the basis of compiled data. However, the drill intersections suggest that both zones have potential for further exploration.

In addition to the Mineral Resources stated in this report in compliance with JORC Code 2004, SRK notes that other gold resources were previously estimated as a potential of the project in the location of Cigombong, Cileuweung, Cibak, Ciheulang, and Japudali ore bearing zones. The prospective resources were estimated and reported using Categories in accordance to United Nations Framework Classification ("UNFC") Code and details are detailed in the report compiled by Dr Zhengwei Zhang in February 2012. Table 7-1 shows the potential exploration targets determined for each area other than Pasir Manggu, Cikadu, Sekolah, and Cibatu. The volumes of exploration targets have been estimated based on sampling range and intersection thickness. In accordance with JORC Code (2004 Edition) the exploration targets should not be considered part of the Mineral Resource for the Ciemas Project. The potential quality and grade are conceptual in nature and there is no guarantee that further exploration will result in similar outcome of a Mineral Resource.

Wilton and previous consultants report that the Ciaro-Cipirit copper-gold porphyry has great potential. Geophysical and geochemical works have been completed in the area, and Meekatharra drilled five very widely-spaced holes (more than 100 m spacing). It is recommended that follow-up exploration be conducted on the porphyry potential.

Other elements such as Ag, Pb, and Zn were assayed and showed prospective additional benefits to the project. Unfortunately these assay data were incomplete, and were therefore not included in the recent resource estimation. It is also recommended that associated mineral evaluations be included in future exploration.

Table 7-1: Exploration Potential at Other Zones

Area	Number of Drillholes	Number of Trenches	Target Range (million tonnes)	Mineralization Grade Range
Cigombong	3 RCH	21	0.2 – 1.0	Au: 0.5 – 10 g/t
Cileuweung		25	1.0 – 5.0	Au: 0.5 – 10 g/t
Cibak		15	0.2 – 1.5	Au: 0.5 – 15 g/t
Ciheulang		7	0.2 – 1.0	Au: 0.5 – 15 g/t
Japudali		53	1.5 – 3.0	Au: 0.5 – 10 g/t
Pasir Manggu Middle and East	4 DDH, 23 RCH	13	1.0 – 10.0	Au: 0.5 – 15 g/t
Cipirit (porphyry)	8 DDH	40	150 – 300	Au: 0.3 – 1.5 g/t; Cu: 0.1% – 1.0%

Note: The potential tonnes of exploration targets (except the porphyry) are reported to 1 decimal place. The grade ranges refer to approximately the 10th and 90th percentile values of previously assayed samples (within the mineralized target).

SRK notes that an exploration design has been prepared by Wilton, including:

- An additional 29 diamond drilling holes with a total 3,070 m of drilling are being carried out at Pasir Manggu Middle and Pasir Manggu East ;
- Additional infill holes are planned to be executed at Cibatu, Cikadu, and Sekolah for purposes of upgrading the resources; and
- At Cibak a total of 1,520 m of DDHs have been planned.

The Pasir Manggu West property is at the development stage. Two tunnels for underground mining are being constructed, with trial production planned to start in late 2013 (see Figure 7-2). SRK also notes that the Cikadu, Sekolah, and Cibatu properties are at the feasibility study stage and tunnel construction in these zones is planned to commence in late 2013.

Figure 7-2: Tunnelling at Pasir Manggu West Gold Bearing Zone

7.3 Exploration Data and Quality

7.3.1 Sampling Techniques and Data

Samples from the Project were collected mainly from DDHs, RCHs, trenches, and pits. The compiled exploration database for Pasir Manggu, Cikadu, Sekolah, and Cibatu has been reviewed in detail; for other properties of this Project exploration is represented by trenching and pitting but these data are insufficient for a JORC Code compliant resource review/estimation. The delineation of mineralized bodies for the Ciemas Project is based primarily on the drilling results. As the historical pitting and trenching data are incomplete, the resource estimation in this Report only involves the DDH and RCH drilling.

Core and channel sampling comprised the primary sampling methods. The sampling grids were generally 20 m × 20 m (only in Pasir Manggu West), 40 m × 40 m, and 80 m × 80 m. Most of the DDHs were drilled with a dip angle of 60°. Drill cores were split into two halves and the sample length was around 1 m. Channel samples were collected from trenches and pits. The channel sample length was about 1 m.

DDH Core Sampling

Most of the drill cores were HQ-sized, which was considered adequate for splitting and sampling. In the Pasir Manggu zone, a total of 691 core samples with an average length of 0.94 m were taken from 80 diamond drill holes. In the Cikadu, Sekolah and Cibatu zones, a total of 1,290 core samples with average length of 0.97 m were taken from 118 DDHs.

RCH Sampling

In Pasir Manggu West, a total of 769 samples with average length of 1 m were taken from 64 reverse circulation holes. In Cikadu, Sekolah and Cibatu zones, a total of 443 chip samples with average length of 0.98 m were taken from 42 RCHs.

Channel Sampling

In the Pasir Manggu West zone, a total of approximately 450 samples with average length of 0.90 m were taken from 16 trenches and pits. Trenches and pits excavated in Cikadu, Sekolah, and Cibatu zones have not been compiled in a complete database for review.

7.3.2 Data Quality Review

The Ciemas Gold Project has been explored and evaluated with staged and separate works and by various companies or consultants. Historical data was not appropriately inherited during the changes of owners and stages. Data compilation and integration was performed by Wilton with its technical consultants prior to SRK's review. The samples were assayed by laboratories Kep Seksi Kimia Mineral, Inchcape Testing Service, and PT. Inchcape Utama Service. SRK sighted part of the original laboratory sample results for the historical exploration (i.e., exploration conducted before 2008); however, there were no detailed indications regarding the assaying methodology or QA/QC procedures. To evaluate the reliability and accuracy of the historical sampling and assays, Wilton conducted verification drilling following SRK's recommendations made in March 2012.

Collar, survey, and sample data of 80 DDHs with a cumulative depth of 6,797 m and 64 RCHs with a cumulative depth of 3,295 m at Pasir Manggu were incorporated into the exploration database. The compiled database also contains 118 DDHs with a cumulative depth of 11,436.2 m and 42 RCHs with a cumulative depth of 2,011 m conducted at Cikadu, Sekolah, and Cibatu. SRK notes that additional exploration work has been completed in the project area, but due to incomplete data, poor data quality, or unverifiable sources these works have been excluded from the final database.

Prior to the 2012 verification drilling, Wilton staff worked with an independent consultant geologist, Prof. Zhengwei Zhang, to re-assess the quality of the historical data using data compilation and some validation trenching and pitting conducted by Wilton from 2009 to 2011. SRK inspected a number of drill collars and surface trenches on site and reviewed drill logs. Drilling, logging, bulk density testing, sampling procedures, and data quality aspects were discussed and reviewed with Wilton staff.

8 Data Verification

Since no original drill core or coarse rejects are available for re-analysis to verify the accuracy of the old geological database, infill diamond drilling program was performed near the previous boreholes to verify their data. The verification review included geology logs, collar and down-hole surveys, and assay comparisons with the previous mineral resource database.

8.1 Drilling Verification

The verification diamond boreholes were drilled at Pasir Manggu West, Cibatu, Cikadu, and Sekolah deposits by PT. Sugihjaya Tata Lestari ("Sugihjaya") from March 2012 to November 2012 and supervised by SRK. A total of 17 boreholes were drilled, of which six (6) were drilled at Pasir Manggu West, four (4) each at Cikadu and Sekolah, and three (3) at Cibatu. The verification drills were deployed along the exploration line across the strikes of the mineralized bodies. The samples were used to verify mineralization continuity and to compare with the previous exploration result along the exploration line. The detailed parameters of the seventeen boreholes are shown in Table 8-1 below.

Table 8-1: Summary of Verification Boreholes Drilled in 2012

Hole_ID	Easting	Northing	Elevation	Depth (m)	Azimuth	Dip	Date_Start	Date_End	Zone
DDH1001	670774	9205570	502.0	145.9	315°	60°	09/04/2012	19/04/2012	Pasir Manggu West
DDH1002	670967	9205767	506.0	61.0	315°	60°	18/03/2012	20/03/2012	Pasir Manggu West
DDH1003	671007	9205800	524.0	150.0	315°	60°	22/03/2012	18/04/2012	Pasir Manggu West
DDH1004	671041	9205824	534.5	150.0	315°	60°	19/03/2012	26/03/2012	Pasir Manggu West
DDH1005	671073	9205947	528.4	99.5	315°	60°	22/03/2012	29/032012	Pasir Manggu West
DDH1006	671036	9205801	528.0	152.2	315°	60°	18/03/2012	25/03/2012	Pasir Manggu West
DDH1021	672010	9205963	500.0	95.0	135°	60°	04/04/2012	14/04/2012	Sekolah
DDH1023	672145	9206208	516.8	94.0	142°	62°	02/10/2012	20/10/2012	Sekolah
DDH1025	672058	9205964	526.2	95.5	131°	60°	14/10/2012	29/10/2012	Sekolah
DDH1026	672096	9206035	512.3	71.8	133°	62°	03/11/2012	09/11/2012	Sekolah
DDH1031	671550	9205680	478.0	120.1	135°	60°	02/04/2012	11/04/2012	Cikadu
DDH1036	671295	9205547	510.7	123.8	133°	60°	17/10/2012	29/10/2012	Cikadu
DDH1131	671687	9205767	507.6	114.3	129°	64°	06/11/2012	13/11/2012	Cikadu
DDH1138	671366	9205543	506.0	54.3	126°	60°	02/11/2012	05/11/2012	Cikadu
DDH1041	672793	9206309	518.0	70.4	135°	60°	02/04/2012	04/04/2012	Cibatu
DDH1042	673223	9206629	535.4	96.7	135°	72°	01/10/2012	14/10/2012	Cibatu
DDH1143	673176	9206703	534.0	51.3	224°	59°	12/10/2012	15/10/2012	Cibatu

The borehole locations were surveyed before the drilling commenced and re-survey after drilling. Down-hole surveys were completed using microscope probe. All drill cores were photographed and logged by field geologists. After geological logging, each drilling sample was split by an alloy cutter along the core's long axis (Figure 8-2), and one half of the core was put in a sample bag with a unique sample number plate, and the other half was replaced in the core box and kept in the core storage. The sampling was also photographed, and sample sheets were filled.

The drill core samples were shipped to the Intertek laboratory in Jakarta for preparation and assaying. In the 2012 verification drilling campaign, a total of 408 intervals of 342 m cores were sampled, of which 100 samples with an average length of 0.6 m were taken from Pasir Manggu West and the remaining 308 samples were taken from Sekolah, Cikadu, and Cibatu. A summary of the samples and mineralization intersections are shown in Table 8-2, and a detailed list of the verification drilling samples can be found in Appendix 3.

Table 8-2: Summary of Verification Drilling Samples

Deposit	Hole ID	Number of Samples Taken	Sampled Intervals (m)	Mineralization Intersected (m)	Average Au Grade (g/t)
Pasir Manggu West	DDH1001	26	12.90	6.50	13.14
	DDH1002	6	2.50	2.50	7.48
	DDH1003	28	14.20	4.30	9.65
	DDH1004	15	10.80	4.50	5.07
	DDH1005	11	9.10	3.20	1.73
	DDH1006	14	10.50	5.15	4.40
Sekolah	DDH1021	28	25.60	3.00	13.72
	DDH1023	51	50.25	21.47	9.04
	DDH1025	54	50.20	10.00	6.80
	DDH1026	14	14.15	8.22	4.45
Cikadu	DDH1031	24	14.90	2.10	21.14
	DDH1036	34	31.70	15.51	7.68
	DDH1131	14	13.70	9.70	8.89
	DDH1138	30	29.70	13.00	6.47
Cibatu	DDH1041	35	21.60	8.50	11.51
	DDH1042	17	17.00	2.20	5.15
	DDH1143	13	13.00	4.00	9.90

a: working drill rig at Cikadu b: Top: core cutter; Bottom: sample photography

Figure 8-1: Diamond Drilling and Core Sampling in April 2012

Figure 8-2: View of Drill Cores and Mineralized Veins

The core samples were prepared and assayed in Intertek's Jakarta laboratory with insertion of coarse blanks and standards. The field blanks were made of quartz and contained less than 0.005 g/t Au, which is the lower detectable limit for the fire assay method used for the Ciemas gold analysis. The inserted standards were pulps made of certified reference material ("CRM"). Both the blanks and standards were inserted into routine samples at a rate of at least 1:20.

According to the test report provided by Intertek, the basic assay method used was an FA50 fire assay, assaying 50 g fine pulps with a lower detection limit of 0.005 g/t Au. When the gold value exceeded 50 g/t, gravimetric fire assays were used to determine the higher gold grade.

No duplicates were assayed for these batches of the verification drill samples, except for those samples checked internally by Intertek. SRK recommends that Wilton recover all the coarse rejects and pulp duplicates, and select a percentage of them for an external check.

8.2 Topographic Resurvey

Due to the ongoing development of the open pit in Pasir Manggu since the most recent topographical survey was conducted, it was necessary to re-survey the topography in order to update the current resource. The surface topography was surveyed via an electronic distance measuring device by Wilton technical professionals from 3 to 10 April, 2012, during SRK's site visit. The historical exploration was mapped and recorded with a local coordinate system, and after the topographic survey in 2012, all hole collars were adjusted to a universal grid.

8.3 Bulk Density

SRK found that records of the ore density samples from previous exploration were not available, and in the previous resource estimation an overall density of 2.65 tonnes per cubic metre ("t/m^3") was used as an assumption. Following SRK's suggestion, a total of 45 specific gravity samples were collected from the Pasir Manggu West deposit on 4 April 2012 along with 15 oxidized ore samples, 15 mixed ore samples, and 15 primary ore samples, and were sent to PT. Zhongye Mineral Resources Exploration Development ("Zhongye") for analysis. Analysis results for the ore density samples and a copy of the original assay results are provided in Appendix 2.

Another batch of bulk density samples were collected and analysed for the Cikadu, Sekolah, and Cibatu zones in 2012. The test shows that the average value of density for the fresh mineralized cores is about 2.7 t/m^3.

8.4 Verification Comparison

SRK compared the verification drilling sample assay results from Intertek with assay data from previous explorations in the same exploration line sections. Figure 8-3 is an example showing the comparisons, which indicate a relatively good gold mineralization continuity of the ore bodies from previous boreholes to verified borehole DDH1003, and which indicate that the original exploration correctly defined the boundaries of mineralized bodies.

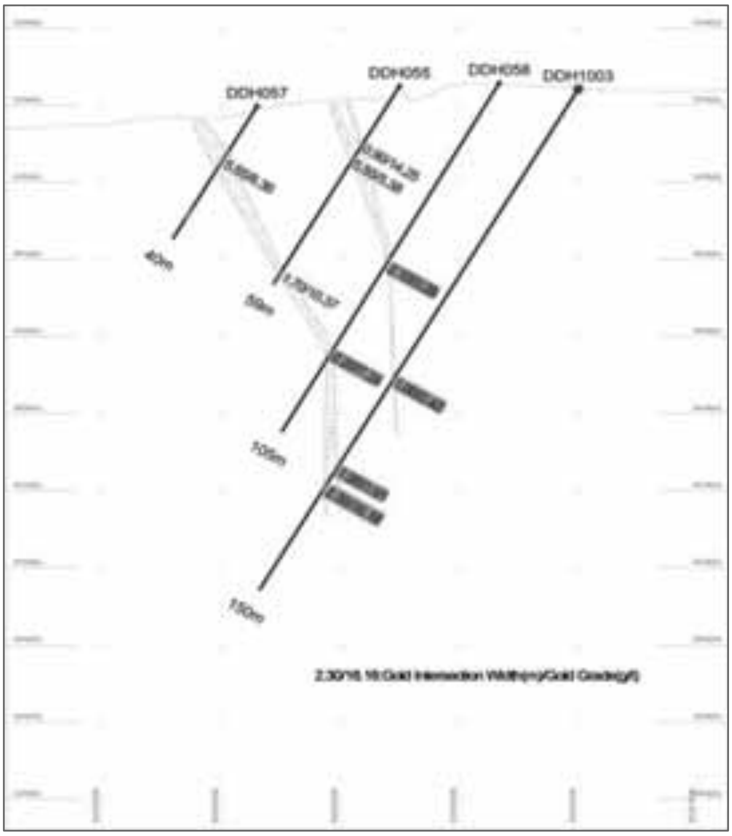


Figure 8-3: Gold Mineralization Trend Comparison between Verification Borehole DDH1003 and Previous Drillings – Azimuth 135°

In six of the holes drilled at Pasir Manggu (DDHs 1001 - 1006), nine mineralized quartz veins with alteration envelopes were intersected. All in-fill holes confirmed the continuity of the gold mineralization to depth as well as horizontally. The nine holes drilled in Cibatu, Cikadu, and Sekolah also returned very encouraging results. A summary of the drill hole data is shown in Table 8-2.

8.5 SRK Check Samples

During the QA/QC stage, SRK randomly selected nine (9) ore density samples including oxidized, mixed, and primary ore samples from the open pit of Pasir Manggu West gold deposit, and shipped them to an independent laboratory, Intertek Beijing, for specific gravity ("SG") and gold assaying, and results are shown in Table 8-3. SRK notes that the following analysis was only used for checking and not used for the resource estimation.

Table 8-3: Assay Results for Check Samples from Pasir Manggu West Deposit Sampled by SRK in April 2012

Sample	SG	Au (g/t)	Location
MX001	2.48	3.43	7°10'59.6"S 106°32'49.9"E
MX002	2.21	2.64	
MX003	2.46	2.87	
MX004	2.40	25.8	
MX-PR001	2.60	5.32	
PR001	2.64	21.4	
OX001	1.97	0.08	7°10'57.7"S 106°32'52.3"E
OX002	2.22	0.72	
OX003	2.02	0.33	

8.6 Conclusion

Based on the verification borehole assay results and SRK's check samples, SRK believes there are relatively continuous mineralization bodies existing in the Pasir Manggu West, Cikadu, Sekolah, and Cibatu gold deposits. Although there are some differences in gold grades in the section figures, SRK opines that the discrepancy is within an acceptable range for the type of gold quartz vein deposits found in the Ciemas project. The verification results suggest the resulting compiled database can be adequately used for a JORC Code resource reconciliation and estimate in the Pasir Manggu West, Cikadu, Sekolah, and Cibatu gold deposits.

9 Resource Estimation

9.1 Historical Database and Resource Estimation

SRK noted that the historical resource estimates or evaluations of the project by Parry, Terrex, and Meekatharra were either based on limited/incomplete data or are no longer suitable due to the addition of new exploration data. The resource estimation database includes some time periods during which no or little data has been retained, particularly a long period after Meekatharra's exploration.

In February 2012, the latest resource estimates for the Ciemas Gold Project prior to SRK's review were conducted and reported by Prof. Zhengwei Zhang. Historical exploration data was collected, incorporated, reviewed, and partly verified through trench sampling by Wilton's technical team and Prof. Zhang. SRK was presented with detailed data for the resource estimates on Pasir Manggu, Cibatu, Cikadu, and Sekolah deposits, and the general estimation approach and results for the other deposits in the project area.

The database for the resource estimation carried out by Prof. Zhang and the Wilton team was constructed with three types of data: diamond drilling, surface trenching and pitting, and RC drilling; and each type of the data consisted of collar, survey, and sample information as a basic requirement for geological interpretation and resource estimation. The database also included cross-sections with a spacing of 20 – 40 m in each deposit area.

Historical data had been generally reviewed prior to being incorporated into the database. Some data reflected in documents and section maps were further checked with relevant logging and sample records; and parts of the incomplete historical data were rejected. A digitized database for exploration of the Pasir Manggu, Cibatu, Cikadu, and Sekolah deposits was prepared following the available cross-section maps and sample sheets.

SRK reviewed the compiled database used for resource estimation of deposits at Pasir Manggu, Cibatu, Cikadu, and Sekolah as provided by Wilton, and performed random checks of the database with the cross-section maps and drillhole layouts. The reviewed database for each deposit contains information as shown in Table 9-1.

Table 9-1: Screened Database for Resource Estimation

Deposit	DDH			RCH			Trench/Pit		
	Holes	Samples	Length (m)	Holes	Samples	Length (m)	Holes	Samples	Length (m)
Pasir Manggu (West)	74	559	533.77	64	653	650.10	16	23	25.01
Cibatu, Cikadu, Sekolah	108	978	954.12	43	451	448.64	101	850	824.54
Total (four deposits)	**182**	**1,537**	**1,487.89**	**107**	**1,104**	**1,098.74**	**117**	**873**	**849.55**

Notes: 1. the historical database in table above does not include the diamond drilling completed in 2012.
2. Trenches and pits are not used in SRK's resource estimation, except for geological interpretation.

9.2 Resource Estimation for Pasir Manggu West Deposit

9.2.1 Database

The database used for the Pasir Manggu West resource estimation comprises sample data derived from 74 diamond drilling and 64 reverse circulation drilling holes completed by Parry and Terrex. Surface prospecting data from the trenching and pitting done by previous companies and more recently by Wilton were taken as reference points during the geological interpretation.

There are some errors in the database, such as in survey and sample intervals, but most of the errors appear to be simple typing mistakes. Minor errors were checked and revised manually within Gemcom's Surpac software. Wilton has implemented a topographic survey and ore density measurements following SRK's advice. The Universal Transverse Mercator ("UTM") projection was adopted in the survey and previous local coordinates were converted to UTM, which enables more convenient conversion between UTM and geographical coordinates.

By reviewing the combined data of the exploration, including an additional six (6) verification DDHs performed in Pasir Manggu West in 2012, SRK is of the opinion that the provided database supports a reasonable resource estimate for the Pasir Manggu West.

Generally the drilling is laid out following grids of 20 m × 20 m and 40 m × 40 m; and the sections are deployed with azimuth 135° (Figure 9-1).

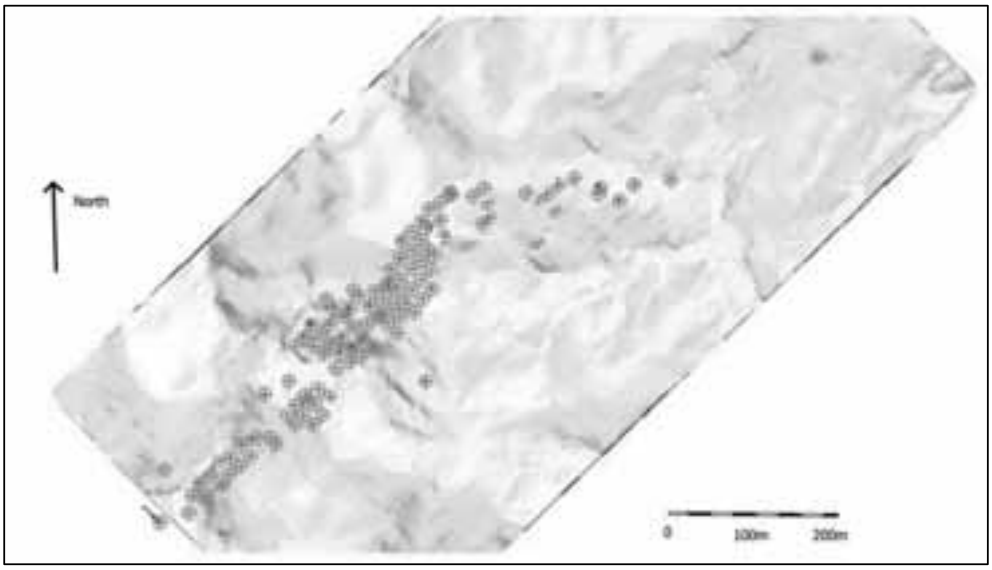


Figure 9-1: Planar View of Drilling Layout with Topography in Pasir Manggu West

9.2.2 Wireframe of Mineralized Veins

Based on a cut-off grade of 0.5 g/t Au, 10 gold mineralized zones were outlined: four (4) main veins labelled #1 through #4 and six (6) small veins including #1-b, #2-b, #3-b, #5-1, #5-2, and #6, shown in Figure 9-2. Generally the gold veins extend from the southwestern corner of Pasir Manggu West, striking NE toward Pasir Manggu Middle. The main area of interest in Pasir Manggu West contains four gold veins (Veins #1, #2, #3, and #4 as shown in Figure 9-2 below) and some of their branches (#1-b, #2-b, and #3-b).

There are not enough DDH results to show a stable and continuous mineralization extending NE that connects the main veins as mentioned above, but RCH and surface evidence suggests those small veins, such as the northeastern most, #6, and two parallel veins, #5-1 and #5-2 situated between #6 and the main zone in the southwest, possibly share some continuity of gold mineralization. SRK believes it is worth conducting more DDHs to explore and estimate these resources.

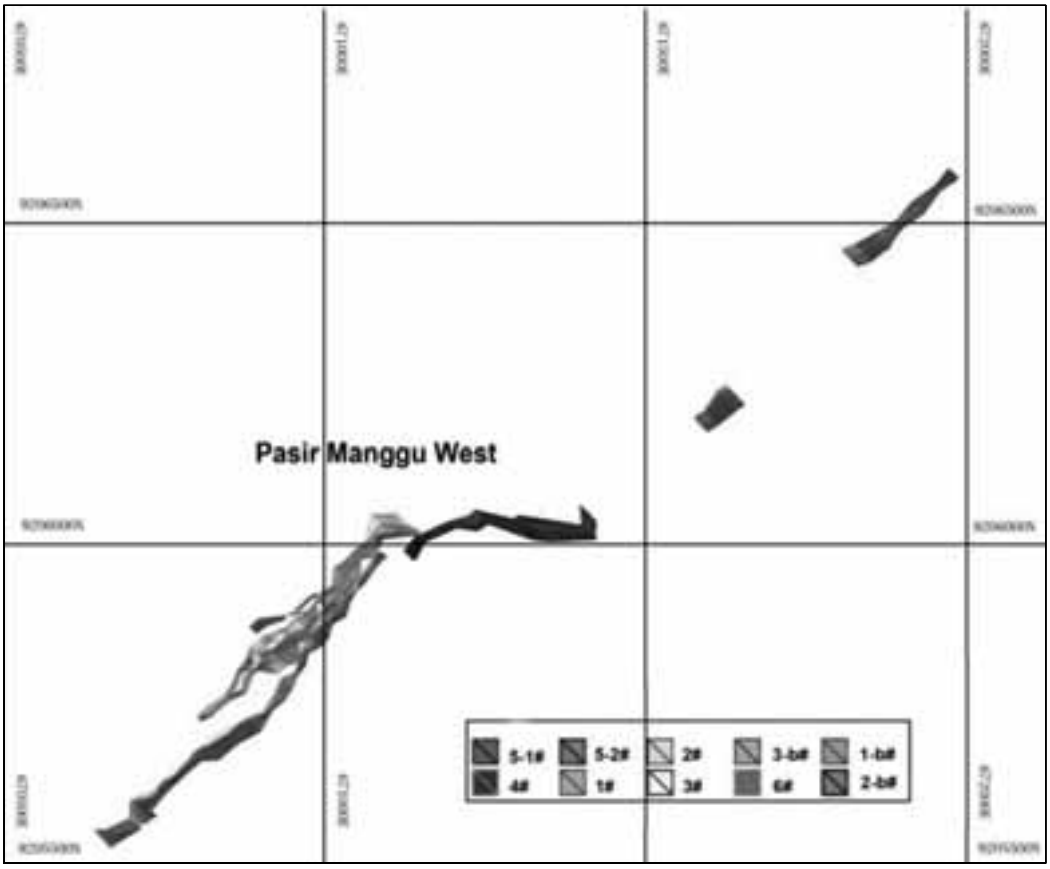


Figure 9-2: Horizontal Plan of Gold Mineralized Veins at Pasir Manggu West

9.2.3 Samples and Grades

The raw database consists of 978 sets of sample information with average sample length about 1 m, and a length of 1 m was adopted for the composites (see Figure 9-3 and Table 9-2).

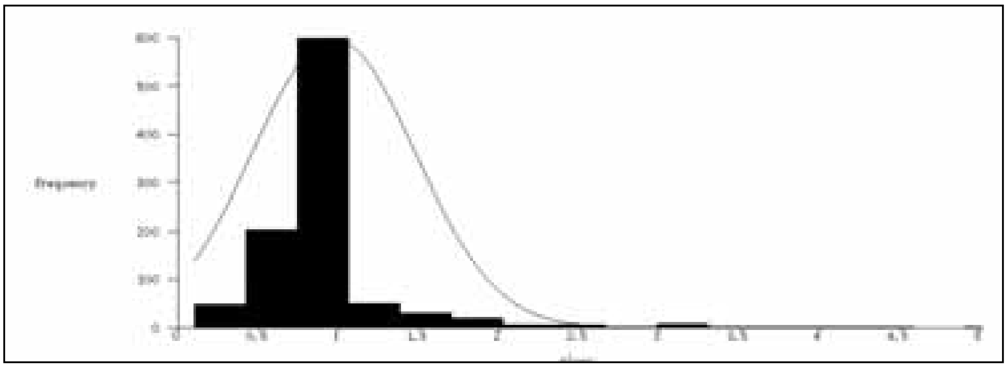


Figure 9-3: Statistics of Sample Length

Table 9-2: Statistics of Raw Sample Lengths in the Raw Database

Number of samples	978
Minimum value (m)	0.1
Maximum value (m)	6.5
25th Percentile	0.7
50th Percentile (median)	1
75th Percentile	1
Mean (m)	0.967
Variance (m)	0.257
Standard Deviation (m)	0.507
Coefficient of variation	0.524
Skewness	4.261
Kurtosis	33.479

Gold grades in the raw database vary from 0 up to 226 g/t and within the wireframe of outlined veins the maximum grade after compositing is 108.4 g/t Au. According to the basic statistics, the average grade of mineralized intersections is about 6.6 g/t and the grade at the 97.5% percentile is 24.6 g/t Au. A top cut at 40 g/t Au has been applied to cope with the extreme high grades (outliers). The grade statistics are detailed in Table 9-3 and Figure 9-4.

Table 9-3: Grade Statistics – within Vein Wireframe and after Composition

Number of samples	719
Minimum value (g/t)	0
Maximum value (g/t)	37.694
25th Percentile	1.548
50th Percentile (median)	5.77
75th Percentile	8.628
Mean (g/t)	6.22
Variance (g/t)	33.888
Standard Deviation (g/t)	5.821
Coefficient of variation	0.936
Skewness	2.124
Kurtosis	10.285

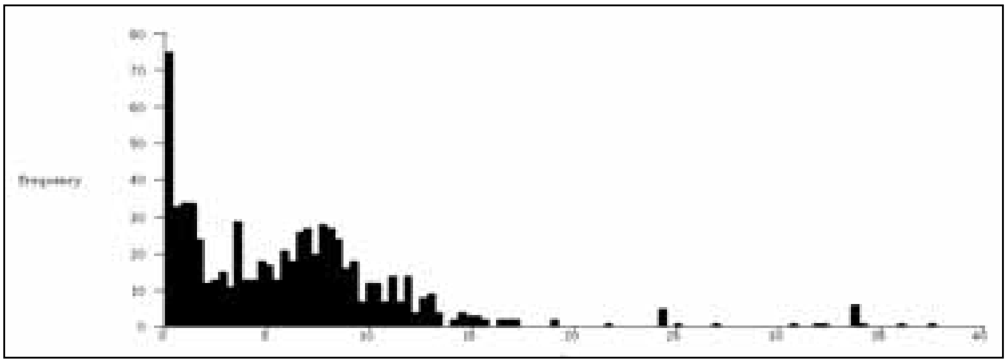
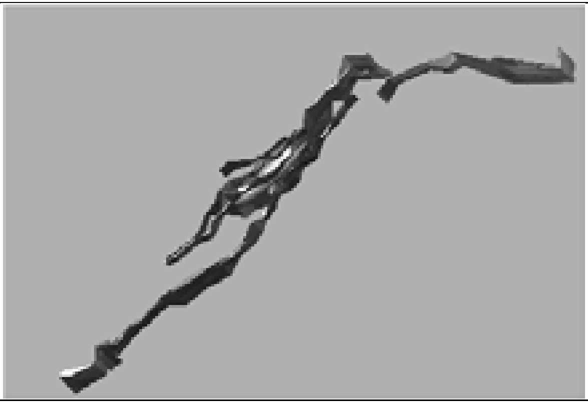


Figure 9-4: Grade Distribution – within Vein Wireframe and after Composition

9.2.4 Approach and Categorization

Ordinary kriging was applied for the resource estimation. Variogram modelling was performed and the main parameters used for grade interpolation are shown in Table 9-4.

Table 9-4: Variogram Parameters for Ordinary Kriging



Ellipsoid Parameters	
Bearing	225
Dip angle	0
Tilt angle	-70
Anisotropy - major/semi	3.7
Anisotropy - major/minor	7.8
Sphere Variogram Model	
Nugget effect	0.246
Sill	0.483
Range	79

The green areas in the wireframe model represent searching ellipsoids and the brown areas represent gold veins.

A block model was created based on the distribution and range of the mineralized veins. A total of 11,004 blocks are included with minimal block size of 1 m (Y axis, northing) by 5 m (X axis, easting) by 2.5 m (Z axis, elevation). A summary of the block model is shown in Table 9-5. Grade interpolation is performed under constraints of the solid 3D wireframe model of mineralized veins and the surface topography.

Table 9-5: Block Model Summary – Pasir Manggu West

Block Model Geometry

Min Coordinates	Y	9205520	X	670640	Z	400
Max Coordinates	Y	9206590	X	672000	Z	540
User block Size	Y	2	X	10	Z	5
Min. block Size	Y	1	X	5	Z	2.5
Rotation	Bearing	0	Dip	0	Plunge	0

Block Summary

Total No. Blocks	11004
Storage Efficiency %	99.93

Mineral resources are categorized on the basis of geological confidence derived from different exploration data (DDHs, RCHs, and surface trenches/pits used for geological interpretation). Exploration grids are frequently referenced in the classification of resource categories.

For the Ciemas Project, Measured Resources are defined within a basic DDH grid of 20 m × 20 m and the average distance of grade interpolation in a "Measured" block is limited within 25 m. No RCH data was used in the estimation Measured Resources. Measured Resources are only assigned to a part of Vein #1 which is defined with a high density of DDHs.

Indicated Resources are assigned to blocks within a basic DDH grid of 40 m × 40 m. The maximum ellipsoid searching distance for "Indicated" blocks is 50 m. No RCH data was used in the Indicated Resource estimation. Veins #2, #3, and #4 are partly assigned as Indicated Resources

Within the delineated mineralized veins, Inferred Resources re estimated based on the geological extrapolation from Measured and Indicated Resources and the supplementary data derived from RCHs. The sectional extrapolation of mineralized veins from "drill control" is generally 10 m – 20 m down the dip. All veins except #1, #2, and #3 are categorized as Inferred Resources.

A longitudinal projected view of the resource categorization is shown in Figure 9-5. Subsequent to this process, SRK smoothed the boundaries of each category to remove block irregularities..

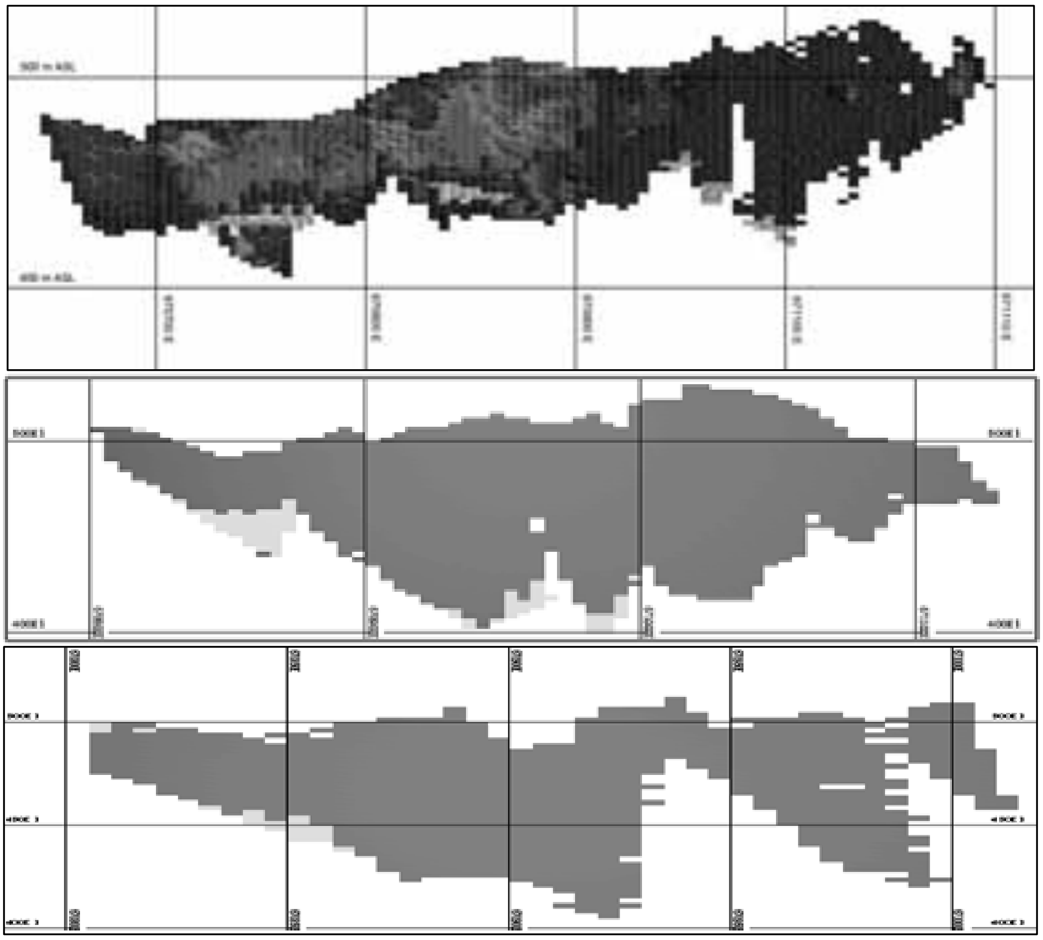


Figure 9-5: Resource Categorizations of Veins #1, #2, and #3 - Looking North

Notes: (a). red = Measured Resources; blue = Indicated Resources; and green = Inferred Resources;
(b) the veins from upper to lower are #1, #2, and #3; and
(c) for other veins, only Inferred Resources are assigned.
(d) The diagrams show resource categorization prior to smoothing

9.2.5 Resource Results

The Mineral Resources in compliance with JORC Code 2004 of Pasir Manggu West as of 10 April 2012 are estimated as shown in Table 9-6 with various cut-off grades. SRK believes a cut-off grade of 1.0 g/t Au is suitable for the Mineral Resource reporting for the Ciemas Project based on assumptions of underground and open pit mining and a gold price around 1,500 United States Dollars per ounce ("US$/oz"). Under a cut-off grade at 1.0 g/t Au the estimated resources for Pasir Manggu West area include:

- 100,700 tonnes ("t") of Measured Resources with an average grade at 7.00 g/t;
- 460,800 t of Indicated Resources with an average grade at 7.64 g/t; and

- 157,400 t of Inferred Resources with an average grade at 4.03 g/t.

Table 9-6: Resource Summary of Pasir Manggu West (as of 10 April 2012)

Category	Cut-off	Resource (kt)	Au (g/t)	Au (kg)*	Au ('000 oz)*
Measured	0.5	100.7	7.00	705.2	22.7
	1.0	**100.7**	**7.00**	**705.2**	**22.7**
	1.5	100.7	7.00	705.2	22.7
	2.0	100.7	7.00	705.2	22.7
	3.0	100.7	7.00	705.2	22.7
Indicated	0.5	477.1	7.40	3529.9	113.5
	1.0	**460.8**	**7.64**	**3520.6**	**113.2**
	1.5	453.4	7.74	3510.7	112.9
	2.0	448.0	7.82	3501.6	112.6
	3.0	436.7	7.95	3472.6	111.6
Measured + Indicated	0.5	577.8	7.33	4235.1	136.2
	1.0	**561.5**	**7.53**	**4225.9**	**135.9**
	1.5	554.1	7.61	4216.0	135.5
	2.0	548.7	7.67	4206.8	135.3
	3.0	537.4	7.77	4177.8	134.3
Inferred	0.5	187.2	3.52	658.3	21.2
	1.0	**157.4**	**4.03**	**634.7**	**20.4**
	1.5	129.7	4.62	598.9	19.3
	2.0	107.0	5.22	558.2	17.9
	3.0	80.3	6.20	498.2	16.0

*Figures for the sums of Measured and Indicated Resources are rounded.
*The figures for Au metal in this table are estimated based on the resource tonnages and grades, and do not represent the exact quantities of extractable metal for this Project. It should be treated differently than the expected production of gold bullion.

The information in this Report which relates to Mineral Resource estimates is based on information compiled by Dr Anson Xu, Mr Jinhui Liu, and Mr Pengfei Xiao, employees of SRK Consulting (China) Ltd. Dr Xu, FAusIMM, Mr Liu, MAusIMM, and Mr Xiao, MAusIMM, have sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu, Mr Liu and Mr Xiao consent to the reporting of this information in the form and context in which it appears.

SRK has been advised there are no material changes to date on the in-situ resources at Pasir Manggu West since 10 April 2012.

9.3 Resource Estimation for Cikadu, Sekolah and Cibatu

9.3.1 Database

The deposits of Cikadu, Sekolah, and Cibatu ("C-S-C") are bunched in a line from southwest to northeast. These properties share a similar metallogenic background and are structurally altered gold deposits hosted in the same fracture zone. The database used for the resource estimates of C-S-C comprises sample data derived from 118 DDHs and 42 RCHs, of which 107 DDHs and 42 RCHs were completed by Parry and Terrex, and 11 DDHs were drilled by Wilton in 2012. Surface prospecting data from the trenching and pitting done by previous companies and recently by Wilton were not used for grade interpolation but were used as references for the geological interpretation.

As with the Pasir Manggu database, there were a few minor errors in the C-S-C database, such as incorrect survey and sample intervals, but most of these errors appeared to be simple typing mistakes and were checked and revised manually in Surpac. The topography for the whole area was resurveyed in 2012 and the UTM grid was adopted to locate the historical borehole collars.

After reviewing the combined exploration data, including an additional 11 verification DDHs completed in the C-S-C zones in 2012, SRK is of the opinion that the integrated database supports a reasonable resource estimate.

Generally drilling at the C-S-C is laid out following grids of 40 m × 40 m; and the sections are deployed with azimuth 135°. Figure 9-6 shows the drillhole layout and the modelled topography in the C-S-C area.

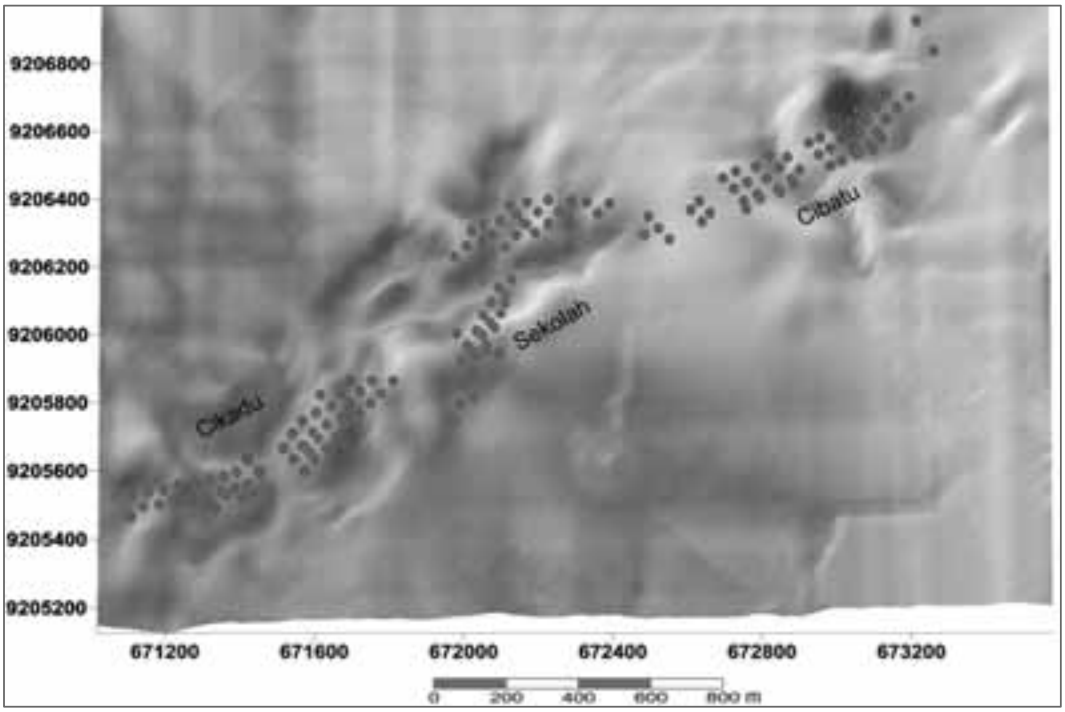


Figure 9-6: Planar View of Drilling Layout with Topography in the C-S-C Area

9.3.2 Wireframe of Mineralized Bodies

Based on a cut-off grade of 0.5 g/t Au, the gold mineralized veins were delineated in the C-S-C zones. A total of 13 veined mineralized bodies were modelled, of which two bodies are in Cikadu, eight bodies are in Sekolah, and three bodies are in Cibatu (Figure 9-7).

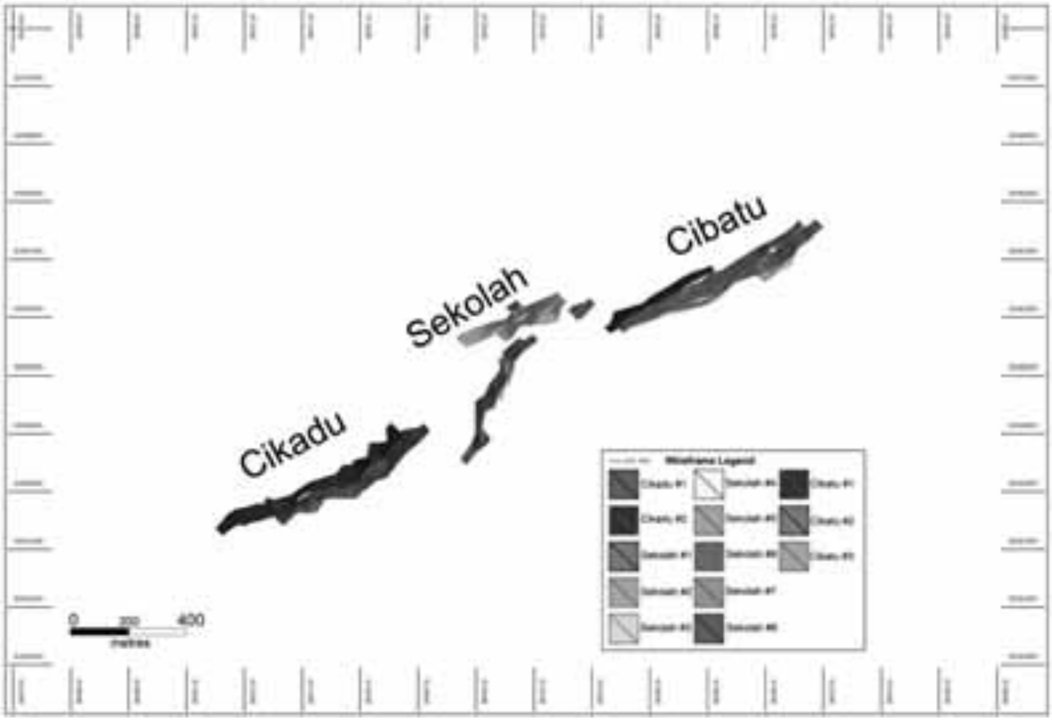


Figure 9-7: Horizontal Plan of Gold Mineralized Bodies at Cikadu, Sekolah, and Cibatu

The mineralized bodies in the C-S-C area are described in detail in Section 6.4 of this Report. Wireframe modelling was performed on the basis of drilling results constrained by surface topography.

9.3.3 Sample and Grade

Statistics for all 1,574 samples show that the sample length averaged 0.98 m, and the median and 95th percentile values are each 1.0 m (as shown in Table 9-7). Additional visual inspections and basic statistics on the samples in each mineralized zone also suggest that the compositing length of 1.0 m is suitable for all mineralized bodies.

Table 9-7: Statistics for Sample Length

Number of samples	1,574
Minimum value (m)	0.190
Maximum value (m)	2.000
25th Percentile	1.000
50th Percentile (median)	1.000
75th Percentile	1.000
95th Percentile	1.000
97.5th Percentile	1.175
99th Percentile	1.300
Mean (m)	0.980
Variance (m)	0.016
Standard Deviation (m)	0.127
Coefficient of variation	0.129
Skewness	-1.604
Kurtosis	17.781

Sample compositing was performed with drill intersections at each modelled mineralized zone. Gold grades in the raw database for all samples vary from 0 up to 82.11 g/t, with a mean grade of 6.1 g/t. Grade capping for eliminating high grade outliers was applied based on composite statistics of each mineralized body. The values of outliers were screened based on the 97.5th percentile of composites at each body. Table 9-8 shows basic information for the composites before and after grade capping.

Table 9-8: Composites Before and After Grade Capping

Mineralized Body	Number of Composites	Minimum Value (g/t)	Maximum Value (g/t)		Mean Grade (g/t)	
			before capping	after capping	before capping	after capping
Cikadu #1	265	0.00	82.11	45.00	9.16	8.88
Cikadu #2	152	0.00	54.38	36.00	8.00	7.81
Sekolah #1	108	0.00	44.80	32.00	7.95	7.78
Sekolah #2	81	0.18	58.40	34.00	9.27	8.93
Sekolah #3	89	0.00	35.27	34.00	9.01	8.98
Sekolah #4	24	0.00	37.14	33.00	8.27	8.10
Sekolah #5	21	0.00	28.23	20.00	3.46	3.07
Sekolah #6	41	0.00	31.56	25.00	5.07	4.91
Sekolah #7	less than twenty composites					
Sekolah #8	less than twenty composites					
Cibatu #1	35	0.31	5.11	5.11	1.36	1.36
Cibatu #2	297	0.00	78.00	42.00	8.16	7.81
Cibatu #3	33	0.34	46.10	45.00	10.23	10.19

Mineral Resources in Sekolah mineralized bodies #5, #6, #7, and #8 were not estimated due to the insufficient number of drillhole intersections.

9.3.4 Approach and Categorization

Variograms were generated for mineralized bodies Cikadu #1 and Cibatu #2, and containing 265 and 297 composites, respectively. Ordinary kriging was applied based on the calculated variograms, as shown in Table 9-9.

Table 9-9: Variogram Used for Ordinary Kriging

Body	Variogram Model	Cumulative Sill	Nugget	Range	Bearing	Plunge	Dip Angle	Major /Semi	Major /Minor
Cikadu #1	Spherical	1.25	0.91	57	45	0	-68	2.68	7.75
Cibatu #2	Spherical	1.20	0.96	66	50	0	-60	2.70	6.50

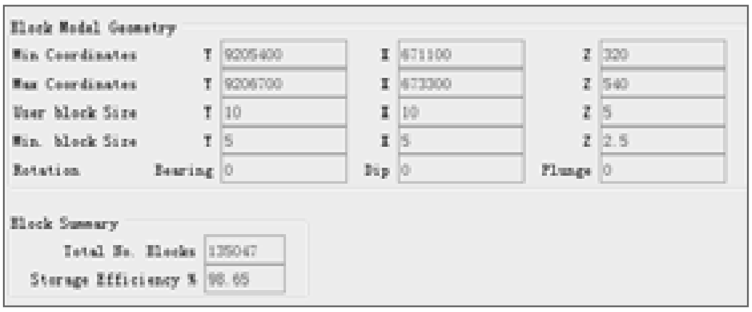
The Inverse Distance Weighted ("IDW") method was applied in the grade interpolation for Cikadu #2, Sekolah #1, #2, #3, and #4, and Cibatu #1 and #3. The anisotropy was studied and the parameters for search ellipsoids are given in Table 9-10.

Table 9-10: Anisotropic Parameters for IDW

Body	Bearing	Plunge	Dip Angle	Major / Semi	Major / Minor
Cikadu #2	50	0	-65	2.6	7.0
Sekolah #1	30	0	-70	2.7	6.5
Sekolah #2	55	0	-65	2.6	6.8
Sekolah #3	60	0	-65	2.6	6.8
Sekolah #4	30	0	-65	2.7	6.0
Cibatu #1	50	0	-60	2.7	6.5
Cibatu #3	50	0	-60	2.7	6.5

A block model was set up for the C-S-C resource estimation, and the prototype is shown in Table 9-11. The block model was used for all mineralized domains and was constrained below the topography as surveyed by Wilton on 30 April 2012. No material changes have occurred to the surveyed topography since the date of the survey.

Table 9-11: Block Model Summary – Cikadu, Sekolah, and Cibatu


Block Model Geometry

Min Coordinates	Y	9205400	X	671100	Z	320
Max Coordinates	Y	9206700	X	673300	Z	540
User block Size	Y	10	X	10	Z	5
Min. block Size	Y	5	X	5	Z	2.5
Rotation	Bearing	0	Dip	0	Plunge	0

Block Summary

Total No. Blocks	135047
Storage Efficiency %	98.65

Grade interpolation was constrained within the modelled wireframes of the mineralized bodies following two rounds of search passes. Samples outside the interpreted solids were excluded from the grade estimation. The first search pass, with a maximum distance of 100 m constrained within the mineralized bodies, was employed to estimate the Inferred Resource blocks; and the second search pass, with a maximum distance of 50 m, was used for more confident grade estimations on potential Indicated Resource blocks.

The categorization of Mineral Resource as defined in JORC Code 2004 Edition for the C-S-C properties was performed on a basis of geological confidence derived predominately from data density. Of the all mineralized veins, six (6) veins, namely Cikadu #1 and #2, Sekolah #1, #2, and #3, and Cibatu #1, were basically intersected by drillholes laid out on a grid of 40 m by 40 m, and the others were interpreted from a sparser drilling grid. SRK considered that Indicated Resources could be appropriately assigned to those estimated blocks:

- With at least one sample located within 40 m;
- Constrained within Cikadu #1, #2, Sekolah #1, #2, #3, and/or Cibatu #1; and
- Estimated in the second search pass.

All other estimated blocks were categorised as Inferred Resources. Figure 9-8 shows the resource categorization for the C-S-C properties prior to smoothing of the blocks to remove irregularities.

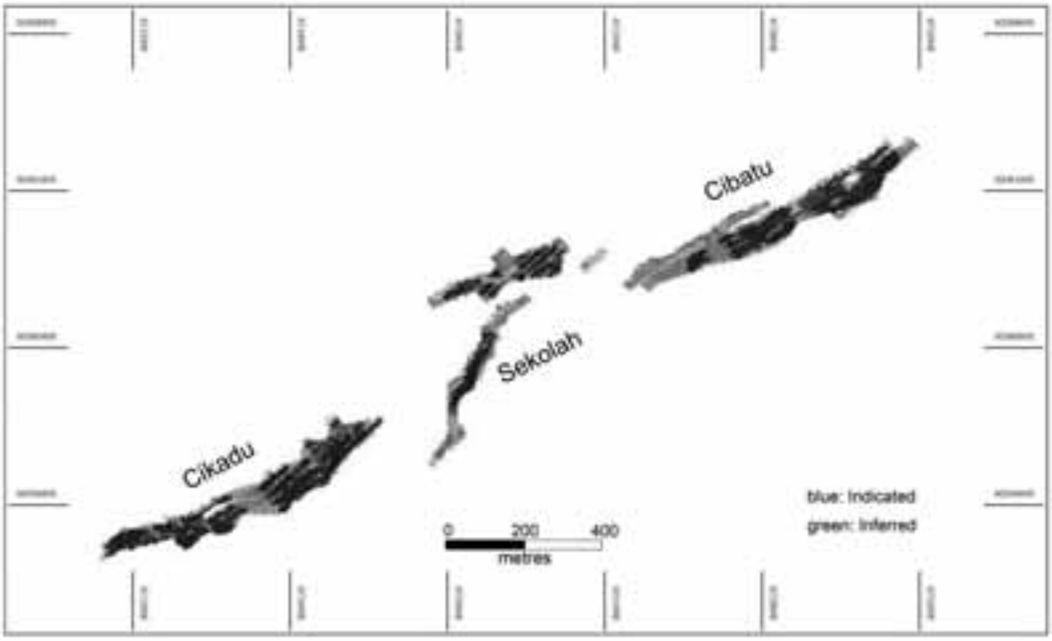


Figure 9-8: Resource Categorization of the C-S-C Zones in the Planar View

9.3.5 Resource Results

SRK believes a cut-off grade of 1.0 g/t Au is suitable for the Mineral Resource reporting for the Ciemas Project, assuming underground mining, a 90% processing recovery rate, a gold price of US$1,500 per ounce ("oz"), and operating costs of US$66/t. Under a cut-off grade at 1.0 g/t Au the estimated mineral resources for C-S-C area as of 31 May 2013 are:

- 1,854,000 t of Indicated Resources with an average grade at 8.72 g/t; and
- 1,779,000 t of Inferred Resources with an average grade at 8.74 g/t.

The mineral resources in compliance with JORC Code 2004 in each vein in the C-S-C zone under the cut-off grade of 1.0 g/t Au are detailed in Table 9-12.

Table 9-12: Mineral Resources of Cikadu, Sekolah, and Cibatu as of 31 May 2013

Property	Mineralized Body	Estimating Method	Resource Category	Tonnage (kt)	Grade (Au g/t)	Au (kg)
Cikadu	#1	OK	Indicated	551	9.12	5,028
			Inferred	330	10.08	3,330
	#2	IDW	Indicated	282	8.10	2,286
			Inferred	163	8.81	1,435
	Subtotal		**Indicated**	833	8.78	7,314
			Inferred	493	9.66	4,765
Sekolah	#3	IDW	Indicated	98	9.59	940
			Inferred	189	8.74	1,652
	#4	IDW	Indicated	150	9.10	1,363
			Inferred	124	9.46	1,177
	#5	IDW	Indicated	181	9.65	1,742
			Inferred	132	10.57	1,398
	#6	IDW	Inferred	54	8.96	487
	Subtotal		**Indicated**	428	9.44	4,045
			Inferred	500	9.43	4,714
Cibatu	#11	IDW	Inferred	114	1.85	210
	#12	OK	Indicated	592	8.12	4,809
			Inferred	525	8.31	4,359
	#13	IDW	Inferred	148	10.17	1,503
	Subtotal		**Indicated**	592	8.12	4,809
			Inferred	786	7.72	6,072
C-S-C	**Total**		**Indicated**	**1,854**	**8.72**	**16,168**
			Inferred	**1,779**	**8.74**	**15,551**

*Figures for Au metal in this table are estimated based on the resource tonnages and grades, and do not represent the exact amount of extractable metal for this Project. They should be treated differently from the expected production of gold bullion.

The information in this Report which relates to Mineral Resource estimates is based on information compiled by Dr Anson Xu, Mr Jinhui Liu, and Mr Pengfei Xiao, employees of SRK Consulting (China) Ltd. Dr Xu, FAusIMM, Mr Liu, MAusIMM, and Mr Xiao, MAusIMM, have sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu, Mr Liu and Mr Xiao consent to the reporting of this information in the form and context in which it appears.

10 Mining Assessment

The Ciemas Gold Project consists of multiple prospect areas. A feasibility study ("FS") of all prospect areas was completed by Yantai Design Engineering Co. Ltd. ("Yantai Institute") in 2012. Currently, Pasir Manggu, Cikadu, and Cibatu-Sekolah are being developed for underground mining. The mine designs for these three areas were completed by Henan Metallurgical Design Institute ("HMDI") in 2012. In 2013, Wilton commissioned PT. Asia Sejati Industri ("ASI") to carry out an overall resource update and to complete an underground mine design and reserve estimate. Based on an overall analysis of reserves in the three mining areas, ASI has set the overall mining capacity at about 1,500 tpd.

It was observed during SRK's site visit that one inclined shaft has been driven down to about 200 m in Pasir Manggu. This mining assessment is made based on SRK's knowledge of current mine conditions, the basic designs completed by HMDI in 2012, and the Independent Internal Report compiled by ASI in 2013.

10.1 Geology and Geotechnical

10.1.1 Geological Condition

Two sets of fractures are developed at the Ciemas project, striking NE and NW with extensions varying from about 100 to 1,000 m; the fracture belts are 1 – 20 m wide. These fractures are the primary ore-controlling tectonics and ore-bearing zones in this area. The main features of the mineralized bodies are listed in Table 10-1.

Table 10-1: Details of the Main Ore Bodies

Mining Area	Bodies	Length (m)	Dip azimuth	Dip angle	Thickness (m)
Pasir Manggu	2	300 - 650	SE	75° - 80°	1.0 - 7.5
Cikadu	2	720	NW	60° - 65°	1.0 - 9.0
Cibatu-Sekolah	4	1,500	NW	70° - 75°	1.0 - 7.5

10.1.2 Geotechnical Condition

Data acquired from verification drill holes (DDH1003, DDH1021, DDH1031, and DDH1041) indicate that wall rocks are generally composed of volcanic breccia in the prospect areas of Pasir Manggu, Cikadu, and Cibatu-Sekolah. Based on the result of point load strength and uniaxial compressive strength tests, the wall rocks are categorized as moderately strong rock. The rocks surrounding the partially-completed shaft in Pasir Manggu are moderately weathered volcanic breccia, fractures, and moderately folded with moderate strength, and partly brittle rock. The average rock quality designation ("RQD") is 69.9%. The rock mass rating ("RMR") varies from 57 to 80 and the rock strength is moderate to hard.

10.1.3 Hydrogeology

Based on a hydrogeological map of Indonesia, (*Sheet III Ujungkulon & IV Sukabumi (Java)*, scale 1:250,000, by Soetrisno. S, 1985), groundwater in the Ciemas project area is contained in poorly productive aquifers (fissured or porous), and the region lacks exploitable groundwater.

In 2012, Wilton and Liek Tucha carried out detailed follow up exploration work, drilling boreholes in several parts of the project area, including:

- Six boreholes at Pasir Manggu West (sixboreholes);
- One borehole at Sekolah;
- One borehole at Cikadu; and
- One borehole at Cibatu.

Rocks can be classified into two groups by correlating layers of each borehole and classifying the rocks into their water permeability characteristics, porous soil and semi-permeable to impermeable volcanic breccias. Joints and cracks in compact rocks such as volcanic breccias may make the rock permeable, depending on the continuity of the joints and cracks.

The porous layer is primarily soil whereas generally the rock layer has very low permeability. Locally limited shallow groundwater occurrences can be expected in valleys in the weathered zones.

Figure 10-1 shows 3D views of the extensions of the porous and nonporous layers.

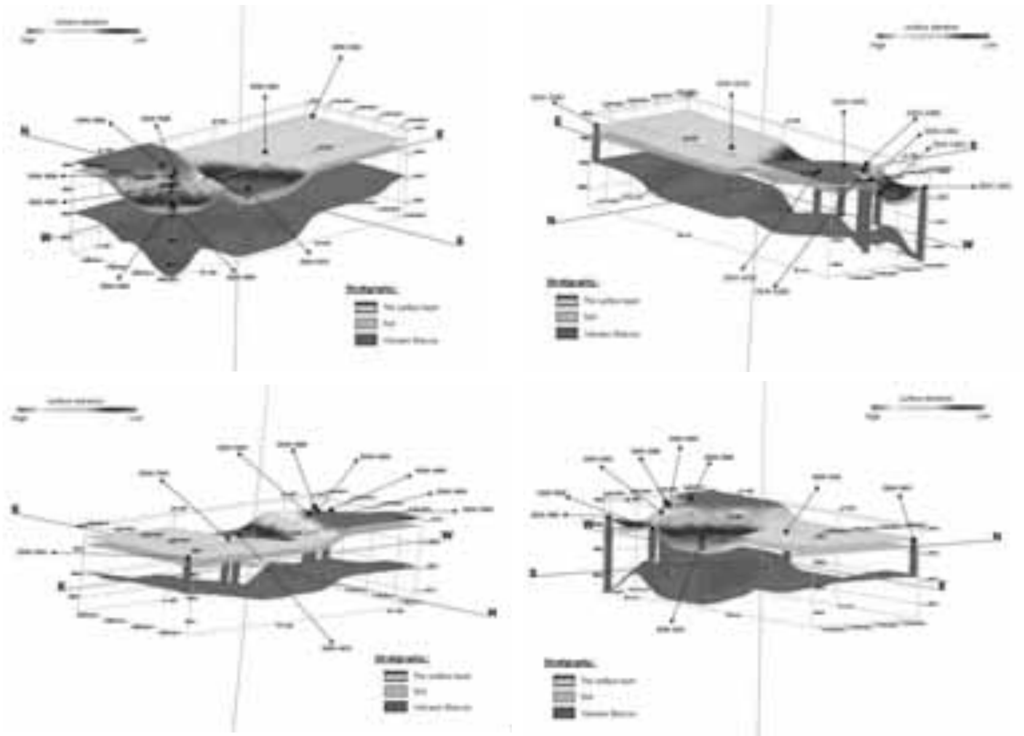


Figure 10-1: 3D Views of SW, NW, NE, and NW Geological Layers

SRK noted that a hydrogeological survey had been completed for the project. However, it lacks discussion of groundwater inflow, which is indispensable for the dewatering design and underground operational safety. Therefore, SRK is of the opinion that further hydrogeological investigation is necessary, as most ore bodies are located below the water table.

10.2 Ore Reserve Conversion

The purpose of this section is to summarize the Ore Reserve estimate programs and results. The basic mine designs have been compiled by HMDI for Pasir Manggu West, Cibatu, Sekolah, and Cikadu, and pre-mining development has begun at Pasir Manggu West. Based on the basic mine designs, SRK considered all relevant modifying factors and estimated the ore reserves for the Project using Surpac (Version 6.3). The estimated Ore Reserves were reported in accordance with the JORC Code (2004 Edition).

10.2.1 Profitable Cut-off and Ore Reserve Cut-off

The following formula was applied by SRK to calculate the economic cut-off grade of gold.

$$\alpha = \frac{C}{P(1-r)\cdot\varepsilon}$$

where:

α: Economic cut-off grade of gold, in g/t.

C: Average total operating cost per tonne of feed ore during service years. Based on the basic mine designs, the value was set as US$66 per tonne.

P: Average sale price of gold during full production years. Based on the basic mine designs, the average sale price of gold bullion is forecast at US$1,600 per ounce. According to the gold price reported by the World Bank on 15 January 2013 (see Table 10-2), the price forecast from 2013 to 2025 is US$1,300 - 1,600/oz. Gold prices for the last five years (April 2008 through April 2013) are presented in Figure 10-2, and show a general upward trend with a recent fall. Therefore, a gold price of US$1,400 per oz was selected by SRK as a conservative estimate. This converts to US$45.01 per gram (1.0 oz = 31.1035 g).

Please note that, as a special commodity, the price of gold is greatly influenced by external factors. It is suggested that detailed studies on its demand and supply as well as the price be conducted in a new FS or detailed mine design once the resource upgrade has been completed.

ε: Processing recovery rate. Based on the basic mine designs, the gold recovery rate after processing is 90%.

r: Marketing commissions, royalties, and fees, set as 3.75% based on the basic mine designs.

Table 10-2: Gold Price Record and Price Forecast

Unit	Records					
	1980	1990	2000	2010	2011	2012
USD/oz	608	383	279	1,225	1,569	1,670

Unit	Forecast								
	2013	2014	2015	2016	2017	2018	2019	2020	2025
USD/oz	1,600	1,550	1,500	1,479	1,458	1,437	1,417	1,396	1,300

Note: Data above are quoted from the World Bank, Development Prospects Group, as of 15 January, 2013.

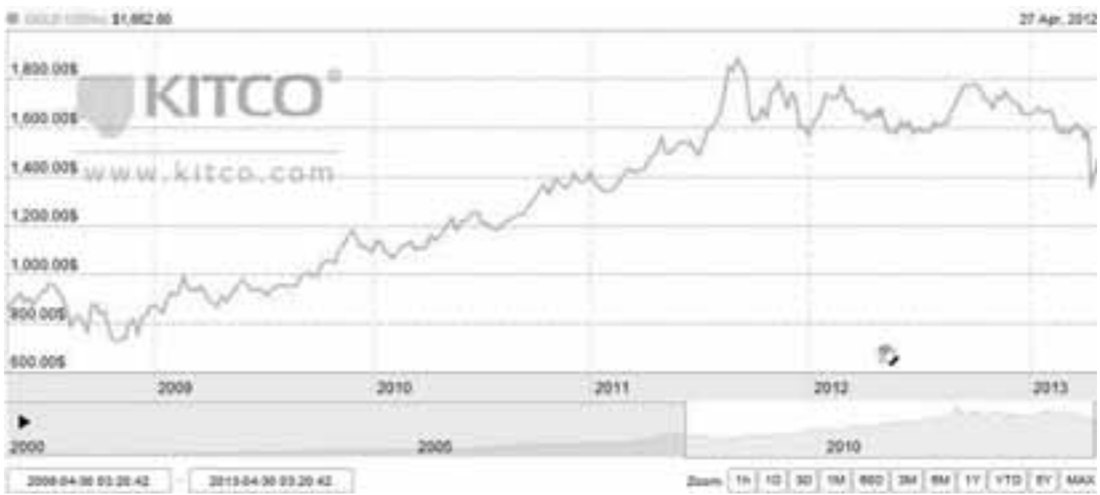
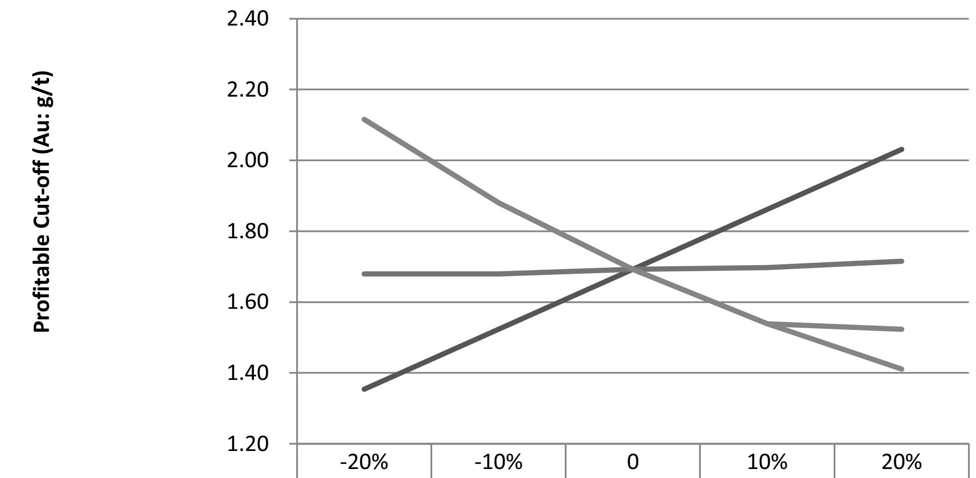


Figure 10-2: Gold Prices for the Past Five Years

SRK calculated the profitable cut-off at 1.69 g/t when a static rate of return on investment is not considered. This profitable cut-off was calculated based on common, industry-standard technical and economical assumptions. These assumptions will change during future production. A sensitivity analysis, which is presented in Figure 10-3, was carried out to provide supplementary understanding of these factors' influence on the profitable cut-off. The sale price and the market commissions, royalties, and fees have identical levels of influence when calculating the profitable cut-off. Figure 10-3 shows that the sale price (or royalties and fees) and the total cost have the most influence when calculating the profitable cut-off, followed by the processing recovery rate. Overall, SRK is of the opinion that although material with gold grades greater than 1.69g/t can be mined economically, reserves above the profitable cut-off have the most favourable revenues. Therefore, SRK used 1.69 g/t as the cut-off grade for the Ore Reserves estimate.



	-20%	-10%	0	10%	20%
Total Cost	1.35	1.52	1.69	1.86	2.03
Royalties Fees	1.68	1.68	1.69	1.70	1.71
Recovery of Processing	2.12	1.88	1.69	1.54	1.52
Sale price	2.12	1.88	1.69	1.54	1.41

Figure 10-3: Uni-variate Sensitivity Analysis

10.2.2 Reserve Block Model

10.2.2.1 Selective Mining Unit

SRK completed the Mineral Resource estimate for the Project in March 2013 using a block model for Pasir Manggu West and another block model for Cikadu, Sekolah, and Cibatu (C-S-C). The model for Pasir Manggu West has a block size of 2 m × 10 m × 5 m (Y × X × Z) and the model for C-S-C has a block size of 10 m × 10 m × 5 m (Y × X × Z). SRK considers it inappropriate to use such large block sizes directly during an ore reserve estimation. The major reason is that short-hole shrinkage stoping method is planned to be adopted for the ore body. A block size with Y or X set at 10 m would result in significant mining dilutions and losses. SRK weighted the advantages and disadvantages of the block size, then decided to use a block size of 1 m × 5 m × 2.5 m for Pasir Manggu West and 2.5 m × 2.5 m × 2.5 m for C-S-C. This size is close to the blasting slice thickness and the width of stope.

As a consequence of the above, SRK re-blocked the block models to generate two new models referred to as the reserve block models for Pasir Manggu West and C-S-C. Each block then forms a selective mining unit ("SMU"). The reserve block models were used by SRK to estimate the Ore Reserves for the Project.

10.2.2.2 Model Limits and Attributes

Model limits for Pasir Manggu West and C-S-C are shown in Table 10-3 and Table 10-4. Model attributes are shown in Table 10-5.

Table 10-3: Ore Reserve Model Limits for Pasir Manggu West

Axis	Minimum	Maximum	Size (m)	Number
X (Easting)	670,640	672,000	5	272
Y (Northing)	9,205,520	9,206,590	1	1070
Z (Elevation)	400	540	2.5	56

Table 10-4: Ore Reserve Model Limits for C-S-C

Axis	Minimum	Maximum	Size (m)	Number
X (Easting)	671100	673300	2.5	880
Y (Northing)	9205400	9206700	2.5	520
Z (Elevation)	320	540	2.5	88

Table 10-5: Model Attributes

Attribute	Type	Significant Digits	Background	Description
AU	Real	3	0	In-situ gold grade
BD	Real	3	2.65	Bulk density of material
ResCAT	Character		4	Resource category
MAT	Integer	-	5	Material code
CPT	Float	0	-66	Total cost, per tonne of feed ore
IPT	Calculated	3	-	Sales income, per tonne of feed ore
GRPT	Calculated	3	-	Gross revenue, per tonne of feed ore
NRPT	Calculated	3	-	Net revenue, per tonne of feed ore

10.2.2.3 Attributes Assignment

Models attributes were assigned values as follows:

- AU is the reblocked result of the resource block model, given in g/t to three significant digits.
- BD is bulk density and taken from the resource block model, and is stated in t/m^3.
- ResCAT is stored as an integer, where "1" indicates Measured Resources, "2" indicates Indicated Resources, and "3" indicates Inferred Resources.
- MAT is based on ResCAT and AU. MAT = 1 if ResCAT = 1 and AU ≥ 1.69; MAT = 2 if ResCAT = 2 and AU ≥ 1.69; MAT = 3 if ResCAT = 1 and 1 ≤ AU < 1.69; MAT = 4 if ResCAT = 2 and 1 ≤ AU < 1.69; and MAT = 5 for all remaining blocks.
- CPT is given in US$ to three decimal places and ranges from 0 – 66.000.
- IPT is based on MAT and AU, and is given in US$ to three decimal places. IPT = AU ×0.9 × (1-3.75%) × 45.01 if MAT < 5; and IPT = 0 if MAT = 5.
- GRPT is based on IPT and CPT, and is given in US$ to three decimal places. GRPT = CPT + IPT.
- NRPT is based on GRPT, and is given in US$. NRPT = GRPT × (1 - 25%), if GRPT ⩾ 0; NRPT = GRPT, if GRPT < 0.

10.2.3 Mining Targets and Layout of Levels

10.2.3.1 Pasir Manggu West

Considering the resource tonnage and level of geological confidence, the deposit's Measured and Indicated Resources were designated as the mining targets. These resources occur at elevations ranging from 515 m to 395 m ASL, as shown in Figure 10-4 and Figure 10-5. These mining targets were selected by SRK to estimate the Ore Reserves.

Pasir Manggu is planned to be developed with a main decline and the level interval is set to 40 m. On the premise of technical feasibility, SRK has divided the mining targets into four levels, at 497 m, 475 m, 435 m, and 395 m.

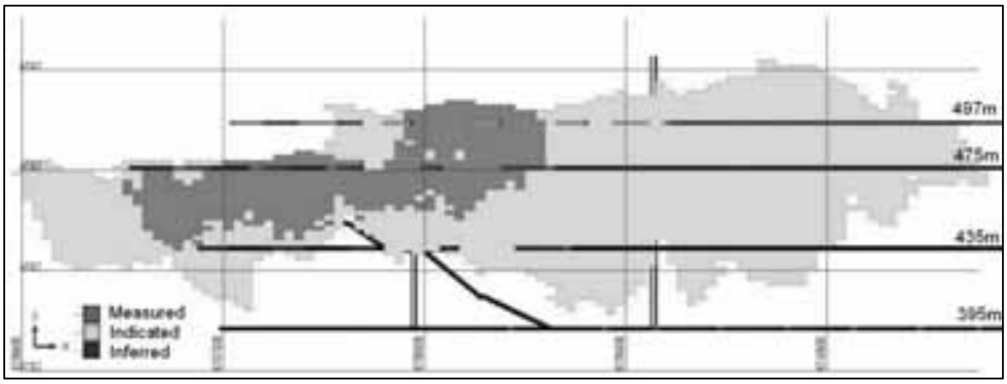


Figure 10-4: Layout of Mining Levels for Pasir Manggu West (Azimuth: 270°, Dip: 0°)

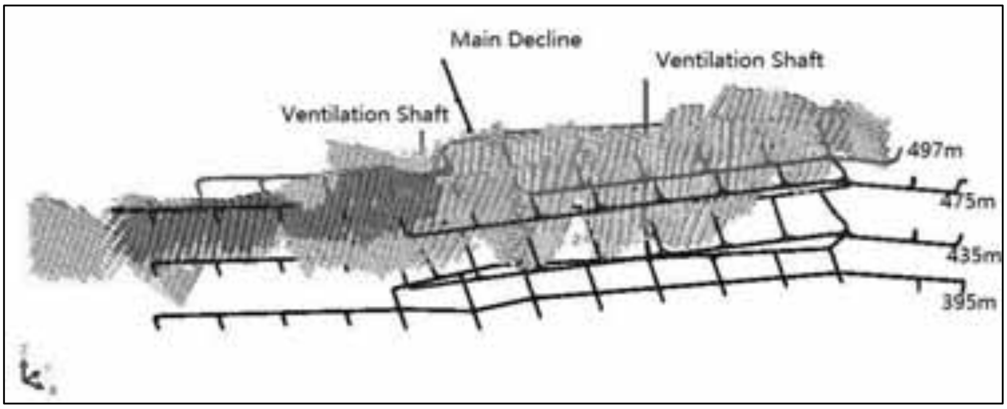


Figure 10-5: Sketch Map of Development for Pasir Manggu West

10.2.3.2 Cikadu, Sekolah, and Cibatu

The Measured and Indicated Resources at the C-S-C deposits were designated as the mining targets. Cikadu's resources occur at elevations ranging from 490 m to 360 m ASL; resources at Cibatu occur from 530 m to 400 m ASL; and resources at Sekolah occur from 500 m to 360 m ASL. These mining targets were selected by SRK to estimate the Ore Reserves. Cikadu is designed to be developed via a main decline development system and it is divided into three levels at 440 m, 400 m, and 360 m. Cibatu-Sekolah will be developed with a shaft development system and is divided into two levels at 400 m and 440 m.

SRK is of the opinion that only two levels at 400 m and 440 m are insufficient for the Cibatu-Sekolah mine, and would result in loss of the qualified resources beneath 400 m ASL and above 480 m ASL. Therefore, a level at 360 m in Sekolah and at 480 m in both Sekolah and Cibatu should be added. Sketch maps of the proposed developments are shown in Figure 10-6 and Figure 10-7.

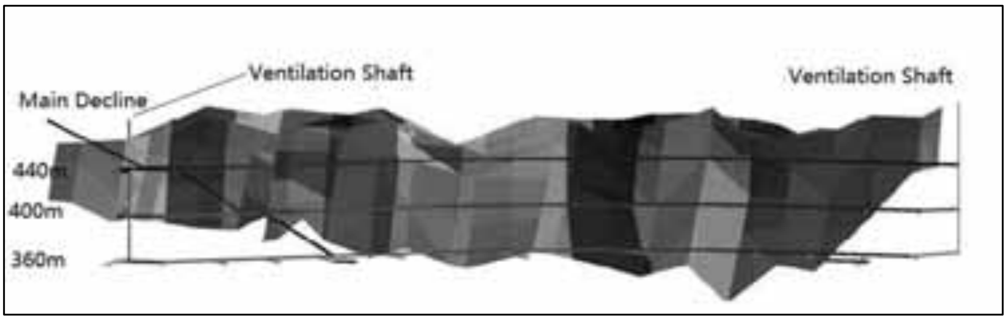


Figure 10-6: Sketch Map of Development for Cikadu

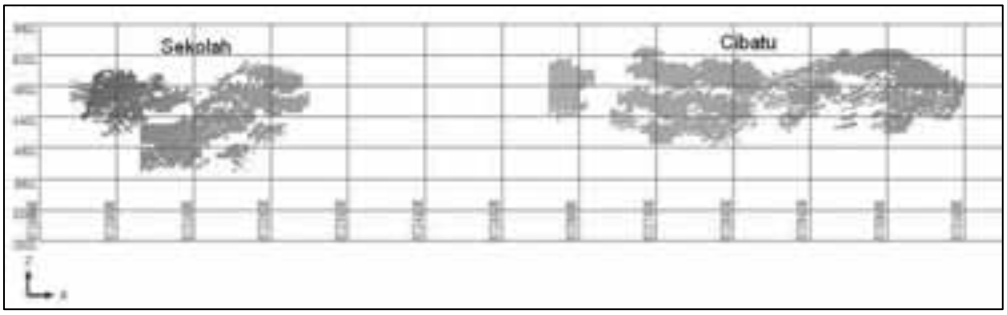


Figure 10-7: Longitudinal Map for Cibatu-Sekolah (Azimuth: 270°, Dip: 0°)

10.2.4 Layout of Mining Cells/Panels

Based on the reserve block model, layout of levels, and mining methods, SRK modelled a technically feasible layout of mining cells/panels. The mining cells/panels of Pasir Manggu are presented in Figure 10-8.

There are 136 technically feasible mining cells/panels in the mineralized zones. The number of mining cells/panels on each level is shown in Table 10-6.

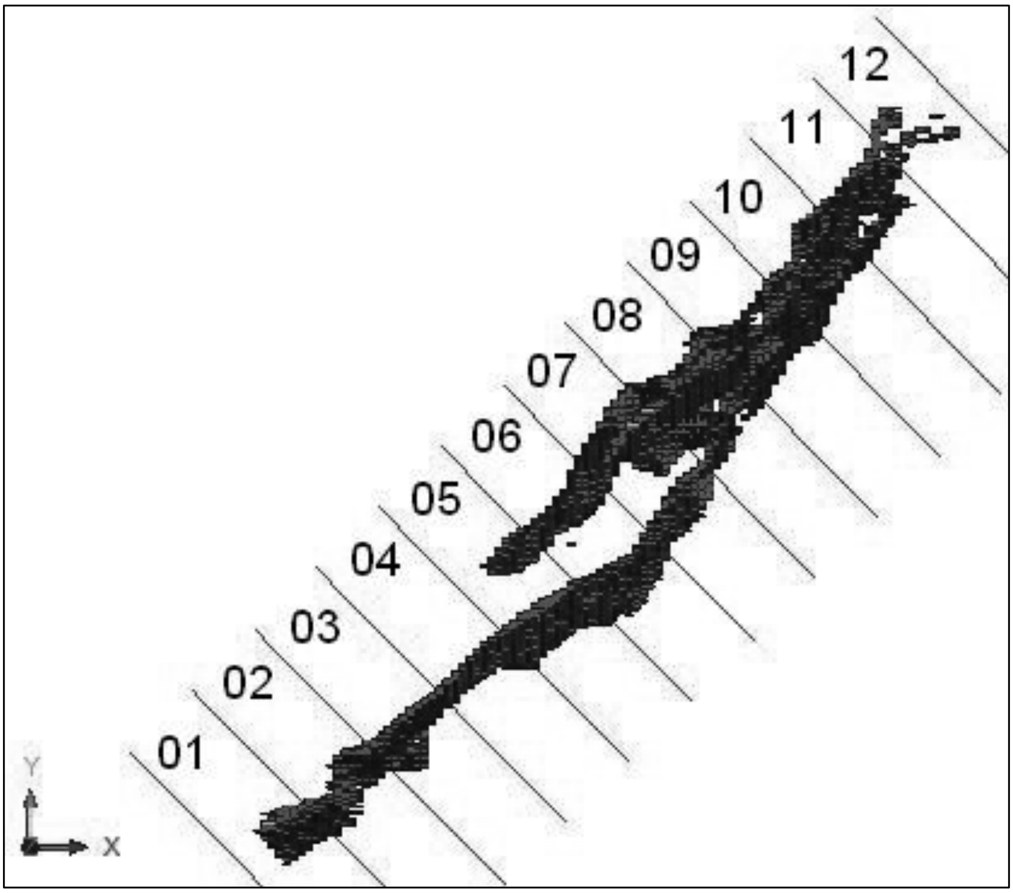


Figure 10-8: Layout of Mining Cells/Panels for Pasir Manggu West

Table 10-6: Mining Cells/Panels on Each Level

Property	Levels (m ASL)	Amount	Mining cell/panel Nos.
Pasir Manggu West	497	9	04 – 12
	475	12	01 – 12
	435	12	01 – 12
	395	10	01 – 10
	Total	43	
Cikadu	440	14	01 – 14
	400	13	01 – 13
	360	8	05 – 12
	Total	35	
Cibatu-Sekolah	480	17	02 – 05, 07 – 09, and 14 - 23
	440	19	01 – 09, and 14 - 23
	400	18	02 – 09, and 14 - 23
	360	4	05 - 08
	Total	58	

Based on the reserve models, SRK estimated the average grade of surrounding rock which would enter into the feed ore as a result of overbreaking. They were 0.449 g/t for Pasir Manggu West and 0.445 g/t for Cikadu, Cibatu, and Sekolah.

Based on the reserve models and the stoping method, SRK reviewed the mining loss and dilution which is mentioned in the mine designs produced by HMDI. Considering that the crown pillars and the part of the rib pillars cannot be recovered, the mining loss of 15% is considered reasonable.

SRK re-estimated mining dilution rates for various situations: if the ore body is 4 m wide, the dilution will be 14.8%; and if it is 2 m wide, the dilution will be about 20.1%. According to the statistics on the ore bodies' true thicknesses, most veins of the Project were more than 3 m wide, except for Cikadu #2 and Pasir Manggu #6. In total 72% of the ore body was more than 3 m wide. Therefore, SRK used a weighted average calculation to estimate an average overall mining dilution of 16.3%, rounded up to 17% to be conservative.

10.2.5 Net Revenue Estimate and Minable Analysis

SRK estimated the net revenue ("NR") of each mining cell/panel based on its SMU. Positive net revenue values indicate that the relevant mining cells/panels are not only technically achievable but also economically viable. Most mining cells/panels in the mineralized zones have positive NRs due to the high grade of gold. There are 133 mineable cells/panels in the mineralized zones selected by SRK. The mineable cells/panels on each level are shown in Table 10-7.

Table 10-7: Mineable Cells/Panels on Each Level

Property	Levels (m ASL)	Amount	Mining Cells/Panels
Pasir Manggu West	497	8	04 – 11
	475	11	01 – 11
	435	11	01 – 11
	395	10	01 – 10
	Total	40	
Cikadu	440	14	01 – 14
	400	13	01 – 13
	360	8	05 – 12
	Total	35	
Cibatu-Sekolah	480	17	02 – 05, 07 – 09, and 14 - 23
	440	19	01 – 09, and 14 - 23
	400	18	02 – 09, and 14 - 23
	360	4	05 - 08
	Total	58	

SRK has undertaken a pre-tax discounted cash flow ("DCF") analysis of the project, based on the technical and economic inputs/assumptions that SRK considers to be reasonable. They include

- a designed production capacity of approximately 1500 t/d with an average gold grade of 7.10 g/t, as proposed in the production schedule section of this report;
- a sustainable production over six (6) years according to present Ore Reserve estimation;
- a capital investment of this project of about US$92.75 Million ("M");
- an operating cost of about US$66 per tonne of feed ore;
- a processing recovery rate of 90%; and
- a royalty fee rate of 3.75%.

The net present value ("NPV") has been estimated based on the above assumptions and variations in the market price of gold. In the case of the gold price of US$1,400 per ounce, the NPV of the

Project is estimated around US$280 M at a discount rate of 10%, and an average annual gross profit before tax is around US$94 M in a full production year, the static pay-back period is less than two (2) years.

Amongst all factors, gold price variation has the most significant effect on NPV estimation. If the price of gold drops by 20% to US$1,120 per ounce, the NPV of the Project is about US$181 M at a discount rate 10%. If the price of gold rises by 20% up to US$1,680 per ounce, the NPV rises to US$379 M at a discount rate of 10%. The break-even (NPV=0, at a discount rate of 10%) gold price is estimated about US$605 per ounce, indicating that once the gold price falls lower than US$605, the Project's NPV would be negative.

SRK opines a range of gold price between US$1,120 and US$1,680 per ounce is suitable for the project, and the DCF model therefore demonstrates a positive return on investment and overall economic viability. SRK is of the opinion that the Projcet is both technically and economically feasible.

10.2.6 Ore Reserve Classification

The economically mineable part of the Measured Resources was converted into Proved Ore Reserves. The economically mineable part of the Indicated Resources was converted into Probable Ore Reserves, in compliance with the JORC Code 2004 Edition.

10.2.7 Ore Reserve Statement

A processing recovery rate of 90% was applied to the Ore Reserve estimate; the mining dilution was designed at 17%, and the mining loss/reduction was 15%. Ore Reserves are reported at a gold cut-off grade of 1.69 g/t as of 31 May 2013. A summary of the Ciemas Gold Project's Ore Reserves is shown in Table 10-8.

In compliance with JORC Code 2004, there are 103.1 thousand tonnes ("kt") of Proved Ore Reserves averaging 5.89 g/t gold and 2,337.3 kt of Probable Ore Reserves averaging 7.16 g/t gold. Overall, the total tonnage of Proved and Probable Ore Reserves is 2,440.5 kt averaging 7.10 g/t gold.

Table 10-8: Summary of Ore Reserves as of 31 May 2013

Property	Category	Reserve (kt)	Au(g/t)	Au (kg)	Au ('000oz)
Pasir Manggu West	Proved	103.2	5.89	607.3	19.5
	Probable	455.8	6.59	3,001.5	96.5
	Proved +Probable	559.0	6.46	3,608.8	116.0
Cikadu	Probable	843.8	7.34	6,190.8	199.0
Sekolah	Probable	433.2	7.85	3,402.5	109.4
Cibatu	Probable	604.5	6.83	4,131.5	132.8
Total	Proved	103.2	5.89	607.3	19.5
	Probable	2,337.3	7.16	16,726.3	537.8
	Proved +Probable	2,440.5	7.10	17,333.7	557.3

Note: the Mineral Resource is inclusive of Ore Reserve. The information in this report which relates to Ore Reserve conversion is based on information compiled by Mr Falong Hu, MAusIMM under supervision of Dr Anson Xu FAusIMM, employees of SRK Consulting (China) Ltd. Dr Xu, FAusIMM, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Xu supervised the work of Mr Hu. Dr Xu consents to the reporting of this information in the form and context in which it appears. Mr Qiuji Huang employee of SRK Consulting (China) Ltd, Principal Consultant, MAusiMM peer reviewed the Ore Reserve conversion.

10.3 Underground Development

10.3.1 Pasir Manggu Mine

A co-development system with an adit, a main shaft, an auxiliary shaft, and an inclined shaft were designed by HMDI. The designed level interval is 40 m and the main mining levels are at 475 m, 435 m, and 395 m. The adit is mainly used as the haulage drift for level 475 m, and as an exploration, ventilation, drainage, and worker access-way. Two 1.2 cubic metre ("m^3") skips will be installed in the main shaft for ore hoisting. One single cage with balance weight will be installed in the auxiliary shaft for hoisting workers and material. The inclined shaft will have a dip angle of 25° and is designed for ore hoisting for the 435 m and 395 m levels, and will serve as the air intake and access-way for equipment and workers. Details of the major shafts in Pasir Manggu Mine are shown in Table 10-9 and the planned development system is as shown in Figure 10-9.

Table 10-9: Shaft Information for Pasir Manggu Mine

Item	Specification (m)	Length (m)	Interior equipment	Remarks
Adit	2.2 m × 2.2 m	220		Gradient 0.3%
Main shaft	Φ4.0	131	Double skips	Skip type 1.2 m^3
Auxiliary shaft	Φ3.4	115	Single cage	2.2 m × 1.35 m
Inclined shaft	2.3 m × 2.4 m	197	Tramcar group	Tramcar type YFC0.75
Ventilation shaft	2.0 m × 2.0 m	130	Ladder compartment	Return air

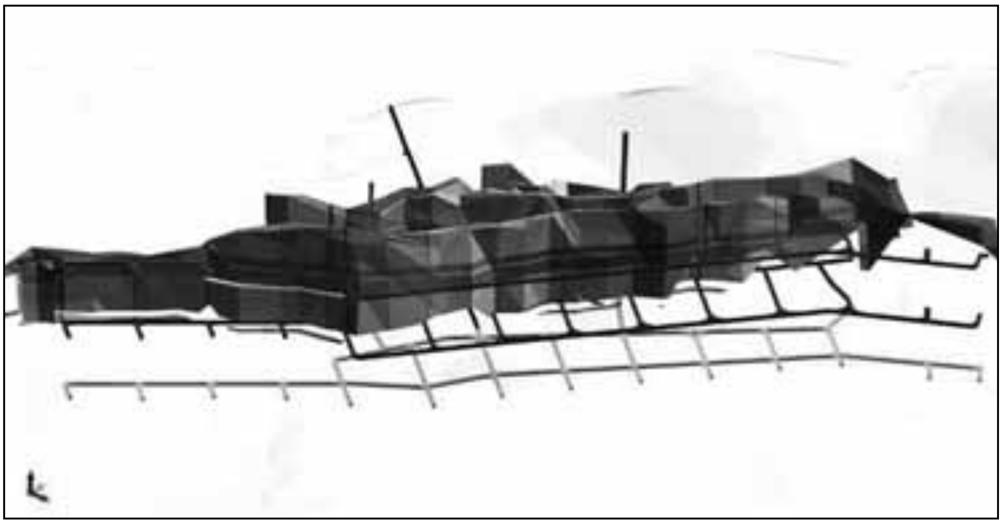


Figure 10-9: Pasir Manggu Mine Development System

Broken ore at all levels will be loaded into underground trucks. Above the 475 m level, ore will be directly hauled to the surface by trucks through the adit. Below the 475 m level, ore will first be transported into the ore storage bin, and then hoisted to the surface by the skip in the main shaft or by the tramcar in the inclined shaft.

10.3.2 Cikadu Mine

An inclined shaft development was recommended for the Cikadu underground mine. Each mining level is 40 m tall and the main mining levels are at 440 m, 400 m, and 360 m. The inclined shaft will have a 25° angle and 301 m length along the dip of the ore body. It is designed for ore hoisting and will also serve as the air intake and as an access-way for material, equipment, and men. YFC0.75 tramcars will be equipped in the inclined shaft, which will have cross-sectional dimensions of 2.3 m × 2.4 m. The east and west ventilation shafts are designed for the return air, and will also serve as safety exits. The development system of Cikadu Mine is as shown in Figure 10-10.

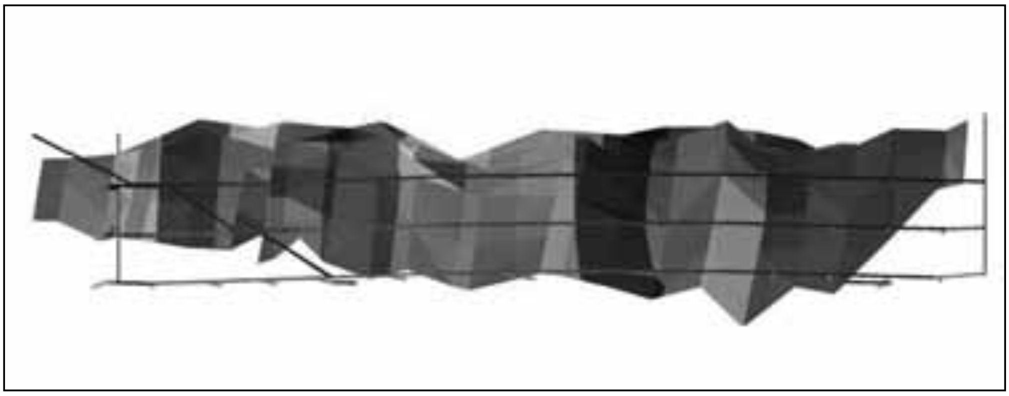


Figure 10-10: Cikadu Mine Development System

Broken ore at all levels will be loaded into the YFC0.75 tramcars and transported by rail to the bottom of the inclined shaft. Tramcars full of ore will be hoisted to the surface through the inclined shaft.

10.3.3 Cibatu-Sekolah Mine

Cibatu-Sekolah Mine is designed to be developed via main and ventilation shafts. Two main mining levels are set at 440 m and 400 m with a 40 m interval. The main shaft will have a diameter of 3.4 m and depth of 120 m, and will be located near the border zone at the footwall of the Cibatu and Sekolah ore bodies. One 2.2 m × 1.35 m single cage with balance weight will be installed in the main shaft for the hoisting of ore, waste, material, equipment, and workers. Three ventilation shafts are designed for the return air, and will also serve as safety exits. The development system of Cibatu-Sekolah Mine is as shown in Figure 10-11.

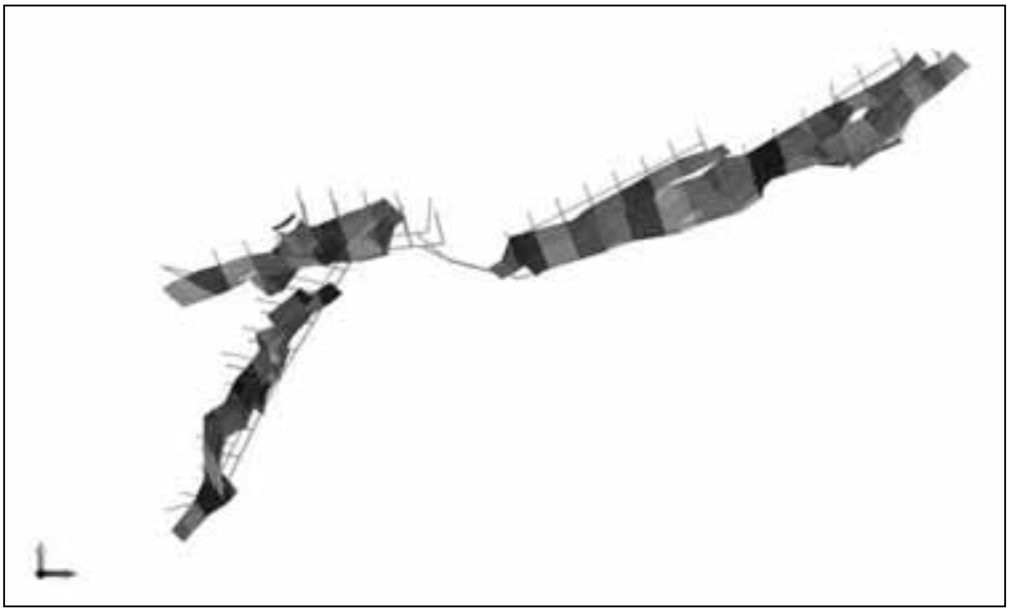


Figure 10-11: Cibatu-Sekolah Mine Development System

Broken ore or waste at all levels will be loaded into YFC0.75 tramcars and transported by rail to the bottom of the main shaft. Tramcars full of ore or waste will be hoisted to the surface by the cage in the main shaft.

10.4 Underground Mining Methods

Because of the similar mining technological conditions in the Pasir Manggu, Cikadu, and Cibatu-Sekolah mine, HMDI recommended the same mining method for all of them: short-hole shrinkage along the strike. Ore will be broken down in horizontal slices starting at the bottom of the stope and advancing upwards. Part of the broken ore (two thirds or 2/3) will be left in the mined out stope, serving as a working platform while mining the ore above and supporting the stope walls. The block production capacity of shrinkage stoping is designed at 120 tpd, the mining loss rate 15%, and the dilution rate is 20% by HMDI. According to the thickness of the ore bodies, SRK adjusts the average dilution to 17% in the Ore Reserve conversion. A list of the main mining equipment is shown in Table 10-10.

Table 10-10: Mining Equipment List

Item	Type	Unit	Quantity			Remarks
			Pasir Manggu	Cikadu	Cibatu-Sekolah	
Jackleg drills	YT-28	Set	20	14	14	Stoping
Jackleg drills	YT-28	Set	16	8	8	Tunnelling
Loader	ZF15	Set	10			
Loader	Dongfeng-2	Set		15	11	
Auxiliary fan	5.5kW	Set	16	4	16	
Air compressor	40-20m^3	Set	6	4		
Air compressor	LG25-20 / 7	Set			3	
Air compressor	LG25/16-40 / 7	Set			1	

10.4.1 Stope Layout

The blocks are arranged along the strike, each block approximately 40 m - 60 m long along strike by 40 m high. The designed rib pillar width is 7 m and crown pillar width is 4m. No sill pillar will be left in the blocks. A 2 m wide raise will be set in the middle of the rib pillar for ventilation and worker access. The block layout is as shown in Figure 10-12.

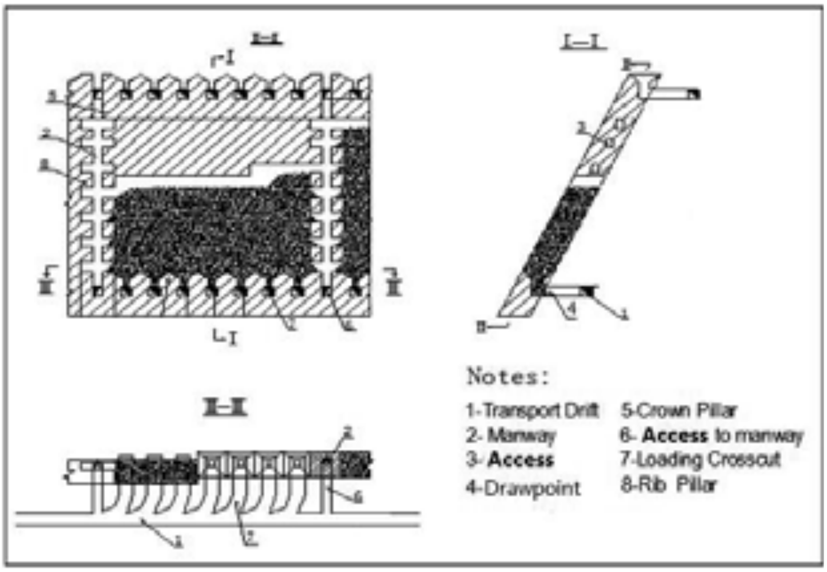


Figure 10-12: Short-Hole Shrinkage Stoping

10.4.2 Mining Preparation

Raises must be driven through rib pillars or through the stope. In the raise, stope access must be driven every 4 m - 6 m along the dip for worker access and ventilation. Two safety exits should be driven in each block.

10.4.3 Stoping and Extracting

Shrinkage stopes will be drilled with handheld YT-28 drills. Upholes 1.8 m - 2.4 m long can be used. Emulsion explosives will be detonated by MFB100 electric detonators. After blasting, dirty air will be exhausted by 5.5 kilowatt ("kW") auxiliary fan. Broken ore will be loaded by ZF15 or Dongfeng-2 loaders into the tramcars. Only 30 - 40% of the broken ore can be drawn out during each stoping cycle to maintain a suitable working space. When the upper limit of the planned stope is reached, drilling and blasting will be discontinued and the remaining 60 - 70% of the ore will be recovered.

10.4.4 Goaf Management

Goaf management is based on the stability situation of the roof and surrounding rock. Drilling and scaling work must not ever be conducted at the same time. As soon as a sign of roof fall occurs, all operations must cease and treatment work must be carried out immediately. For the safety of the mining operation, regular pillars are left in stopes. After stopes are mined out, the crown pillars will not be extracted, and only half of the rib pillars are expected to be extracted.

SRK is of the opinion that short-hole shrinkage stoping as recommended by the design is basically reasonable, but the 20% mining dilution is overestimated for this mining method. Based on the comparison to the projects with the similar geotechnical conditions and ore-body geometries, SRK estimated that the mining dilution is likely to be between 15% and 20%. At the same time, SRK suggests that cut and fill mining methods should be given consideration in the further optimization design for the higher recoveries of ore with minor dilution.

10.5 Mining Services

10.5.1 Ventilation

Pasir Manggu Mine: An exhausting ventilation system has been designed by HMDI. The inclined shaft, adit, and main shaft are used as air intake channels. Fresh air will pass through crosscuts at all levels and through the footwall drift to enter the stope. Dirty air will be exhausted through the raise of the stope to the entry level return airway where it will be exhausted through the ventilation shaft. The total amount of air needed at the mine is 62 cubic metres per second ("m^3/s"), and the overall negative pressure is 2570 Pascals ("Pa"). One main fan with a capacity of 122 m^3/s airflow and 2,600 Pa pressure will be equipped at the outlet of the ventilation shaft.

Cikadu Mine: A diagonal exhausting ventilation system has been designed. The inclined shaft will be used as the air intake. Fresh air is planned to pass through crosscuts at all levels and through the level drift to enter the stope. Dirty air will be exhausted through the raise of the stope to the entry level return airway where it will be exhausted through the east or west ventilation shaft. The total amount of air needed at the mine is 28 m^3/s, and the overall negative pressure is 1,465 Pa. Two main fans with 17 - 48 m^3/s airflow and 1,580 Pa pressure each will be equipped at the outlets of the east and west ventilation shafts.

Cibatu-Sekolah Mine: An exhausting ventilation system is recommended. The main shaft will be used as the primary air intake. Fresh air will pass through crosscuts at all levels and through the level drift to enter the stope. Dirty air will be exhausted through the raise of the stope to the entry level return airway where it will be exhausted through the ventilation shafts. The total amount of air needed at the mine is 28 m^3/s, and the overall negative pressure is 750 Pa. Three primary fans with 11 - 24 m^3/s airflow and 490 - 1,080 Pa pressure each will be equipped at the outlets of the three ventilation shafts.

It is SRK's opinion that the designs for the ventilation are reasonable.

10.5.2 Mine Drainage and Dewatering

Pasir Manggu Mine: The water above 475 m will flow out along the adit. The water below 475 m will be collected into three water sumps (250 m^3 each) equipped at the bottom levels of the main shaft, the auxiliary shaft, and the inclined shaft. Drainage water collected in the sumps can be pumped or gravitated to the main pump stations and then pumped to the surface. Each pump station will be equipped with two 100D-6×7 water pumps, each of which can pump 37.6 m^3/h of water up to 128.8 m.

Cikadu Mine: Underground water will be collected into the 600 m^3 water sump at the bottom level of the inclined shaft. Drainage water can be pumped or gravitated to the main pump stations near the water sump and then pumped to the surface. Two 100D-6×7 water pumps will be equipped in the main pump stations.

Cibatu-Sekolah Mine: The main sump and pump station will be equipped at the bottom level of the main shaft. The water sump and pumps are identical to those used in Cikadu Mine.

10.5.3 Compressed Air

Pasir Manggu Mine: The maximum underground compressed air consumption is calculated to be 142 m^3/minute; all required air will be supplied from the surface. The design recommends equipping five (5) 40 m^3/minute screw air compressors and one (1) 20 m^3/minute screw air compressor), five in operation and one on standby. Compressed air will be to be sent to all underground levels by a seamless steel tube with diameter 135 mm × 4 mm.

Cikadu Mine: The maximum underground compressed air consumption is calculated to be 73 m^3/minute; all required air will be supplied from the surface. The design recommends equipping three 20 m^3/minute screw air compressors and one 40 m^3/minute screw air compressor, three in operation and one on standby. Compressed air is to be sent to all underground levels by a 135 mm × 4 mm seamless steel tube.

Cibatu-Sekolah Mine: The maximum compressed air consumption, air compressors, and air tube are the same as those used in the Cikadu Mine.

10.6 Mine Planning

10.6.1 Operating Schedule

An operating schedule is recommended by SRK based on local practical conditions, with 300 working days per annum, three shifts per day and eight hours per shift.

10.6.2 Production Schedule

In 2013, ASI was commissioned to carry out an overall resource update and complete an underground mine design and reserve estimate. Based on an overall analysis of mineral reserves in the three mining areas, ASI set the overall mining capacity at about 1,500 tpd. The mining production schedule is as shown in Table 10-11. According to SRK's Ore Reserve statement, the mine will have a life of mine ("LOM") of 6 years and any further production after that will rely on successful exploration and study. SRK estimates that the mine construction will take roughly 1.5 to 2 years prior to the commencement of mining operations. In SRK's opinion, the Company should hasten the resource upgrade in order to extend the mine life.

Table 10-11: Mining Production Schedule (in ktpa)

Mine Name			Year 1	2	3	4	5	6
Pasir Manggu	Ore (kt)	559	80	120	120	120	119	
	Au (g/t)	6.46	6.46	6.46	6.46	6.46	6.46	
Cikadu	Ore (kt)	844	130	150	150	150	150	114
	Au (g/t)	7.34	7.34	7.34	7.34	7.34	7.34	7.34
Cibatu	Ore (kt)	605	80	105	105	105	105	105
	Au (g/t)	6.83	6.83	6.83	6.83	6.83	6.83	6.83
Sekolah	Ore (kt)	433	70	75	75	75	75	63
	Au (g/t)	7.85	7.85	7.85	7.85	7.85	7.85	7.85
Subtotal Cibatu-Sekolah	Ore (kt)	1,038	150	180	180	180	180	168
	Au (g/t)	7.26	7.31	7.26	7.26	7.26	7.26	7.21
Total	Ore (kt)	2,441	360	450	450	450	449	282
	Au (g/t)	7.10	7.13	7.07	7.07	7.07	7.07	7.26

Note: Data in this table is taken from the Independent Internal Report compiled by ASI in 2013; however, some modification was conducted for the purpose of the optimization based on SRK's Ore Reserve statements.

11 Mineral Processing Assessment

11.1 Ore Types at Ciemas Project

Based on the known ore properties of the Ciemas project and the known properties of ore from adjacent and similar deposits, ore at the Ciemas project mainly consists of three types: pyrite-quartz veins, structural alteration, and quartz-porphyry; detailed mineral descriptions are given in the geological section of this report (Section 6.5).

SRK opines that the mineralization is relatively complex in nature in some portion i.e. the quartz-porphyry. In addition to gold, the deposit is also rich in silver, copper, lead, zinc, and other valuable metals. The Company should seriously consider the comprehensive recovery of valuable metals by selecting the optimum processing flowchart and method.

Based on the known nature of the ore property, some portion of the ore contains relative levels of high arsenic impurities. The potential impact of these impurities on the quality of the gold concentrate should be also noted and carefully considered during the process of selecting the processing flowchart, as it may reduce the economic benefits of this project.

11.2 Previous Metallurgical Tests

11.2.1 Leaching

A considerable amount of oxidized ore occurs near the ground surface. Muddy changes are pervasive on the surface, where the gold grade ranges from 0.3 to 5.6 g/t. Wilton employed technical staff to conduct a cyanide heap leach test in 2010 and 2011 (see Figure 11-1), but the gold recovery was extremely low due to the poor leaching permeability of the ore.

Figure 11-1: Heap Leaching Test Site

11.2.2 Preliminary Processing Test

In November 2010 Wilton commissioned the Technology Laboratory of Shuikoushan Nonferrous Metals Group Co., Ltd's Scientific Research Institute, ("Shuikoushan Laboratory") located in Hunan Province, China to conduct a test of gold extraction by flotation. About 30 kg of raw ore were taken from a previous pit at Pasir Manggu and sent to Shuikoushan Laboratory for multi-component analysis; the results are shown in Table 11-1.

Table 11-1: Raw Ore Multi-component Analysis

Elements	Au*	Ag*	Pb	Zn	Cu	S
Content	28.3 g/t	240 g/t	0.42%	0.3%	0.1%	2.33%

Shuikoushan Laboratory conducted an open circuit flotation test. The experimental conditions were themselves examined only in terms of grinding fineness and stage grinding tests. The primary grinding fineness was set at 80% below -200 mesh, and the secondary grinding fineness was 90% below -200 mesh. The test flowsheet and results can be seen in Figure 11-2 and Table 11-2, respectively.

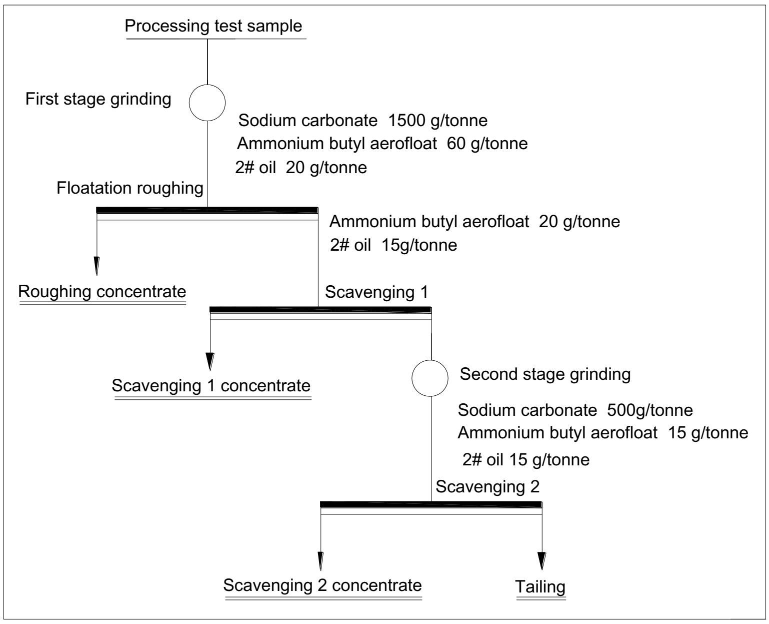


Figure 11-2: Processing Test Flow

Table 11-2: Preliminary Processing Test Results by Shuishankou Laboratory

Items	Yield (%)	Grade (g/t)		Recovery (%)	
		Au	Ag	Au	Ag
Rough concentrate	9.86	122.7	1,863	49.44	86.07
Primary scavenging	5.00	62.4	154	12.75	3.61
Roughing + primary scavenging	14.86	102.4	1,288	62.19	89.68
Secondary scavenging	12.00	27.7	80	13.58	4.50
Roughing + scavenging	26.86	69.0	748	75.77	94.18
Tailings	73.14	8.1	17	24.23	5.82
Raw ore	100.00	24.5	213	100.00	100.00

From the above table, it can be clearly seen that the gold grade and silver grade of the raw ore are quite high. The recovery of silver is also relatively high, but only about 75% of the gold was successfully extracted.

SRK reviewed this test and concluded that the entire processing test, which covered only a single processing flow and mechanically applied a basic flotation process, excluding any kind of mineral component research, does not constitute an adequate processing test.

SRK recommended that the bulk sample be re-sampled for a new processing test, a qualified gold test research institute should be commissioned to conduct such a new processing test, and a practical processing flowsheet should be submitted for the design institute's reference.

11.3 Feasibility Study Report

To develop the Ciemas gold deposit, Wilton commissioned Yantai Institute on 2 February 2012 to compile a Feasibility Study Report including a design of a processing plant; however, there was insufficient new data for the processing tests so the design was instead based on a combination of historical testing data and relevant experience from other plants in the region. The designed production scale was 300 tpd with 300 working days per annum, and the flotation processing method was adopted.

The following data are summarized from the Feasibility Study Report:

- The designed production capacity of the processing plant is 300 tpd; and
- The plant is designed to operate continuously, with 300 working days per annum, three (3) shifts each day, and 8 hours per shift.

As informed by the client, new processing tests have been carried out and in 2013 PT. ASI has updated the Feasibility Study to make the integrated mining design for capacity of 1,500 tpd and the processing design will be adopted accordingly to the mentioned new processing tests.

The basic processing flowsheet, equipment, and technical parameters adopted in the design can be seen in Figure 11-3, Table 11-3, and Table 11-4.

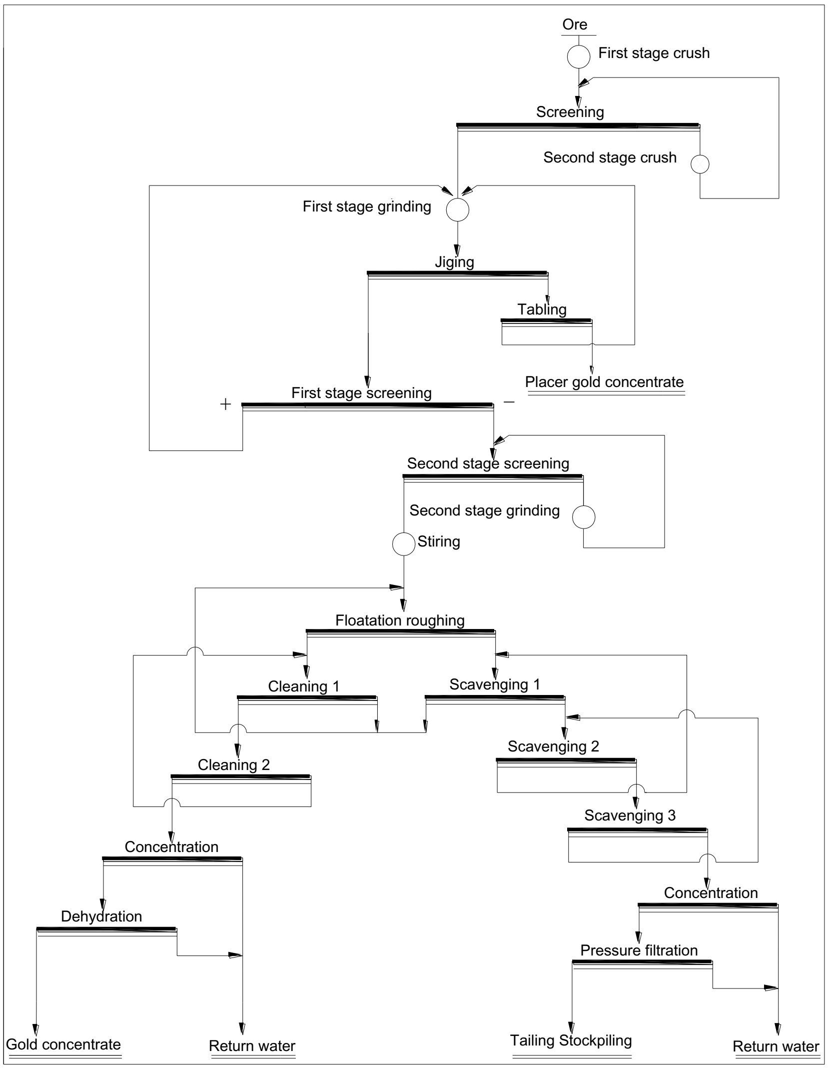


Figure 11-3: Designed Processing Technological Flow

Table 11-3: Processing Parameters as Designed by Yantai Institute

	Process	Unit	Parameters
Raw ore processed		tpd	300
Raw ore grade		g/t	6.5
Concentrate grade	Gravity separation gold concentrate	g/t	300.0
	Flotation gold concentrate	g/t	60.0
Recovery	Gravity separation gold concentrate	%	30
	Flotation gold concentrate	%	60
Yield	Gravity separation gold concentrate	%	0.65
	Flotation gold concentrate	%	6.5
Output	Gravity separation gold concentrate	tpd	1.95
	Flotation gold concentrate	tpd	19.50

Table 11-4: Main Equipment List

Equipment name and main technical properties	Specification and model	Motor power (kW)	Qty	Remarks
Chute feeder	CG980×1240	7.5	1	
Jaw crusher	PE400×600	30	1	
Jaw crusher	PEX250×1200	22	1	
Circular vibrating screen	2YA1530	15	1	
Belt conveyor	TD75 6550 33\32\45	11+7.5+7.5	3	#1, #2, #3
Grate ball mill	ZTMG2130	180	1	
Overflow ball mill	ZTMY1830	155	1	
High weir type single spiral classifier	FG-20	15+2.2	2	
Cyclone group	φ200×4		1	
Jigger	JPT-3	5.5	1	
Table concentrator	6-S	1.1	1	
Table concentrator	YC-2100×1500	1.1	1	
Chute-thickening box	XGX-1.2×2		1	
Pulp agitating tank	BJ2000×2000	5.5	1	
Flotation machine	XCF-4	15	4	
Flotation machine	BSK-4	7.5	6	
Flotation machine	XCF-2	7.5	2	
Flotation machine	BSK-2	5.5	1	
L53LD Roots blower	40 m^3/min 19.6 kPa	30	2	
High efficiency thickener	NZSG-9	3	1	
Disc filter	ZPG-9	3+2.2	2	
Slurry pump	Q=90 m^3/h H=25 m	18.5	2	
High efficiency thickener	NZSG-12	3	1	
Box-type filter press	XMZ-300		2	
Total		512.7+19.4	40	

The major material consumptions for processing technology are shown below in Table 11-5.

Table 11-5: Main Material Consumption

No.	Item	Unit	Parameters
1	Steel ball	kg/raw ore per tonne	2.000
2	Liner	kg/raw ore per tonne	0.400
3	Butyl xanthate	kg/raw ore per tonne	0.126
4	Butylamine dithiophosphate	kg/raw ore per tonne	0.064
5	#2 oil	kg/raw ore per tonne	0.126
6	Power consumption for unit ore	kWh/t	30.93
7	Water consumption for unit ore*	kWh/t	3.92

Note: Return water utilization rate is 80%.

11.3.1 Conclusions

Conclusions and suggestions made in the feasibility study report by Yantai Institute are as follows: "*This project enjoys good resource conditions and favorable construction conditions (based on the former facilities). The technical plan is mature and reliable. The project is of great economic and social benefit, and can further promote local economic development. Therefore, it is suggested that* *the preparation work in the early stage should be done to create favorable conditions so that the construction can be started as soon as possible."*

It is of SRK's opinion that the processing technological flowsheet designed by Yantai Institute has been widely adopted in recent years for gold production in China. However, its applicability to this project will depend on the results of the processing tests.

The current raw ore handling capacity (300tpd) designed by Yantai Institute has a discrepancy to the designed mining capacity (1,500tpd), therefore the company has commissioned PT.ASI to make the integrated design mining capacity for 1,500 tpd. The company stated that the processing operation would be started from 300tpd – 600tpd then increased to a certain capacity i.e. 1,500tpd by adding production lines in the future, which will be depending on the actual mine development progress and sequence.

SRK noted that an initial processing capacity and the corresponding mining production at Pasir Manggu of 400 tpd was proposed by the Company. These together with the anticipated 500 tpd production capacity at Cikadu and 600 tpd at Cibatu and Sekolah, will yield a total production capacity of 1,500 tpd (or 450,000 tpa) with an expanded mining and processing capacity for the whole project.

SRK generally find this plan is acceptable for future operational planning.

11.3.2 Recommendations:

- Study of the processing plant is recommended to be carried out with further feasibility study / designing works to match the 1,500tpd mining capacity SRK recommends constructing and initiating the processing plant directly with 1,500tpd capacity if the financial condition allows.
- The final product in the original design is a gold concentrate produced via gravity separation which then can be simply processed on site to gold dore bullion. For the flotation gold concentrate, gold cyanidation technology can also be adopted to produce gold ingots if conditions permit. This can help prevent conveyance loss and unnecessary converting losses, and the capital return period can be shortened.
- Dry tailing stacking is planned to be adopted, which is an advanced technology. Due to the large quantity of tailings anticipated, it is suggested that further investigation should be conducted on the utilization of tailings and a feasible plan should be proposed. If tailings are used as brick making material or other building materials, a follow-up market investigation and study should be conducted.
- If flotation or cyanidation technology is adopted, direct use of the return water from the tailings should be carefully considered. If it cannot be used, some other water recycling treatment technology should be considered.
- The Knelson gravity recovery system has been adopted for treatment of coarse granular gold, which can simplify the process flowsheet and facilitate on-site management. This will improve the overall recovery results for gold.
- SRK recommends that the additional lines expanding the capacity to 1500t/d should be finalized and started for construction as soon as possible, within one year after the project starts.

11.4 New Processing Tests

Following SRK's recommendation, Wilton commissioned the Research and Development Centre for Mineral and Coal Technology in Jakarta (the "Centre") to conduct a new processing test. The Centre submitted a processing test report on 23 March 2013. This section is a review and summary of the new test.

11.4.1 Processing Tests

A total of four (4) samples were tested, each weighing about 40 kg - 50 kg. Detailed information about the samples is listed in Table 11-6.

It should be mentioned that the samples' representativeness should be given more attention in future, as there is no sampling record or information in the new processing test report on the samples' in situ location. Samples of both oxidized ore and sulphide ore should be collected more evenly.

Table 11-6: Crude Ore Grades of Test Samples

Sample No.	Grade (g/t)	
	Au	Ag
PM.1- 15	1.1	2.4
PM.15 – 27	1.4	4.9
PM.27 – 36	5.3	32.9
PM.37 – 64	2.4	3.2

The Centre conducted a mineral components study and related processing tests. Two test methods were applied: gravity separation and cyanide processing. The details are presented below.

11.4.2 Mineral Component Study

The Centre conducted a mineralogical study of the testing samples for, and the results are presented in Table 11-7.

Table 11-7: Mineralogical Composition of the Testing Samples

Sample code	Content (%)							
	Limonite	Pyrite	Covellite	Native iron	Chalcopyrite	Galena	Gold	Gangue Minerals
PM.1 - 15	3.05	1.51	2.03	-	-	-	-	92.00
PM.15 - 27	2.51	2.01	1.85	-	-	-	-	92.40
PM. 27 - 36	2.10	1.80	2.00	1.15	0.4	1.1	0.072	90.30
PM. 37 - 64	3.25	2.75	-	-	-	-	-	93.25

Limonite was found to be the main mineral in all four analyzed samples. A portion of the minerals occur as sulphide ores, such as pyrite, which represents 1.51% - 2.75% of the ore, and copper sulfide, which represents 1.85% - 2.03%. Sample PM.27 - 36 contains additional sulphides, such as sphalerite, which represents 1.15%, chalcopyrite, which represents 0.40%, and galena, which represents 1.10%. However, considering the amount of limonite compared to the lesser amounts of sulphides, and the fact that gold particles are cemented with limonite, cyanide extraction can be conducted directly on all four samples without cyanide roasting.

11.4.3 Gravity Separation Test

The test flow is shown in Figure 11-4. The test results are shown in Table 11-8.

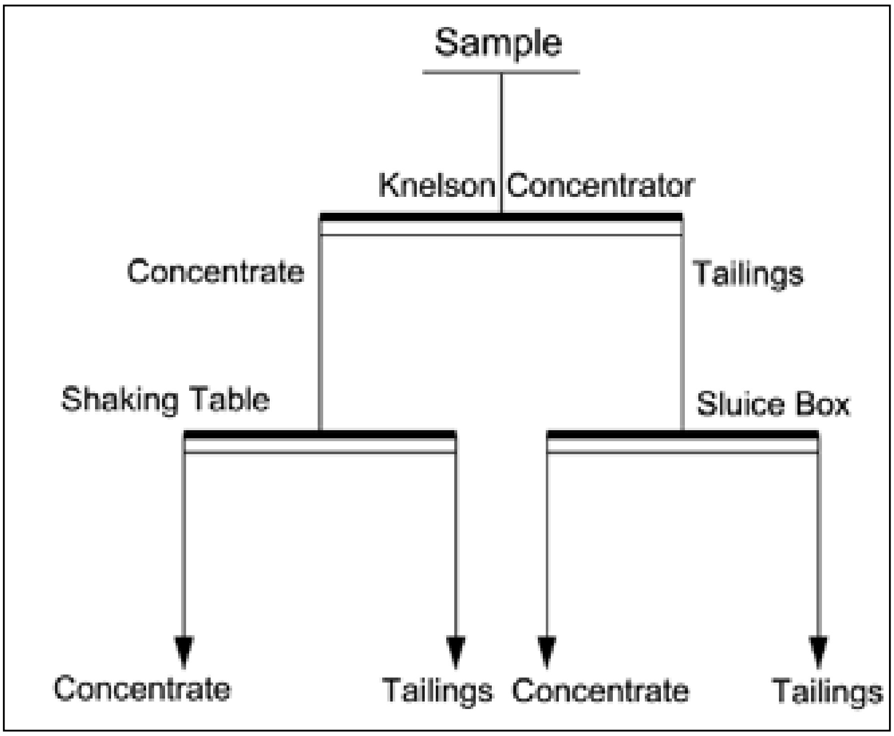


Figure 11-4: Gravity Separation Test Flowsheet

Table 11-8: Gravity Separation Test Results

Sample code	Equipment	Head Grade (g/t)		Concentrate Grade (g/t)		Recovery (%)	
		Au	Ag	Au	Ag	Au	Ag
PM.1 - 15	Knelson	1.1	2.4	8.90	18.20	76.05	75.20
	Shaking table	8.9	19.2	98.85	208.50	74.41	72.76
	Sluice box	0.291	0.657	1.619	3.695	22.25	22.50
PM.15 - 27	Knelson	1.4	4.9	10.50	34.30	83.33	77.77
	Shaking table	10.5	34.3	105.02	308.70	82.02	73.80
	Sluice box	0.2625	1.225	2.00	11.70	15.40	19.29
PM.27 - 36	Knelson	5.3	32	46.11	272.00	89.09	87.04
	Shaking table	46.11	272	583.07	3,320.50	88.01	85.00
	Sluice box	0.644	4.62	3.22	25.55	10.00	11.06
PM.37 - 64	Knelson	2.4	3.2	19.20	25.20	81.68	80.40
	Shaking table	19.2	25.2	208.52	266.05	80.48	78.23
	Sluice box	0.4896	6.98	2.93	43.84	16.76	17.59

11.4.4 Cyanide Processing Test

11.4.4.1 Cyanide Processing Test of Crude Ore

The test flow is shown in the Figure 11-5. The test results are shown in Table 11-9.

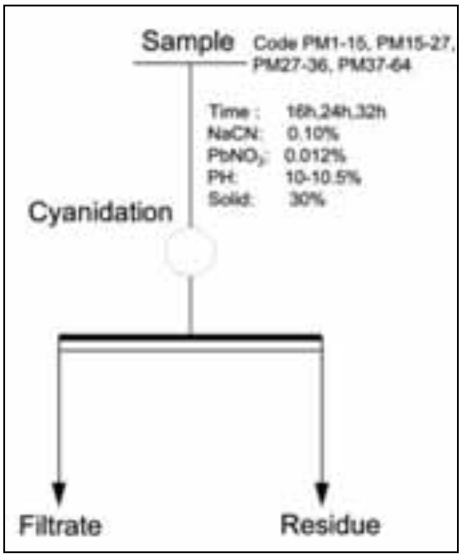


Figure 11-5: Cyanide Processing Test Flow

Table 11-9: Statistics of Cyanide Processing Test

Sample code	Residue Grade (g/t)		Feed Grade (g/t)		Recovery (%)	
	Au	Ag	Au	Ag	Au	Ag
PM.1 -15	0.65	1.54	0.944	2.086	79.34	77.85
PM.15 - 27	0.68	2.12	1.1442	3.59	82.14	82.28
PM. 27 - 36	0.55	10.5	3.672	23.8	95.51	97.13
PM. 37 - 64	0.35	1.02	1.561	2.196	93.27	86.07

11.4.4.2 Concentrate Cyanidation (Low Grade Concentrate) in Knelson Processing Test

The test flow is shown in the Figure 11-6. The test results are shown in Table 11-10.

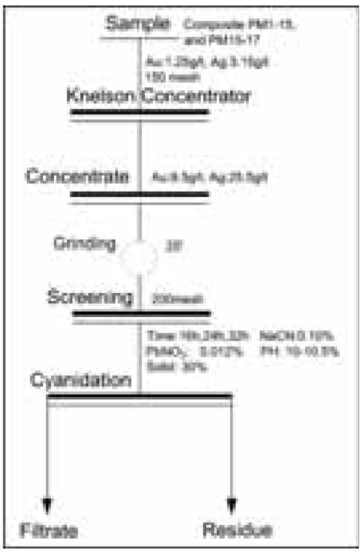


Figure 11-6: Cyanidation Test Flow

Table 11-10: Results of Cyanidation Test

Time (hour)	Residue Grade (g/t)		Feed Grade (g/t)		Recovery (%)	
	Au	Ag	Au	Ag	Au	Ag
16	1.95	6.58	5.835	17.269	89.9	88.5
24	1.94	5.87	6.714	17.231	91.3	89.7
32	1.48	4.77	6.891	18.196	93.5	92.1

11.4.4.3 Concentrate Cyanidation (High Grade Concentrate) in Knelson Processing Test

The test flowsheet is shown in Figure 11-7, and Table 11-11 lists the results.

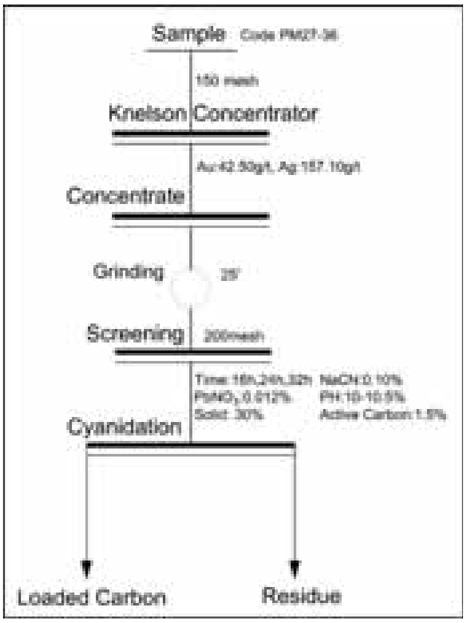


Figure 11-7: CIL Test Flow

Table 11-11: Result of CIL Test

Time (hour)	Loaded Carbon (ppm)		Residue Grade (g/t)		Feed Grade (g/t)		Recovery (%)	
	Au	Ag	Au	Ag	Au	Ag	Au	Ag
16	90.12	285.50	12.10	76.75	66.70	222.88	94.50	89.60
24	350.00	288.60	40.10	50.70	257.03	217.23	95.30	92.90
32	700.10	432.60	70.15	85.88	511.05	328.58	95.80	92.10

11.4.5 Flotation Test

Samples were ground to 80% below 184 microns ("μm"). At this level of grinding fineness the recovery rate can reach 88% with a loss of only 1.5% of the gold concentrate. This test verifies the previous cyanide leaching test. Optimization of the flotation conditions may increase the gold recovery rate by an additional 1%.

Four major flotation processing trials were conducted, including:

- A grinding fineness test, which resulted in the selection of the 184 μm grinding fineness;
- A comparison between flowsheets including gravity separation and flowsheets not including gravity separation, which indicated that gravity separation increased the recovery rate by 10%;
- Statistical analysis of the results, which showed that sample PM.15-27 returned lower values across all tested categories, while the results of PM.1-15 and PM.27-36 are similar; and
- A comparison between flotation after gravity separation and direct flotation, including the amount of collector needed for Sample PM.27-36.

The test results show that direct flotation returns lower values compared to flotation after gravity separation. However, direct flotation indicators are similar to those obtained from flotation after gravity separation when the dosage of reagents is doubled.

The results of roughing for the three samples taken from the Pasir Manggu, Cikadu, and Cibatu-Sekolah mines are shown in Table 11-12.

Table 11-12: Results of Roughing for Three Samples

Code	Test No	Au (g/t)	S (%)	Au Recovery (%)	Rougher Wt. (%)
PM.1 - 15	11	0.45	1.40	97.9	9.9
PM.15 - 27	8	0.94	2.96	96.6	16.1
PM.27 - 36	Avg.	0.82	1.40	96.5	11.1

SRK is of the opinion that the overall flotation recovery rate can reach 95% if the gold loss rate in this stage is controlled at 1.5%. In this case, 4% of the gold in the processed ore is lost.

Gravity separation combined with flotation proved to be a more economical processing scheme, compared to gravity separation combined with cyanide in leaching ("CIL").

11.4.6 Conclusions from the New Processing Tests

11.4.6.1 Ore Characteristics

Based on the characteristics of the ore, especially the gold grade, silver grade, mineralogical structure, dissociation, and the shape and size of the gold particles, SRK concludes that a process of gravity separation, flotation, and cyanide can be applied to all four samples to achieve optimum recovery levels.

11.4.6.2 Gravity Separation

Gravity separation returns samples grading more than 5.0 g/t Au. Higher gold and silver grades and recovery rates can be obtained via roughing with a Knelson concentrator, concentration in a table concentrator, and scavenging in a chute. The final grade of the gold concentration is 583.07 g/t and the recovery rate is 88.01%. The grade and recovery rate of the silver concentration are 3,320.50 g/t and 85.00%. Samples with low gold grades (PM.1 - 15 and PM.15 - 27 - 64), can be processed to produce gold concentrate grading 208.52 g/t with recovery rates of 74.41 - 80.48% while the grade of the silver concentration can reach 266.05 g/t and the recovery rates can reach 72.76 - 78.23%. Samples with gold grades below 2.5 g/t require an additional round of table concentration after the existing table concentration step. SRK recommends that the Company study the economic conditions relevant to processing lower-grade samples.

The recommended best technical parameters were omitted from the Centre's report.

11.4.6.3 Cyanide Processing Test

Cyanide process tests were conducted on four samples. The results show that the highest leaching rate was achieved for sample PM.27 - 36, 95.51%. The leaching rate of silver is 87.13%.

The gold grade of other three samples is less than 2.5 g/t, and their gold and silver leaching rates are 79.34 - 93.27% and 77.85 - 86.07% respectively. The leaching rate is affected by the gold grade and the duration of the cyanide leaching cycle.

11.4.6.4 Cyanide Leaching Test for Gravity Separation Concentration

A cyanide processing test was conducted on Knelson concentrate sample PM.37 - 64, grading 16.15 g/t gold and 42.27 g/t silver. The gold and silver cyanide leaching rates were 96.51% and 86.05%, respectively, after regrinding. Cyanide leaching tests for gravity separation concentration of other low-grade samples show that the leaching rates of gold and silver are 93.50% and 92.10% respectively.

11.4.6.5 CIL Test for Gravity Separation Concentration

A CIL test was conducted on Knelson concentrate sample PM.27 - 36, grading 42.50 g/t gold and 157.10 g/t silver. Relatively high grades of gold and silver in the carbon, 700.10 parts per million ("ppm") and 432.60 ppm, respectively, were obtained after regrinding. The highest gold and silver leaching rates achieved were 95.80% and 92.10% respectively. The test was conducted under the following conditions:

- Contact time: 32 hours,
- Sodium cyanide ("NaCN") concentration: 0.10%,
- Lead nitrate ("$PbNO_3$") concentration: 0.012%,
- pH value: 10 - 10.5,
- Solids: 30%, and
- Activated carbon: 1.5%.

Electrolyte was produced after elution of the gold loaded carbon; the subsequent process returns a gold grade of 700.1 ppm gold. The gold extraction rate exceeded 95%. These process parameters can be applied to a large-scale process flow. An experimental scale can be economically optimized followed by the scale of production.

11.4.7 Recommended Flowsheet and Final Product

After reviewing the previous and new processing tests, SRK opines that the test results generally support the processing flowsheet proposed in Yantai's Feasibility Study, and recommends the gravity-cyaniding flowsheet designed by the Centre. SRK also recommends that the Company update the Feasibility Study with regard to the processing capacity, flowsheet, and equipment.

11.4.7.1 Recommended Flowsheet

Based on the test data of the three processing methods and assuming that the four samples are fully representative of project ore, the following processing flowsheet is recommended: gravity separation (Knelson) + flotation + gold extraction by CIP process (shown in Figure 11-8).

Gravity separation with Knelson processing equipment should be adopted before flotation. Some gold is removed in the roughing circuit, which increases the gold recovery rate and helps simplify the flotation process. No provision has been made in the current flowsheet to manage high arsenic contents. SRK is of the opinion that the arsenic treatment technology is mature and practical, and if such is required, the consequent capital cost is expected to be within a controllable range.

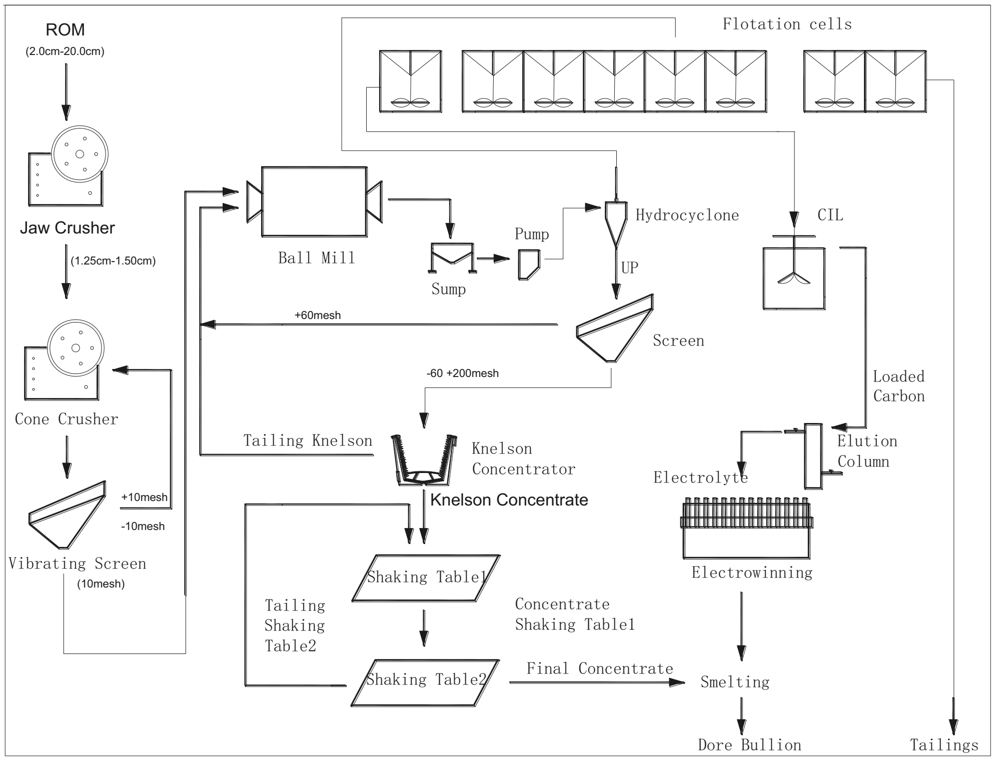


Figure 11-8: Recommended Flowsheet for the Ciemas Project by SRK

The processing test by the Centre indicates that the Ciemas mining area ore boasts good beneficiability. Higher recovery rates can be achieved by gravity separation, flotation, and cyanidation. SRK approves of the processing flowsheet recommended by the Centre.

SRK also notes that the ore property study in the processing test report is very simple. No multi-element analysis has been done, and the contents of beneficial elements and deleterious elements are both unknown. Their influence(s) on the processing flowsheet are also unknown. The study did not test any physical properties of the ore, such as grindability, tailings sedimentation performance, or specific gravity.

Therefore, it is suggested that an ore property study as described above be completed to supplement the processing test, providing reliable data for processing plant design.

11.4.7.2 Final Product

It is SRK's opinion that the gravity-cyaniding flowsheet could be economically applied, and the final product will be gold dore bullion after cyaniding.

11.5 Current Project Status

Based on the site visit, SRK considers that the proposed location of the processing plant is a good choice and other external conditions are sound. Details are provided below.

11.5.1 Location

The primarily proposed location of the processing plant has an appropriate gradient and is located in open terrain. It is a fit location for general processing plant construction, equipment installation, and overall plant layout.

11.5.2 Power Supply

A State Grid 1,600 kilovolt ampere ("KVA") power supply provides electrical power the mining site, and the supply is relatively stable. The company also has prepared two (2) diesel generators as a back-up power source. In Pelabuhan Ratu near the planned processing plant, a large power station is currently under construction by Shanghai Power Company. Therefore, power supply to the mine can be guaranteed.

11.5.3 Water Supply

The plant enjoys abundant water resources; the groundwater level is high and the water quality is good. This can meet the project's industrial and domestic water needs. The elevation difference between the water source and the high-water level in the reservoir is about 50 m. Large-diameter water supply pipes should be laid to meet production requirements.

11.5.4 Transportation

The plant can be easily accessed via rural roads. The mine and the proposed processing plant are separated only by a wall, which is quite convenient.

11.5.5 Tailings Storage Facility

The processing plant has a tailings storage area with adequate capacity, which can also be used as an emergency tailings storage facility ("TSF"). The mine design has adopted dry tailing stacking, so the cost of constructing a tailings dam can be reduced.

11.5.6 Conclusions

Based on information gathered during the site visit, SRK concludes that the proposed location for the processing plant has good external conditions and a favorable environment, and water and power supplies as well as road access are quite convenient. Overall, its terrain and location are fit for plant construction.

The gravity-cyaniding flowsheet could be used in future plant design, and the final product will be gold dore bullion after cyaniding.

12 Occupational Health and Safety

12.1 Project Safety Assessment and Approvals

SRK has sighted the original Occupational Health and Safety ("OHS") officer appointment approval with its English translation for the Ciemas Gold Project. This approval was issued by the Department of Mining and Energy of the Regency of Sukabumi on 9 December 2011. The certified OHS officer ensures the safety of the site and employees.

12.2 Occupational Health and Safety Management and Observations

SRK has not sighted the OHS management system/procedures and records for the current Ciemas Gold Project. However, SRK notes that the Feasibility Study Reports on gold mining, gold processing plant, and the local Feasibility Study provide the following summary with respect to the proposed OHS management measures for the project:

- Occupational safety and health administration;
- Occupational safety and health training;
- Organisation of an occupational health and safety fund;
- Side slope protection measures;
- Safety mining, blasting and transportation procedures and guidance;
- Debris flow prevention measures;
- Electric shock and lightening stroke prevention measures;
- Fire prevention measures;
- Dust and noise prevention measures;
- Placing of safety and hazard signage;
- Provision of personal protection equipment ("PPE") to all relevant employees;
- Regular medical and physical checks for the employees;
- Operational safety guidance for equipment; and
- Mechanical maintenance safety guidance.

12.3 Historical Occupational Health and Safety Records

SRK notes that the project is still under construction and therefore records of OHS statistics, such as the number and type of incident/accidents and associated injuries, have yet to be generated.

13 Capital Costs and Operating Costs

The forecast of capital costs and operating costs are based on the Independent Internal Report for Ciemas Gold Project done by PT. Asia Sejati Industri, February 2013. SRK reviewed cost estimates during the site visit, by interviewing ASI's staff and comparison of the cost criteria between the two feasibility studies by ASI and Yantai Institute. SRK found the cost forecasts are reasonable and within the expected range for projects of this type.

13.1 Capital Costs (CAPEX)

According to the ASI report in 2013, the combined mining capacity of the three mines (Pasir Manggu, Cikadu and Cibatu-Sekolah) is about 450 ktpa, or 1,500 tpd. The capital investment corresponding to this mining capacity is US$92,750,000, and the working capital is US$7,964,000. Table 13-1 gives a breakdown of the capital investment needed.

Table 13-1: Capital Investment Breakdown

Item	Capital ('000 US$)	%
Mining	32,918	35
Processing	18,000	19
Tailings storage facility	9,000	10
Water supply	700	1
Power supply	1,575	2
Infrastructure	14,000	15
General layout	3,000	3
Others	13,557	15
Total	**92,750**	**100**

SRK opines that the budget for capital investment shown in the above table is reasonable and achievable.

13.2 Operating Costs (OPEX)

13.2.1 Input and Assumptions

SRK calculated the mining costs based on the following assumptions:

- The final product is gold dore bullion;
- Mine life is six (6) years, operating 300 days per year;
- Overall mining capacity is 1,500 tpd;
- The consumption of consumables, fuel, and power is based on industry benchmarks;
- The prices of consumables, fuel and power were provided by the Company;
- The power price was US$0.075 per kilowatt hour ("kWh"); and
- Straight line depreciation was employed; the depreciation and amortization per year are shown in Table 13-2

Table 13-2: Depreciation and Amortization per Year

Item	Original Value ('000US$)	Remained Value 1% ('000US$)	Depreciation Period (years)	Depreciation per Year ('000US$)
Mining	32,918	329.18	20	1629.44
Milling	18,000	180.00	10	1782.00
Tailing	9,000	90.00	20	445.50
Water supply	700	7.00	10	69.30
Power supply	1,575	15.75	10	155.93
Infrastructure	14,000	140.00	10	1386.00
General layout	3,000	30.00	10	297.00
Others	13,557	135.57	10	1342.14
Total	**92,750**	**927.50**		**7107.31**

•

13.2.2 Operating Costs Estimate

For Pasir Manggu Mine, Cikadu Mine, and Cibatu-Sekolah Mine, the total unit production cost was estimated at US$66/mined tonne. Based on the total production cost data yearly complied by ASI, SRK has analysed the of unit production cost, which is shown in Table 13-3. The breakdown of unit production cost by mining and processing is shown in Table 13-4 .

Table 13-3: Breakdowns of Unit Production Cost (in USD/t ore)

Item	Value (USD/t ore)	%
Consumables	20.45	31
Fuel & Power	13.19	20
Man Power, Transportation of workforce, Allowances	21.14	32
General Administration	9.24	14
Environmental protection	0.66	1
Sales Expenses	1.32	2
Total	**66.00**	**100**

Table 13-4: Unit Production Cost by Mining and Processing (in USD/t ore)

Item	Value (USD/t ore)	%
Mining Cost	**22.60**	**34.2%**
Processing Cost	**20.78**	**31.5%**
Administration, Sales and Other	**22.62**	**34.3%**
Total	**66.00**	**100.0%**

14 Infrastructure and Facilities

14.1 Road Access

Administratively, the Ciemas deposit area is located in the Jampang Kulon area, Sukabumi Region, West Java Province, Republic of Indonesia, 200 km south of Jakarta, and situated in the southwest of the Sukabumi Region.

An expressway connects Jakarta and the city of Bogor (55 km), from where a secondary paved road leads from Bogor through Sukabumi to the coastal city of Pelabuhan Ratu, from where access to the mine and exploration area is granted by 45 km of paved asphalt road. Generally, access is convenient; however, the road deteriorates as it approaches the mine. Figure 4-1 shows the regional and local location of the project area.

It is SRK's opinion that the road will be able to meet the requirements of the transport.

14.2 Power Supply

Electrical power is supplied to the site at 1,600 kVA, and the supply is relatively stable. It is SRK's opinion that the power supply will be assured.

14.3 Water Supply

Underground waste water will be used to supply the concentrator.

A 2,000 m^3 high elevation recycled water pond is to be built, allowing the mill to use recycled water coming from the TSF.

SRK opines that the water source is reliable and sufficient to supply production.

14.4 Workshops and Repair Facilities

Repair and maintenance will be carried out on site.

15 Environmental and Social Assessment

15.1 Environmental and Social Review Objective

The objective of this environmental and social due diligence review is to identify and or verify the existing and potential environmental and social liabilities and risks, and assess any associated proposed remediation measures for the Ciemas Project. The site visit for this environmental review was undertaken in April 2012. SRK noted that this project consisted of one underground mining area which was still under construction, three planned underground mining areas, and one planned processing plant.

15.2 Environmental and Social Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Ciemas Project comprised a review and inspection of the project's environmental management performance against:

- Indonesian national environmental regulatory requirements (see Appendix 5);
- World Bank/International Finance Corporation ("IFC") environmental and social standards and guidelines (see Appendix 6); and
- Internationally recognised environmental management practices (Appendix 6).

15.3 Status of Environmental Approvals

Indonesian national mining and environmental laws both require mining companies developing projects that are deemed to have significant potential environmental and/or social impacts to produce an environmental impact assessment and planning document (called an *Analisa Mengenai Dampak Lingkungan* or "AMDAL" in Indonesian). An AMDAL consists of an environmental impact assessment (called *Analisis Dampak Lingkungan* or "ANDAL"), an environmental management plan (a *Rencana Pengelolaan Lingkungan* or "RKL"), and an environmental monitoring plan (*Rencana Pemantauan Lingkungan* or "RPL").

SRK has sighted the original AMDALs including the RKL and RPL for the Ciemas Project, and the Company has provided English translations of these documents. The main AMDAL issued to the Company is dated August 2010 and its approval by the Regent of Sukabumi is dated 16 August 2010. SRK notes that this approval was based on a recommendation by the Chairman of the AMDAL Appraisers Commission of Sukabumi Regency dated 21 July 2010, and was copied to the State Minister of Environment. The Company also states that the AMDAL dated August 2010 covers the environmental management of both mining license areas.

15.4 Environmental Compliance and Conformance

SRK notes that the AMDALs and its approval for the Company have been compiled in accordance with the relevant national Indonesian laws, regulations, and decrees.

SRK also notes that the AMDALs for the Company contain the project's Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). SRK has reviewed these documents against recognised international industry environmental management standards, guidelines, and practices. Moreover, SRK has been provided with feasibility study reports for the gold mining and gold processing plant and is able to comment on the proposed environmental management measures outlined in these two reports. In the following sections, SRK provides comments in respect to the project's proposed environmental management measures.

15.5 Land Disturbance and Flora and Fauna

Based on SRK's site visit, existing terrain, soil, meteorological conditions are favourable for the growth of vegetation. The Company's RKLs, RPLs, and feasibility study reports contain proposed measures for controlling and monitoring soil erosion and minimising loss of flora and fauna habitat. However, SRK notes that the proposed measures for minimising and monitoring the project's overall land disturbance and subsidence are not clearly defined. SRK notes that the recognised international practice is to establish operational procedures for controlling/minimising land disturbance and subsidence that comprise the annual surveying and recording of areas of project land disturbance (including areas of disturbed land that have been rehabilitated and mined-out areas to be backfilled).

SRK also notes that the AMDALs do not specify whether there are rare, endangered, and/or significant flora and fauna within the project area.

15.6 Waste Rock/Overburden Management

The Company RKLs, RPLs, and feasibility study contain proposed measures for controlling and monitoring soil erosion and sedimentation. SRK notes that these proposed management measures can be applied to any storage of waste rock or overburden, however, the Company RKLs and RPLs do not provide any specific information with respect to the proposed management of the project's waste rock/overburden, in particular, the proposed measures/design for waste rock storage, geochemical/acid rock drainage ("ARD") assessment of the waste rock, and any potential for leaching/ARD risks/impacts (including drainage/flood and seepage management). SRK also notes that the project Feasibility Study Reports refer to a site waste rock dump, but do not provide any design for this.

SRK notes that the recognised international practice is to complete a waste rock geochemical characterisation/ARD assessment and determine the potential for any significant leaching/ARD risks/impacts. The outcome of this assessment is then incorporated into a design for the proposed site waste rock dump.

15.7 Water Aspects

The project area is rich in water resources due to the high levels of precipitation. The Company states that the mine is supplied by groundwater for operating and domestic use.

The proposed water management measure provided within the Company RKLs and RPLs are:

- Stormwater/surface water drainage (including any mine dewatering): diversion channels, drainage systems, and sedimentation ponds are to be constructed around and within the mining and port areas; and
- Surface water quality: water quality monitoring is to be conducted regularly.

The proposed domestic waste water and operating water management measures referred within the feasibility study reports are:

- Processing water reuse and recycle system; and
- Oil separators and septic tanks to treat domestic wastewater.

SRK notes that the Company RKLs, RPLs, and feasibility study reports do not provide any details (i.e., with respect to design and management) for:

- A proposed site drainage system, including mine dewatering and stormwater drainage pathways, drainage pathways capacity analysis, and collection and discharge points/facilities; and
- Site hydrogeology and groundwater management, including limits for groundwater extraction and proposed extraction methods/facilities.

SRK notes that the recognised international practice is to complete the site hydrology/hydrogeology assessment and incorporate the results into designs for the proposed site surface water and groundwater management, especially into the detailed design of the processing water reuse and recycling system (once the gold processing method is determined).

15.8 Air Emissions

15.8.1 Dust and Gas Emissions

The proposed site dust and gas emission management measures provided within the Company RKLs, RPLs, and feasibility study reports are:

- Regular watering of roads and open areas with water trucks;
- Maintaining surface moisture on ore stockpiles with water sprays;
- Setting vehicle speed limits at designated areas and limiting the frequency of vehicle traffic;
- Utilizing special vehicles to carry gold ore which meet emissions requirements;
- Conducting regular preventative maintenance on vehicles and heavy equipment;
- Age restriction on vehicles that are used;
- Keeping gold ore in closed storage spaces;
- Maintaining regular ambient air quality monitoring (i.e., dust and gas monitoring) at the site boundary; and
- Recording and responding to any public complaints in relation to any site dust/gas emissions.

SRK notes that the above proposed site dust and gas emission management measures are in line with recognised international industry environmental management guidelines and practices. During the April 2012 site visit, SRK did not observe any significant dust emissions, due to wet weather conditions and the temporary shutdown of site construction. However, SRK also did not observe any water trucks on site. SRK notes that the recognised international practice is to develop site operating procedures for these dust and gas emission management measures.

15.8.2 Greenhouse Gas Emissions

The estimation of a project's greenhouse gas emissions and subsequent implementation strategies for reductions in emissions are components of IFC environmental requirements and are considered internationally recognised industry environmental management practices. SRK has not sighted, as part of this review, a documented operational process to address the project's greenhouse gas emissions. SRK notes that the recognised international practice is to give consideration to developing initiatives to quantify greenhouse gas emissions and assess possible emission reduction strategies.

15.9 Noise Emissions

The proposed site noise emission management measures provided within the Company RKLs, RPLs, and feasibility study reports are:

- Scheduling mobile equipment usage and materials transport during daylight hours;
- Setting vehicle speed limits at designated areas (e.g., at or near residential areas) and limits on the frequency of vehicles;
- Use of hearing protection for relevant personnel;
- Ensuring that vehicles are suitable for use and conducting regular preventative maintenance on vehicles and heavy equipment;
- Age restrictions on vehicles in use;
- Regular ambient noise quality monitoring at the site boundary and in residential areas; and
- Regularly liaising and consulting with the surrounding residents on any perceived issues with site noise emissions.

SRK notes that the above proposed site noise emission management measures are generally in line with recognised international industry environmental management guidelines and practices. SRK notes that the recognised international practice is to develop site operating procedures for these noise emission management measures.

15.10 Hazardous Materials Management

The main hazardous materials for the project's mining operations will mainly comprise the storage and handling of hydrocarbons (fuels and lubricants), and chemicals (once the processing plant is built). SRK notes that the Company's mining RKLs and feasibility study reports do not make any references to the management of hazardous materials.

SRK notes that the recognised international practice is to identify and quantify the hazardous materials for the project, and to design and construct all storage and handling facilities with secondary containment.

15.11 Waste Management

15.11.1 Waste Oil

Waste oil will be generated from the maintenance of the project's mobile equipment (i.e., within the proposed site workshops). SRK notes that the Company's RKLs and feasibility study reports do not discuss any proposed management measures for this waste oil. SRK notes that the recognised international practice is for all waste oil generated to be stored within site facilities that have secondary containment, and that the options for off-site recycling/disposal should be assessed.

15.11.2 Solid Wastes

Domestic and industrial solid wastes will be generated from the project operations. SRK notes that the Company's RKLs refer to the collection of solid wastes but do not provide any detail on the final disposal method and facilities (i.e., landfill, incineration, off-site collection, etc.). SRK notes that the recognised international practice is to identify and quantify the solid wastes for the project, and that the disposal method and facilities also are defined, designed and operated in line with relevant international guidelines.

15.11.3 Sewage and Oily Wastewater

Domestic sewage will be generated from the general project operations. Oily wastewater will be generated from the washdown and servicing of mining mobile equipment. SRK notes that the Company's RKLs refer generally to wastewater treatment but do not provide any detail on the final disposal method and facilities (i.e., sewage treatment plant, septic tanks, etc.).

The Company's mining RKLs do not refer to the management of oily wastewater. However, the Company's RKL does refer to an oil catcher for treating "*oil from workshop*".

SRK notes that the recognised international practice is to identify and quantify the domestic sewage and oily wastewater wastes for the project, and that the disposal methods and facilities also are defined, designed and operated in line with relevant international guidelines.

15.12 Contaminated Sites Assessment

The Ciemas Project has the potential to generate contaminated areas of land from spillages of fuels and oils. SRK has not sighted, as part of this review, a documented operational process to assess and remediate any areas of suspected contamination. SRK notes that the recognised international practice is to develop a contaminated sites assessment and management process.

15.13 Operational Environmental Management Plan

The RKLs and RPLs for the Ciemas Project provide the basis for the project's operational Environmental Management Plan ("EMP"). However, these have yet to be developed into an operational EMP. SRK notes that the recognised international practice is to develop an operational EMP, which provides detailed actions, schedules and responsibilities, and is reviewed and updated as the operational situation changes. EMPs are generally updated on an annual basis as part of the overall operational planning.

15.14 Emergency Response Plan

The recognised international industry practice for managing emergencies is for a project to develop and implement an Emergency Response Plan ("ERP"). The general elements of an operational ERP are:

- Administration: policy, purpose, distribution, and definitions of potential site emergencies and organisational resources (including setting of roles and responsibilities);
- Emergency response areas: command centres, medical stations, and muster and evacuation points;
- Communication systems: internal and external communications;
- Emergency response procedures: work-area specific procedures (including area-specific training);
- Checking and updating: prepare checklists (role and action lists and equipment checklists) and undertake regular reviews of the plan; and
- Business continuity and contingency: options and processes for business recovery from an emergency.

SRK notes that a documented operational ERP has yet to be developed for the Ciemas Project.

15.15 Site Closure Planning and Rehabilitation

The AMDALs contain general references to the proposed site rehabilitation, but the AMDALs do not contain any detailed rehabilitation scoping and planning information. However, SRK notes that the RKLs for the Ciemas Project includes a summary of site reclamation to be implemented under the "*Land Reclamation*" sections of the RKLs.

The recognised international industry practice for managing site closure and rehabilitation is to develop and implement an operational site closure and rehabilitation planning process and document this through an operational Closure and Rehabilitation Plan. This operational closure planning process generally includes the following components:

- Identify all site closure stakeholders (e.g., government, employees, community);
- Undertake stakeholder consultation to develop agreed site closure criteria and post operational land use;
- Maintain records of stakeholder consultation;
- Establish a site rehabilitation objective in line with the agreed post operational land use;
- Describe/define the site closure liabilities determined against agreed closure criteria;
- Establish site closure management strategies and cost estimates to address/reduce site closure liabilities;
- Establish a cost estimate and financial accrual process for site closure; and
- Describe the post site closure monitoring activities/program to demonstrate compliance with the rehabilitation objective/closure criteria.

SRK notes that a documented operational Closure and Rehabilitation Plan has yet to be developed for the Ciemas Project.

15.16 Social Aspects

This project is located in an impoverished mountainous area. The local economic development is mainly dominated by rubber and tea plantations. In addition, a few of the local people pan gold from strongly altered volcanic rock outcrops and soils.

Currently the power is supplied via the local grid and electrical generators are another alternative. A large-capacity power station and a port project are under construction in Pelabuhan Ratu, which is about 12 km away from the mine site in a straight line.

The Ciemas Project's RKLs and RPLs contain comprehensive summaries of the project's proposed social management measures. These measures comprise the following:

- Public perceptions and public attitudes: public consultation will be undertaken throughout all phases of the project, including establishing a process to record and respond to local public complaints;
- Improve local economic conditions: setting local employment/recruitment targets and giving priority to employing local residents, utilising and/or supporting local businesses and undertaking technical skills training programs for local employment candidates; increasing local revenues in the Sukabumi Region through payment of local royalties and taxes;
- Public health and amenity: manage/minimise air (dust) and noise impacts, monitor the quality of the local water supply; monitor local public health conditions; and provide information to the local community; and
- Site land reclamation planning: consult with local residents on site reclamation planning, employ local residents on site closure works, and provide training and redeployment support for local employees and businesses.

SRK notes that the above proposed social management measures are in line with relevant recognised industry international guidelines and practices. In addition, SRK has sighted, as part of this review, some community land access/compensation agreements for the development of the Ciemas Project.

The Company has stated that it plans to recruit local residents to fully operate the gold mining and processing in the near future. In addition, the Company has also stated that the Indonesian government is focusing on investment attraction and increasing employment opportunities. The Company has also stated that they intend to recruit a majority of the project employees from the local population, which will benefit the local economy.

15.17 Evaluation of Environmental and Social Risks

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. These project activities have been previously described within this report. Based on the site visit observations and the review of the proposed management measures within the provided documents, SRK notes that the sites are generally being managed to meet minimum Indonesian National requirements listed in the related environmental approvals.

The significant inherent environmental and social risks for the Ciemas Project are:

- Land disturbance and subsidence;
- Poor water management (i.e., stormwater/surface water drainage including any mine dewatering);
- Waste rock stockpiling/waste rock dump management;
- Poor dust management; and
- Soil and groundwater contamination (i.e., poor hydrocarbon storage and handling).

It is SRK's opinion that the environmental and social risks for the Ciemas Project are categorised as moderate/tolerable risks (i.e. requiring risk management measures) and the risks are generally manageable.

16 Project Qualitative Risk Analysis

Mining is a relatively high risk industry. In general, the risk may decrease from exploration, development, through to production stage. The Ciemas Gold Project is an advanced exploration/development project with some previous production. Risks exist in different areas. SRK considers various technical aspects which may affect the feasibility and future cash flow under the proposed production schedule of the project, and conducts a qualitative risk analysis which has been summarised in Table 16-1. In this risk analysis, various risk sources/issues have been assessed for Likelihood and Consequence, and then a Risk Rating has been assigned. The qualitative risk analysis uses the following definitions for likelihood and consequence:

The Likelihood of a risk is considered within a certain time frame, e.g., five years, as:

- **Likely:** will probably occur;
- **Possible:** may occur; or
- **Unlikely:** unlikely to occur.

The Consequence of a risk is classified as:

- **Major Consequence:** the factor poses an immediate danger to the Project that, if uncorrected, will have a material effect on the Project cash flow and performance and could lead a project failure;
- **Moderate Consequence:** the factor, if uncorrected, will have a significant effect on the Project cash flow and performance; or
- **Minor Consequence:** the factor, if uncorrected, will have little or no effect on the Project cash flow and performance.

The overall risk assessment combines the Likelihood and Consequence of a risk, and be classified as Low (unlikely and possible minor risks, and unlikely moderate risk), Medium (likely minor, possible moderate, and unlikely major risks), and High (likely moderate and major, and possible major risks).

Table 16-1: Project Risk Assessment of the Ciemas Gold Project

Risk Source/Issue	Likelihood	Consequence	Risk Rating
Geology and Resource			
Lack of Significant Resource	Unlikely	Moderate	Low
Lack of Significant Reserve	Unlikely	Major	Medium
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls	Unlikely	Major	Medium
Low Production Pumping System Adequacy	Unlikely	Moderate	Low
Significant Geological Structure	Possible	Moderate	Medium
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Ground Conditions	Possible	Moderate	Medium
Poor Mine Plan	Possible	Moderate	Medium
Ore Processing			
Lower Yields (output / raw ore)	Possible	Moderate	Medium
Lower Recovery	Possible	Moderate	Medium
High Production Cost	Likely	Moderate	Medium
Poor Plant Reliability	Unlikely	Moderate	Medium
Environmental and Social			
Land disturbance, rehabilitation and site closure	Possible	Moderate	Medium
Poor Water management (i.e. stormwater/surface water drainage – including any mine dewatering).	Possible	Moderate	Medium
Poor Waste rock stockpiling/ dumping management	Possible	Moderate	Medium
Land contamination (i.e. hydrocarbon storage and handling).	Possible	Moderate	Medium
Social aspects (i.e. local community interactions)	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delays	Possible	Moderate	Medium
Capital Cost Increases	Possible	Moderate	Medium
Operating Cost Underestimated	Possible	Moderate	Medium
Other Risks			
Regional Earthquakes	Possible	Major	High

SRK notes that variations in the market price of gold may affect the project's economic analysis as shown in this report; however it is considered as a low risk with improbable likelihood of gold prices falling below the value that would cause a negative NPV and subsequently hinder appropriate Ore Reserves estimation for the project.

West Java is known as a tectonically active area subject to relatively frequent earthquakes, according to historical records. Such a risk is not possible to evaluate or control. It is recommended that geological and engineering analysis and procedures should be performed to protect staff and infrastructure from earthquakes.

17 References

1. Prof. Zhengwei Zhang (PhD), *Geological Evaluation Report on Ciemas Gold Field in Indonesia, PT. Wilton Wahana Indonesia*, February 2012.
2. Prof. Zhengwei Zhang (PhD), *Detailed Data Sheet and Maps for Resource Estimation for Pasir Manggu West, Cibatu, Cikadu and Sekolah, PT. Wilton Wahana Indonesia*, February 2012.
3. PT. Citrakansa Emeralindo, *Report – Data Review on Gold Exploration, PT. Wilton Wahana Indonesia, Kecamatan Ciemas, Kabupaten Sukabumi Province, West Java*, June 2009.
4. PT. Citrakansa Emeralindo, *Progress Report – Observation & Sampling of Surface Outcrop, PT. Wilton Wahana Indonesia, Ciemas, Kabupaten Sukabumi*, June 2009.
5. Jonathan Moz Nassay, *Geological Evaluation Study, Ciemas Prospect, West Java, Indonesia*, December 2007.
6. Bill McKay, Ian Lambert and Norman Miskelly, *International Harmonisation of Classification and Reporting of Mineral Resources*, 2001.
7. Kingston Morrison Mineral Services, *Petrology Report on 74 Samples from Ciemas, Indonesia for PT. Meekatharra Minerals*, April 1997.
8. Shandong Gold Group Yantai Design Research Engineering Institute Corporation Limited, *Feasibility Study of Gold Mining for Ciemas Gold Project*, March 2012.
9. Shandong Gold Group Yantai Design Research Engineering Institute Corporation Limited, *Feasibility Study of Gold Processing for Ciemas Gold Project*, March 2012.
10. PT. Wilton Wahana Indonesia, *Local Feasibility Study Report*, 2010
11. PT. Inasa Sakha Kirana, *Environmental Impact Assessment and planning document for Ciemas Gold Project (AMDAL)*, August 2010.
12. Regent of Sukabumi, *Approval of Environmental Impact Assessment Report for Ciemas Gold Project*, 16 August 2010
13. Department of Mining and Energy of Regent of Sukabumi, *Approval of Occupational Health and Safety (OHS) officer for Ciemas Gold Project*, 9 December 2011
14. Henan Metallurgical Design Institute, the *Basic Design of Underground Mining for Pasir Manggu*, April 2012
15. Henan Metallurgical Design Institute, the *Basic Design of Underground Mining for Cikadu*, April 2012
16. Henan Metallurgical Design Institute, the *Basic Design of Underground Mining for Cibatu-Sekolah*, April 2012
17. PT. Asia Sejati Industri, *Independent Internal Report for Ciemas Gold Project*，February 2013.
18. Research and Development Centre for Mineral and Coal Technology, Department of Energy and Mineral Resources of the Republic of Indonesia; *Flotation Test Report of Ciemas Gold Project for PT.Wilton Wahana Indonesia*, March 2012.
19. Research and Development Centre for Mineral and Coal Technology, Department of Energy and Mineral Resources of the Republic of Indonesia; *Gold Ore Characterization from PT. Asia Sejati Industri and Processing Test Using Gravity Concentration, Cyanidation, and CIL Adsorption Methods*; March 2013.
20. Research Division of Shuikoushan Non-ferrous Metallic Co., Ltd.; *Report on Ore Dressing Tests*; November 2011.

Appendices

Appendix 1: Mining Licenses

PEMERINTAH KABUPATEN SUKABUMI
BADAN PELAYANAN PERIZINAN TERPADU
Jl. Raya Cibolang Km. 7 Cisaat Telp./ Fax (0266) 237527
SUKABUMI 43152

KEPALA BADAN PELAYANAN PERIZINAN TERPADU
KABUPATEN SUKABUMI
Nomor : 503.8/1757 – BPPT/2011

TENTANG

PEMBERIAN PERSETUJUAN PENYESUAIAN PERUBAHAN IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI
KEPADA PT. WILTON WAHANA INDONESIA

Membaca : Menindaklanjuti surat dari Wijaya Lawrence selaku Direktur Utama PT. Wilton Wahana Indonesia Nomor 03X-WWI/WL-11 tanggal 03 Oktober 2011, perihal IUP Operasi Produksi.

Menimbang :
a. Surat Plt.Direktur Jenderal Mineral dan Batubara Kementerian Energi dan Sumber Daya Mineral Republik Indonesia Nomor : 70/30/DEM/2011 tanggal 26 Januari 2011 perihal Registrasi IUP;
b. Bahwa berdasarkan Surat Bupati Sukabumi Nomor : 660.1/1/02 A -BLH tanggal 10 Agustus 2010 perihal Persetujuan ANDAL,RKL,RPL Penambangan Emas dmp, Pengolahan dan Pembangunan Sarana Pendukungnya di Kecamatan Ciemas dan Kecamatan Simpenan;
c. Bahwa berdasarkan Surat Kepala Dinas Pertambangan dan Energi Kabupaten Sukabumi Nomor : 540/155/PU tanggal 26 Mei 2011 perihal Revisi Izin Usaha Pertambangan (IUP) Operasi Produksi atas nama PT. Wilton Wahana Indonesia;
d. bahwa berdasarkan poin a,b,c PT. Wilton Wahana Indonesia telah memenuhi syarat untuk diberikan Pemberian Persetujuan Penyesuaian Perubahan Izin Usaha Pertambangan (IUP) Operasi Produksi.

Mengingat :
1. Undang-Undang Nomor 32 Tahun 2004 tentang Pemerintahan daerah (Lembaran Negara Tahun 2004 Nomor 125, Tambahan Lembaran Negara 4437) sebagaimana telah diubah dengan Undang-Undang Nomor 8 Tahun 2005 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 32 Tahun 2004 tentang Pemerintahan Daerah menjadi Undang-Undang (Lembaran Negara Tahun 2005 Nomor 108, Tambahan Lembaran Negara 4548);
2. Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal (Lembaran Negara Tahun 2004 Nomor 67, Tambahan Lembaran Negara 4724;
3. Undang-Undang Nomor 26 Tahun 2007 tentang Penataan Ruang (Lembaran Negara Tahun 2007 Nomor 68, Tambahan Lembaran Negara 4725);
4. Undang-Undang Nomor 4 Tahun 2009 Tentang Pertambangan Mineral dan Batubara (Lembaran Negara Tahun 2009 Nomor 4, Tambahan Lembaran Negara 4959);
5. Peraturan Pemerintah Nomor 27 Tahun 1999 tentang Analisis Mengenai Dampak Lingkungan Hidup (Lembaran Negara Tahun 1999 Nomor 59, Tambahan Lembaran Negara 3838);
6. Peraturan Pemerintah Nomor 27 Tahun 1999 tentang Pembagian Urusan Antara Pemerintah Pusat, Pemerintah Daerah Propinsi, Pemerintah daerah Kabupaten/Kota (Lembaran Negara Tahun 2007 Nomor 82, Tambahan Lembaran Negara 4737);
7. Peraturan Pemerintah Nomor 26 Tahun 2008 tentang Rencana Tata Ruang Wilayah Nasional (Lembaran Negara Tahun 2008 Nomor 48, Tambahan Lembaran Negara 4833);
8. Peraturan Pemerintah Nomor 22 Tahun 2010 tentang Wilayah Pertambangan (Lembaran Negara Republik Indonesia Tahun 2010 Nomor 28);
9. Peraturan Pemerintah Nomor 23 Tahun 2010 tentang Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara (Lembaran Negara Republik Indonesia Tahun 2010 Nomor 29);
10. Peraturan Pemerintah Republik Indonesia Nomor 78 Tahun 2010 tentang Reklamasi Dan Pasca Tambang (Lembaran Negara Republik Indonesia Tahun 2010 Nomor 138);
11. Peraturan Daerah Kabupaten Sukabumi Nomor 13 Tahun 2007 tentang Pengelolaan Pertambangan;
12. Peraturan Daerah Kabupaten Sukabumi Nomor 32 Tahun 2006 tentang Perubahan Organisasi Perangkat Daerah Kabupaten Sukabumi;
13. Peraturan Bupati Sukabumi Nomor 56 Tahun 2010 tentang Struktur Organisasi Tata Kerja Badan Pelayanan Perijinan Terpadu Kabupaten Sukabumi;
14. Peraturan Bupati Sukabumi Nomor 1 Tahun 2009 Tentang Pelimpahan Kewenangan Penyelenggaraan Pelayanan Perizinan dan Penanaman Modal kepada Badan Pelayanan Perizinan Terpadu Kabupaten Sukabumi;
15. Keputusan Bupati Sukabumi Nomor 503.05/Kep.77-BPPT/2011 tentang Pembentukan Tim Teknis Pelayanan Perizinan Terpadu Kabupaten Sukabumi;

MEMUTUSKAN............

MEMUTUSKAN

Menetapkan : KEPUTUSAN KEPALA BADAN PELAYANAN PERIZINAN TERPADU KABUPATEN SUKABUMI TENTANG PEMBERIAN PERSETUJUAN PENYESUAIAN PERUBAHAN IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI KEPADA PT. WILTON WAHANA INDONESIA

KESATU : Memberikan Persetujuan Penyesuaian Perubahan Izin Usaha Pertambangan (IUP) Operasi Produksi kepada :

a. Nama Perusahaan : PT. WILTON WAHANA INDONESIA
b. Alamat Perusahaan : Komplek Harco Mangga Dua (Agung Sedayu) Blok C No. 5 Jalan Mangga Dua Raya Jakarta 10730, Indonesia.
c. Telephone : (62-21) 6125585, 6125586, 6125587, 6125588.
d. Fax : (62-21) 6125583
e. Nama Pemohon : Wijaya Lawrence
f. Jabatan : Direktur Utama
g. Jenis Komoditas : Emas dmp (Mineral Logam)
h. Lokasi Penambangan : Desa Ciemas dan Desa Mekarjaya Kecamatan Ciemas, Desa Cihaur Kecamatan Simpenan Kabupaten Sukabumi Propinsi Jawa Barat
i. Luas : 2.878,5 (dua ribu delapan ratus tujuh puluh delapan koma lima) Hektar

Dengan koordinat titik batas wilayah pertambangan sebagaimana tercantum pada lampiran I dan wajib memenuhi ketentuan dan atau kewajiban selaku pemegang izin sebagaimana tercantum pada lampiran II, tidak terpisahkan dari surat izin ini.

j. Jangka Waktu Berlaku Izin Usaha Pertambangan (IUP) Operasi Produksi ini berlaku selama 20 (dua puluh) Tahun sejak tanggal 8 September 2010 sampai dengan 7 September 2030.

KEDUA : Pemegang IUP Operasi Produksi mempunyai hak untuk melakukan kegiatan konstruksi, penambangan, produksi, pengangkutan dan penjualan serta pengolahan dan pemurnian dalam Wilayah Izin Usaha Pertambangan (WIUP) dan **dapat diperpanjang 2 (dua) kali** (sesuai dengan komoditas tambang sesuai Undang-Undang Nomor 4 Tahun 2009) ;

KETIGA : IUP ini dilarang dipindahtangankan atau dikerjasamakan dengan pihak lain tanpa persetujuan Bupati.

KEEMPAT : PT. Wilton Wahana Indonesia sebagai Pemegang IUP dalam melaksanakan kegiatannya mempunyai hak dan kewajiban sebagaimana tercantum dalam Lampiran Keputusan ini;

KELIMA : IUP ini dapat diberhentikan sementara, dicabut, atau dibatalkan, apabila pemegang IUP tidak memenuhi kewajiban sebagaimana tersebut dalam Keputusan ini;

KEENAM : Dengan Ditetapkannya Keputusan ini maka Keputusan Kepala Badan Pelayanan Perizinan Terpadu Kabupaten Sukabumi Nomor : 503.8/6441-BPPT/2010 tanggal 8 September 2010 tentang Persetujuan Peningkatan Izin Usaha Pertambangan (IUP) Eksplorasi Menjadi Izin Usaha Pertambangan (IUP) Operasi Produksi Bahan Galian Emas dmp kepada PT. Wilton Wahana Indonesia dinyatakan tidak berlaku lagi;

KETUJUH : Keputusan Kepala Badan Pelayanan Perizinan Terpadu Kabupaten Sukabumi ini mulai berlaku pada tanggal 8 September 2010 dengan ketentuan apabila kemudian hari ternyata terdapat kekeliruan dalam penetapannya akan diadakan perubahan sebagaimana mestinya.

Ditetapkan di : SUKABUMI
Pada tanggal : 05 Oktober 2011

BPPT

Drs. HARRY MUBARAK HASSAN, MM
Pembina Utama Muda
NIP. 1956.08.04.1985.03.1.007

Tembusan, disampaikan kepada :
1. Yth. Menteri Energi dan Sumber Daya Mineral;
2. Yth. Gubernur Propinsi Jawa Barat;
3. Yth. Bupati Kabupaten Sukabumi;
4. Yth. Kepala Dinas Energi dan Sumberdaya Mineral Propinsi Jawa Barat;
5. Yth. Kepala Dinas Pertambangan dan Energi Kabupaten Sukabumi.

-2-

LAMPIRAN I : KEPALA BADAN PELAYANAN PERIZINAN TERPADU KABUPATEN SUKABUMI
NOMOR : 503.8/7383 - BPPT/2011
TANGGAL : 03 Oktober 2011

TENTANG

DAFTAR KOORDINAT PEMBERIAN PERSETUJUAN PENYESUAIAN IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI KEPADA PT. WILTON WAHANA INDONESIA

a. Lokasi Penambangan : Desa Ciemas dan Desa Mekarjaya Kecamatan Ciemas, Desa Cihaur Kecamatan Simpenan Kabupaten Sukabumi Propinsi Jawa Barat
b. Jenis Komoditas : Mineral Logam (Emas dmp)
d. Luas : 2.878,5 (dua ribu delapan ratus tujuh puluh delapan koma lima) Hektar
e. Koordinat :

No. Titik	BUJUR TIMUR			LINTANG SELATAN		
	Der	Mnt	Dtk	Der	Mnt	Dtk
1	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
2	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
3	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
4	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
5	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
6	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
7	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
8	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
9	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
10	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
11	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
12	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
13	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
14	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
15	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
16	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
17	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
18	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
19	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
20	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
21	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
22	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
23	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
24	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
25	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
26	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
27	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
28	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
29	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
30	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
31	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
32	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
33	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
34	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
35	106	[illegible]	[illegible]	-7	[illegible]	[illegible]
36	106	[illegible]	[illegible]	-7	[illegible]	[illegible]

Keterangan : Sistem Koordinat Geografis Datum EWGS 84

Kepala

BPPT

Drs. HARRY MUBARAK HASSAN, MM
Pembina Utama Muda
NIP. [illegible]

-3-

LAMPIRAN II : KEPALA BADAN PELAYANAN PERIZINAN TERPADU
KABUPATEN SUKABUMI
NOMOR : 503.8/ 7787 - BPPT/2011
TANGGAL : 05 Oktober 2011

TENTANG

HAK DAN KEWAJIBAN
PEMEGANG PEMBERIAN PERSETUJUAN PENYESUAIAN PERUBAHAN
IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI

A. HAK :

1. Memasuki Wilayah Izin Usaha Pertambangan (WIUP) sesuai dengan peta dan daftar koordinat;
2. Melaksanakan kegiatan IUP (Kontruksi, Produksi, Pengangkutan dan Penjualan, Pengolahan dan Pemurnian) sesuai dengan ketentuan peraturan perundang-undangan;
3. Membangun fasilitas penunjang kegiatan IUP (Kontruksi, Produksi, pengangkutan dan penjualan, pengolahan dan pemurnian), didalam maupun di luar WIUP;
4. Dapat menghentikan sewaktu-waktu kegiatan IUP (Kontruksi, Produksi, pengangkutan dan penjualan), disetiap bagian atau beberapa bagian WIUP dengan alasan bahwa kelanjutan dari kegiatan IUP (Kontruksi, Produksi, pengangkutan dan penjualan), tersebut tidak layak atau praktis secara komersial maupun karena keadaan kahar, keadaan yang menghalangi sehingga menimbulkan penghentian sebagian atau seluruh kegiatan usaha pertambangan;
5. Mengajukan permohonan pengusahaan mineral lain yang bukan merupakan asosiasi mineral utama yang diketemukan dalam WIUP;
6. Mengajukan pernyataan tidak berminat terhadap pengusahaan mineral lain yang bukan merupakan asosiasi mineral utama yang diketemukan dalam WIUP;
7. Memanfaatkan sarana dan prasarana umum keperluan kegiatan IUP Operasi Produksi (Kontruksi, Produksi, Pengangkutan dan Penjualan, Pengolahan dan Pemurnian) setelah memenuhi ketentuan peraturan perundang-undangan;

B. KEWAJIBAN :

1. Sebelum melaksanakan kegiatan operasi produksi, pemegang IUP terlebih dahulu wajib mendapat persetujuan dari pemegang hak atas tanah sesuai dengan ketentuan peraturan perundang-undangan yang berlaku;
2. Memberikan ganti rugi kepada pemegang hak atas tanah dan tegakan yang terganggu akibat kegiatan IUP Operasi Produksi;
3. Sebelum melaksanakan kegiatan operasi produksi terlebih dahulu harus melakukan sosialisasi positif terhadap masyarakat setempat dan sekitarnya serta memprioritaskan penggunaan tenaga kerja setempat kecuali tenaga ahli yang tidak ada didaerah;
4. Pemegang IUP agar ikut serta dan berpartisipasi dalam iuran desa setempat;
5. Memberitahukan dimulainya pelaksanaan kegiatan operasi produksi selambat-lambatnya 7 (tujuh) hari kerja;
6. Jika ternyata bahwa pekerjaan-pekerjaan belum dimulai dalam jangka waktu 6 (enam) bulan sesudah pemberian Izin Usaha Pertambangan (IUP) Operasi Produksi ini dan yang bersangkutan tidak menyampaikan alasan yang dapat dipertanggungjawabkan maka IUP ini dinyatakan batal demi hukum;
7. Wajib memasang patok-patok permanen batas wilayah pertambangan sesuai dengan peta wilayah pertambangan yang disaksikan oleh aparat yang ditugaskan dari Dinas Pertambangan dan Energi Kabupaten Sukabumi;
8. Hubungan antara pemegang IUP dengan pihak ketiga menjadi tanggung jawab pemegang IUP sesuai ketentuan perundang-undangan;
9. Menyampaikan laporan antara lain:
   a. Produksi dan pemasaran setiap 1 (satu) bulan sekali;
   a. Pelaksanaan kegiatan usaha setiap 3 (tiga) bulan sekali;
   b. Peta kemajuan tambang setiap 6 (enam) bulan sekali;
   c. Pelaksanaan usaha setiap 1 (satu) tahun sekali;
   d. Laporan kecelakaan di wilayah pertambangan dalam jangka waktu 1 x 24 jam sejak kejadian;
   e. Melaporkan Rencana Investasi;
   f. Laporan lainnya yang ditetapkan oleh Dinas berdasarkan ketentuan yang berlaku;

10. Penjualan.....

-4-

10. Penjualan produksi kepada afiliasi harus mengacu kepada harga pasar;
11. Membayar Iuran Tetap setiap tahun dan membayar royalty sesuai dengan ketentuan peraturan perundang-undangan;
12. Menyampaikan Rencana Penutupan Tambang sebelum kegiatan produksi berakhir;
13. Mengutamakan pemenuhan kebutuhan dalam negeri (DMO) sesuai ketentuan peraturan perundang undangan;
14. Perusahaan wajib mengolah produksinya di dalam negeri;
15. Memenuhi ketentuan perpajakan sesuai dengan ketentuan peraturan yang berlaku;
16. Wajib mengangkat kepala teknik tambang dan wakil kepala teknik tambang serta mendapat pengesahan dari Kepala Dinas Pertambangan dan Energi Kabupaten Sukabumi selaku Kepala Pelaksana Inspektur Tambang Daerah (KAPITDA);
17. Menempatkan jaminan reklamasi sebelum melakukan kegiatan produksi dan rencana penutupan tambang sesuai ketentuan peraturan perundang-undangan;
18. Wajib melaksanakan ketentuan keselamatan dan kesehatan kerja, lingkungan hidup pertambangan dan norma-norma pertambangan yang baik dan benar sesuai dengan ketentuan peraturan perundang-undangan yang berlaku;
19. Wajib melakukan upaya untuk menangani dampak pencemaran dan kerusakan karena pembuangan tailing dari kegiatan penambangan;
20. Pemegang IUP tidak dibenarkan menggunakan HANDAK (bahan peledak) jenis apapun dalam kegiatan usaha pertambangannya kecuali terlebih dahulu mendapat izin dari yang berwenang dan wajib memiliki juru ledak yang telah memiliki sertifikat dan kartu izin meledakkan (KIM);
21. Wajib memperbaiki atas beban sendiri semua bangunan pengairan dan badan jalan, termasuk tanggul-tanggul dan bagian tanah yang berguna bagi saluran air, yang terjadi atau diakibatkan karena pengambilan/penambangan dan pengangkutan bahan-bahan galian di wilayah/lokasi tambang yang pelaksanaan perbaikannya berdasarkan petunjuk/petunjuk instansi terkait;
22. Pemegang IUP diwajibkan menjaga kesehatan dan keselamatan para pekerja tambang serta harus menyediakan obat-obatan untuk Pertolongan Pertama Pada Kecelakaan (P3K) serta menyediakan alat proteksi diri bagi pekerja tambang serta melakukan safety talk terhadap pekerja tambang;
23. Pemegang IUP apabila dalam kegiatan usahanya menggunakan air, maka terlebih dahulu diwajibkan mendapat ijin dari Bupati Sukabumi melalui dinas/instansi berwenang serta perijinan teknis operasional lainnya sesuai dengan ketentuan peraturan perundang-undangan yang berlaku;
24. Pemegang IUP wajib melakukan sosialisasi positif terhadap lingkungan sekitar dalam rangka community development;
25. Permohonan perpanjangan IUP untuk kegiatan produksi harus diajukan 2 (dua) Bulan sebelum berakhirnya masa berlaku Izin dengan disertai laporan akhir kegiatan usaha pertambangan dan penyerahan serta bukti-bukti kewajiban yang telah dipenuhi;
26. Apabila pemegang izin melalaikan hal tersebut diatas, maka izin berakhir menurut hukum dan segala kegiatan usaha pertambangannya harus dihentikan serta selambat-lambatnya 6 (enam) bulan sejak berakhirnya izin, pemegang izin wajib mengangkat keluar segala sesuatu yang menjadi miliknya kecuali benda-benda/ bangunan-bangunan yang dipergunakan untuk umum;
27. Apabila dalam jangka waktu sebagaimana dimaksud dalam butir 25, pemegang IUP tidak melaksanakan maka barang/aset pemegang IUP menjadi milik pemerintah;
28. Pemegang IUP wajib melakukan pengembangan wilayah, pengembangan masyarakat dan melakukan kemitrausahaan dengan masyarakat setempat berdasarkan prinsip saling membutuhkan, saling menguntungkan serta merah penambang rakyat (skala kecil) yang telah ada dibawah bimbingan/pengawasan pemegang IUP dan melakukan pembinaan terhadap penambangan rakyat (skala kecil) dengan batasan wilayah dan kegiatan tambang rakyat yang jelas;
29. Pemegang IUP harus menyediakan data dan keterangan sewaktu-waktu apabila dikehendaki oleh pemerintah;
30. Memberikan kemudahan untuk kelancaran pembinaan, pengawasan dan pengendalian yang dilakukan oleh aparat yang berwenang atas dasar Surat Tugas/Perintah;
31. Pemegang IUP wajib mentaati segala ketentuan Peraturan Perundang-undangan yang berlaku dibidang pertambangan serta peraturan lain yang berlaku dan yang akan dikeluarkan kemudian.

Kepala,

BPPT

Ir. HARRY MUKHARAM HASSAN, MM
Pembina Utama Muda
NIP. [illegible]

-5-

PEMERINTAH KABUPATEN SUKABUMI
BADAN PELAYANAN PERIZINAN TERPADU
Jalan Raya Cibolang Km. 7 Cisaat Telepon/Fax. (0266) 237527
E-mail : [illegible]
Sukabumi Kode Pos 43152 Jawa Barat

**KEPUTUSAN KEPALA BADAN PELAYANAN PERIZINAN TERPADU
KABUPATEN SUKABUMI**

Nomor : 503.8/ [illegible] - BPPT/2012

TENTANG

PEMBERIAN PERSETUJUAN PENYESUAIAN MASA BERLAKU IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI BAHAN GALIAN EMAS DMP KEPADA PT. LIEKTUCHA CIEMAS

Membaca : Surat dari PT. Liektucha Ciemas Nomor : 09/30/LTC-JK/11 tanggal 21 November 2011 perihal Penyesuaian Perubahan Masa Berlaku Izin Usaha Pertambangan Operasi Produksi.

Menimbang :
a. bahwa berdasarkan Surat Kepala Dinas Pertambangan dan Energi Kabupaten Sukabumi Nomor 540/352/Binus tertanggal 3 Mei 2012 perihal Rekomendasi Teknis Atas Nama PT. Liektucha Ciemas;
b. bahwa berdasarkan poin tersebut diatas, PT. Liektucha Ciemas telah memenuhi syarat untuk diberikan persetujuan penyesuaian masa berlaku Izin Usaha Pertambangan (IUP) Operasi Produksi.

Mengingat :
1. Undang-Undang Nomor 32 Tahun 2004 tentang Pemerintahan Daerah (Lembaran Negara Tahun 2004 Nomor 125, Tambahan Lembaran Negara 4437) sebagaimana telah diubah dengan Undang-Undang Nomor 8 Tahun 2005 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 32 Tahun 2004 tentang Pemerintahan Daerah menjadi Undang-Undang (Lembaran Negara Tahun 2005 Nomor 108, Tambahan Lembaran Negara 4548);
2. Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal (Lembaran Negara Tahun 2004 Nomor 67, Tambahan Lembaran Negara 4724;
3. Undang-Undang Nomor 26 Tahun 2007 tentang Penataan Ruang (Lembaran Negara Tahun 2007 Nomor 68, Tambahan Lembaran Negara 4725);
4. Undang-Undang Nomor 4 Tahun 2009 Tentang Pertambangan Mineral dan Batubara (Lembaran Negara Tahun 2009 Nomor 4, Tambahan Lembaran Negara 4959);
5. Undang-Undang Nomor 32 Tahun 2009 Tentang Perlindungan dan Pengelolaan Lingkungan Hidup (Lembaran Negara Republik Indonesia Tahun 2009 Nomor 140);
6. Peraturan Pemerintah Nomor 27 Tahun 1999 tentang Analisis Mengenai Dampak Lingkungan Hidup (Lembaran Negara Tahun 1999 Nomor 59, Tambahan Lembaran Negara 3838);
7. Peraturan Pemerintah Nomor 38 Tahun 2007 tentang Pembagian Urusan Antara Pemerintah Pusat, Pemerintah Daerah Propinsi, Pemerintah daerah Kabupaten/Kota (Lembaran Negara Tahun 2007 Nomor 82, Tambahan Lembaran Negara 4737);
8. Peraturan Pemerintah Nomor 26 Tahun 2008 tentang Rencana Tata Ruang Wilayah Nasional (lembaran Negara Tahun 2008 Nomor 48, Tambahan Lembaran Negara 4833);
9. Peraturan Pemerintah Nomor 22 Tahun 2010 tentang Wilayah Pertambangan (Lembaran Negara Republik Indonesia Tahun 2010 Nomor 28);
10. Peraturan Pemerintah Nomor 23 Tahun 2010 tentang Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara (Lembaran Negara Republik Indonesia Tahun 2010 Nomor 29);
11. Peraturan Pemerintah Republik Indonesia Nomor 78 Tahun 2010 tentang Reklamasi Dan Pasca Tambang (Lembaran Negara Republik Indonesia Tahun 2010 Nomor 138);

12. Peraturan.....

12. Peraturan Daerah Kabupaten Sukabumi Nomor 13 Tahun 2007 tentang Pengelolaan Pertambangan;
13. Peraturan Daerah Kabupaten Sukabumi Nomor 32 Tahun 2008 tentang Perubahan Organisasi Perangkat Daerah Kabupaten Sukabumi;
14. Peraturan Bupati Sukabumi Nomor 56 Tahun 2010 tentang Struktur Organisasi Tata Kerja Badan Pelayanan Perijinan Terpadu Kabupaten Sukabumi;
15. Peraturan Bupati Sukabumi Nomor 40 Tahun 2010 Tentang Pelimpahan Kewenangan Penyelenggaraan Pelayanan Perizinan dan Penanaman Modal kepada Badan Pelayanan Perizinan Terpadu Kabupaten Sukabumi;
16. Keputusan Bupati Sukabumi Nomor 503.05/Kep.77-BPPT/2011 tentang Pembentukan Tim Teknis Pelayanan Perizinan Terpadu Kabupaten Sukabumi;

MEMUTUSKAN

Menetapkan : KEPUTUSAN KEPALA BADAN PELAYANAN PERIZINAN TERPADU KABUPATEN SUKABUMI TENTANG PEMBERIAN PERSETUJUAN PENYESUAIAN MASA BERLAKU IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI EMAS DMP KEPADA PT. LIEKTUCHA CIEMAS

KESATU : Memberikan Persetujuan Penyesuaian Mas Berlaku Izin Usaha Pertambangan (IUP) Operasi Produksi kepada :

a. Nama	:	**PT. LIEKTUCHA CIEMAS**
b. Alamat	:	Kompleks Harco Mangga Dua (Agung Sedayu), Blok C No. 5, Jl. Mangga Dua Raya, Jakarta 10730
c. Nama Pemohon	:	Yusuf Hermawan Jatikusumo
d. Alamat Pemohon	:	Kp. Kiarakawang RT 02 RW 21 Desa Citepus Kec. Palabuhanratu
e. Jabatan dalam perusahaan	:	Direktur Utama
f. Telephone	:	(021) 6125585, 6125586, 6125587, 6125588
g. Fax	:	(021) 6125583, 6121047
h. Komoditas	:	Emas Dmp (Mineral Logam)
i. Lokasi Penambangan	:	
Blok	:	Pasir Manggu
Desa	:	Mekarjaya
Kecamatan	:	Ciemas
Kabupaten	:	Sukabumi
Propinsi	:	Jawa Barat
j. Luas	:	200 (dua ratus) Hektar

Dengan Peta dan Daftar Koordinat Wilayah Izin Usaha Pertambangan sebagaimana tercantum dalam lampiran I dan Lampiran II Keputusan ini.

k. Jangka waktu berlaku Izin Usaha Pertambangan : **20 (dua puluh) Tahun**

KEDUA : Pemegang IUP Operasi Produksi mempunyai hak untuk melakukan kegiatan konstruksi, produksi, pengolahan dan pemurnian dalam Wilayah Izin Usaha Pertambangan (WIUP) serta pengangkutan dan penjualan, terhitung mulai tanggal **4 Januari 2008** sampai dengan tanggal **4 Januari 2028**.

KETIGA : IUP Operasi Produksi ini dilarang dipindahtangankan kepada pihak lain tanpa persetujuan Bupati.

KEEMPAT : **PT. Liektucha Ciemas** sebagai Pemegang IUP Operasi Produksi dalam melaksanakan kegiatannya mempunyai hak dan kewajiban sebagaimana tercantum dalam Lampiran III Keputusan ini.

KELIMA : Selambat-lambatnya 60 (enam puluh) hari kerja setelah diterbitkannya Keputusan ini pemegang IUP Operasi Produksi sudah harus menyampaikan Rencana Kerja dan Anggaran Biaya (RKAB) kepada Dinas Pertambangan dan Energi Kabupaten Sukabumi untuk mendapat persetujuan.

KEENAM : Terhitung sejak 90 (Sembilan puluh) hari kerja sejak persetujuan RKAB sebagaimana dimaksud dalam diktum Kelima, pemegang IUP Operasi Produksi sudah harus memulai aktifitas di lapangan.

KETUJUH..................

KETUJUH : Tanpa mengurangi ketentuan peraturan perundang-undangan, maka IUP Operasi Produksi ini dapat diberhentikan sementara, dicabut, atau dibatalkan, apabila pemegang IUP Operasi Produksi tidak memenuhi kewajiban dan larangan sebagaimana dimaksud dalam diktum Ketiga, Keempat, dan Kelima dalam Keputusan ini.

KEDELAPAN : Dengan Ditetapkannya Keputusan ini maka Keputusan Kepala Badan Pelayanan Perizinan Terpadu Kabupaten Sukabumi Nomor : 503.8/1747-BPPT/2010 tanggal 9 Maret 2010 tentang Penyesuaian Izin Usaha Pertambangan (IUP) Eksploitasi Menjadi Izin Usaha Pertambangan (IUP) Operasi Produksi kepada PT. Lektucha Ciemas Indonesia dinyatakan tidak berlaku lagi.

KESEMBILAN : Keputusan Kepala Badan Pelayanan Perizinan Terpadu Kabupaten Sukabumi ini mulai berlaku pada tanggal **4 Januari 2008** dengan ketentuan apabila kemudian hari ternyata terdapat kekeliruan dalam penetapannya akan diadakan perubahan sebagaimana mestinya.

Ditetapkan di : SUKABUMI
Pada Tanggal : 08 Mei 2012.

BPPT

KEPALA

Drs. HARRY MUKHARAM HASSAN, MM
Pembina Utama Muda
NIP. 1956.08.04.1985.03.1.007

Tembusan, disampaikan kepada :
1. Yth. Menteri Energi dan Sumber Daya Mineral;
2. Yth. Gubernur Propinsi Jawa Barat;
3. Yth. Bupati Sukabumi;
4. Yth. Kepala Dinas Energi dan Sumberdaya Mineral Propinsi Jawa Barat;
5. Yth. Kepala Dinas Pertambangan dan Energi Kabupaten Sukabumi;

LAMPIRAN II : KEPUTUSAN KEPALA BADAN PELAYANAN PERIZINAN TERPADU KABUPATEN SUKABUMI
NOMOR : 503.8/ 3166 -BPPT/2012
TANGGAL : 08 Mei 2012.

TENTANG

DAFTAR KOORDINAT PERSETUJUAN PENYESUAIAN MASA BERLAKU IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI BAHAN GALIAN EMAS DMP KEPADA PT. LIEKTUCHA CIEMAS

a. Lokasi Penambangan : Blok Pasir Manggu Desa Mekarjaya Kecamatan Ciemas
b. Jenis Komoditas : Emas Dmp (Mineral Logam)
d. Luas : 200 (dua ratus) Hektar
e. Koordinat :

Titik	BUJUR TIMUR			LINTANG SELATAN		
	Derajat	Menit	Detik	Derajat	Menit	Detik
1	106	33	22.644	7	10	3.628
2	106	33	22.680	7	10	6.8
3	106	33	26.280	7	10	6.8
4	106	33	26.280	7	10	13.44
5	106	33	29.520	7	10	13.44
6	106	33	29.520	7	10	19.92
7	106	33	33.732	7	10	19.74
8	106	33	33.840	7	10	32.16
9	106	33	29.520	7	10	32.16
10	106	33	29.520	7	10	37.92
11	106	33	23.688	7	10	37.848
12	106	33	23.760	7	10	44.4
13	106	33	17.640	7	10	44.4
14	106	33	17.640	7	10	49.8
15	106	33	12.240	7	10	49.8
16	106	33	12.240	7	10	55.92
17	106	33	6.876	7	10	56.1
18	106	33	6.804	7	11	1.032
19	106	33	1.872	7	11	0.996
20	106	33	1.800	7	11	6
21	106	32	56.760	7	11	6
22	106	32	56.760	7	11	8.96
23	106	32	38.148	7	11	10.032
24	106	32	38.040	7	10	37.668
25	106	32	58.740	7	10	37.596
26	106	32	58.560	7	10	3.9

Keterangan : Sistem Koordinat Geografis Datum EWGS 84

PEMERINTAH KABUPATEN SUKABUMI
BPPT

Kepala,

Drs. [illegible] MUHAMMAD HASSAN, MM
Pembina Utama Muda
NIP. 1956.08.[illegible].1986.03.1.007

LAMPIRAN III : KEPUTUSAN KEPALA BADAN PELAYANAN PERIZINAN TERPADU KABUPATEN SUKABUMI
NOMOR : 503.8/ 3106 - BPPT/2012
TANGGAL : 08 Mei 2012

TENTANG

HAK DAN KEWAJIBAN
PEMEGANG IZIN USAHA PERTAMBANGAN (IUP) OPERASI PRODUKSI

A. HAK :

1. Memasuki Wilayah Izin Usaha Pertambangan (WIUP) sesuai dengan peta dan daftar koordinat;
2. Melaksanakan kegiatan IUP (konstruksi, produksi, pengangkutan dan penjualan, pengolahan dan pemurnian) sesuai dengan ketentuan peraturan perundang-undangan;
3. Membangun fasilitas penunjang kegiatan IUP (konstruksi, produksi, pengangkutan dan penjualan, pengolahan dan pemurnian), didalam maupun di luar WIUP;
4. Dapat menghentikan sewaktu-waktu kegiatan IUP (konstruksi, produksi, pengangkutan dan penjualan), disetiap bagian atau beberapa bagian WIUP dengan alasan bahwa kelanjutan dari kegiatan IUP (konstruksi, produksi, pengangkutan dan penjualan), tersebut tidak layak atau praktis secara komersial maupun karena keadaan kahar, keadaan yang menghalangi sehingga menimbulkan penghentian sebagian atau seluruh kegiatan usaha pertambangan;
5. Mengajukan permohonan pengusahaan mineral lain yang bukan merupakan asosiasi mineral utama yang ditemukan dalam WIUP;
6. Mengajukan pernyataan tidak berminat terhadap pengusahaan mineral lain yang bukan merupakan asosiasi mineral utama yang ditemukan dalam WIUP;
7. Memanfaatkan sarana dan prasarana umum keperluan kegiatan IUP Operasi Produksi (konstruksi, produksi, pengangkutan dan penjualan, pengolahan dan pemurnian) setelah memenuhi ketentuan peraturan perundang-undangan;
8. Dapat melakukan kerjasama dengan perusahaan lain dalam rangka penggunaan setiap fasilitas yang dimiliki oleh perusahaan lain baik yang berafiliasi dengan perusahaan atau tidak, sesuai dengan ketentuan peraturan perundang-undangan;
9. Dapat membangun sarana dan prasarana pada WIUP lain setelah mendapat izin dari pemegang IUP yang bersangkutan.

B. KEWAJIBAN :

1. Memilih yuridiksi pada Pengadilan Negeri tempat dimana lokasi WIUP berada;
2. Selambat-lambatnya 6 bulan setelah ditetapkannya keputusan ini, pemegang IUP Operasi Produksi harus sudah melaksanakan dan menyampaikan laporan pematokan batas wilayah IUP Operasi Produksi kepada Bupati melalui Dinas Pertambangan dan Energi Kabupaten Sukabumi;
3. Hubungan antara pemegang IUP Operasi Produksi dengan pihak ketiga menjadi tanggung jawab pemegang IUP sesuai ketentuan perundang-undangan;
4. Melaporkan rencana investasi;
5. Menyampaikan rencana reklamasi;
6. Menyampaikan rencana pasca tambang;
7. Menempatkan jaminan penutupan tambang (sesuai umur tambang);
8. Menyampaikan RKAB selambat-lambatnya pada bulan November yang meliputi rencana tahun depan dan realisasi kegiatan setiap tahun berjalan kepada Bupati melalui Dinas Pertambangan dan Energi Kabupaten Sukabumi dengan tembusan kepada Menteri dan Gubernur;
9. Menyampaikan Laporan Kegiatan Triwulan yang harus disampaikan dalam jangka waktu 30 (tiga puluh) hari setelah akhir dari triwulan tersebut secara berkala kepada Bupati melalui Dinas Pertambangan dan Energi Kabupaten Sukabumi dengan tembusan kepada Menteri dan Gubernur;
10. Apabila ketentuan batas waktu penyampaian RKAB dan pelaporan sebagaimana dimaksud pada angka 8 (delapan) dan 9 (sembilan) tersebut diatas terlampaui, maka kepada pemegang IUP Operasi Produksi akan diberikan peringatan tertulis;
11. Menyampaikan laporan produksi dan pemasaran sesuai dengan ketentuan peraturan perundang-undangan;
12. Menyampaikan Rencana Pengembangan dan Pemberdayaan Masyarakat sekitar wilayah pertambangan kepada Bupati;
13. Menyampaikan RKTTL setiap tahun sebelum menyampaikan RKAB kepada Bupati;
14. Memenuhi ketentuan perpajakan sesuai dengan ketentuan peraturan perundang-undangan;
15. Membayar Iuran Tetap setiap tahun dan membayar royalty sesuai dengan ketentuan peraturan perundang-undangan;
16. Menempatkan jaminan reklamasi sebelum melakukan kegiatan produksi dan rencana penutupan tambang sesuai ketentuan peraturan perundang-undangan;
17. Menyampaikan RPT (Rencana Penutupan Tambang) 2 tahun sebelum kegiatan produksi berakhir;
18. Mengangkat Kepala Teknik Tambang dan Wakil Kepala Teknik Tambang serta mendapat pengesahan dari Kepala Dinas Pertambangan dan Energi Kabupaten Sukabumi selaku Kepala Pelaksana Inspeksi Tambang Daerah (KAPITDA);
19. Kegiatan produksi dimulai apabila kapasitas produksi terpasang sudah mencapai 75 % yang direncanakan;

20. Pemeliharaan.............

20. Permohonan perpanjangan IUP untuk kegiatan produksi harus diajukan 2 (dua) tahun sebelum berakhirnya masa izin ini dengan disertai pemenuhan persyaratan;
21. Kelalaian atas ketentuan tersebut pada butir 20 (duapuluh), mengakibatkan IUP Operasi Produksi berakhir menurut hukum dan segala usaha pertambangan dihentikan. Dalam jangka waktu paling lama 6 (enam) bulan sejak berakhirnya keputusan ini pemegang IUP Operasi Produksi harus mengangkat keluar segala sesuatu yang menjadi miliknya, kecuali benda-benda/bangunan-bangunan yang dipergunakan untuk kepentingan umum;
22. Apabila dalam jangka waktu sebagaimana dimaksud dalam butir 21, pemegang IUP Operasi Produksi tidak melaksanakannya, maka barang/aset pemegang IUP menjadi milik pemerintah;
23. Pemegang IUP Operasi Produksi harus menyediakan data dan keterangan sewaktu-waktu apabila dikehendaki oleh pemerintah;
24. Pemegang IUP Operasi Produksi membolehkan dan menerima apabila pemerintah sewaktu-waktu melakukan pemeriksaan;
25. Menerapkan kaidah pertambangan yang baik;
26. Mengelola keuangan dengan dengan sistem akuntansi Indonesia;
27. Melaporkan pelaksanaan pengembangan dan pemberdayaan masyarakat setempat secara berkala;
28. Mengutamakan pemanfaatan tenaga kerja setempat, barang, dan jasa dalam negeri sesuai dengan ketentuan peraturan perundang-undangan;
29. Mengutamakan pembelian dalam negeri dari pengusaha lokal yang ada di daerah tersebut sesuai dengan ketentuan peraturan perundang-undangan;
30. Mengutamakan seoptimal mungkin penggunaan perusahaan jasa pertambangan lokal dan/atau nasional;
31. Dilarang melibatkan anak perusahaan dan/atau afiliasinya dalam bidang usaha jasa pertambangan di WUP yang diusahakannya, kecuali dengan izin Menteri;
32. Melaporkan data dan pelaksanaan penggunaan usaha jasa penunjang;
33. Menyerahkan seluruh data yang diperoleh dari hasil kegiatan IUP Operasi Produksi kepada Bupati dengan tembusan kepada Menteri ESDM dan Gubernur Jawa Barat;
34. Menyampaikan proposal yang sekurang-kurangnya menggambarkan aspek teknis, keuangan, produksi dan pemasaran serta lingkungan sebagai persyaratan pengajuan permohonan perpanjangan IUP Operasi Produksi;
35. Memberikan ganti rugi kepada pemegang hak atas tanah dan tegakan yang terganggu akibat kegiatan IUP Operasi Produksi;
36. Mengutamakan pemenuhan kebutuhan dalam negeri (DMO) sesuai ketentuan peraturan perundang-undangan;
37. Penjualan produksi kepada afiliasi harus mengacu kepada harga pasar;
38. Kontrak penjualan jangka panjang (minimal 3 tahun) harus mendapat persetujuan terlebih dahulu dari Menteri;
39. Perusahaan wajib mengolah produksinya di dalam negeri;
40. Pembangunan sarana dan prasarana pada kegiatan konstruksi antara lain meliputi :
    a. Fasilitas-fasilitas dan peralatan pertambangan;
    b. Instalasi dan peralatan peningkatan mutu mineral/batubara;
    c. Fasilitas-fasilitas Bandar yang dapat meliputi dok-dok, pelabuhan-pelabuhan, dermaga-dermaga, jembatan-jembatan, tongkang-tongkang, pemecah-pemecah air, fasilitas-fasilitas terminal, bengkel-bengkel, daerah-daerah penimbunan, gudang-gudang, dan peralatan bongkar muat;
    d. Fasilitas-fasilitas transportasi dan komunikasi yang dapat meliputi jalan-jalan, jembatan-jembatan, kapal-kapal, feri-feri, pelabuhan-pelabuhan udara, rel-rel, tempat-tempat pendaratan pesawat, hanggar-hanggar, garasi-garasi, pompa-pompa BBM, fasilitas-fasilitas radio dan telekomunikasi, serta fasilitas-fasilitas jaringan telegraph dan telepon;
    e. Perumahan, yang dapat meliputi rumah-rumah/tempat tinggal, toko-toko, sekolah-sekolah, rumah sakit, teater-teater dan bangunan lain, fasilitas-fasilitas dan peralatan pegawai kontraktor termasuk tanggungan pegawai tersebut;
    f. Listrik, fasilitas-fasilitas air dan air buangan dan dapat meliputi pembangkit-pembangkit tenaga listrik (yang dapat berupa tenaga air, uap, gas, atau diesel), jaringan-jaringan listrik, dam-dam, saluran-saluran air, sistem-sistem penyediaan air, dan sistem-sistem pembuangan limbah (tailing), air buangan pabrik, dan air buangan rumah tangga;
    g. Fasilitas-fasilitas lain-lain, yang dapat meliputi namun tidak terbatas bengkel-bengkel mesin, bengkel-bengkel pengecoran, dan reparasi;
    h. Semua fasilitas tambahan atau fasilitas lain, pabrik dan peralatan yang dianggap perlu atau cocok untuk operasi perusahaan yang berkaitan dengan WIUP atau untuk menyediakan pelayanan atau melaksanakan aktifitas-aktifitas pendukung atau aktifitas yang sifatnya insidentil.

PEMERINTAH KABUPATEN ... BPPT

Kepala,

Drs. ... MUHAMMAD HASSAN, MM
Pembina Utama Muda
NIP. 1956.08.04/1985.03.1.007

Appendix 2: Ore Density Samples Analytical Results

Chemical

Jl.Danau Sunter Selatan Blok D NO.10 Komplek Royal Sunter,Sunter Jaya,Jakarta Utara14350.
Telp/Fax:021-65837652/65835659 E-mail:zhongye_sunter@yahoo.com

Date（日期）:06-04-2012

REPORT OF ANALYSIS

Applicant（送样单位） : PT.WILTON WAHANA INDONESIA
Address（地址） :

Telp/Fax（电话/传真） : 081283062222
E-mail（邮箱） :
Type of sample(样品特征) :
Date of received（送样日期） : 2012-04-04

NO	Reportno	Samplekode	Parameter (g/cm³)	Method
			Density (ρ) 体重	
1	3743	SOOX-01	2.38	DZG93-05
2	3744	SOOX-02	2.42	DZG93-09
3	3745	SOOX-03	2.50	DZG93-09
4	3746	SOOX-04	2.52	DZG93-09
5	3747	SOOX-05	2.57	DZG93-09
6	3748	SOOX-06	2.58	DZG93-09
7	3749	SOOX-07	2.48	DZG93-09
8	3750	SOOX-08	2.57	DZG93-09
9	3751	SOOX-09	2.58	DZG93-09
10	3752	SOOX-10	2.48	DZG93-09
11	3753	SOOX-11	2.52	DZG93-09
12	3754	SOOX-12	2.53	DZG93-09
13	3755	SOOX-13	2.55	DZG93-09
14	3756	SOOX-14	2.66	DZG93-09
15	3757	SOOX-15	2.59	DZG93-09

*Note:The result of test/analysis only refer to the sample submitted and does not refer any consignment as the sample was not taken by PT.Zhongye Mineral Resources Exploration Development.This inspection order has been accepted and this certificate/report is issued subject to the general condition of service of PT.Zhongye. This certificate does not in any respect to absolve the seller the applicant and other related parties from his contractual and legal especially when product concerned.

复印无效
PHOTO COPY TIDAK SAH

中冶矿产资源勘查开发有限公司
PT.Zhongye Mineral Resources
Exploratation Development

Official Stamp :
Officer Signature :

PT.ZHONGYE

ZHONGYE

Chemical

Jl.Danau Sunter Selatan Blok D NO.10 Komplek Royal Sunter,Sunter Jaya,Jakarta Utara14350.
Telp/Fax:021-65837652/65835659 E-mail:zhongye_sunter@yahoo.com

Date（日期）:06-04-2012

REPORT OF ANALYSIS

Applicant（送样单位） : PT.WILTON WAHANA INDONESIA
Address（地址） :

Telp/Fax（电话/传真） : 081283062222
E-mail（邮箱） :
Type of sample(样品特征) :
Date of received（送样日期） : 2012-04-04

NO	Reportno	Samplekode	Parameter (g/cm^3) Density (ρ) 体重	Method
16	3758	SGSP-01	2.70	DZG93-05
17	3759	SGSP-02	2.58	DZG93-09
18	3760	SGSP-03	2.44	DZG93-09
19	3761	SGSP-04	2.51	DZG93-09
20	3762	SGSP-05	2.54	DZG93-09
21	3763	SGSP-06	2.71	DZG93-09
22	3764	SGSP-07	2.59	DZG93-09
23	3765	SGSP-08	2.58	DZG93-09
24	3766	SGSP-09	2.58	DZG93-09
25	3767	SGSP-10	2.51	DZG93-09
26	3768	SGSP-11	2.37	DZG93-09
27	3769	SGSP-12	2.50	DZG93-09
28	3770	SGSP-13	2.38	DZG93-09
29	3771	SGSP-14	2.52	DZG93-09
30	3772	SGSP-15	2.56	DZG93-09

*Note: The result of test/analysis only refers to the sample submitted and does not refer any consignment as the sample was not taken by PT.Zhongye Mineral Resources Exploration Development. This inspection order has been accepted and this certificate/report is issued subject to the general condition of service of PT.Zhongye. This certificate does not in any respect to absolve the seller, the applicant and other related parties from his contractual and legal especially when product concerned.

复印无效
PHOTO COPY TIDAK SAH

中冶矿产资源勘查开发有限公司
PT.Zhongye Mineral Resources
Exploratsion Development

Official Stamp :
Officer Signature :

PT. ZHONGYE

ZHONGYE

Chemical

Jl.Danau Sunter Selatan Blok D NO.10 Komplek Royal Sunter,Sunter Jaya,Jakarta Utara14350.
Telp/Fax:021-65837652/65835659 E-mail:zhongye_sunter@yahoo.com

Date（日期）:05-04-2012

REPORT OF ANALYSIS

Applicant(送样单位) : PT.WILTON WAHANA INDONESIA
Address（地址） :

Telp/Fax（电话/传真） : 081283062222
E-mail（邮箱） :
Type of sample(样品特征) :
Date of received（送样日期）: 2012-04-04

NO	Reportno	Samplekode	Parameter (g/cm^3) Density (ρ) 体重	Method
31	3773	SGPR-01	2.48	**DZG93-05**
32	3774	SGPR-02	2.54	**DZG93-09**
33	3775	SGPR-03	2.57	**DZG93-09**
34	3776	SGPR-04	2.54	**DZG93-09**
35	3777	SGPR-05	2.68	**DZG93-09**
36	3778	SGPR-06	2.60	**DZG93-09**
37	3779	SGPR-07	2.68	**DZG93-09**
38	3780	SGPR-08	2.52	**DZG93-09**
39	3781	SGPR-09	2.57	**DZG93-09**
40	3782	SGPR-10	2.61	**DZG93-09**
41	3783	SGPR-11	2.65	**DZG93-09**
42	3784	SGPR-12	2.62	**DZG93-09**
43	3785	SGPR-13	2.66	**DZG93-09**
44	3786	SGPR-14	2.59	**DZG93-09**
45	3787	SGPR-15	2.65	**DZG93-09**

*Note:The result of test/analysis only refers to the sample submitted and does not refer any consignment as the sample was not taken by PT.Zhongye Mineral Resources Exploration Development. This inspection order has been accepted and this certificate/report is issued subject to the general condition of service of PT.Zhongye. This certificate does not in any respect to absolve the seller,the applicant and other related parties from his contractual and legal especially when product concerned.

复印无效
PHOTO COPY TIDAK SAH

中冶矿产资源勘查开发有限公司
PT.Zhongye Mineral Resources
Explorataion Development

Official Stamp :
Officer Signature :

PT.ZHONGYE

Appendix 3: Verification Drill Results and Cross-sections

<table>
<tr><th>Drill Hole</th><th>No</th><th>Sample</th><th>Range (m)</th><th>Length (m)</th><th>Lithology</th><th>Au (g/t)</th><th>Intersection (m)</th><th>Composite Au (g/t)</th></tr>
<tr><td rowspan="26">Pasir Manggu DDH1001 (26 samples @ 12.9m)</td><td>1</td><td>WWI – 01</td><td>79.50 – 80.00</td><td>0.50</td><td>Argillic</td><td>1.22</td><td rowspan="13">6.50</td><td rowspan="13">13.14</td></tr>
<tr><td>2</td><td>WWI – 02</td><td>80.00 – 80.70</td><td>0.70</td><td>Vein quartz</td><td>13.80</td></tr>
<tr><td>3</td><td>WWI – 03</td><td>80.70 – 81.20</td><td>0.50</td><td>Vein quartz</td><td>2.42</td></tr>
<tr><td>4</td><td>WWI – 04</td><td>81.20 – 81.50</td><td>0.30</td><td>Vein quartz</td><td>20.40</td></tr>
<tr><td>5</td><td>WWI – 05</td><td>81.50 – 82.00</td><td>0.50</td><td>Vein quartz</td><td>17.90</td></tr>
<tr><td>6</td><td>WWI – 06</td><td>82.00 – 82.50</td><td>0.50</td><td>Vein quartz</td><td>12.60</td></tr>
<tr><td>7</td><td>WWI – 07</td><td>82.50 – 83.00</td><td>0.50</td><td>Vein quartz</td><td>22.40</td></tr>
<tr><td>8</td><td>WWI – 08</td><td>83.00 – 83.50</td><td>0.50</td><td>Vein quartz</td><td>12.60</td></tr>
<tr><td>9</td><td>WWI – 09</td><td>83.50 – 84.00</td><td>0.50</td><td>Vein quartz</td><td>7.45</td></tr>
<tr><td>10</td><td>WWI – 10</td><td>84.00 – 84.50</td><td>0.50</td><td>Vein quartz</td><td>8.17</td></tr>
<tr><td>11</td><td>WWI – 11</td><td>84.50 – 85.00</td><td>0.50</td><td>Vein quartz</td><td>20.40</td></tr>
<tr><td>12</td><td>WWI – 12</td><td>85.00 – 85.50</td><td>0.50</td><td>Vein quartz</td><td>32.20</td></tr>
<tr><td>13</td><td>WWI – 13</td><td>85.50 – 86.00</td><td>0.50</td><td>Argillic</td><td>1.88</td></tr>
<tr><td>14</td><td>WWI – 14</td><td>86.00 – 86.60</td><td>0.60</td><td>Argillic</td><td>0.38</td><td rowspan="13"></td><td rowspan="13"></td></tr>
<tr><td>15</td><td>WWI – 15</td><td>86.60 – 87.10</td><td>0.50</td><td>Argillic</td><td>0.15</td></tr>
<tr><td>16</td><td>WWI – 16</td><td>87.10 – 87.50</td><td>0.40</td><td>Argillic</td><td>0.05</td></tr>
<tr><td>17</td><td>WWI – 17</td><td>87.50 – 88.10</td><td>0.60</td><td>Argillic</td><td>0.06</td></tr>
<tr><td>18</td><td>WWI – 18</td><td>88.10 – 88.60</td><td>0.50</td><td>Argillic</td><td>0.06</td></tr>
<tr><td>19</td><td>WWI – 19</td><td>88.60 – 89.10</td><td>0.50</td><td>Argillic</td><td>0.05</td></tr>
<tr><td>20</td><td>WWI – 20</td><td>89.10 – 89.60</td><td>0.50</td><td>Argillic</td><td>0.09</td></tr>
<tr><td>21</td><td>WWI – 21</td><td>89.60 – 90.10</td><td>0.50</td><td>Argillic</td><td>0.07</td></tr>
<tr><td>22</td><td>WWI – 22</td><td>90.10 – 90.60</td><td>0.50</td><td>Argillic</td><td>0.05</td></tr>
<tr><td>23</td><td>WWI – 23</td><td>90.60 – 91.10</td><td>0.50</td><td>Argillic</td><td>0.20</td></tr>
<tr><td>24</td><td>WWI – 24</td><td>91.10 – 91.60</td><td>0.50</td><td>Argillic</td><td>0.77</td></tr>
<tr><td>25</td><td>WWI – 25</td><td>91.60 – 92.10</td><td>0.50</td><td>Argillic</td><td>0.03</td></tr>
<tr><td>26</td><td>WWI – 26</td><td>92.10 – 92.40</td><td>0.30</td><td>Argillic</td><td>0.02</td></tr>
<tr><td rowspan="4">Pasir Manggu DDH1002 (6 samples @ 2.5m)</td><td>1</td><td>WWI – 01</td><td>50.00 – 50.50</td><td>0.50</td><td>Argillic</td><td>1.22</td><td rowspan="4">2.50</td><td rowspan="4">7.48</td></tr>
<tr><td>2</td><td>WWI – 02</td><td>50.50 – 50.72</td><td>0.22</td><td>Argillic & Vein quartz</td><td>12.80</td></tr>
<tr><td>3</td><td>WWI – 03</td><td>50.72 – 51.00</td><td>0.28</td><td>Vein quartz</td><td>9.38</td></tr>
<tr><td>4</td><td>WWI – 04</td><td>51.00 – 51.28</td><td>0.28</td><td>Vein quartz</td><td>15.90</td></tr>
</table>

	5	WWI – 05	51.28 – 52.00	0.72	Vein quartz & argillic	10.50		
	6	WWI – 06	52.00 – 52.50	0.50	argillic	1.27		
Pasir Manggu DDH1003 (28 samples @ 14.2m	1	WWI – 01	85.00 – 85.50	0.50	Argillic	0.006		
	2	WWI – 02	85.50 – 86.00	0.50	Argillic	<0.005		
	3	WWI – 03	86.00 – 86.50	0.50	Argillic	<0.005		
	4	WWI – 04	86.50 – 87.00	0.50	Vein quartz	3.36	1.00	2.42
	5	WWI – 05	87.00 – 87.50	0.50	Vein quartz	1.48		
	6	WWI – 06	87.50 – 88.00	0.50	Argillic	0.016		
	7	WWI – 07	88.00 – 88.50	0.50	Argillic	0.007		
	8	WWI – 08	88.50 – 89.00	0.50	Argillic	0.018		
	9	WWI – 09	89.00 – 89.50	0.50	Argillic	0.01		
	10	WWI – 10	112.00 – 112.50	0.50	Argillic	0.008		
	11	WWI – 11	112.50 – 113.00	0.50	Argillic	0.012		
	12	WWI – 12	113.00 – 113.50	0.50	Vein quartz	2.08	1.00	1.91
	13	WWI – 13	113.50 – 114.00	0.50	Vein quartz	1.74		
	14	WWI – 14	114.00 – 114.50	0.50	Argillic	0.032		
	15	WWI – 15	114.50 – 115.00	0.50	Argillic	0.01		
	16	WWI – 16	117.00 – 117.50	0.50	Argillic	0.044		
	17	WWI – 17	117.50 – 118.00	0.50	Argillic	0.059		
	18	WWI – 18	118.00 – 118.50	0.50	Vein quartz	19.2	2.30	16.16
	19	WWI – 19	118.50 – 119.00	0.50	Vein quartz	25		
	20	WWI – 20	119.00 – 119.50	0.50	Vein quartz	4.27		
	21	WWI – 21	119.50 – 120.00	0.50	Vein quartz	9.44		
	22	WWI – 22	120. 00 – 120.30	0.30	Vein quartz	27.4		
	23	WWI – 23	120.30 – 121.00	0.70	Argillic	0.331		
	24	WWI – 24	121.00 – 121.45	0.45	Argillic	0.035		

	25	WWI – 25	121.45 – 122.00	0.55	Argillic	0.114		
	26	WWI – 26	122.00 – 122.50	0.50	Argillic	0.042		
	27	WWI – 27	122.50 – 123.00	0.50	Argillic	0.532		
	28	WWI – 28	123.00 – 123.70	0.70	Argillic	0.067		
Pasir Manggu DDH1004 (15 samples @ 10.8m	1	WWI – 01	102.50 – 103.15	0.65	Vein quartz	2	3.50	5.73
	2	WWI – 02	103.15 – 103.85	0.70	Vein quartz	2.52		
	3	WWI – 03	103.85 – 104.70	0.85	Vein quartz	2.48		
	4	WWI – 04	104.70 – 105.50	0.80	Argillic	0.156		
	5	WWI – 05	105.50 – 106.00	0.50	Vein quartz	29.5		
	6	WWI – 06	107.00 – 108.00	1.00	Argillic	0.081		
	7	WWI – 07	108.80 – 109.40	0.60	Vein quartz	3.74	0.60	3.74
	8	WWI – 08	125.60 – 126.00	0.60	Argillic	0.08		
	9	WWI – 09	126.00 – 127.00	1.00	Argillic	0.038		
	10	WWI – 10	127.00 – 127.60	0.60	Argillic	0.021		
	11	WWI – 11	127.60 – 128.00	0.40	Clay	0.067		
	12	WWI – 12	128.00 – 129.00	1.00	Argillic	0.048		
	13	WWI – 13	129.00 – 130.10	1.10	Argillic	0.418		
	14	WWI – 14	130.10 – 130.50	0.40	Vein quartz	1.31	0.40	1.31
	15	WWI – 15	130.50 – 131.10	0.60	Argillic	0.49		
Pasir Manggu DDH1005 (11 samples @ 9.1m	1	WWI – 01	16.00 – 17.00	1.00	Argillic	0.116		
	2	WWI – 02	22.50 – 23.50	1.00	Argillic	0.01		
	3	WWI – 03	23.50 – 24.50	1.00	Argillic	0.019		
	4	WWI – 04	38.50 – 39.00	0.50	Argillic	0.017		
	5	WWI – 05	52.00 – 52.60	0.60	Argillic	0.411		

	6	WWI – 06	55.00 – 56.00	1.00	Argillic	0.159		
	7	WWI – 07	56.00 – 57.00	1.00	Vein zone	2.81	3.20	1.73
	8	WWI – 08	57.00 – 58.00	1.00	Argillic	0.714		
	9	WWI – 09	58.00 – 58.60	0.60	Vein zone	1.81		
	10	WWI – 10	58.60 – 59.20	0.60	Vein zone	1.55		
	11	WWI – 11	59.20 – 60.00	0.80	Argillic	0.042		
Pasir Manggu DDH1006 (14 samples @ 10.5m	1	WWI – 01	121.35 – 121.75	0.4	Argillic	0.233		
	2	WWI – 02	121.75 – 122.75	1	Argillic	0.045		
	3	WWI – 03	122.75 – 123.20	0.45	Argillic	0.189		
	4	WWI – 04	123.20 – 124.20	1	Argillic	0.217		
	5	WWI – 05	124.20 – 124.75	0.55	Vein quartz	6.22	0.55	6.22
	6	WWI – 06	125.35 – 126.35	1	Argillic	0.063		
	7	WWI – 07	127.60 – 128.60	1	Vein quartz	1.18	1.00	1.18
	8	WWI – 08	141.80 – 142.30	0.5	Argillic	0.008		
	9	WWI – 09	145.75 – 146.75	1	Argillic	0.029		
	10	WWI – 10	146.75 – 147.60	0.85	Vein quartz	0.42	4.45	4.06
	11	WWI – 11	148.25 – 149.00	0.75	Vein quartz	3.67		
	12	WWI – 12	149.20 – 150.00	0.8	Vein quartz	6.62		
	13	WWI – 13	150.00 – 150.80	0.8	Vein quartz	11.5		
	14	WWI – 14	150.80 – 151.20	0.4	Vein quartz	1.2		
Sekolah DDH1021 (28 samples @ 25.6m)	1	WWI – 01	65.00 – 66.00	1	Argillic	0.013		
	2	WWI – 02	67.40 – 68.00	0.6	Argillic	0.01		
	3	WWI – 03	68.00 – 68.50	0.5	Argillic	0.011		
	4	WWI – 04	68.50 – 69.00	0.5	Argillic	0.008		
	5	WWI – 05	69.00 – 70.00	1	Argillic	0.012		
	6	WWI – 06	70.00 – 70.50	0.5	Argillic	0.007		
	7	WWI –	70.50 –	0.5	Argillic	0.036		

		WWI – 07	71.00					
	8	WWI – 08	71.00 – 72.00	1	Argillic	0.016		
	9	WWI – 09	72.00 – 73.00	1	Argillic	0.061		
	10	WWI – 10	73.00 – 74.00	1	Argillic	0.054		
	11	WWI – 11	74.00 – 75.00	1	Argillic	0.017		
	12	WWI – 12	75.00 – 76.00	1	Argillic	0.023		
	13	WWI – 13	76.00 – 77.00	1	Argillic	0.081		
	14	WWI – 14	77.00 – 78.00	1	Argillic	0.048		
	15	WWI – 15	78.00 – 79.00	1	Vein	36.3	3.00	13.72
	16	WWI – 16	79.00 – 80.00	1	Vein	0.112		
	17	WWI – 17	80.00 – 81.00	1	Vein	4.74		
	18	WWI – 18	81.00 – 82.00	1	Argillic	0.017		
	19	WWI – 19	82.00 – 83.00	1	Vocanic breccia	0.007		
	20	WWI – 20	83.00 – 84.00	1	Vocanic breccia	0.009		
	21	WWI – 21	84.00 – 85.00	1	Vocanic breccia	0.011		
	22	WWI – 22	85.00 – 86.00	1	Vocanic breccia	0.012		
	23	WWI – 23	86.00 – 87.00	1	Vocanic breccia	0.009		
	24	WWI – 24	87.00 – 88.00	1	Vocanic breccia	0.15		
	25	WWI – 25	88.00 – 89.00	1	Vocanic breccia	0.036		
	26	WWI – 26	89.00 – 90.00	1	Vocanic breccia	0.016		
	27	WWI – 27	91.00 – 92.00	1	Vocanic breccia	0.012		
	28	WWI – 28	92.00 – 93.00	1	Vocanic breccia	0.006		
Cikadu DDH1031 (24 samples @ 14.9m)	1	WWI – 01	38.00 – 38.50	0.5	Argillic	0.01		
	2	WWI – 02	38.50 – 39.00	0.5	Argillic	0.01		
	3	WWI – 03	39.00 – 39.50	0.5	Argillic	0.017		
	4	WWI – 04	39.50 – 40.00	0.5	Argillic	0.009		
	5	WWI – 05	40.00 – 40.50	0.5	Argillic	<0.005		
	6	WWI – 06	40.50 – 41.00	0.5	Argillic	0.032		
	7	WWI – 07	41.00 – 41.50	0.5	Argillic	0.009		
	8	WWI – 08	41.50 – 42.00	0.5	Argillic	<0.005		
	9	WWI – 09	42.00 – 42.50	0.5	Argillic	0.08		
	10	WWI – 10	42.50 – 43.00	0.5	Argillic	0.084		
	11	WWI – 11	43.00 – 43.50	0.5	Vein	0.49		
	12	WWI – 12	43.50 – 44.00	0.5	Vein	0.285		

	13	WWI – 13	44.00 – 44.50	0.5	Argillic	0.018		
	14	WWI – 14	44.50 – 45.00	0.5	Argillic	<0.005		
	15	WWI – 15	90.50 – 91.50	1	Argillic	<0.005		
	16	WWI – 16	91.50 – 92.50	1	Argillic	0.01		
	17	WWI – 17	92.50 – 93.50	1	Vein	0.354		
	18	WWI – 18	93.50 – 94.50	1	Vein	0.024		
	19	WWI – 19	94.50 – 95.50	1	Vein	0.107		
	20	WWI – 20	95.50 – 96.00	0.5	Vein	0.704	2.10	21.14
	21	WWI – 21	96.00 – 96.50	0.5	Vein	66		
	22	WWI – 22	96.50 – 97.20	0.7	Vein	15.4		
	23	WWI – 23	97.20 – 97.60	0.4	Vein	0.666		
	24	WWI – 24	97.60 – 98.40	0.8	Argillic	0.005		
Cibatu DDH1041 35 samples @ 21.6m	1	WWI – 01	45.30 – 45.50	0.2	Medium altered	0.028		
	2	WWI – 02	49.00 – 50.00	1	Medium altered	0.038		
	3	WWI – 03	50.00 – 51.00	1	Medium altered	0.028		
	4	WWI – 04	51.00 – 52.00	1	Medium altered	0.253		
	5	WWI – 05	52.00 – 53.00	1	Medium altered	0.14		
	6	WWI – 06	53.00 – 53.50	0.5	Medium altered	0.04		
	7	WWI – 07	53.50 – 54.00	0.5	Medium altered	0.085		
	8	WWI – 08	54.00 – 54.50	0.5	Vein	1.85	5.00	19.27
	9	WWI – 09	54.50 – 55.00	0.5	Vein	44.4		
	10	WWI – 10	55.00 – 55.50	0.5	Vein	49.4		
	11	WWI – 11	55.50 – 56.00	0.5	Vein	18.6		
	12	WWI – 12	56.00 – 56.50	0.5	Vein	7.7		
	13	WWI – 13	56.50 – 57.00	0.5	Argillic	0.023		
	14	WWI – 14	57.00 – 57.50	0.5	Argillic	0.051		
	15	WWI – 15	57.50 – 58.00	0.5	Vein	25.7		
	16	WWI – 16	58.00 – 58.50	0.5	Vein	10.4		
	17	WWI – 17	58.50 – 59.00	0.5	Vein	34.6		
	18	WWI – 18	59.00 – 59.50	0.5	Argillic	0.2		
	19	WWI – 19	59.50 – 60.00	0.5	Argillic	0.225		
	20	WWI – 20	60.00 – 60.50	0.5	Argillic	0.526		
	21	WWI – 21	60.50 – 61.00	0.5	Argillic	0.439		
	22	WWI –	61.00 –	0.5	Argillic	0.105		

		22	61.50					
	23	WWI – 23	61.50 – 62.00	0.5	Argillic	0.264		
	24	WWI – 24	62.00 – 62.50	0.5	Vein	1.15	0.50	1.15
	25	WWI – 25	62.50 – 63.00	0.5	Argillic	0.045		
	26	WWI – 26	63.00 – 63.50	0.5	Weakly Altered	0.037		
	27	WWI – 27	63.50 – 64.00	0.5	Weakly Altered	0.008		
	28	WWI – 28	64.00 – 64.50	0.5	Weakly Altered	0.232		
	29	WWI – 29	64.50 – 65.00	0.5	Weakly Altered	0.012		
	30	WWI – 30	65.00 – 66.00	1	Weakly Altered	<0.005		
	31	WWI – 31	66.00 – 67.00	1	Weakly Altered	0.005		
	32	WWI – 32	67.00 – 68.00	1	Weakly Altered	<0.005		
	33	WWI – 33	68.00 – 69.00	1	Weakly Altered	0.005		
	34	WWI – 34	69.00 – 70.00	1	Weakly Altered	0.005		
	35	WWI – 35	70.00 – 70.40	0.4	Weakly Altered	<0.005		

*green – above 0.5 g/t Au, yellow – above 1.0 g/t Au.

Verification Drilling in October and November 2012

Hole	Sample ID	from - to		Interval	Litho	Au g/t	Intersection (m)	Composite Au(g/t)
Sekolah DDH1023 (51 samples @ 50.3 m)	DDH-1023/323	14.45	15.45	1.00	TUF	0.04		
	DDH-1023/324	15.45	16.45	1.00	TUF	0.12		
	DDH-1023/325	16.45	17.45	1.00	TUF	0.02		
	DDH-1023/326	17.45	18.45	1.00	TUF	0.02		
	DDH-1023/349	18.60	19.60	1.00	TUF	0.06		
	DDH-1023/350	19.60	20.60	1.00	TUF	0.04		
	DDH-1023/352	20.60	21.60	1.00	TUF	4.08	2.00	2.68
	DDH-1023/353	21.60	22.60	1.00	TUF	1.28		
	DDH-1023/354	22.60	23.60	1.00	TUF	0.55		
	DDH-1023/355	23.50	24.60	1.10	TUF	0.14		
	DDH-1023/356	24.60	25.60	1.00	TUF	0.09		
	DDH-1023/357	25.60	26.60	1.00	TUF	0.05		
	DDH-1023/358	26.60	27.60	1.00	TUF	1.93	1.00	1.93
	DDH-1023/359	27.60	28.60	1.00	TUF	0.01		
	DDH-1023/360	32.20	33.20	1.00	VBR	0.00		
	DDH-1023/362	33.20	34.10	0.90	VBR	3.42	4.65	13.66
	DDH-	34.10	35.05	0.95	VBR	0.34		

	1023/363							
	DDH-1023/364	35.05	36.05	1.00	VBR	34.20		
	DDH-1023/365	36.05	36.95	0.90	VBR	16.60		
	DDH-1023/366	36.95	37.85	0.90	VBR	12.20		
	DDH-1023/367	37.85	38.76	0.91	VBR	0.01		
	DDH-1023/368	38.76	39.72	0.96	VBR	0.02		
	DDH-1023/369	39.72	40.68	0.96	VBR	0.27		
	DDH-1023/370	40.68	41.65	0.97	VBR	5.68	4.52	6.92
	DDH-1023/372	41.65	42.65	1.00	VBR	18.20		
	DDH-1023/327	43.35	44.30	0.95	VBR	3.36		
	DDH-1023/328	44.30	45.90	1.60	VBR	2.73		
	DDH-1023/329	45.90	46.95	1.05	VBR	0.01		
	DDH-1023/330	49.35	50.35	1.00	VBR	0.00		
	DDH-1023/332	50.35	50.85	0.50	VBR	0.02		
	DDH-1023/333	50.85	51.85	1.00	VBR	0.00		
	DDH-1023/334	64.25	65.25	1.00	VBR	0.00		
	DDH-1023/335	65.25	66.25	1.00	VBR	2.21	3.00	7.42
	DDH-1023/336	66.25	67.25	1.00	VBR	3.16		
	DDH-1023/337	67.25	68.25	1.00	VBR	16.90		
	DDH-1023/338	68.25	68.80	0.55	VBR	0.02		
	DDH-1023/339	68.80	69.80	1.00	VBR	0.02		
	DDH-1023/340	77.85	78.85	1.00	VBR	0.00		
	DDH-1023/342	78.85	79.85	1.00	VBR	0.04		
	DDH-1023/343	79.85	80.85	1.00	VBR	14.50	2.00	17.65
	DDH-1023/344	80.85	81.85	1.00	VBR	20.80		
	DDH-1023/345	81.85	82.85	1.00	VBR	0.01		
	DDH-1023/346	84.30	85.30	1.00	VBR	0.02		
	DDH-1023/347	85.30	86.30	1.00	VBR	0.00		
	DDH-1023/348	86.35	87.60	1.30	VBR	19.80	4.30	8.03
	DDH-1023/567	87.60	88.60	1.00	VBR	10.70		
	DDH-1023/568	88.60	89.60	1.00	VBR	2.41		
	DDH-1023/569	89.60	90.60	1.00	VBR	1.64		
	DDH-1023/570	90.60	91.60	1.00	VBR	0.39		
	DDH-1023/572	91.60	92.35	0.75	VBR	0.01		

	DDH-1023/573	92.35	93.35	1.00	VBR	0.01		
Sekolah DDH1025 (54 samples @ 50.2 m)	DDH-1025/034	13.80	14.80	1.00	TUF	0.01		
	DDH-1025/035	14.80	15.80	1.00	TUF	0.01		
	DDH-1025/036	15.80	16.40	0.60	TUF	0.00		
	DDH-1025/037	16.40	17.20	0.80	TUF	0.01		
	DDH-1025/038	17.20	17.90	0.70	TUF	0.01		
	DDH-1025/039	17.90	18.60	0.70	TUF	0.01		
	DDH-1025/040	18.60	19.18	0.58	TUF	0.01		
	DDH-1025/042	19.18	19.77	0.59	TUF	0.04		
	DDH-1025/043	19.77	20.41	0.64	TUF	0.01		
	DDH-1025/044	20.41	21.21	0.80	TUF	0.02		
	DDH-1025/045	21.21	22.00	0.79	TUF	0.02		
	DDH-1025/046	22.00	23.00	1.00	TUF	0.01		
	DDH-1025/047	23.00	24.00	1.00	TUF	0.01		
	DDH-1025/048	24.00	25.00	1.00	TUF	0.01		
	DDH-1025/049	25.00	26.00	1.00	TUF	0.00		
	DDH-1025/050	26.00	27.00	1.00	TUF	0.02		
	DDH-1025/052	27.00	28.00	1.00	TUF	0.00		
	DDH-1025/053	28.00	29.00	1.00	TUF	0.00		
	DDH-1025/054	29.00	30.00	1.00	TUF	0.00		
	DDH-1025/055	30.00	31.00	1.00	TUF	0.03		
	DDH-1025/056	31.00	32.00	1.00	TUF	0.10		
	DDH-1025/057	32.00	33.00	1.00	TUF	0.16		
	DDH-1025/058	33.00	34.00	1.00	TUF	0.02		
	DDH-1025/059	34.00	35.00	1.00	VBR	0.04		
	DDH-1025/060	35.00	36.00	1.00	VBR	1.48	1.00	1.48
	DDH-1025/062	36.00	37.00	1.00	VBR	0.01		
	DDH-1025/063	37.00	38.00	1.00	VBR	0.00		
	DDH-1025/064	38.00	39.00	1.00	VBR	0.00		
	DDH-1025/065	39.00	40.00	1.00	VBR	0.00		
	DDH-1025/066	40.00	40.50	0.50	VBR	0.00		
	DDH-1025/067	40.50	41.00	0.50	VBR	0.00		
	DDH-1025/068	41.00	42.00	1.00	VBR	0.00		
	DDH-	42.00	43.00	1.00	VBR	0.00		

	1025/069							
	DDH-1025/070	43.00	44.00	1.00	VBR	0.02		
	DDH-1025/072	44.00	45.00	1.00	VBR	0.00		
	DDH-1025/073	45.00	46.00	1.00	VBR	0.00		
	DDH-1025/074	46.00	47.00	1.00	VBR	0.00		
	DDH-1025/075	47.00	48.00	1.00	VBR	0.00		
	DDH-1025/076	48.00	49.00	1.00	VBR	0.00		
	DDH-1025/077	49.00	50.00	1.00	VBR	0.03		
	DDH-1025/078	50.00	51.00	1.00	VBR	1.80	7.00	6.41
	DDH-1025/079	51.00	52.00	1.00	VBR	9.10		
	DDH-1025/080	52.00	53.00	1.00	VBR	10.80		
	DDH-1025/082	53.00	54.00	1.00	VBR	5.88		
	DDH-1025/083	54.00	55.00	1.00	VBR	2.38		
	DDH-1025/084	55.00	56.00	1.00	VBR	12.40		
	DDH-1025/085	56.00	57.00	1.00	VBR	2.51		
	DDH-1025/086	57.00	58.00	1.00	VBR	0.00		
	DDH-1025/087	58.00	59.00	1.00	VBR	0.01		
	DDH-1025/088	59.00	60.00	1.00	VBR	0.01		
	DDH-1025/109	82.95	83.95	1.00	VBR	0.00		
	DDH-1025/110	83.95	84.95	1.00	VBR	16.30	2.00	10.82
	DDH-1025/112	84.95	85.95	1.00	VBR	5.33		
	DDH-1025/113	85.95	86.95	1.00	VBR	0.01		
Sekolah DDH1026 (16 samples @ 16.2 m)	DDH-1026/130	40.20	41.40	1.20	VBR	0.00		
	DDH-1026/132	41.40	42.40	1.00	VBR	0.81		
	DDH-1026/133	42.40	43.40	1.00	VBR	3.39	3.22	5.78
	DDH-1026/134	43.40	44.40	1.00	VBR	4.38		
	DDH-1026/135	44.40	45.62	1.22	VBR	8.88		
	DDH-1026/136	45.62	46.80	1.18	VBR	0.30		
	DDH-1026/137	46.80	48.00	1.20	VBR	0.00		
	DDH-1026/138	48.00	49.00	1.00	VBR	0.00		
	DDH-1026/139	49.00	49.55	0.55	VBR	0.03		
	DDH-1026/144	53.76	54.56	0.80	VBR	0.08		
	DDH-1026/145	55.20	56.20	1.00	VBR	1.49	5.00	3.60
	DDH-1026/146	56.20	57.20	1.00	VBR	5.79		

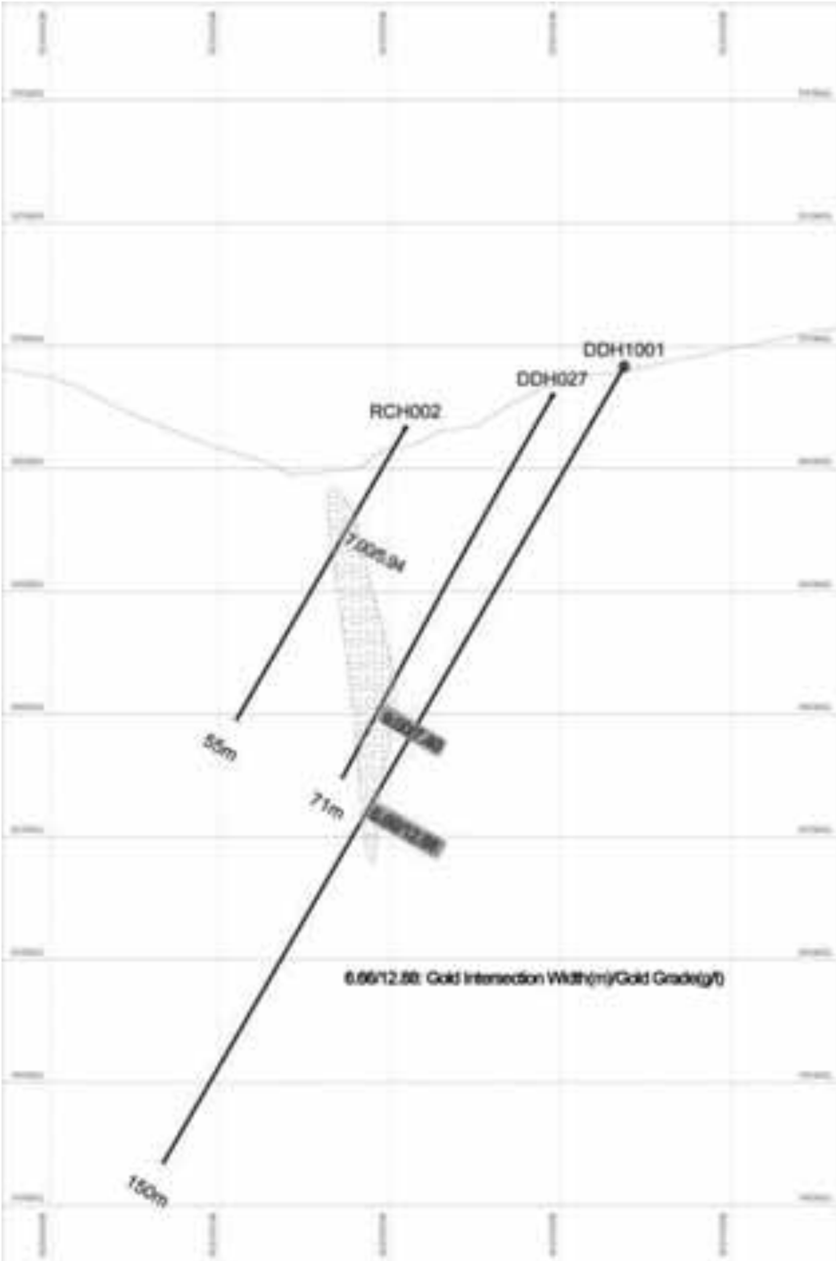
	DDH-1026/147	57.20	58.20	1.00	VBR	5.24		
	DDH-1026/148	61.80	62.80	1.00	VBR	2.37		
	DDH-1026/149	62.80	63.80	1.00	VBR	3.11		
	DDH-1026/150	63.80	64.80	1.00	VBR	0.01		
Cikadu DDH1036 (34 samples @ 31.7 m)	DDH-1036/213	33.00	34.00	1.00	VBR	0.01		
	DDH-1036/214	34.00	35.00	1.00	VBR	4.74	2.50	4.01
	DDH-1036/215	35.00	36.00	1.00	VBR	1.76		
	DDH-1036/216	36.00	36.50	0.50	VBR	7.03		
	DDH-1036/217	36.50	37.50	1.00	VBR	0.00		
	DDH-1036/222	56.65	57.65	1.00	TUF	0.01		
	DDH-1036/223	57.65	58.50	0.85	TUF	6.90	9.61	8.92
	DDH-1036/224	58.50	59.00	0.50	TUF	7.27		
	DDH-1036/225	59.00	60.00	1.00	TUF	32.60		
	DDH-1036/226	60.00	61.00	1.00	TUF	8.82		
	DDH-1036/227	61.00	62.00	1.00	TUF	0.01		
	DDH-1036/228	62.00	63.00	1.00	TUF	0.41		
	DDH-1036/229	63.00	64.00	1.00	TUF	6.61		
	DDH-1036/230	64.00	65.00	1.00	TUF	19.10		
	DDH-1036/232	65.00	66.00	1.00	TUF	0.48		
	DDH-1036/233	66.00	67.26	1.26	VBR	6.53		
	DDH-1036/234	67.26	68.26	1.00	VBR	0.02		
	DDH-1036/247	87.50	88.50	1.00	VBR	0.01		
	DDH-1036/248	88.50	89.50	1.00	VBR	6.10	1.85	4.23
	DDH-1036/249	89.50	90.35	0.85	VBR	2.03		
	DDH-1036/250	90.35	91.35	1.00	VBR	0.03		
	DDH-1036/252	92.00	93.00	1.00	VBR	0.01		
	DDH-1036/253	93.00	94.00	1.00	VBR	13.40	1.55	10.06
	DDH-1036/254	94.00	94.55	0.55	VBR	3.98		
	DDH-1036/255	94.55	95.55	1.00	VBR	0.01		
	DDH-1036/260	111.00	111.50	0.50	VBR	0.01		
	DDH-1036/262	113.00	114.00	1.00	VBR	0.00		
	DDH-1036/263	114.00	115.00	1.00	VBR	0.00		
	DDH-1036/264	115.00	116.00	1.00	VBR	0.00		
	DDH-	117.35	118.35	1.00	VBR	0.00		

	1036/268							
	DDH-1036/269	118.35	119.35	1.00	VBR	0.00		
	DDH-1036/270	119.35	120.35	1.00	VBR	0.00		
	DDH-1036/272	120.35	120.90	0.55	VBR	0.00		
	DDH-1036/273	120.90	122.00	1.10	VBR	0.00		
Cikadu DDH1131 (14 samples @ 13.7 m)	DDH-1131/163	40.30	41.30	1.00	VBR	0.01		
	DDH-1131/164	41.30	42.30	1.00	VBR	4.35	2.70	6.10
	DDH-1131/165	42.30	43.30	1.00	VBR	9.38		
	DDH-1131/166	43.30	44.00	0.70	VBR	3.92		
	DDH-1131/167	44.00	45.00	1.00	VBR	0.00		
	DDH-1131/168	103.20	104.20	1.00	VBR	0.00		
	DDH-1131/169	104.20	105.20	1.00	VBR	1.90	7.00	9.97
	DDH-1131/170	105.20	106.20	1.00	VBR	0.03		
	DDH-1131/172	106.20	107.20	1.00	VBR	35.00		
	DDH-1131/173	107.20	108.20	1.00	VBR	0.01		
	DDH-1131/174	108.20	109.20	1.00	VBR	18.90		
	DDH-1131/175	109.20	110.20	1.00	VBR	10.80		
	DDH-1131/176	110.20	111.20	1.00	VBR	3.14		
	DDH-1131/177	111.20	112.20	1.00	VBR	0.01		
Cikadu DDH1138 (30 samples @ 29.7 m)	DDH-1138/178	10.00	11.00	1.00	TUF	0.00		
	DDH-1138/179	11.00	12.00	1.00	TUF	0.01		
	DDH-1138/180	12.00	13.00	1.00	VBR	0.01		
	DDH-1138/182	25.00	26.00	1.00	VBR	0.01		
	DDH-1138/183	26.00	27.00	1.00	VBR	0.14		
	DDH-1138/184	27.00	28.00	1.00	VBR	0.08		
	DDH-1138/185	28.00	29.00	1.00	VBR	17.20	2.00	10.23
	DDH-1138/186	29.00	30.00	1.00	VBR	3.25		
	DDH-1138/187	30.00	31.00	1.00	VBR	0.02		
	DDH-1138/188	31.00	32.00	1.00	VBR	0.04		
	DDH-1138/189	32.00	33.00	1.00	VBR	0.14		
	DDH-1138/190	33.00	34.00	1.00	VBR	5.63	10.00	6.24
	DDH-1138/192	34.00	35.00	1.00	VBR	1.21		
	DDH-1138/194	36.00	37.00	1.00	VBR	1.24		
	DDH-1138/195	37.00	38.00	1.00	VBR	5.28		

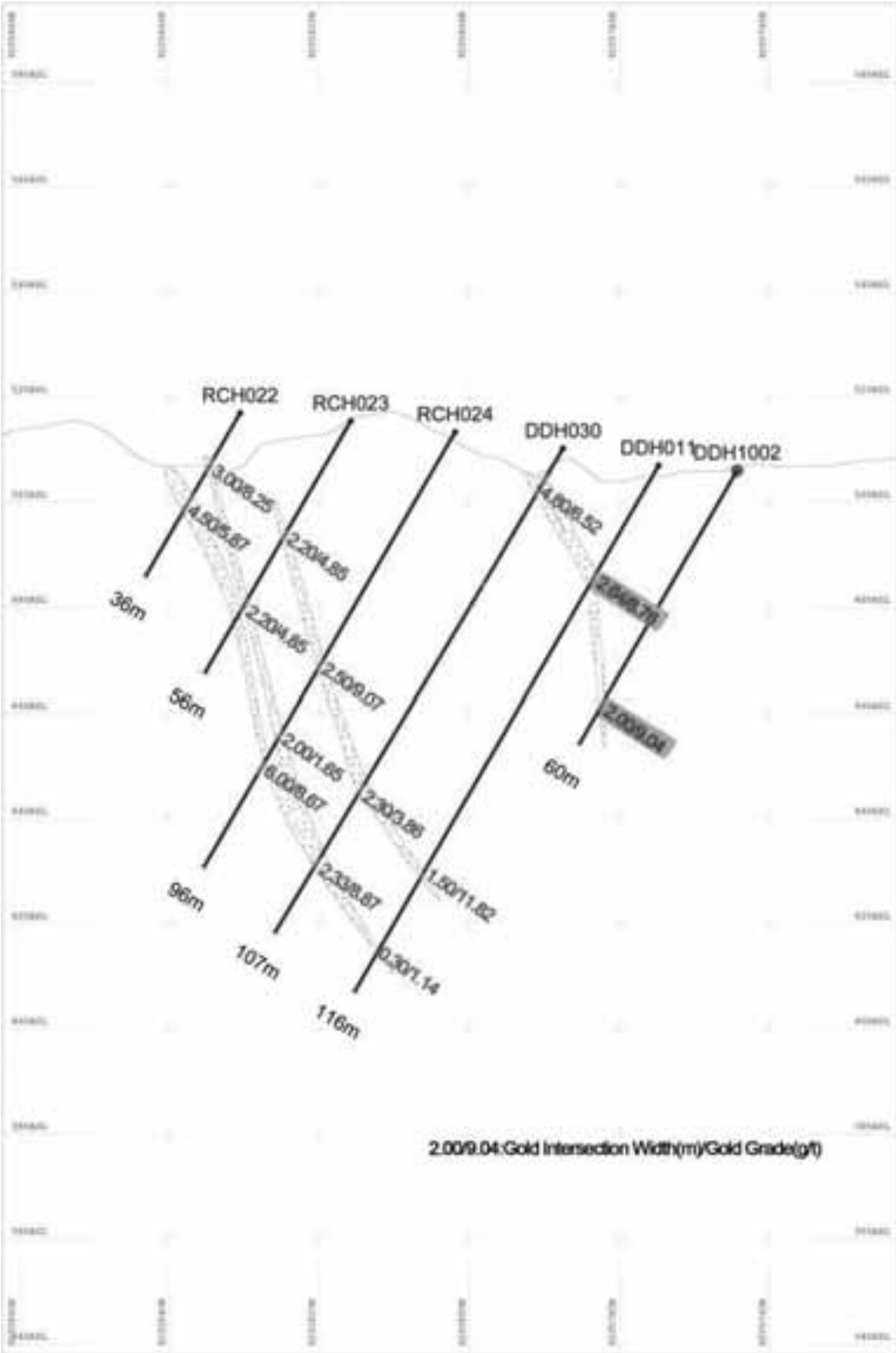
	DDH-1138/196	38.00	39.00	1.00	VBR	7.10		
	DDH-1138/197	39.00	40.00	1.00	VBR	22.20		
	DDH-1138/198	40.00	41.00	1.00	VBR	9.23		
	DDH-1138/199	41.00	42.00	1.00	VBR	3.31		
	DDH-1138/200	42.00	43.00	1.00	VBR	2.21		
	DDH-1138/202	43.00	44.00	1.00	VBR	4.94		
	DDH-1138/203	44.00	45.00	1.00	VBR	0.22		
	DDH-1138/204	45.00	46.00	1.00	VBR	0.05		
	DDH-1138/205	46.00	47.00	1.00	VBR	1.26	1.00	1.26
	DDH-1138/206	47.30	48.00	0.70	VBR	0.04		
	DDH-1138/207	48.00	49.00	1.00	VBR	0.02		
	DDH-1138/208	49.00	50.00	1.00	VBR	0.02		
	DDH-1138/209	50.00	51.00	1.00	VBR	0.01		
	DDH-1138/210	51.00	52.00	1.00	VBR	0.61		
	DDH-1138/212	52.00	53.00	1.00	VBR	0.02		
Cibatu DDH1042 (17 samples @ 17.0 m)	DDH-1042/001	12.70	14.20	1.50	SOL	0.01		
	DDH-1042/002	14.20	15.70	1.50	SOL	0.01		
	DDH-1042/003	15.70	16.70	1.00	SOL	0.01		
	DDH-1042/004	29.70	30.70	1.00	VBR	0.00		
	DDH-1042/005	30.70	31.70	1.00	VBR	0.00		
	DDH-1042/006	31.70	32.20	0.50	VBR	0.00		
	DDH-1042/007	32.20	33.20	1.00	VBR	0.00		
	DDH-1042/008	55.50	56.50	1.00	VBR	0.00		
	DDH-1042/009	56.50	57.50	1.00	VBR	6.77	1.00	6.77
	DDH-1042/010	57.50	58.50	1.00	VBR	0.01		
	DDH-1042/012	58.50	59.50	1.00	VBR	0.01		
	DDH-1042/013	59.50	60.50	1.00	VBR	0.01		
	DDH-1042/014	60.50	60.80	0.30	VBR	0.01		
	DDH-1042/015	60.80	61.80	1.00	VBR	0.00		
	DDH-1042/016	80.00	81.00	1.00	VBR	0.01		
	DDH-1042/017	81.00	82.20	1.20	VBR	3.80	1.20	3.80
	DDH-1042/018	82.20	83.20	1.00	VBR	0.01		
Cibatu DDH1143 (13 samples @	DDH-1143/019	16.30	17.30	1.00	TUF	0.01		
	DDH-	17.30	18.30	1.00	TUF	0.02		

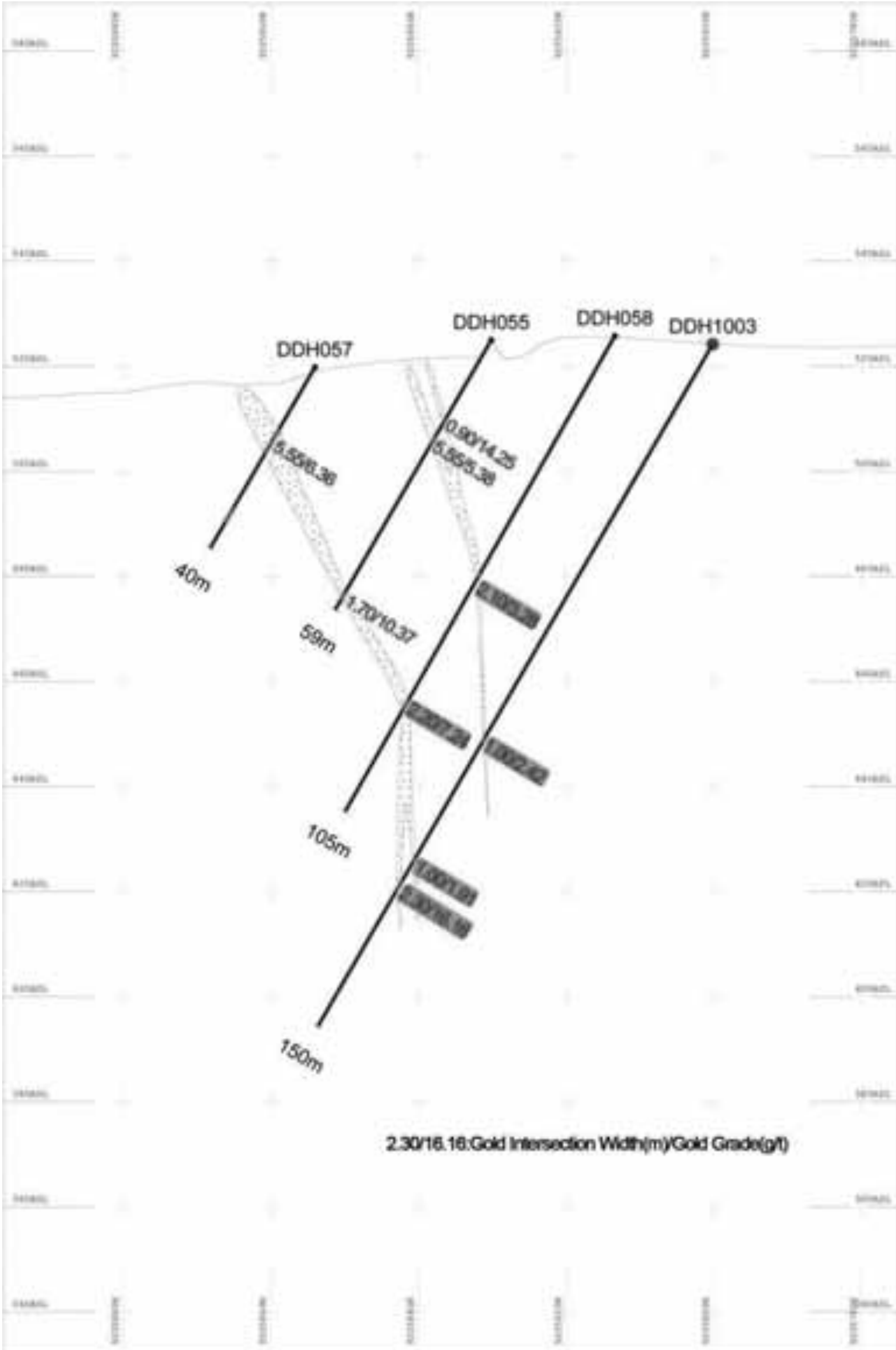
13.0 m）	1143/020							
	DDH-1143/022	18.30	19.30	1.00	TUF	0.03		
	DDH-1143/023	19.30	20.30	1.00	TUF	13.80	3.00	11.63
	DDH-1143/024	20.30	21.30	1.00	TUF	12.00		
	DDH-1143/025	21.30	22.30	1.00	TUF	9.08		
	DDH-1143/026	22.30	23.40	1.10	TUF	0.02		
	DDH-1143/027	23.40	24.40	1.00	TUF	0.01		
	DDH-1143/028	24.40	25.30	0.90	TUF	0.02		
	DDH-1143/029	28.55	29.55	1.00	VBR	0.01		
	DDH-1143/030	29.55	30.55	1.00	VBR	4.73	1.00	4.73
	DDH-1143/032	30.55	31.55	1.00	VBR	0.05		
	DDH-1143/033	31.55	32.55	1.00	VBR	0.01		

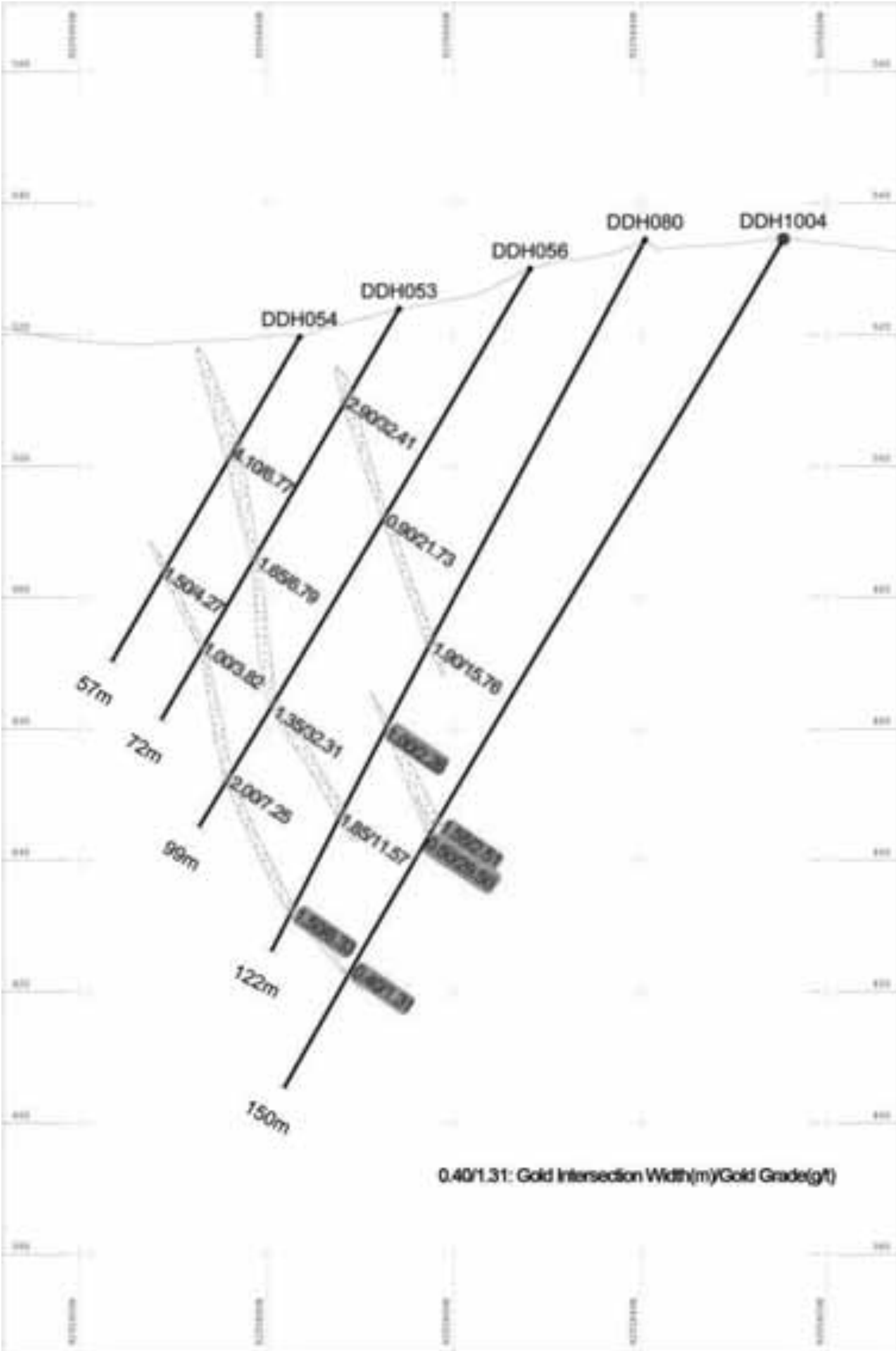
*green – above 0.5 g/t Au, yellow – above 1.0 g/t Au.

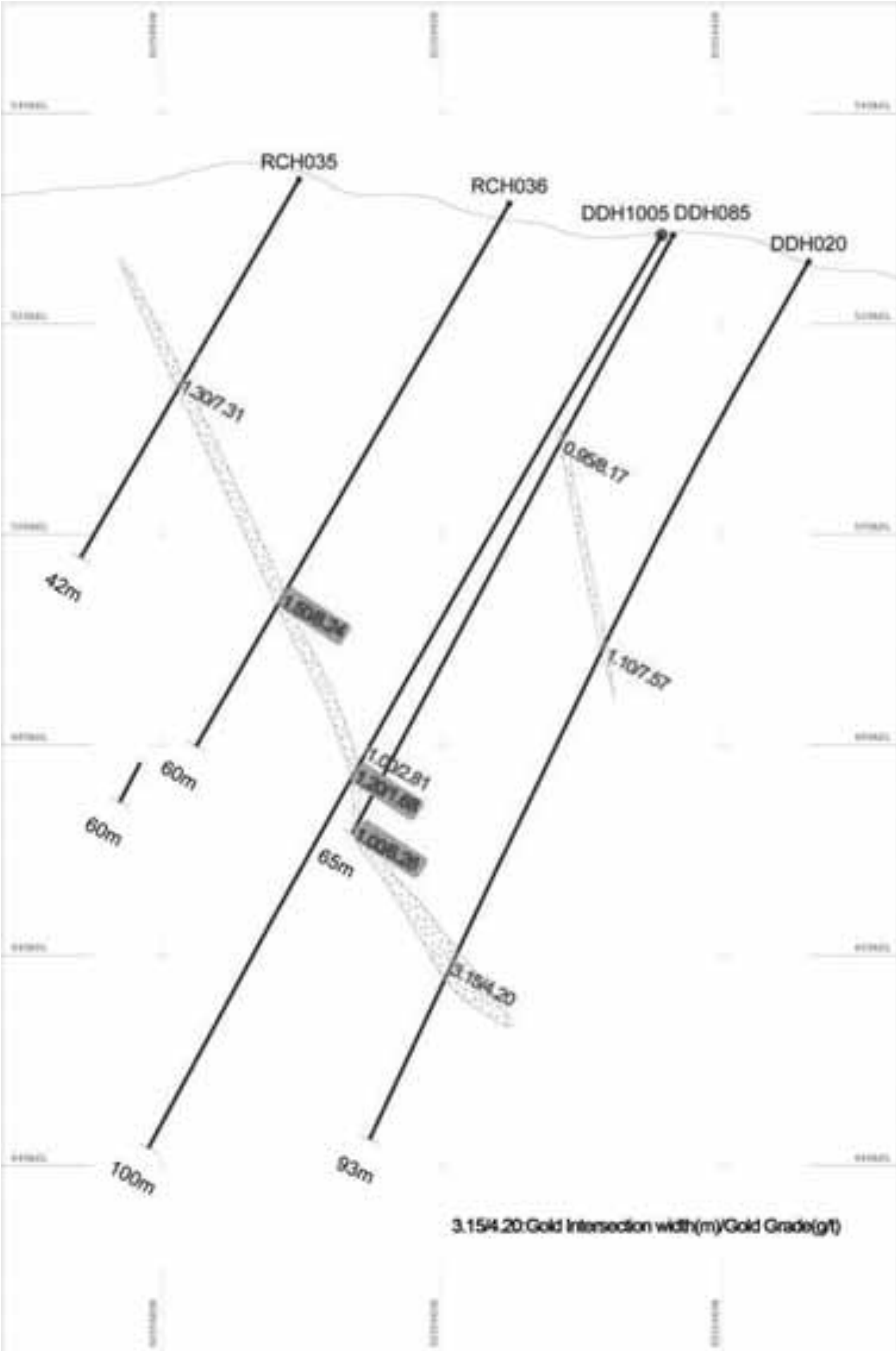


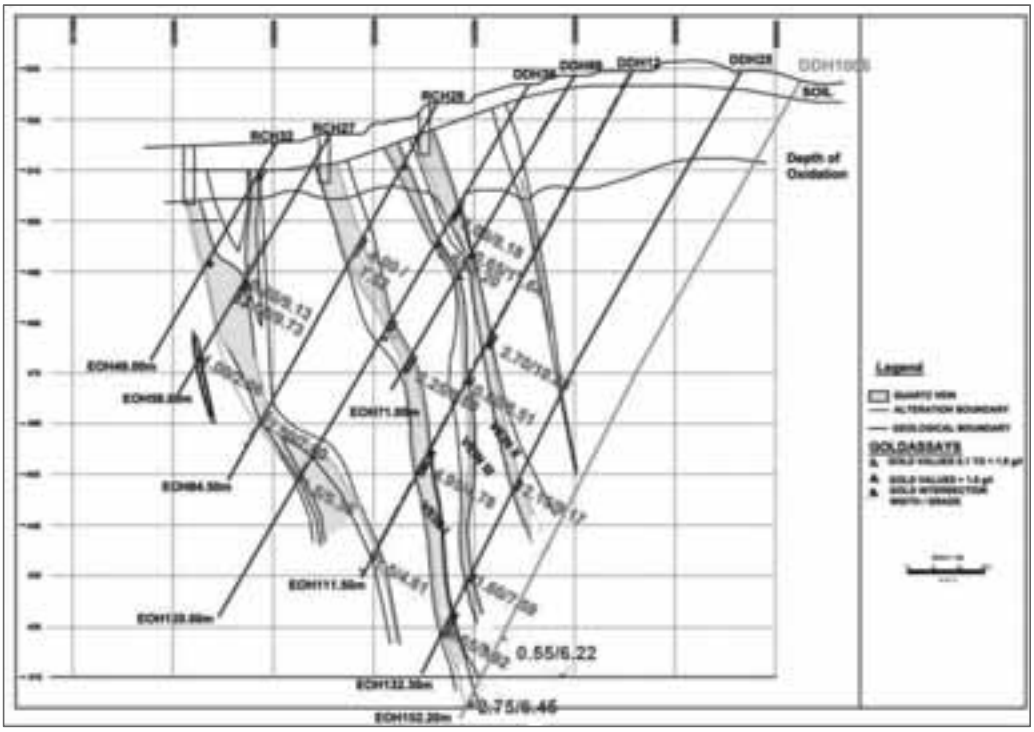
**the surface level shown in the map and cross-section maps below are adopted from latest survey which may differ from the status during the drilling carried out.*

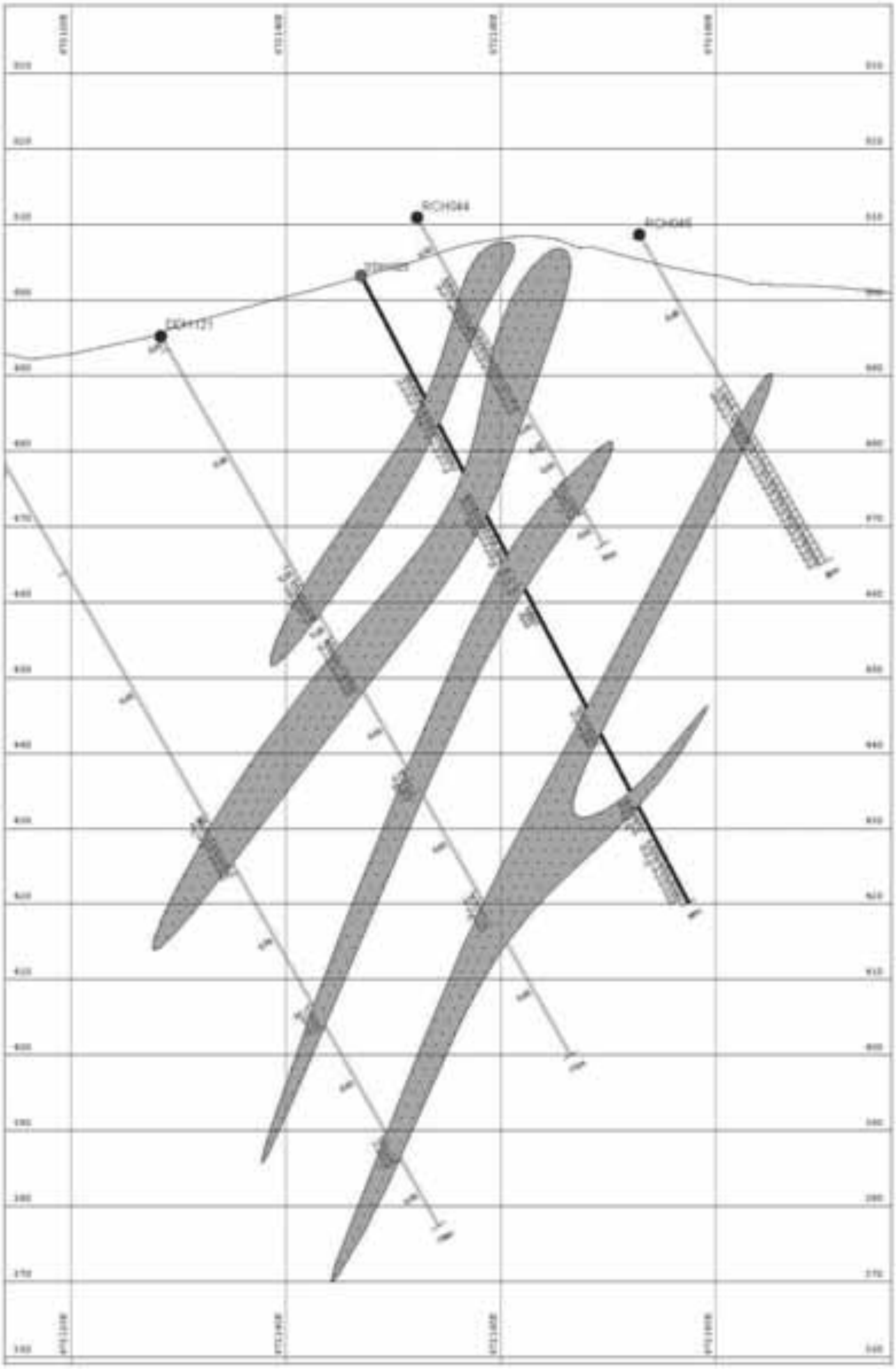

RCH022
RCH023
RCH024
DDH030
DDH011
DDH1002
3.00/8.25
4.50/5.87
2.20/4.85
2.20/4.85
2.50/9.07
2.00/1.65
6.00/8.67
2.30/3.86
2.33/8.87
1.50/11.82
0.30/1.14
4.80/8.52
2.00/9.04
36m
56m
96m
107m
116m
60m
2.00/9.04:Gold Intersection Width(m)/Gold Grade(g/t)

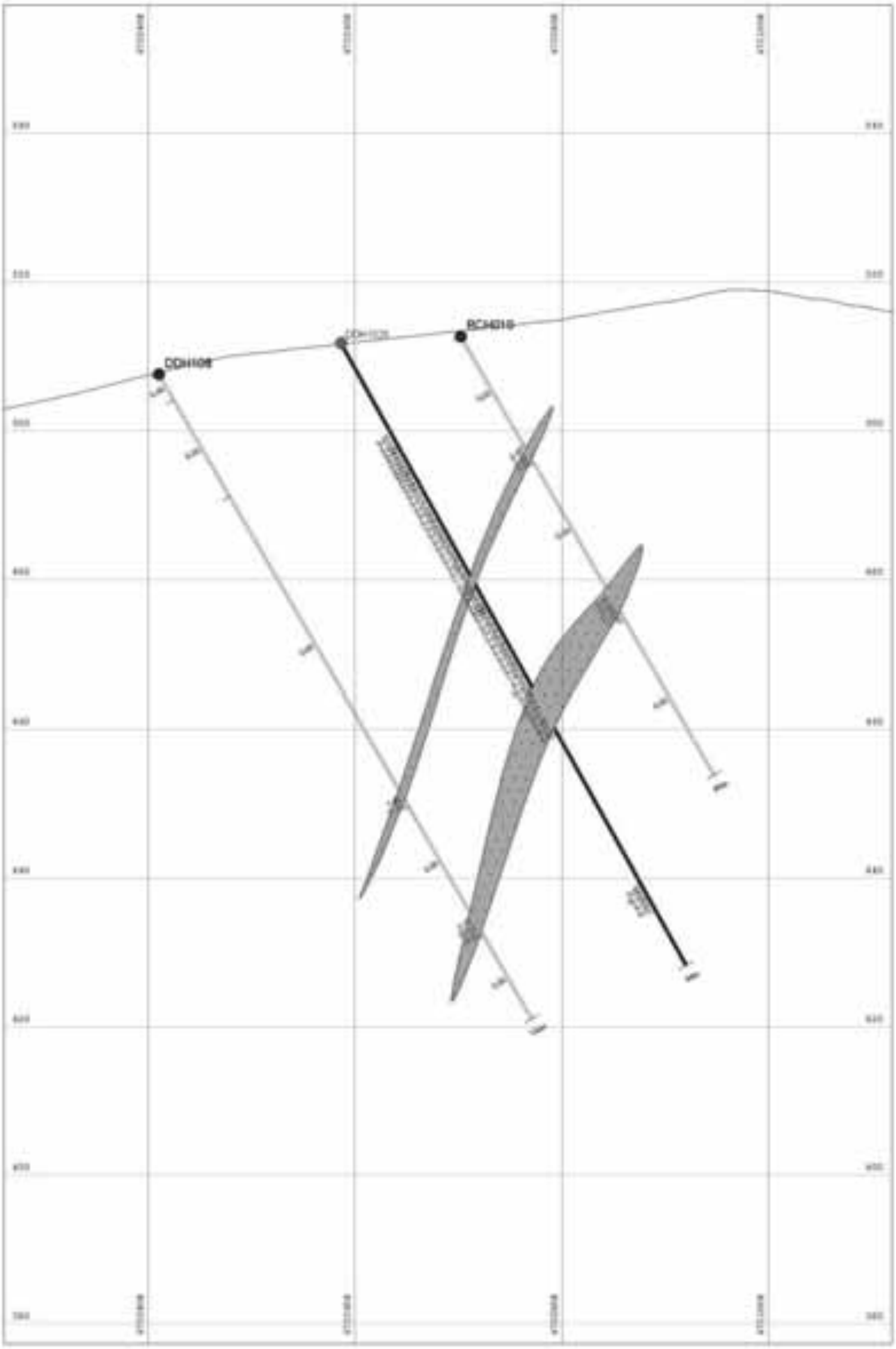

DDH057
DDH055
DDH058
DDH1003
5.55/6.36
0.90/14.25
5.55/5.38
40m
1.70/10.37
59m
105m
150m
2.30/16.16:Gold Intersection Width(m)/Gold Grade(g/t)

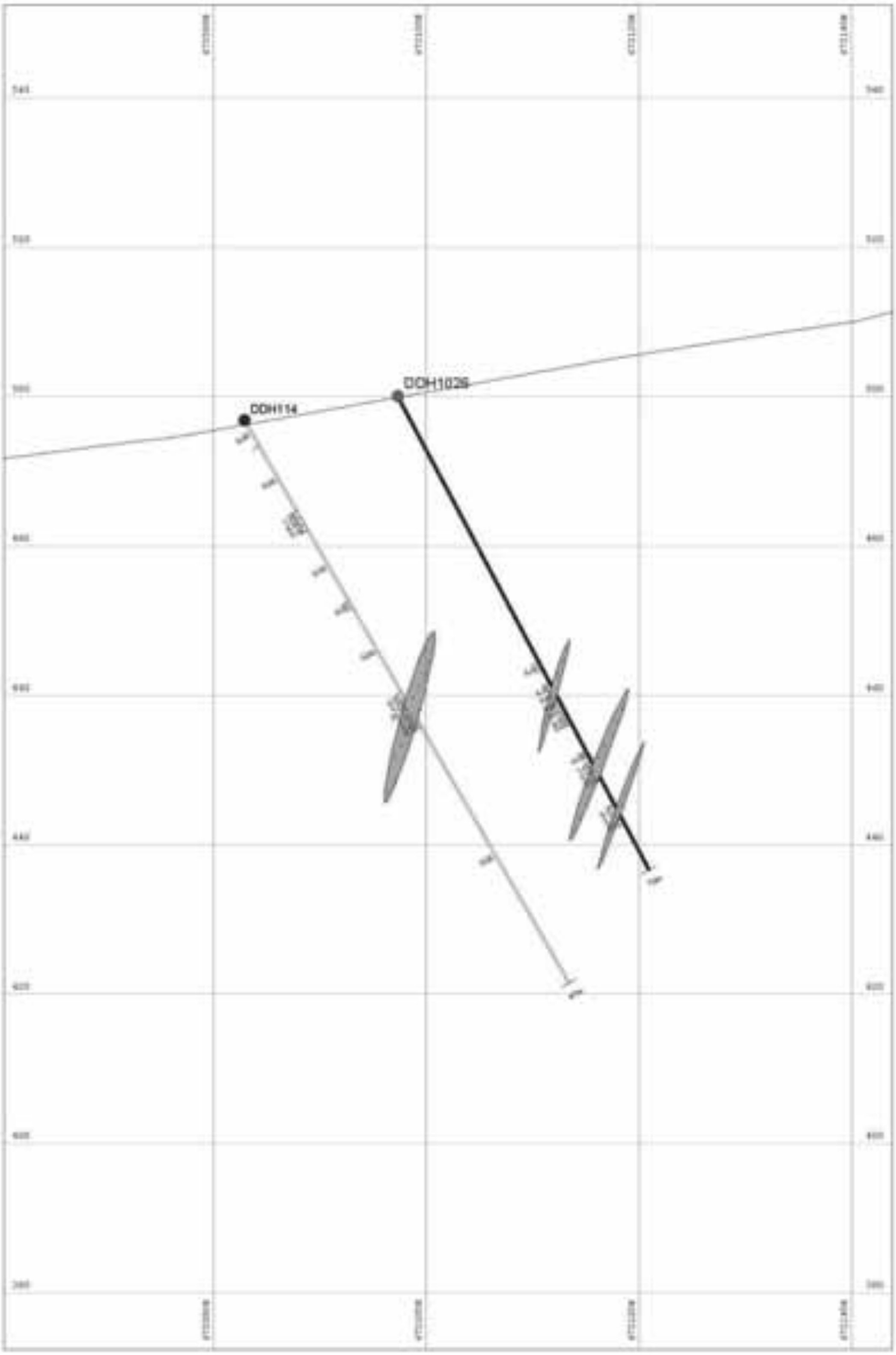

DDH080
DDH1004
DDH056
DDH053
DDH054
2.90/32.41
4.10/6.77
0.90/21.73
1.65/6.79
1.50/4.27
1.90/15.76
1.00/3.82
1.35/32.31
2.00/7.25
1.85/11.57
57m
72m
99m
122m
150m
0.40/1.31: Gold Intersection Width(m)/Gold Grade(g/t)

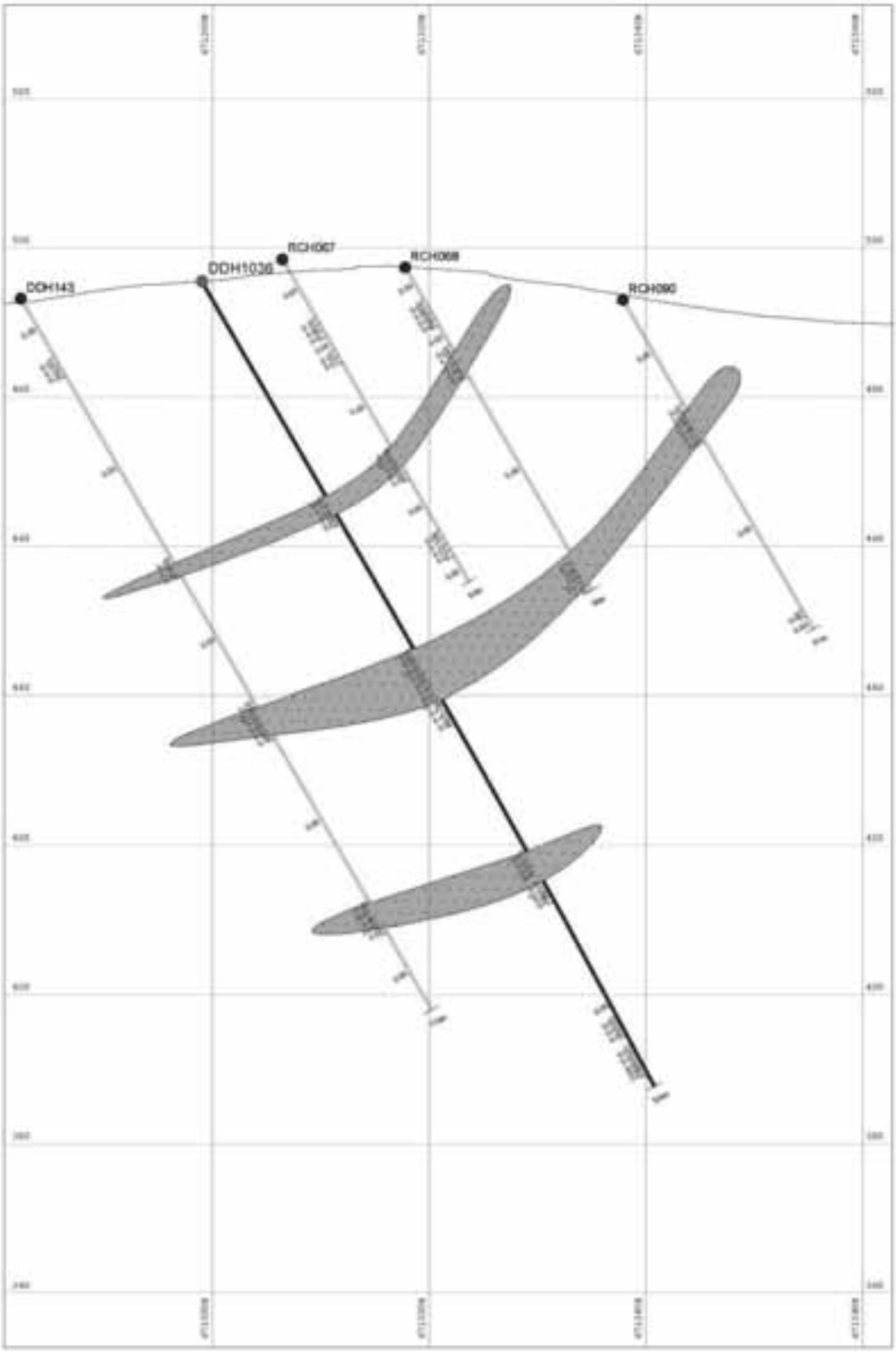

RCH035
RCH036
DDH1005 DDH085
DDH020
1.30/7.31
0.95/8.17
1.10/7.57
42m
60m
60m
65m
100m
93m
3.15/4.20
3.15/4.20:Gold Intersection width(m)/Gold Grade(g/t)

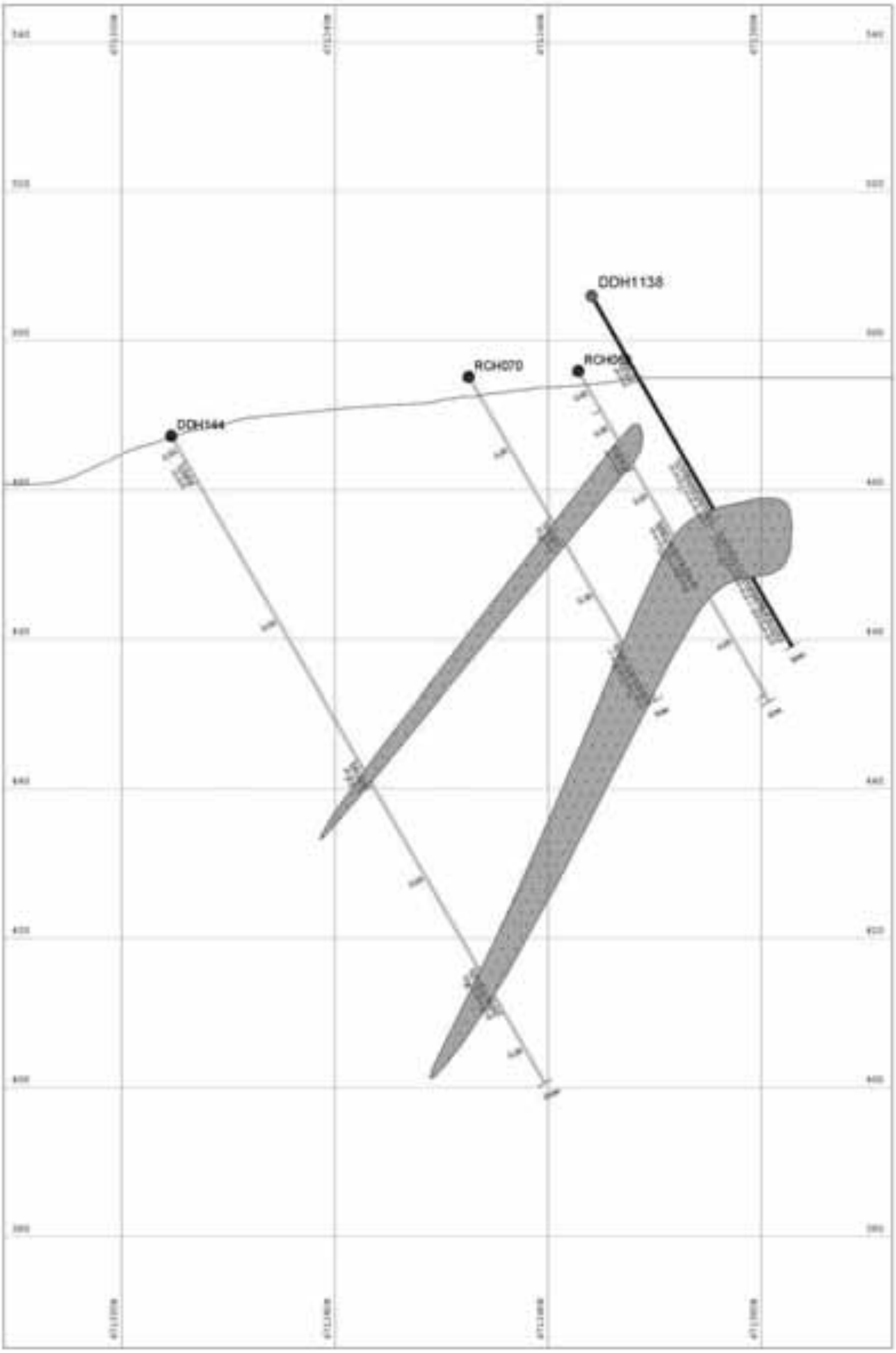

RCH32
RCH27
RCH28
DDH12
DDH25
SOIL
Depth of
Oxidation
Legend
GOLDASSAYS
0.55/6.22
0.75/6.46

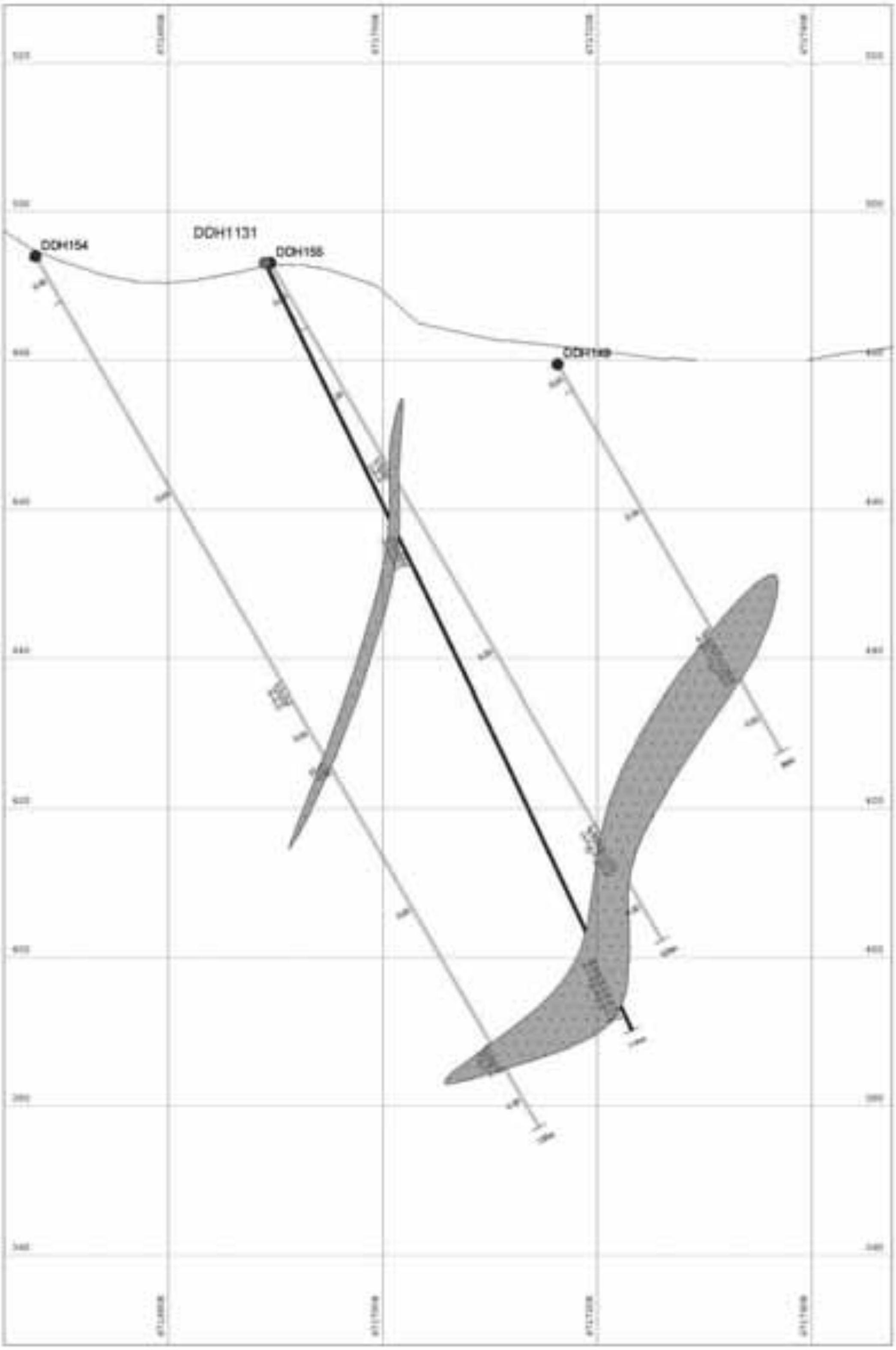





DDH114
DDH1026


DDH143
DDH1036
RCH067
RCH068
RCH090


DDH1138
RCH070
DDH144


DDH154
DDH1131
DDH155

Appendix 4: Summary of Mineral Resource and Ore Reserve – JORC Compliant

1. Parsir Manggu West - JORC compliance reserves and resources as of 31 May 2013

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes '000t	Grade (g/t Au)	Tonnes '000t	Grade (g/t Au)	Change [1] (%)	
Ore Reserves							
Proved	Primary	103	5.89	103	5.89		Reserve tonnage includes diluting materials.
Probable	Primary	456	6.59	456	6.59		
Total		559	6.46	559	6.46		
Mineral Resources [2]							
Measured	Primary						at cut-off grade 1.0 g/t Au
Indicated	Primary						
Inferred	Primary	157	4.03	157	4.03		
Total		157	4.03	157	4.03		

[1] Change from previous update; there was no public announcement of the resources and reserves for the project

[2] The Mineral Resources are additional to the Ore Reserves in the table.

2. Cikadu - JORC compliance reserves and resources as of 31 May 2013

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes '000t	Grade (g/t Au)	Tonnes '000t	Grade (g/t Au)	Change [1] (%)	
Ore Reserves							
Proved							Reserve tonnage includes diluting materials.
Probable	Primary	844	7.34	844	7.34		
Total	Primary	844	7.34	844	7.34		
Mineral Resources [2]							
Measured	Primary						at cut-off grade 1.0 g/t Au
Indicated	Primary						
Inferred	Primary	493	9.66	493	9.66		
Total		493	9.66	493	9.66		

[1] Change from previous update; there was no public announcement of the resources and reserves for the project

[2] The Mineral Resources are additional to the Ore Reserves in the table.

3. Sekolah - JORC compliance reserves and resources as of 31 May 2013

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes '000t	Grade (g/t Au)	Tonnes '000t	Grade (g/t Au)	Change [1] (%)	
Ore Reserves							
Proved							Reserve tonnage includes diluting materials.
Probable	Primary	433	7.85	433	7.85		
Total	Primary	433	7.85	433	7.85		
Mineral Resources [2]							
Measured	Primary						at cut-off grade 1.0 g/t Au
Indicated	Primary						
Inferred	Primary	500	9.43	500	9.43		
Total		500	9.43	500	9.43		

[1] Change from previous update; there was no public announcement of the resources and reserves for the project

[2] The Mineral Resources are additional to the Ore Reserves in the table.

4. Cibatu - JORC compliance reserves and resources as of 31 May 2013

Category	Mineral Type	Gross Attributable to Licence		Net Attributable to Issuer			Remarks
		Tonnes '000t	Grade (g/t Au)	Tonnes '000t	Grade (g/t Au)	Change [1] (%)	
Ore Reserves							
Proved							Reserve tonnage includes diluting materials.
Probable	Primary	605	6.83	605	6.83		
Total	Primary	605	6.83	605	6.83		
Mineral Resources [2]							
Measured	Primary						at cut-off grade 1.0 g/t Au
Indicated	Primary						
Inferred	Primary	786	7.72	786	7.72		
Total		786	7.72	786	7.72		

[1] Change from previous update; there was no public announcement of the resources and reserves for the project

[2] The Mineral Resources are additional to the Ore Reserves in the table.

Appendix 5: Indonesian Environmental Legislative Background

The Indonesian National *Law on Mineral and Coal Mining (No.4 of 2009)* ('Mining Law'), the *Regulation for the Implementation of Mining Areas (No.22 of 2010),* ('Mining Area Regulations') and the *Regulation for the Implementation of Mineral and Coal Mining Business Activities (No.23 of 2010)* ('Mining Regulations'), provide the main legislative framework for the administration and regulation of mining projects within Indonesia. The *Law on Environmental Protection and Management (No.32 of 2009)* ('Environmental Law') provides the main legislative framework for the regulation and administration of mining projects environmental impacts.

Mining Areas are those areas designated by the Central Government as 'open for mining'. These 'designated mining areas' are referred to as *Wilayah Pertambangan* (WP) and occur in the following three categories:

- Commercial mining business areas – *Wilayah Usaha Pertambangan* (WUP), are mining areas for larger scale mining.
- State reserve areas – *Wilayah Pencadangan Negara* (WPN), are mining areas reserved for the national strategic interest.
- People's mining areas – *Wilayah Pertambangan Rakyat* (WPR), are mining areas for small scale local mining.

Within these designated mining areas, mining licences may be issued under the following three categories:

- Mining Business Licence – *Izin Usaha Pertambangan* (IUP) is a general mining licence for conducting mining business activities within a WUP mining area.
- Special Mining Business Licence – *Izin Usaha Pertambangan Khusus* (IUPK) is a licence for conducting mining business activities within a specific WPN mining area.
- People's Mining Licence – *Izin Pertambangan Rakyat* (IPR) is a licence granted to Indonesian citizens/invertors only for conducting mining business of a limited size and investment, within a WPR mining area.

Both the Mining Law and the Environmental Law require mining companies that are developing projects that are deemed to have significant potential environmental and/or social impacts, to produce an environmental impact assessment and planning document *Analisa Mengenai Dampak Lingkungan* (AMDAL). An AMDAL consists of an environmental impact assessment, an environmental management plan and an environmental monitoring plan. An 'environmental management effort document', Upaya Pengelolaan Lingkungan (UPL) and Upaya Pengawasan Lingkungan (UKL) generally need to be prepared in any situation where it is deemed that an AMDAL is not required.

The following are further Indonesian laws, regulations, presidential decrees and statutes that provide environmental legislative support to the Mining Law/Regulations and the Environmental Law:

- The Law on Forestry (No.41 1999)
- Government Regulation (No. 24 2010) – regarding utilisation of forest areas
- Government Regulation (No. 78 2010) – concerning reclamation and post-mining
- Regulation of the Minister of Forestry (No.18 2011) Guidelines for Use of Forest Areas (Lend Use Permitting in Production Forest Areas and Protected Forest Area)
- Government Regulation (Presidential decree) (No.28 2011) – on the use of protected forest areas for underground mining
- Environmental Impact Assessment, Types of Businesses or Activities Required to Prepare (MOE Decree No.11, 1994)
- Environmental Management and Monitoring Procedures, Guidelines for (MOE Decree No.12, 1994)

- Indonesia: Environmental Regulations of Indonesia (Circular No.3 of 1987)
- Water Pollution, Control of (Gov't Reg. No.20, 1990)
- Hazardous and Toxic Waste Management, Regulation Regarding (Gov't Reg. No.19 1994)
- Hazardous and Toxic Wastes, Amendment of Regulation Regarding Handling (Gov't Reg. No.12 1995)
- Environmental Impact Assessment, Regulation Regarding (Gov't Reg. No.51 1993)
- Environmental Management and Monitoring Procedures, Guidelines for (MOE Decree No.12 1994)
- Hazardous and Toxic Waste Management, Regulation Regarding (Gov't Reg. No.19 1994)
- Hazardous and Toxic Wastes, Amendment of Regulation Regarding Handling (Gov't Reg. No.12 1995)

Appendix 6: Equator Principles and Internationally Recognised Environmental Management Practices

In seeking to obtain project financing or to list on a stock exchange, these institutions require the proponent to comply with such documents as the Equator Principles and the International Finance Corporation (IFC) Performance Standards and Guidelines. This is exemplified by the following preamble from the Equator Principles (July 2006):

Project financing, a method of funding in which the lender looks primarily to the revenues generated by a single project both as the source of repayment and as security for the exposure, plays an important role in financing development throughout the world. Project financiers may encounter social and environmental issues that are both complex and challenging, particularly with respect to projects in emerging markets.

The Equator Principles Financial Institutions (EPFIs) have consequently adopted these Principles in order to ensure that the projects we finance are developed in a manner that is socially responsible and reflect sound environmental management practices. By doing so, negative impacts on project-effected ecosystems and communities should be avoided where possible, and if these impacts are unavoidable, they should be reduced, mitigated and/or compensated for appropriately. We believe that adoption of and adherence to these Principles offers significant benefits to ourselves, our borrowers and local stakeholders through our borrowers' engagement with locally affected communities. We therefore recognise that our role as financiers affords us opportunities to promote responsible environmental stewardship and socially responsible development. As such, EPFIs will consider reviewing these Principles from time-to-time based on implementation experience, and in order to reflect ongoing learning and emerging good practice.

These Principles are intended to serve as a common baseline and framework for the implementation by each EPFI of its own internal social and environmental policies, procedures and standards related to its project financing activities. We will not provide loans to projects where the borrower will not or is unable to comply with our respective social and environmental policies and procedures that implement the Equator Principles.

The following Tables provide a brief summary of the Equator Principles and the IFC Performance Standards respectively. These documents are used by the EPFI's and stock exchanges in their review of the social and environmental performance of proponent companies.

Table A6-1: Equator Principles

Equator Principles	Title	Key Aspects (Summary)
1	Review and Categorisation	Categorise such project based on the magnitude of its potential impacts and risks
2	Social and Environmental Assessment	Conduct a Social and Environmental Assessment ("Assessment"). The Assessment should also propose mitigation and management measures appropriate to the nature and scale of the proposed project.
3	Applicable Social and Environmental Standards	The Assessment will refer to the applicable IFC Performance Standards, and applicable Industry Specific EHS Guidelines ("EHS Guidelines") and overall compliance with same.
4	Action Plan and Management System	Prepare an Action Plan (AP) which addresses the relevant findings of the Assessment. The AP will describe and prioritise the actions, mitigation measures, corrective actions and monitoring to manage the impacts and risks identified in the Assessment. Maintain a Social and Environmental Management System that addresses the management of these impacts, risks and corrective actions required to comply with host country laws and regulations, and requirements of the applicable Standards and Guidelines, as defined in the AP.
5	Consultation and Disclosure	Consult with project affected communities. Adequately incorporate affected communities' concerns.
6	Grievance Mechanism	Establish a grievance mechanism as part of the management system. to receive and resolve concerns about the project by individuals or groups from among project-affected communities. Inform the affected communities about the grievance mechanism in the course of the community engagement process and ensure that the mechanism addresses concerns promptly and transparently, and is readily accessible to all segments of the affected communities.
7	Independent Review	Independent social or environmental expert will review the Assessment, AP and consultation process to assess Equator Principles compliance.
8	Covenants	Covenant in financing documentation: a) to comply with all relevant host country social and environmental laws, regulations and permits; b) to comply with the AP during the construction and operation of the project; c) to provide periodic reports not less than annually, prepared by in-house staff or third party experts, that (i) document compliance with the AP, and (ii) provide compliance with relevant local, state and host country social and environmental laws, regulations and permits; and d) to decommission the facilities, where applicable and appropriate, in accordance with an agreed decommissioning plan.
9	Independent Monitoring and Reporting	Appoint an independent environmental and/or social expert, or require that the borrower retain qualified and experienced external experts to verify its monitoring information.
10	EPFI Reporting	Each EPFI adopting the Equator Principles commits to report publicly at least annually about its Equator Principles implementation processes and experience, taking into account appropriate confidentiality considerations.

Table A6-2: IFC Performance Standards

IFC Performance Standard	Title	Objective (Summary)	Key Aspects (Summary)
1	Social and Environmental Assessment and Management Systems	Social and EIA and improved performance through use of management systems.	Social & Environmental Management System (S&EMS). Social & Environmental Impact Assessment (S&EIA). Risks and impacts. Management Plans. Monitoring. Reporting. Training. Community Consultation
2	Labour and Working Conditions	EEO. Safety and Health	Implement through the S&EMS. HR policy. Working condition. EEO. Forced & child labour. OH&S.
3	Pollution Prevention and Abatement	Avoid pollution. Reduce Emissions.	Prevent pollution. Conserve resources. Energy efficiency. Reduce waste. Hazardous materials. EPR. Greenhouse Gases
4	Community Health, Safety and Security	Avoid or minimise risks to community.	Implement through the S&EMS. Do risk assessment. Hazardous materials safety. Community exposure. ERP
5	Land Acquisition and Involuntary Resettlement	Avoid or minimise resettlement. Mitigate adverse social impacts	Implement through the S&EMS. Consultation. Compensation. Resettlement planning. Economic displacement
6	Biodiversity Conservation and Sustainable Natural Resource Management	Protect and conserve biodiversity	Implement through the S&EMS. Assessment. Habitat. Protected areas. Invasive species.
7	Indigenous Peoples	Respect. Avoid and minimise impacts. Foster good faith	Avoid adverse impacts. Consultation. Development benefits. Impacts to traditional land use. Relocation.
8	Cultural Heritage	Protect cultural heritage	Heritage Survey. Site avoidances. Consultation.

Summary Background Information on Some Key Internationally Recognised Environmental Management Practices.

The following provides background information on some key internationally recognised environmental management practices:

- **Land disturbance** – The main impact on the surrounding ecological environment is due to disturbance and contamination caused by surface stripping, waste rock and tailings storage, processing plant drainage, processing waste water, explosions, transportation and associated buildings that are erected. If effective measures are not taken to manage and rehabilitate the disturbed areas, the surrounding land can become polluted and the land utilization function will be changed, causing an increase in land degradation, water loss and soil erosion.
- **Flora and fauna** – Land disturbance from the development of mining and mineral processing projects may also result in impacts to or loss of flora and fauna habitat. The project development EIA should determine the extent and significance of any potential impacts to flora and fauna habitat. Where these potential impacts to flora and fauna habitat are determined to be significant, the EIA should also propose effective measures to reduce and manage these potential impacts.
- **Contaminated Sites Assessment** – The assessment, recording and management of contaminated sites within mining or mineral processing operations, is a recognised international industry practice (i.e. forms part of the IFC Guidelines) and in some cases a National regulatory requirement (e.g. an Australian environmental regulatory requirement). The purpose of this process is to minimise the level of site contamination that may be

generated throughout a project's operation while also minimising the level and extent of site contamination that will need to be addressed at site closure.

- A contaminated site or area can be defined as; '*An area that has substances present at above background concentrations that presents or has the potential to present a risk of harm to human health, the environment or any environmental value*'.
- Contamination may be present in soil, surface water or groundwater and also may affect air quality through releases of vapours or dust. Examples of typical contaminated areas within a mining/mineral processing project are spillages to soil/water of hydrocarbons and chemicals, and uncontained storage and spillages to soil/water of ores and concentrates. The process to assess and record the level of contamination basically involves a combination of visual (i.e. suspected contamination observed from spillages/releases) and soil/water/air sampling and testing (i.e. to confirm contaminant levels). Once the level of contamination is defined, the area's location and contamination details are then recorded within a site register.
- Remediation/clean up of contamination areas involves the collection and removal of the contaminated materials for treatment and appropriate disposal, or in some cases the in-situ treatment of the contaminated (e.g. use of bioremediation absorbents on hydrocarbon spillage). The other key component to the management of contaminated areas is to also remove or remedy the source of the contamination (e.g. place hydrocarbon storage and handling within secondary containment).

- **Environmental Protection and Management Plan** – The purpose of an operational Environmental Protection and Management Plan (EPMP) is to direct and coordinate the management of the project's environmental risks. The EPMP documents the establishment, resourcing and implementation of the project's environmental management programs. The site environmental performance is monitored and feedback from this monitoring is then utilised to revise and streamline the implementation of the EPMP.
- **Emergency Response Plan** – The IFC describes an emergency as 'an unplanned event when a project operation loses control, or could lose control, of a situation that may result in risks to human health, property, or the environment, either within the facility or in the local community'. Emergencies are of a scale that have operational wide impacts, and do not include small scale localised incidents that are covered under operational area specific management measures. Examples of an emergency for a mining/mineral processing project are events such as pit wall collapse, underground mine explosion, the failure of a TSF or a large scale spillage/discharge of hydrocarbons or chemicals. The recognised international industry practice for managing emergencies is for a project to develop and implement an Emergency Response Plan (ERP). The general elements of an ERP are:
-
- **Administration** – policy, purpose, distribution, definitions of potential site emergencies and organisational resources (including setting of roles and responsibilities).
- **Emergency response areas** – command centres, medical stations, muster and evacuation points.
- **Communication systems** – both internal and external communications.
- **Emergency response procedures** – work area specific procedures (including area specific training).
- **Checking and updating** – prepare checklists (role and action list and equipment checklist) and undertake regular reviews of the plan.
- **Business continuity and contingency** – options and processes for business recovery from an emergency.
- **Site Closure Planning and Rehabilitation** – The recognised international industry practice for managing site closure is to develop and implement an operational site closure planning process and document this through an operational Closure Plan. This operational closure planning process should include the following components:
- Identify all site closure stakeholders (e.g. government, employees, community etc.).

- Undertake stakeholder consultation to develop agreed site closure criteria and post operational land use.
- Maintain records of stakeholder consultation.
- Establish a site rehabilitation objective in line with the agreed post operational land use.
- Describe/define the site closure liabilities (i.e. determined against agreed closure criteria).
- Establish site closure management strategies and cost estimates (i.e. to address/reduce site closure liabilities).
- Establish a cost estimate and financial accrual process for site closure.
- Describe the post site closure monitoring activities/program (i.e. to demonstrate compliance with the rehabilitation objective/closure criteria).

SRK Report Distribution Record

Ref:	SHK191
Copy No:	Electronic
Date:	2013-7-25

Name/Title	Company	Copy #
Mr. Wijaya Lawrence – Chairman	PT. Wilton Wahana Indonesia	1

Approval Signature:

SRK Revision Record

Revision No.	Date	Revised By	Revision Details
The First Stage Report – Geology and Resource			
1	2012-03-15	Joanne Hanrahan (ver1)	Editing English
2	2012-03-16	Richard Kosacz (ver1,2)	Changes in Introduction and Exploration Sections, some additional editing
3	2012-03-19	Anson Xu (ver3)	Internal Peer Review
Final Stage – Full ITR			
4	2012-05-15	Muhui Huang	Consolidation and edits of the inputs from Jinhui Liu, Zhongxin Guo, Hong Gao and Yuanhai Li
5	2012-05-18	RK/PX/ZG (ver1A)	Input of resource, revision of reserve, and some global edits and comments
6	2012-05-21	MH/YL (ver1C/D)	Update risk assessment and environmental sections
7	20120-05-21	PX (ver1E)	Revised some geology figures
8	2012-05-22	YL (Ver1F)	Revised Permit section and OHS section based on input from Wilton
9	2012-05-22	ZG/HG and PX (1G/1H)	Deleted reserves, revised mining and processing sections, added processing summary
10	2012-05-23	RK and PX (1J)	Added geology risk and some edits in Summary
11	2012-05-23	GZ (1K)	Revised the Costs
12	2012-05-24	RK (1L)	Some edits
13	2012-05-24	PX (1M)	Format edits
14	2012-06-04	J Hanrahan	English edits
15	2012-06-05	AX/ZG/PX (1N)	Peer review and revision by AX, further revision by ZG and PX. Compilation following the English edits
1M	2012-06-07	M Warren	Peer Review
Ver 1	2012-06-08	P Xiao	Edits following peer review comments
Ver 2	2012-06-12	P Xiao	Edits following client's comments as agreed by Richard
Ver 2	2012-06-13	PX/RK/ZG/YL	Revisions after client's comments
Final Version	2012-07-23	PX/MH/RK	Revisions after client's comments
ITR Update in 2013			
Update	2013-04-12	Team	Revision on resources, mining, processing and environmental sections
Ver 2	2013-04-18	Y Sun	Peer review the executive summary, Chapters 1, 2, 3, 10, 12, 13 & 14.
	2013-04-27	MH/YL/AX	Revisions after client's comments
	2013-05-04	MH /AX	Revisions after client's comments
	2013-05-08	MH	Revisions after client's comments
Ver 2-sent	2013-05-28	FH/WZ/PX/YL/MH/AX	Revisions after AMC's comments and YS peer review
Ver 3	2013-05-31	WZ/PX	Rescheduled production plan and edits
Ver 4	2013-06-03	FL/PX	DCF model inputs
Ver 5	2013-06-04	PX	Table update and typo corrections
Ver 6	2013-06-08	AX/MH/PX	Update and edits after AMC communication
Ver 6.3	2013-06-13	JH	English Edit (partial: ES, 7, 9.3, 10.2/.6, 11.4/5, 16)
Final	2013-06-14	AX	Final modification
Final RevA mjw	2013-06-23	M Warren	Peer Review

Final RevB	2013-07-01	MH	Final modification on AMC' comments
Final 0722	2013-07-22	MH	Final modification on AMC' comments after circulation
Final 0725	2013-07-25	MH	Minor changes on OPEX table
Final 0725 rev1	2013-09-11	MH	Minor changes on OPEX table 13-4

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

INDEPENDENT EXPERT REPORT

VALUATION OF 100% INTEREST OF THE CIEMAS GOLD PROJECT

FIN1305119

VALUATION DATE

31 May 2013

Prepared by

Greater China Appraisal Limited

Room 2703-08, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong Tel:+852 2511 6868 Fax:+852 2511 6161
香港灣仔港灣道6-8號瑞安中心2703-08室 電話:+852 2511 6868 傳真:+852 2511 6161

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

CONTENT PAGE NO.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

26 September 2013

Board of Directors
Wilton Resources Holdings Pte.Ltd.
390 Havelock Road
#07-06 King's Centre
Singapore 169662

Attn: Mr. Wijaya Lawrence, Chairman

Dear Sirs / Madams,

At the request of the management of Wilton Resources Holdings Pte.Ltd. (the "Company" or the "Commissioning Entity"), Greater China Appraisal Limited ("GCA") was engaged to perform a valuation analysis pertaining to the Fair Market Value of the 100% interest in the Ciemas gold tenements listed below in the Regency of Sukabumi, West Java Province, Indonesia as at 31 May 2013 (the "Valuation Date"):

1. A mining area of 200 hectares ("ha") with IUP-OP number: 503.8/3106-BPPT/2012 held by P.T.Liektucha Ciemas ("LC");and
2. A mining area of 2,878.50 ha with IUP-OP number 503.8/7797-BPPT/2011 held by P.T. Wilton Wahana Indonesia ("WWI").

The above tenements are together referred to as the "Ciemas Gold Project" or the "Mineral Assets". Both LC and WWI will be 100% wholly owned by the Company upon the proposed restructuring[1]. Nine mineralized prospects consisting of Pasir Manggu West, Cibatu, Cikadu, Sekolah, Cigombong, Cileuweung, Cibak, Ciheulang and Japudali have been identified and were valued in this valuation.

Based on our analytical procedures, the applicable value range for the Ciemas Gold Project is from US$233,000,000 to US$367,000,000. We concluded that a reasonable estimate of the FAIR MARKET VALUE of 100% interest in the Ciemas Gold Project in cash or terms equivalent to cash, as at the Valuation Date of 31 May 2013 is US$341,000,000 (UNITED STATES DOLLARS THREE HUNDRED AND FOURTY ONE MILLION ONLY).

[1]The management of Wilton Resources Holdings Pte. Ltd.

Room 2703-08, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong Tel:+852 2511 6868 Fax:+852 2511 6161

The purpose of this Independent Expert Report ("IER") is to provide an independent third party opinion to facilitate the management of the Company in their determination of the Fair Market Value of 100%interest in the Ciemas Gold Project for a proposed acquisition (the "Proposed Acquisition") of the entire issued and paid-up share capital of the Company by Hartawan Holdings Limited ("Hartawan"), a Catalist listed company (stock code 5FU) on the Singapore Exchange ("SGX"). This valuation was performed subject to the key assumptions, limitations and general service conditions described in this report.

The users of this IER (the "Intended Users") are the management of the Company, the investors and potential investors of the Company and Hartawan, other entities involved in the Proposed Acquisition and the SGX. This IER is not to be copied or made available to any persons other than those indicated in this IER without the express written consent of GCA. Mr. John S. Dunlop (the "Expert") and the other professionals of the team (including Mr. Ferry S.F. Choy and Mr. Zheng Yang, Charlie) have no financial interest or contemplated financial interest in the property which is the subject of this IER. The fees for this valuation are based upon our normal hourly billing rates and are in no way contingent upon the results of the valuation.

This IER is neither a technical report nor a feasibility study. It only presents the data, assumptions, and methodology employed in developing the valuation opinion and contains information from the Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas, Sukabumi Region, Republic of Indonesia ("IQPR")[2] issued by SRK Consulting (China) Limited ("SRK") dated June 2013 and other documents available during our valuation process. Although enquiries of WWI have been made and data verification, where possible, has been undertaken, the Expert did not verify all data presented due to limitation on data availability and accessibility. For the purpose of this valuation, **the Expert has principally relied on and accepted the data and assumptions presented in the IQPR to formulate this valuation**.

It must be understood that the Ciemas Gold Project is in advanced

[2]SRK Consulting (China) Limited, "*Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas, Sukabumi Region, Republic of Indonesia*", June 2013

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

exploration to development stage and may have risks related to resources - Passir Manggu West, Cikadu, Cibatu and Sekolah, geo-technical, geo-Hydrology, underground Mining, processing, capital and operating costs and gold price. These risks are limited to those technical risks that GCA believes to have an impact on its valuation of the Ciemas Gold Project. The overall risk level of the Ciemas Gold Project is medium.

This report is prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (The "VALMIN Code"), prepared by the VALMIN Committee in 2005. The VALMIN Code provides a set of fundamental principles and supporting recommendations regarding good professional practice to assist those involved in the preparation of independent expert reports required for the assessment and/or valuation of Mineral and Petroleum Assets and Securities so that the resulting report will be reliable, thorough, understandable and include all the material information required by investors and their advisers when making investment decisions.

Sincerely,

Ferry S.F. Choy	**John S. Dunlop**
BSc (Q.Fin), CFA, CVA	*BE, MEngSc, PCertArb, FAusIMM(CP) FIMMM, MCIMM, MSME, MMICA*
Director	*Principal Mineral Representative*
	Independent Qualified Person

7

STATEMENT OF COMPETENCE

Mr. John S. Dunlop, (BE, MEngSc, PCertArb, FAusIMM(CP), FIMMM, MCIMMM, MSME, MMICA), is an Australian mining engineer, with Bachelors and Masters Degrees in Mining Engineering from the University of Melbourne. He has approximately 40 years of mining experience, surface and underground, in a variety of base metal and precious metal production and management situations.

A former BHP Billiton Mine Manager in both the Gulf and the Kimberleys, he then rose to the position of General Manager Operations with Aztec Mining in Perth. He worked as a freelance mining engineer and company director and conducted his own internationally active consulting group, from offices in North Queensland. He is also Chairman of Alliance Resources Ltd., Alkane Resources Ltd, the Mineral Industry Consultants Society (MICA) and is a Director of Copper Strike Ltd., and former director of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Dunlop is currently the Principal Mineral Representative of GCA.

Mr. Dunlop holds a certificate as a member and licensed mineral asset valuer issued by the Australasian Institute of Mineral Valuers & Appraisers (AIMVA).

In the context of the Ciemas Gold Project valuation, Mr. Dunlop is the Expert of the valuation. He recommended technical inputs to GCA's financial models for the mineral prospects that are categorised as Development Projects (as categorised in **Table 14-1** of this IER) of the Ciemas Gold Project. Mr. Dunlop also provided guidance on the other project component valuations included in this report i.e. the Comparable Transaction, Multiple of Past Expenditure and Yardstick valuations. Mr. John Dunlop takes overall professional responsibility for the preparation of the Ciemas Gold Project valuation and the contents of this IER.

Mr. Dunlop is an Independent Qualified Person under the definition by the SGX[3] for this valuation and is responsible for the overview of valuation of the Ciemas Gold Project. Mr. Dunlop reviewed the geology, mining and

[3]Singapore Exchange Listing Rule 442

processing, and resource estimates; and supervised the overall assessment of the technical aspects of the Ciemas Gold Project. Mr. Dunlop held discussions with the Company's management, technical personnel and consultants in Jakarta and also visited the Ciemas Gold Project site. Mr. Dunlop has appropriate experience in the style of mineralisation present at Ciemas.

Mr. Ferry S.F. Choy (BSc. Q.Fin, CFA, CVA) is a Certified Valuation Analyst (CVA) of The International Association of Consultants, Valuators and Analysts (IACVA), has extensive working experience in valuation industry. He started his career as an audit associate in PricewaterhouseCoopers Hong Kong and dedicated in valuation in past five years. The valuation services provided include business valuation, biological assets valuation, mining valuation and financial instrument valuation. Most of his clients were listed companies or large private companies looking for going public in Hong Kong and China. Currently, Mr. Choy is a Director of GCA.

In the context of the Ciemas Gold Project valuation, Mr. Choy supervised the valuation project and is responsible for developing the financial model, compiling the IER and overviewing the overall valuation.

Mr. Zheng Yang, Charlie (MFin, BCom Actuarial Studies, CVA) is a Certified Valuation Analyst (CVA) of The International Association of Consultants, Valuators and Analysts (IACVA), has extensive experience in corporate finance and mining, covering different types of minerals including gold, coal, iron ore, and other non-ferrous metals mining assets located in Australia, China and other countries worldwide. Mr. Yang is also undertaking a doctoral degree in mining economics. Mr. Yang is currently a Manager of GCA.

In the context of the Ciemas Gold Project valuation, Mr. Yang together with the team, has applied the valuation methodologies, developed the financial model based on the technical inputs advised by Mr. Dunlop and/or presented in the IQPR and compiled this IER. Mr. Yang has adequate knowledge in performing the above tasks and has worked under direct supervision of both Mr. Dunlop and Mr. Choy.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

STATEMENT OF COMPLIANCE

To the best of our knowledge, we have followed the VALMIN Code in this valuation in compliance with the Listing Rules of SGX. This statement is made in accordance with a requirement under the VALMIN Code.

Ferry S.F. Choy	**John S. Dunlop**
BSc (Q.Fin), CFA, CVA	*BE, MEngSc, PCertArb, FAusIMM(CP) FIMMM, MCIMM, MSME, MMICA*
Director	*Principal Mineral Representative*
	Independent Qualified Person

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

STATEMENT OF INDEPENDENCE

Neither GCA nor the Expert has any interest or entitlement in the securities or assets of the Commissioning Entity or its subsidiaries.

Independence means in this context that GCA and the Expert are able to satisfy any relevant legal tests of independence and are, and may be perceived to be, willing and able to undertake an impartial assessment and valuation and to prepare a valuation report that is free of bias. GCA and the Expert warrant that they do not have any pecuniary or beneficial interest in:

- The Commissioning Entity;
- Hartawan;
- The Mineral Assets that is the subject of the valuation; and
- The outcome of the valuation.

GCA will be paid a fee for this IER comprising its normal professional rates and reimbursable expenses. The fee is not contingent on the conclusions of this IER. Furthermore, the Expert and other professionals in the team have no present or prospective interest of the Ciemas Gold Project, no personal interest with respect to the parties involved, and no bias with respect to the mineral asset under the valuation of this report or to the parties involved with this engagement.

Ferry S.F. Choy	**John S. Dunlop**
BSc (Q.Fin), CFA, CVA	*BE, MEngSc, PCertArb, FAusIMM(CP) FIMMM, MCIMM, MSME, MMICA*
Director	*Principal Mineral Representative*
	Independent Qualified Person

11

1. SUMMARY OF SALIENT FACTS

Commissioning Entity	Wilton Resources Holdings Pte. Ltd. (the "Company"), a Singapore incorporated company, with head office at 390 Havelock Road, #07-06 King's Centre, Singapore 169662
Owner and Operator	The interest of the Ciemas gold tenements (including a mining area of 200 hectare ("ha") with IUP-OP number: 503.8/3106-BPPT/2012 held by LC and a mining area of 2,878.5 ha with IUP-OP number 503.8/7797-BPPT/2011 held by WWI) will be owned by the Company and both LC and WWI will be 100% owned by the Company through the proposed restructuring. Currently, 3% equity interests in WWI are conditionally held by Mr. Dulhalim Lemena and will be transferred to Mr. Wijaya Lawrence as nominee upon the proposed restructuring; a minority 5% shareholding of LC is conditionally held by Mr. Yusuf Hermawan Jatikusumo and will be transferred to Mr. Wijaya Lawrence as nominee upon the proposed restructuring[4]. WWI will be the operator of the Ciemas Gold Project. Mr. Wijaya Lawrence and his family owns a total of 40 ha land in the Ciemas Gold Project areas through deed with individuals in 2008 and 2009[5]. GCA is advised by the management of the Company, an additional 10ha of land has been acquired by Mr. Wijaya Lawrence in 2011 and 2012 (Appendix 4). Such land will be leased to WWI for the operation of the Ciemas Gold Project.
Mineral Assets Location	The Mineral Assets are located in the Regency of Sukabumi in West Java Province of Indonesia. It is approximately 200 km to the south of Jakarta and approximately 42 km to the Southeast of the coastal town of Pelabuhan Ratu city (Figure 5-4).

[4] The management of Wilton Resources Holdings Pte. Ltd.
[5] Hanafiah Ponggawa & Partners, "*Legal Due Diligence Report PT Liektucha Ciemas*", 31 October 2011

Mineral Assets Valued	The Ciemas gold tenements covered a total area of 3,078.5 ha or 30.785 km^2. The Ciemas Gold Project consists of nine mineralized prospects including: 1) Pasir Manggu (West, Middle and East) 2) Cibatu 3) Cikadu 4) Sekolah 5) Cigombong 6) Cileuweung 7) Cibak 8) Ciheulang and 9) Japudali Exploration has been undertaken on all nine potential mineralization prospects. The IQPR prepared by SRK reviewed the deposits of 1) Pasir Manggu West, 2) Cibatu, 3) Cikadu, and 4) Sekolah. A resource evaluation report[6] (the "RER") has been issued and covers all nine mineralization prospects. The most detailed exploration and evaluation have been undertaken mainly on Pasir Manggu (West), Cibatu, Cikadu and Sekolah and reserve estimations are available in the IQPR and more exploration work is required to improve the Mineral Resource estimation of these prospects to Ore Reserves. This valuation covers all nine mineralization prospects. It should be noted that in the case of Cibatu, Cikadu and Sekolah, the resources quoted in the IQPR and in the RER differ. Wherever resources presented in the IQPR have been adopted by GCA for this valuation in preference to those presented in the RER.
Purpose and Intended Users	The purpose of this valuation is to provide an independent third party opinion to facilitate the management of the Company in their determination of the Fair Market Value of the 100% interest of the Ciemas Gold Project for the Proposed Acquisition. The Intended Users of this IER are the management of the Company, the investors and potential investors of the Company and Hartawan, other entities involved in the Proposed Acquisition and the SGX.

[6] Professor Zhang ZhengWei PhD, "*Indonesia Ciemas Gold Project Resource Evaluation Report*", February 2012

Resource and Reserve Valued	According to SRK, the IQPR is prepared in compliance with Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves developed by The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, Minerals Council of Australia in December 2004 (the "JORC Code") and hence adopted the JORC Code definition of Mineral Resources and Ore Reserves. We rely on the IQPR to perform our valuation. Pasir Manggu (West), Cibatu, Cikadu and Sekolah of the Ciemas Gold Project reported a total Measured Mineral Resource of 101,000 tonnes ("t") at 1.0 grams per tonne ("g/t") gold ("Au") cut-off containing an average grade of 7.00g/t Au with a total of 23,000 ounces ("oz") of gold. A total Indicated Mineral Resource reported is 2,315,000t at 1.0g/t Au cut-off containing an average grade of 8.51g/t Au with a total of 633,000oz of gold. It also reported a total Inferred Mineral Resource of 1,937,000t at 1.0g/t Au cut-off containing an average grade of 8.36g/t Au and a total of 520,000oz of gold. Proved and Probable Reserves have also been estimated by SRK and reported in accordance with the JORC Code for the Pasir Manggu West, Cibatu, Cikadu and Sekolah deposits of the Ciemas Gold Project of: - Proved Reserve of 103,200t at an average grade of 5.89g/t Au with total of 19,500oz of gold. - Probable Reserve of 2,337,300t at an average grade of 7.16g/t Au with total of 537,800oz of gold at 1.69g/t Au cut-off.
Environmental and social considerations	There are several reports and documents addressing the environment and social aspects of the Ciemas Gold Project, which are listed in the relevant sections on the Environmental and Social issues in the IQPR.
Expert and other professional	1. **John S. Dunlop**, BE, MEngSc, PCertArb, FAusIMM(CP), FIMMM, MCIMM, MSME, MMICA is an Independent Qualified Person under the definition by the SGX[7]. 2. **Ferry S.F. Choy**, BSc (Q.Fin), CFA, CVA 3. **Zheng Yang, Charlie**, CVA
Specialists	1. SKR Consulting (China) Limited 2. Hanafiah Ponggawa & Partners
Stage of Exploration / Development	The Ciemas Gold Project comprises mineralised prospects that can be categorized into different levels of advancement under the VALMIN Code:

[7] Singapore Exchange Listing Rule 442

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

	1) Pasir Manggu, 2) Cibatu, 3) Cikadu and 4) Sekolah are categorised as Development Projects; 5) Cigombong and 6) Cileuweng are categorized as Advanced Exploration Areas; and 7) Cibak, 8) Ciheulang, 9) Japudali are categorised as Exploration Areas. The Company has decided to commence production from Pasir Manggu West, Cikadu, Cibatu and Sekolah deposits. A total capital expenditure ("CAPEX") of US$92.75 million ("M") has been estimated by SRK in the IQPR and has been budgeted by the Company for expenditure over the next two years. Due to continuous escalation of construction cost, a 25% increase to the IQPR estimated CAPEX was applied for the purpose of this valuation, resulting in a new CAPEX estimation of US$115.94M in Scenario 2 with approximately US$60M and US$56M to be spent in 2013 and 2014, respectively. The Company starts infrastructure construction in 2013 and expects production to commence in 2014.
Valuation Standard	The VALMIN Code (2005 Edition)
Standard of Value	Fair Market Value
Approaches	1. The Cost Approach (Prospectivity Enhancement Multiplier); 2. The Market Approach (Comparable Transactions Method, Yardstick Method); and 3. The Income Approach (Discounted Cash Flow Method)
Risk Factors	• Resources: Medium Risk • Geo-technical: Medium Risk • Geo-Hydrology: Medium Risk • Underground Mining: Medium Risk • Processing: Medium Risk • Capital Cost: Medium Risk • Operating Cost: Medium Risk • Gold Price: High Risk
Valuation Date	31 May 2013
Report Date	26 September 2013
Valuation Range	**US$233 - US$367 million**
Conclusion of Value	**US$341 million**

2. KEY ASSUMPTIONS AND LIMITATIONS

This valuation and the preparation of this report have been made based upon the following principal assumptions and limiting conditions.

- the Ciemas Gold Project consists of nine mineralised deposits and prospects within an area of 30 km^2 and this valuation includes all these prospects and the assessed general exploration potential of the project area;
- it is assumed that the legal description provided by Hanafiah Ponggawa & Partners ("HPRP") of the Ciemas Gold Project is correct and that the titles to and ownership of the Mineral Assets were free and clear of all liens as at the Valuation Date;
- the nature of the Ciemas Gold Project and the history of the operation from its inception will remain unchanged;
- information provided by others is believed to be reliable, as is information derived from publications, company and government reports;
- the Expert and other professionals, have undertaken a moderate level of verification of important information and data relied on, to assure themselves of its validity, but more than that is not a part of this valuation;
- the economic outlook in general and the specific economic and competitive elements affecting each segment of the industry are stable and in accordance with prediction;
- projected operation figures provided in the IQPR and other documents are assumed to be correct;
- gold price data are obtained from Bloomberg database and Kitco[8] and are assumed to be accurate;
- market conditions and status of companies engaged in similar nature of business remain unchanged;
- the Company and its subsidiaries are in full compliance with all applicable regulations and laws, unless the lack of compliance is stated, described, and considered in this IER; and
- the majority of the management team remains unchanged or the level of management expertise will be sustainable.

[8] http://www.kitco.com/

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

The Fair Market Value developed in this report, and the underlying projections and calculations developed to derive and support the estimate, are dependent on opinions and assumptions of the Expert. Reliance on this valuation is at the own risk of the readers and Intended Users. The liability of GCA is limited to that contained in the contractual agreement with the Company.

Due to the nature, international location, timing of the transactions, and the constraints of the schedule and budget for this valuation, GCA has relied on the IQPR issued by SRK for reporting the relevant technical issues, resources and reserves and a legal opinion letter from HPRP (who are considered to be the Specialist[9] of this valuation) for examining the status of the tenements for the purpose of this valuation.

The opinions expressed in this report are based on the information supplied to us by the Company, its staff and consultants, as well as from various institutes and government bureaus and have not been independently verified by GCA. Most information and advice related to this valuation have been provided by the Company's management. We have exercised all due care in reviewing the supplied information. Although we have compared key supplied data with expected values, the accuracy of the results and conclusions from the review is reliant on the accuracy of the supplied data. We have relied on this information and have no reason to believe that any material facts have been withheld, or that a more detailed analysis may reveal additional information. We do not accept responsibility for any errors or omissions in the supplied information and do not accept any consequential liability arising from commercial decision or actions resulting from them.

This valuation reflects facts and conditions existing at the Valuation Date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions. No responsibility is taken for the existence of any hazardous materials within or associated with the Mineral Assets valued. A hazardous materials inventory was not provided to the Expert.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

[9] Definition D10 of the VALMIN Code

3. INTRODUCTION

3.1 PURPOSE OF ENGAGEMENT

As aforementioned, the purpose of this particular engagement is to provide an independent third party opinion to facilitate the management of the Company in their determination of the Fair Market Value of 100% interest of the Ciemas Gold Project for the Proposed Acquisition on the SGX only.

3.2 INTENDED USERS

The users of this IER (the "Intended Users") are the management of the Company, the investors and potential investors of the Company and Hartawan, other entities involved in the Proposed Acquisition and the SGX. Many of these readers will not necessarily have a strong knowledge of the mining industry and relevant terminologies. The use of the information contained in this IER is at the users' own risk. GCA will not be liable for any loss or damage resulting from the use of these materials or the information contained in this IER. This IER is not to be copied or made available to any persons other than those indicated in this IER without the express written consent of GCA.

3.3 COMMISSIONING ENTITY

The commissioning entity is Wilton Resources Holdings Pte. Ltd. with the address of390 Havelock Road, #07-06 King's Centre, Singapore 169662.

3.4 STANDARD OF VALUATION

This IER is prepared under the VALMIN Code (2005 Edition). The standard of value for this report is Fair Market Value. According to the VALMIN Code, the Fair Market Value of a mineral asset is defined as:

> *"The amount of money (or the cash equivalent of some other consideration) determined by the Expert in accordance with the*

provisions of the VALMIN Code for which the Mineral or Petroleum Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion."

A preferred value will be selected as the most likely figure from within a range of values after taking account of risk and the possible variation in ore grade, metallurgical recovery, capital and operating costs, commodity prices, and exchange rates, etc.

According to the VALMIN Code,

"Value should be selected as the most likely figure from within a range after taking account of risks and the possible variation in ore grade, metallurgical recovery, capital and operating costs, commodity prices, exchange rates and the like."

Unless otherwise stated, value refers primarily to Fair Market Value in this IER.

3.5 VALUATION DATE

The valuation date for this valuation is as at 31 May 2013 (the "Valuation Date") and the report date of this valuation is as at 26 September 2013 (the "Report Date").

3.6 UNIQUE CIRCUMSTANCES

Every valuation contains unique aspects that have an impact on the valuation approach and methodologies considered and applied. In this valuation, the following unique facts and circumstances are specifically identified to inform the Intended Users of this report.

Special circumstances of relevance to mining projects or Mineral Assets can have a significant impact (both positive and negative) on value and modify valuations which might otherwise apply. These include:

- The Ciemas Gold Project consists of nine deposits or mineralized prospects including Pasir Manggu (West, Middle and East), Cibatu, Cikadu, Sekolah, Cigombong, Cileuweung, Cibak, Ciheulang and Japudali;
- Mineral Resources in accordance with the JORC Code have been estimated and reported by SRK at Pasir Manggu West, Cibatu, Cikadu and Sekolah deposit;
- A zero coupon interest free loan of US$12M from Hartawan was granted to the Company to facilitate and enhance the building of infrastructure for the extraction of gold ore and mining operations, and a flotation plant for the processing and production of gold at Ciemas[10];
- Similar interest free loan arrangement will be negotiated with Hartawan upon completion of the Proposed Acquisition for financing the remaining investment on the capital expenditure for the Ciemas Gold Project[11];
- Should the Proposed Acquisition not be proceeded, the Company will embark on IPO of the Ciemas Gold Project and seek pre-IPO investments through convertible bond arrangement on similar terms as those entered or will be entered with Hartawan;
- Working capital requirement is assumed to be similar to other local mining companies which information is provided by the management of WWI[12];
- Environmental risks can result in a project being subjected to extensive opposition, delays and possibly refusal of development approvals;
- Indigenous peoples/land rights issues arise when operations in areas subject to claims from indigenous peoples can experience prolonged delays, extended negotiations or veto;
- Country issues can have significant impact on the cost of development and operating costs and can have a major impact on perceived risk and sovereign risk; technical issues peculiar to an area or ore body such as geotechnical or hydrological conditions, or metallurgical difficulties could affect a project's economics.

[10]Hartawan Holdings Limited, announcement "*Hartawan Proposed to Buy Indonesian Gold Mining Group For S$300 Million*", 31 October 2011
[11]P.T. Wilton Wahana Indonesia, Management Letter, 21 July 2012
[12]P.T. Wilton Wahana Indonesia, Management Letter, 21 July 2012

3.7 MINERAL ASSETS

The Ciemas gold tenements covered an area of 3,078.5 ha or 30.785 km^2 and are located in the Regency of Sukabumi in West Java Province of Indonesia. The Ciemas Gold Project is categorized as a Development Project by the VALMIN Code and the Company has decided to develop the Ciemas Gold Project based on the currently identified resources. The Company starts infrastructure construction in 2013 and expects production to commence in 2014.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

4. SCOPE OF VALUATION

4.1 SCOPE OF WORK PERFORMED

The valuation performed is a valuation of Fair Market Value and is reported in compliance with the VALMIN Code and Listing Rules of SGX (the "Listing Rules"). The report has been written in a narrative form designed for a wide range of readers with different experience with the mining industry.

The Fair Market Value estimate presented in this report is based on market evidence, economic conditions, forward looking trends and political conditions as at the Valuation Date. The value estimate is valid only on the Valuation Date stated in this report.

The Fair Market Value estimation developed in this report, and the underlying projections and calculations developed to derive and support the estimate, are dependent on opinions and assumptions of the Expert. Reliance on this valuation is at the own risk of the readers and Intended Users. The liability of GCA is limited to that contained in the contractual agreement with the Company.

4.2 SOURCES OF INFORMATION

The information that was utilized and relied upon, without independent verification, in preparing this report are listed and described as follows:

- In completing this valuation, we have principally relied on the IQPR[13] issued by SRK dated June 2013 where information included in the IQPR conflicts with information in other documents, GCA has utilised the information in the IQPR;
- *Independent Technical Review of the Ciemas Gold Project, Ciemas, Sukabumi Region Republic of Indonesia* issued by SRK dated May 2012. This report has been replaced by the IQPR;
- Independent Internal Report of the Ciemas Gold Project prepared by PT Asia Sejati Industri in February 2013 was reviewed;

[13] SRK Consulting (China) Limited, "*Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas, Sukabumi Region, Republic of Indonesia*", June 2013

- *Gold Ore Characterization From PT. Asia Sejati Industri And Processing Test Using Gravity Concentration, Cyanidation and CIL Adsorption Methods by* Research And Technology Development Center Mineral And Coal;
- *Flotation Test Report of Ciemas Gold Project - PT. Wilton Wahana Indonesia* by Research And Technology Development Center Mineral And Coal dated March 2013;
- Both Chinese original report and English translation script of Indonesia Ciemas Gold Mine Pasir Manggu West Mining Concept Design (印度尼西亚金马石(Ciemas)金矿田普穗蒙古矿段井下开采初步设计说明书) dated March 2012, Indonesia Ciemas Gold Mine Sekolah-Cibatu Mining Concept Design (印度尼西亚金马石(Ciemas)金矿田 SEKOLAH-CIBATU 矿段井下开采初步设计说明书) dated April 2012, and Indonesia Ciemas Gold Mine Cikadu Mining Concept Design (印度尼西亚金马石(Ciemas)金矿田 CIKADU 矿段井下开采初步设计说明书) dated April 2012 by Henan Metallurgical Planning and Design Institute Co. Ltd (河南省冶金规划设计研究院有限公司);
- Both original Chinese report and English translation of Indonesia Ciemas Gold Project Feasibility Study (印尼金马石金矿田开发利用可行性研究报告) dated March 2012 by Shangdong Gold Group Yantai Design & Research Engineering Co. Ltd (山东黄金集团烟台设计研究工程有限公司);
- Both original Chinese report and English translation of Indonesia Ciemas Gold Project Geological Evaluation Report (印尼金马石金矿田地质评价报告) dated 19 February 2012 by Prof. Zhang ("Zhang Z. (February 2012)");
- Indonesia Ciemas Gold Project Processing Feasibility Study (印尼金马石(Ciemas)金矿选矿可行性研究报告) dated March 2012 by Shangdong Gold Group Yantai Design &Research Engineering Co. Ltd (山东黄金集团烟台设计研究工程有限公司);
- Petrology Report on 74 samples from Ciemas, Indonesia for P.T. Meekatharra Minerals ("Meekatharra") by Kingston Morrison Mineral Services dated 1997 by Lawless J.V.and L.A.Paterson;
- Ciemas Prospect – West Java Indonesia; Geological Evaluation Study dated December 2007 by J.M. Nassey;
- Legal Due Diligence Report P.T. Liektucha Ciemas dated 31 October 2011 by Hanafiah Ponggawa & Partners and Legal Due Diligence Report P.T.Wilton Wahana Indonesia dated 31 October

2011 by Hanafiah Ponggawa & Partners (together referred to as "Legal Due Diligence Reports by HPRP (31 Oct 2011)");

- Memo to Mr. Wijaya Lawrence, P.T. Wilton Wahana Indonesia;
- GCA has relied upon publicly available information from sources on capital markets, including industry reports, various databases of publicly traded companies and news;
- GCA has made reference to the SGX-ST Listing Manual Amendments- Listing Rules for mineral, oil and gas companies by the SGX in February 2011;
- In developing its valuation, GCA has relied upon certain information (financial and other information) furnished by others that are believed to be reliable, accurate and complete;
- Information gathered in person through the communication with site managers, mining engineers and geologists of the Company during GCA's site visit;
- The Expert and other professionals visited the Company office and had meetings with senior management including the CEO of the Company to collect and, where possible, verify data relied upon. At that time, interviews with senior management were conducted, and follow-up communications were conducted by phone, emails and other means;
- Certain information from the "Ciemas Gold Project" presentation delivered by the management of the Company during the site visit and its transcript;
- List of expenditures incurred up to the Valuation Date on the exploration and related work for the Ciemas Gold Project provided by the Company;
- Management Letter from P.T. Wilton Wahana Indonesia dated 21 July 2012; and
- Other information provided by the Company including "Responses to Clarifications Sought by GCA re the IQPR".

4.3 DATA VERIFICATION

The Expert and other professionals, have undertaken a limited level of verification of important information and data relied upon, to assure themselves of its validity, but beyond that data verification is not a part of this investigation. GCA has relied on the technical information presented in the IQPR and information provided by the management of the Company. It is not

GCA's responsibility to validate the technical information of the Mineral Assets. GCA assumes that all information and data supplied by WWI and its representatives and used in this IER is accurate, complete and appropriate.

4.4 SITE VISIT

Mr. Dunlop, Mr. Choy and Mr. Yang have visited the WWI's Jakarta office and the Ciemas Gold Project area between 16 and 19 June 2013.

During this site visit, discussions were held with technical and management staff and consultants at site and in the Company's office in Jakarta. The locations of selected prospects, a number of the historical drill holes and recent verification holes, drilled under the management of SRK, and the core shed were visited; selected portions of drill core from SRK verification drill holes were inspected. Resources, reserves, mining, processing and other technical issues were reviewed and discussed, various legal, geological, metallurgical and infrastructural documents were reviewed, an introduction of the Ciemas Gold Project was given by Mr. Wijaya Lawrence and a question-and-answer sessions were held after the site inspection in the client's Jakarta office.

---------------------------- CONTINUED ON NEXT PAGE ----------------------------

Figure 4-1 Core Shed at Ciemas

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

The Jakarta office and Ciemas Gold Project site visit undertaken by GCA is considered to be appropriate for the purpose of this IER. GCA will primarily rely on information provided in the IQPR (augmented by information gathered and/or confirmed during the site visit) in the preparation of this IER.

4.5 PREVIOUS VALUATIONS

GCA has been commissioned by the Company and performed a valuation of the Ciemas Gold Project dated 18 June 2012. The conclusion of value was US$335M.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

5 MINERAL ASSET INFORMATION

5.1 OWNERSHIP AND PARTIES

The interest of the Ciemas Gold Project includes a mining area of 200 ha with IUP-OP number: 503.8/3106-BPPT/2012 held by LC[14] and a mining area of 2,878.50 ha with IUP-OP number 503.8/7797-BPPT/2011 held by WWI[15]. Both LC and WWI will be 100% held by the Company upon the completion of proposed restructuring. Mr. Wijaya Lawrence is the owner of 40 ha of the land through deed with several individual 283,508 m^2 of land has been purchased (Appendix 4). The land acquired is a part of the mining area.

Wilton Resources Holdings Pte Ltd (the "Company")

The Company is an investment holding company incorporated in Singapore on 21 October 2011. It is principally engaged in the investment and operation of the Ciemas Gold Project through its subsidiaries. It is engaged in the exploration and development of gold mines as well as mining, milling, processing and production of gold. As at the Valuation Date, Mr. Wijaya Lawrence and Mr. Ngiam Mia Je Patrick owned 60% and 40% of the issued and paid-up capital of the Company respectively[16].

P.T. Wilton Wahana Indonesia Limited ("WWI")

WWI is an Indonesian company incorporated on 21 June 2000 and is currently 97% held by Mr. Wijaya Lawrence and 3% owned by Mr. Dulhalim Lemena[17]. GCA is advised by the management of the Company that the 3% share will be transferred to Mr. Wijaya Lawrence to hold as nominee upon restructuring. WWI is engaged in the exploration and development of gold mines. It will also be involved in mining, milling and processing once the Ciemas Gold Project is developed. WWI aims to start production of gold in the Ciemas Gold Project outlined in the Production Operation Mining Business Permit IUP-OP number 503.8/7797-BPPT/2011 issued on 5

[14] Hanafiah Ponggawa & Partners, "*Legal Due Diligence Report PT Liektucha Ciemas*", 31 October 2011
[15] Hanafiah Ponggawa & Partners, "*Legal Due Diligence Report PT Wilton Wahana Indonesia*", 31 October 2011
[16] The management of Wilton Resources Holdings Pte. Ltd.
[17] Hanafiah Ponggawa & Partners, "*Legal Due Diligence Report PT Wilton Wahana Indonesia*", 31 October 2011

October 2011 and will expire on 7 September 2030.

P.T.Liektucha Ciemas ("LC")

LC is an Indonesian company established on 14 November 1996 and is currently owned 95% by WWI and 5% by an individual Mr. Yusuf Hermawan Jatikusumo[18]. GCA is advised by the management of the Company that the 5% share will be transferred to Mr. Wijaya Lawrence to hold as nominee upon restructuring. LC is entitled to carry out mining and production operations at the Ciemas Gold Project through Production Operation Mining Business Permit IUP-OP number: 503.8/1747-BPPT/2010 issued on 9 March 2010 and will expire on 4 January 2013. GCA is advised by the management of the Company (and its presentation) that there is a renewed license (IUP-OP number: 503.8/3106-BPPT/2012) issued on 8 May 2012 (Appendix 3) that will expire on 4 January 2028 supporting the business of LC.

Hartawan Holdings Limited ("Hartawan")

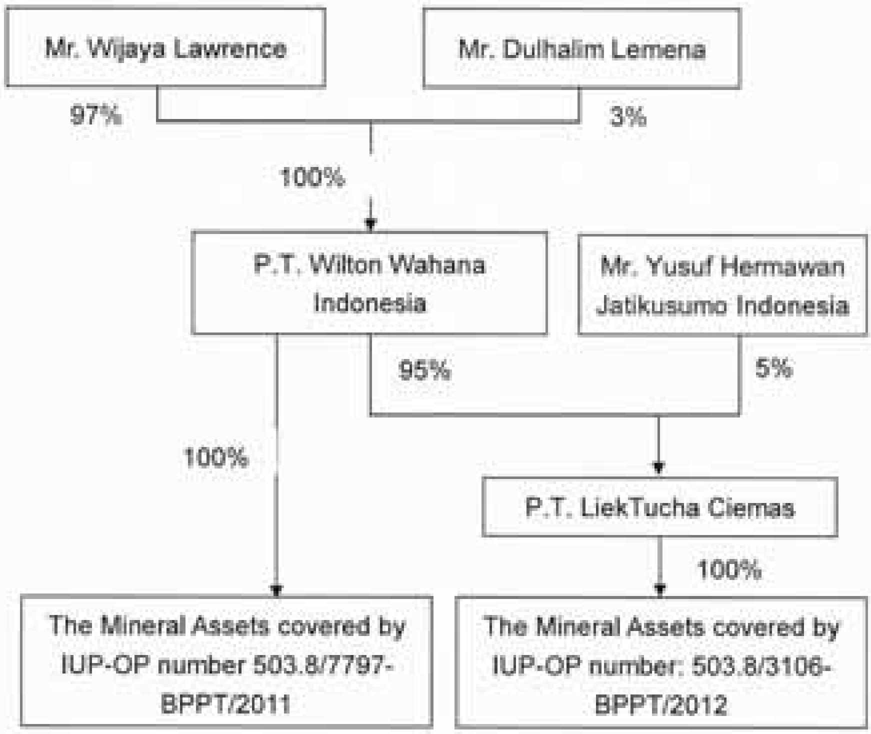
Hartawan is a property management and leasing, and hospitality company listed on Catalist of SGX (Stock Code: 5FU.SG). Hartawan was incorporated in Singapore on 30 January 2003. Hartawan currently owns and charters out one container and eight cargo vessels. It provides crew and equipment, technical operation and ship navigation support to charterers. Hartawan has a supporting business in property leasing and management, which leases and manages 13 properties in Singapore. These properties are used for a variety of purpose, including dormitories, hostels, warehouses, offices, retail and hotel[19].

The Diagram below illustrates the current shareholding structure of the Ciemas Gold Project before the restructuring.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

[18]Hanafiah Ponggawa & Partners, "*Legal Due Diligence Report PT Liektucha Ciemas*", 31 October 2011
[19]SGX, "Hartawan Background", http://www.sgx.com/wps/portal/sgxweb/home/stock_search_results, 2 August 2012

Figure 5-1 Existing holding structure of the Ciemas Gold Project



The proposed acquisition of the Ciemas Gold Project

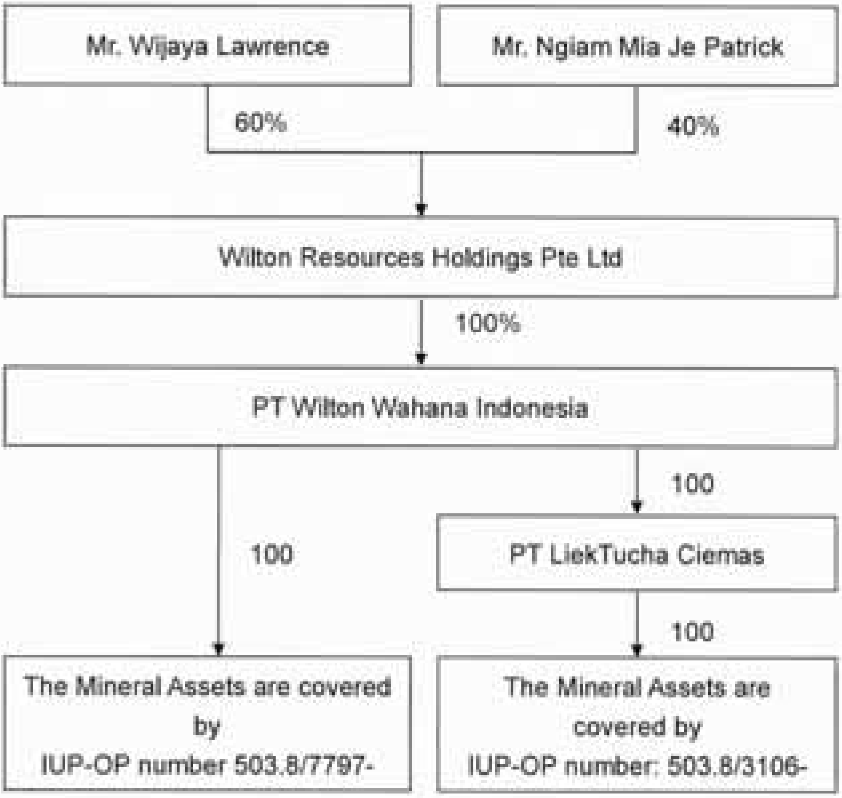
Hartawan has reached an agreement with the board of the Company to acquire the Company and effectively the Ciemas Gold Project through the Proposed Acquisition. On 29 October 2011, Hartawan entered into a conditional sales and purchase agreement with Mr. Wijaya Lawrence and Mr. Ngiam Mia Je Patrick to acquire a 100% stake in the Company for a total consideration of S$300 million[20].

The diagram below illustrates the proposed shareholding structure of the Ciemas Gold Project after the restructuring.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

[20]Hartawan Holdings Limited, announcement *"Hartawan Proposed to Buy Indonesia Gold Mining Group for S$300 Million"*, 31 October 2011

Figure 5-2 Proposed holding structure of the Ciemas Gold Project

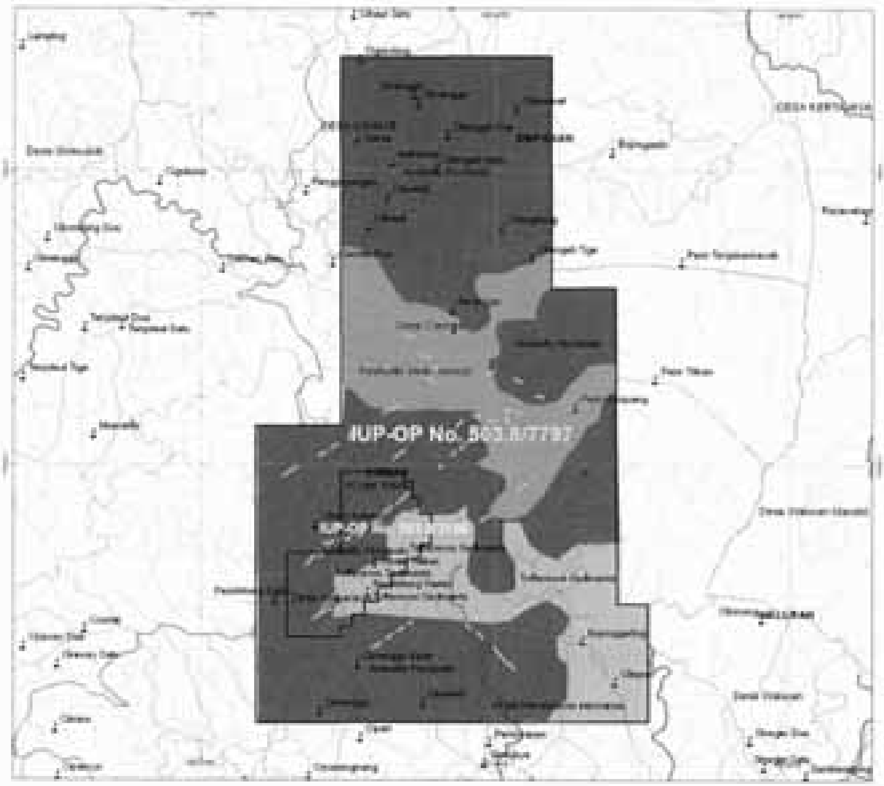


5.2 THE MINERAL ASSETS

The Ciemas Gold Project covers a total of 3,078.5 ha located in the Regency of Sukabumi in West Java Province of Indonesia. It is approximately 200 km to the south of Jakarta and approximately 42 km to the Southeast of Pelabuhan Ratu city.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

Figure 5-3 Map of the Ciemas Gold Mine Site



Source: SRK Consulting (China) Limited, Figure 5-1 of the "Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas, Sukabumi Region, Republic of Indonesia", June 2013

5.3 <u>TENEMENTS</u>

The interest of the Ciemas gold tenements (including a mining area of 200ha with IUP-OP number: 503.8/3106-BPPT/2012 held by LC and a mining area of 2,878.5 ha with IUP-OP number 503.8/7797-BPPT/2011 held by WWI) are effectively owned by the Company. Both LC and WWI will be ultimately 100% subsidiaries of the Company.

GCA has not undertaken any legal due diligence or audit on the status of Company's tenements and has relied on the tenement information provided in the report by Zhang Z. (February 2012), Legal Due Diligence Report by HPRP (31 October 2011), the IQPR prepared by SRK, the legal opinion letter from HPRP (June 2013) and other documents supplied by the management of the Company. The Company has advised that the Ciemas

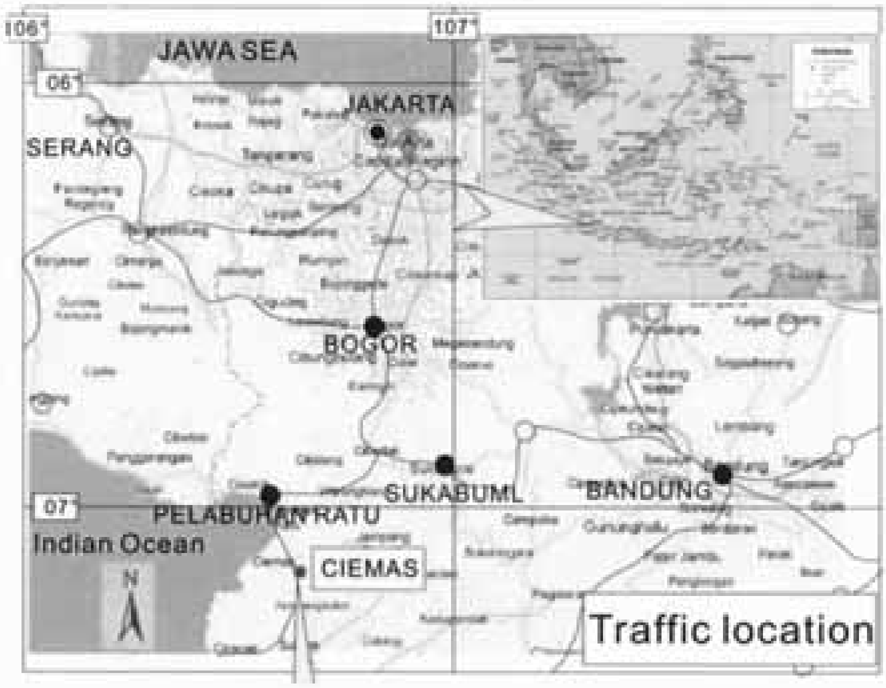
Gold Project tenements are in good standing.

According to the Legal Due Diligence Report by HPRP (31 October 2011), Mr. Wijaya Lawrence owned a total of 40 ha land in the Ciemas Gold Project areas through various purchases and deed with individuals in 2008 and 2009. GCA is advised by the management of the company that an additional 283,508 m^2 of land was acquired by Mr. Wijaya Lawrence in 2011 and 2012 (Appendix 4). The Zhang Z.(2012) report also indicates the ownership of approximately 50 ha of perpetual lands in the Ciemas Gold Project area. GCA is advised by the management of the Company that such land will be leased to WWI for the operation of the Ciemas Gold Project.

5.4 LOCATION

The Ciemas Gold Project is located in the Regency of Sukabumi in West Java Province of Indonesia. It is approximately 200 km to the south of Jakarta and approximately 42 km to the Southeast of Pelabuhan Ratu city.

Figure 5-4 Location of the Ciemas Gold Project



GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

5.5 ACCESSIBILITY

Road access to the Ciemas Gold Project from Jakarta is by highway to Bogor and then by good quality sealed road via Pelabuhan Ratu city to the Ciemas Gold Project area. The local topography is moderately steep and rugged. Access roads are available to provide basic access to all nine mineralised prospects of the Ciemas Gold Project from Pelabuhan Ratu city. There is also a helipad at site that has been used to accommodate small size helicopters.

The road journey by car from Jakarta to Pelabuhan Ratu city takes approximately three and a half hours and one and a half hours from Pelabuhan Ratu city to the Ciemas Gold Project area. Jakarta is connected by regular commercial flights from other major cities in Indonesia as well as Singapore, Kuala Lumpur, Sydney, Hong Kong, Beijing and many major international and regional cities.

Figure 5-5 Roads to The Mine Site and Concrete Fences

5.6 TOPOGRAPHY AND CLIMATE

The Ciemas Gold Project area is characterised by a tropical climate and moderately to occasionally steep undulating topography; elevations ranging from 380metres ("m") to 760m above sea level. Annual temperatures range from 18° to 28° centigrade and annual rainfall is about 4m, most of which falls between November and April.

A detailed regional description of the Ciemas Gold Project including location, accessibility, topography, climate, economics and infrastructure can be found in "Regional Description" section on page 9 to 10 of the IQPR.

5.7 INFRASTRUCTURE

The area is relatively underdeveloped with the main industry consisting of farming; the main crops include tea, rubber and cloves.

A large power station and dock are constructed at the coastal town of Pelabuhan Ratu city. GCA is advised by the management of the Company that a state grid with 1,600 kilovolt ampere ("KVA") power has been supplied to the Ciemas area and the electricity supply is believed to be relatively stable.

A detailed description of the infrastructure of the Ciemas Gold Project can be found in "Infrastructure and Facilities" section on page 81 of the IQPR.

5.8 EXPLORATION AND EVALUATION HISTORY

Gold was initially discovered in the Ciemas area in 1888 by Dutch explorers and was subsequently explored by the Dutch at various times up to about 1957. From the mid-1980s a number of companies undertook detailed evaluation, including some drill testing of prospects within the Ciemas Gold Project. This work has been reported in limited detail in the reports by Nassey (2007) and Zhang (2012). No historical exploration reports have been provided to GCA. Summary details below were extracted from Nassey (2007) and Zhang (2012) but its veracity has not been independently determined by GCA.

It should be noted that the historical resource estimates included in the summary bullet points below are provided for information purposes only as they would not conform to the JORC Code. The database of information on which these estimates are based on and the resource estimation methodologies employed are unknown.

- 1987 – Parry Corporation explored the area then held as KPs 771 and 855 with most work concentrated on a gold anomaly at the Pasir Manggu. Work undertaken reportedly consisted of geological mapping, geochemical surveying, costean excavation and diamond drilling. Reported exploration expenditure totalled some US$3.5M (Nassey 2007). Parry estimated a resource totalling 187,000t averaging 5.46g/t Au, at Pasir Manggu West.
- 1992 – P.T. Terrex Resources Indonesia ("Terrex") apparently identified six deposits and estimated resources, using a lower cut-off grade of 1g/t Au, totalling 385,700t at 6.88g/t Au and 23.9g/t silver ("Ag"). Although not stated, it is implied that this resource was for the Pasir Manggu West deposit. No Terrex expenditure details are available.
- 1996 – 1998 - Meekatharra undertook follow-up exploration of KPs 771 and 855 which included geological mapping, geochemical sampling, and geophysical surveys as well as reverse circulation percussion ("RCP") and diamond drilling ("DDH"). Total expenditure was reported as US$5.5M (Nassey 2007).
- 1997 – P.T. LiekTucha Ciemas undertook an evaluation of the Pasir Manggu deposit based on the resource estimated by Parry Corporation. No expenditure data for this work is available.
- 2006 – 2007 – Lingbao Gold of China undertook a further evaluation of the Pasir Manggu West deposit with an expenditure of approximately US$1.0M(Nassey 2007).

Since acquiring the Ciemas Gold Project in 2008, WWI has funded a variety of technical studies largely undertaken by a number of Chinese technical groups. In particularly Prof. Zhang compiled a digital database of the available historical drilling, costeaning, pitting and other technical information from hard copies of plans and cross-sections (not all historical exploration reports were available) generated by Meekatharra and Terrex. Prof. Zhang also undertook an overall geological evaluation of the Ciemas Gold Project and completed resource estimates for each of the nine known prospects using the UNFC resource code.

The digital database of historical information compiled by Prof. Zhang has formed the basis for subsequent scoping studies by the Chinese technical groups and the IQPR produced by SRK. SRK designed and supervised the drilling initially nine DDH and then a further eight of DDH core holes to confirm certain historical drilling (please refer to the IQPR for details) and estimated Mineral Resources and Ore Reserves at the Passir Manggu West, Cibatu, Cikadu and Sekolah deposit and reported in accordance with the JORC Code.

The history of the Ciemas Gold Project is also described in the "Background and Briefing" section on page 1 of the IQPR.

The database of historical information and the resource and reserve categories generated from the available database is summarised in **Table 5-1** below.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Table 5-1 Historical Exploration Database

Prospect	Drilling	DDH/RCP Hole Spacing	Costeans / Pits	Resource Categories: Zhang (2012)	SRK (2012)	SRK (2013)
Pasir Manggu West	74 DDH (559 samples with a total length at 533.77m); 64 RCP (653 samples with a total length at 650.10m); 16 Trench/Pits (23 samples with a total length at 25.01m)	20 x 20m	20 / 16	UNFC 331, UNFC 332, UNFC 333	JORC Measured, Indicated and Inferred Resources and Proved and Probable Reserves	JORC Measured, Indicated and Inferred Resources and Proved and Probable Reserves
Pasir Manggu Middle	1 DDH (79.7m); 16 RCP (780m); 620 Auger (6,200m)	-	5 / 38			
Pasir Manggu East	4 DDH (381m); 17 RCP (326m); 630 Auger (6,300m)	40 x 40m	39 / 8			
Cibatu + Cikadu + Sekolah	108 DDH (978 samples with a total length at 954.12m); 43 RCP (451 samples with a total length at 448.64m); 101 Trench/Pits (850 samples with a total length at 824.54m)	40 x 40m	15 / 33	UNFC 332, UNFC 333	UNFC 332, UNFC 333	JORC Indicated and Inferred Resources and Probable Reserves
Ciheulang	770 Auger (7,700m)		7 / -	UNFC 334		
Cigombong	3 RCP (152m); 600 Auger (6,000m)		21 / -	UNFC 333, UNFC 334		
Cibak	660 Auger (6,600m)		15 / -	UNFC 333, UNFC 334		
Cileuweung	22 PDH (660m)		25 / -	UNFC 333, UNFC 334		
Cipirit Porphyry Target)	8 DDH (2,996m); 66 PDH (198m); 778 Auger (7,800m)		40 / -	'Estimated'		
Japudali	7,498 Auger (74,980m)		45 / -			

Notes:

SRK supervised drilling in 2012 were excluded – trenches and pits were not used in the SRK resource estimates

DDH – Diamond drill holes

RCP – Reverse Circulation Percussion holes (prefixed by RCH in records)

PDH – Percussion Drill Holes

Auger – hand auger holes drilled to 10m depth (prefixed by HDH in records)

------------------------------- CONTINUED ON NEXT PAGE -------------------------------

Figure 5-6 Cigombong-Chileuweung Porphyry Target

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

6 GEOLOGY AND MINERALIZATION

Southern Java, where the Ciemas Gold Project is located, is underlain by Tertiary volcanic and intrusive units consisting of basic to intermediate volcanics, marine clastic and volcanic lastic sediments, intruded by younger intermediate to acidic porphyries.

The area is characterised by a sequence of northeast and northwest trending faults which appear to be the primary control to mineralisation in the Ciemas area:

- The northeast trending faults and fractures appear to be the main structures hosting vein-style precious metal mineralisation which typically occurs as brecciated chalcedonic veins containing pyrite, arsenopyrite as well as lesser amounts of galena and sphalerite. Alteration zones up to several meters in width (consisting of pervasive silicification, clay alteration and disseminated pyrite grading outwards to chorite-pyrite alteration) commonly occur adjacent to the mineralized veins.
- The northwest trending mineralized veins are generally similar to the northeast trending veins, but also frequently contain chalcopyrite.

In addition to the above, there are series of less common north-south and east-west mineralized veins.

The known vein-style precious metal mineralisation within the Ciemas Gold Project is typically hosted within andesitic volcanics and tuffaceous breccias as well as within porphyritic dacite. The volcanic breccias typically consist of angular to sub-angular porphyritic pyroxene andesite fragments.

In addition to the vein-hosted precious metal mineralization, there is potential that larger tonnage porphyry-style mineralization may be present at a prospect in the northern part of the Ciemas Gold Project. At this prospect a large exposure of argillically altered quartz dacite porphyry is present and illegal miners are currently extracting gold from siliceous veins (known as the Cigombong and Cileuweung prospects) from this area.

Copper, lead, zinc mineralization, in the form of massive sulphide veins, are present at a number of prospects and evidenced by current local mining activity, indicating these almost certainly contain significant gold values.

Zhang (2012) estimated UNFC 334 category resources at Cileuweung, Cibak, Ciheulang and Japudali prospects and also included a potential tonnage and grade for the porphyry system below the Cigombong-Cileuweung veins systems. This latter estimate appears to have been derived from a March 2008 memo by J. Nassey. The UNFC 334 category resources and the estimate for the porphyry prospect are of a conceptual nature and therefore are only representative of overall exploration potential. Consequently, the tonnages and grades are not included in this report.

Details on the stratigraphy, tectonics, ore bodies and ore type can be found in the "Geological Description" section on page 14 to 24 of the IQPR.

------------------------------- CONTINUED ON NEXT PAGE -------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

7 EXPLORATION RESULTS AND POTENTIAL

Details of the exploration results, mineral resources, ore reserves, and exploration potentials can be found in the "Exploration, Data Verification, Resource Estimation" section on page 25 to 46 of the IQPR.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

8 MINERAL RESOURCES AND ORE RESERVES

8.1 STANDARDS AND DEFINITIONS

The initial resource estimates, on which part of the current valuation is based have been undertaken by Prof. Zhang and conform to the UNFC which was adopted by the People's Republic of China in 1999.

For the purposes of the Proposed Acquisition, SRK were appointed and made a Mineral Resource estimate and subsequent an Ore Reserve estimate and reported in accordance with the JORC Code for Pasir Manggu, Cibatu, Cikadu and Sekolah deposits.

The SRK reserve and resource estimates, and the basis on which they have been determined, are provided in the IQPR.

Australasian JORC Code (2004 edition)[21]

A mineral resource is defined in the JORC Code as:

"A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction."

Resources are subdivided into Measured, Indicated or Inferred according to the degree of geological confidence.

- A Measured Resource is one which has been intersected and tested by drill holes or other sampling procedures at locations which are close enough to confirm continuity and where geoscientific data are reliably known.
- An Indicated Resource is one which has been sampled by drill holes or other sampling procedures at locations too widely spaced to ensure continuity, but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable level of reliability.

[21] The JORC Code 2012 edition will replace the 2004 edition from 1 January 2014

- An Inferred Resource is one where geoscientific evidence from drill holes or other sampling procedures is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.

An ore reserve is defined in the Australasian JORC Code as:

"The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified."

Under the Australasian JORC Code, Inferred Resources are deemed to be too poorly delineated to be transferred into a reserve category.

For the purposes of this valuation, GCA has relied upon and utilized the JORC Code classification of Mineral Resources and Ore Reserves and as provided by SRK as well as the capital and operating cost estimates as presented by SRK in the IQPR.

8.2 RESOURCE AND RESERVE ESTIMATION

Reserves and resources, at varying confidence levels, have been outlined in the IQPR and Zhang (2012) at other deposits and prospects within the Ciemas Gold Project as follows:

- Pasir Manggu West
  - Proved and Probable Reserve (from Measured and Indicated Resource) in accordance with the JORC Code estimated and reported by SRK
  - Inferred Resource reported in accordance with the JORC Code
- Cikadu, Cibatu and Sekolah
  - Probable Reserve (from Indicated Resource) estimated and reported by SRK in accordance with the JORC Code
  - Inferred Resource reported in accordance with the JORC Code
- Cigombong and Cileuweung

- UNFC 333 category resources

The various resources considered in GCA's valuation, in decreasing levels of confidence, are summarized on **Table 8-1** below.

It should be noted that in the case of Cibatu, Cikadu and Sekolah, the resources quoted in Prof. Zhang's report and in the IQPR differ. Wherever resources presented in the IQPR have been adopted by GCA for this valuation in preference to those presented in Prof. Zhang's report.

Table 8-1 Reserves and Resources at the Ciemas Gold Project Deposits

Location	Category	Tonnes (Kt)	Grade (g/t Au)	Metal (Koz Au)
Pasir Manggu West	Proved Ore Reserve	103.2	5.89	19.5
	Probable Ore Reserve	455.8	6.59	96.5
	Ore Reserve Subtotal	**559.0**	**6.46**	**116.0**
	Inferred Mineral Resources	157	4.03	20
Cikadu	Probable Ore Reserve	843.8	7.34	199.0
	Inferred Mineral Resource	493	9.66	153
Sekolah	Probable Ore Reserve	433.2	7.85	109.4
	Inferred Mineral Resource	500	9.43	152
Cibatu	Probable Ore Reserve	604.5	6.83	132.8
	Inferred Mineral Resource	786	7.72	195
Total	**Proved and Probable Ore Reserve**	**2,440.5**	**7.10**	**557.3**
	Inferred Mineral Resource	**1,937**	**8.36**	**520**

Note: 1g/t Au cut-off grade for Resources and 1.48g/t Au cut-off grade for Reserves.

Source: Table 10-8 of the IQPR. This is correct as of 31 May 2013. GCA believes there has been no change to the figures as at the Valuation Date.

For the purposes of this valuation, GCA has accepted the Ore Reserve and Mineral Resource figures reported in the IQPR.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

9 MINING AND PROCESSING OPERATIONS

9.1 MINING

SRK completed Mineral Resources and Ore Reserves estimations and reported in the IQPR dated June 2013 for Pasir Manggu West, Cibatu, Cikadu and Sekolah deposits shown in **Table 8-1** above.

It is these four deposits that form the basis for the proposed Ciemas mine development.

9.1.a. Mine Life Analysis

Several recent studies to assess the potential of developing a mining and processing operation have been completed for the Ciemas Gold Project:

- In March 2012 Shandong Gold Group Yantai Design Research Engineering Co., Limited ("Shandong") completed a Chinese Feasibility Study under the Chinese design code. Both open pit and underground mining were proposed, and the nominal annual ore production rate was 900,000 tonnes per annum ("tpa") equivalent to 3,000tpd of oxide and primary ore from Pasir Manggu West, Cikadu, Cibatu and Sekolah deposits based on 300 work days per annum. A shrinkage mining method was proposed for all the underground deposits.
- In March and April 2012 Henan Metallurgical Planning and Design Institute Co., Limited completed three separate Preliminary Mine Designs for each of Pasir Manggu West, Cikadu, Cibatu and Sekolah deposits under the Chinese design code. Underground mining only was proposed for all the deposits, and the proposed underground mining method was a shrinkage mining method. Combined ore production rate was 2,400tpd or 600,000tpa.
- SRK was commissioned to re-estimate the Mineral Resources and Ore Reserves and reported in accordance with the JORC Code. In the IQPR, SRK recommended a 1,500tpd production rate. Based on the IQPR, mine life is approximately six years at an ore production rate of 450,000tpa. The mine life has been based on the Ore Reserves reported in accordance with the JORC Code as of 31 May 2013.

It is noted that many aspects of the mine design in the IQPR are at conceptual design levels, and it is recommended that further work to be undertaken to improve the accuracy of the mine life forecast.

For example, there is still the possibility that the mining method and ore processing flowsheet may change, as outlined below:

9.1.b. Proposed Mining and Processing Operation

The IQPR (the parameters of which are relied upon by GCA for the present valuation) assumed an overhand shrinkage mining method for the four deposits. SRK suggested further analysis of this mining method and a comparison with cut and fill mining, which would result in higher mining costs but commensurately higher ore recovery. Open pit mining is understood to be also under possible additional consideration.

Similarly, there would appear to be a case for a "whole ore leach" processing approach, as opposed to the currently preferred "flotation and leach of float concentrate" processing route.

Details on the mining aspect can be found in the "Mining Assessment" section on page 48 to 63 of the IQPR.

9.2 PROCESSING

9.2.a. Background

In 2010 the Company, through WWI, has carried out a preliminary flotation test on a single bulk sample of ore from the Pasir Manggu West deposit in the Ciemas district. Gold recovery of 76% to flotation concentrate containing 69g/t Au (weighted average grade of three concentrates) was achieved in the test from a sample grade of 24.5g/t Au. Subsequently, in March 2013, additional tests were carried out and reported on four additional bulk samples obtained from Pasir Manggu West deposit.

In 2012, Shandong designed a processing plant, comprising crushing, grinding, gravity concentration using jigs and shaking tables, flotation of a gold concentrate, and dewatering of the gravity and flotation concentrates.

9.2.b.Testwork

Details on the results of the metallurgical testwork can be found in the "Mineral Processing Assessment" section on page 64 to 77 of the IQPR.

9.2.c. Proposed Plant Description

Plant designs of 300tpd and 3,000tpd were completed by Shandong. The designs were based on a flowsheet which included crushing and grinding, gravity separation using jigs and tables, second stage grinding, flotation and dewatering of concentrates and tailings. The results of the cyanidation testwork described above indicate that this process, universally used for gold production, may be able to be applied to the ore.

SRK recommends in the IQPR that the Company should update the feasibility study and consider the introduction of cyanidation (either carbon in pulp(CIP) or carbon in leach (CIL)) technology.

Details on the proposed ore processing flowsheet can be found in the "Mineral Processing Assessment" section on page 64 to 76 of the IQPR.

9.3 PRODUCTION FORECAST

The production schedules shown in **Table 9-1** were extracted from the IQPR which based on the daily ore production rate of 1,500tpd and 300 working days per year. It is planned to mine and mill around 450,000t of ore per annum for around seven years. Under the SRK mine plan, all four deposits in the current mine plan will be mined via underground mining, with ores being processed as mined.

Table 9-1 Production Schedule Extracted from the IQPR

Mine Name		Total	Year 1	2	3	4	5	6
Pasir Manggu	Ore (kt)	559	80	120	120	120	119	
	Au (g/t)	6.46	6.46	6.46	6.46	6.46	6.46	
Cikadu	Ore (kt)	844	130	150	150	150	150	114
	Au (g/t)	7.34	7.34	7.34	7.34	7.34	7.34	7.34
Cibatu	Ore (kt)	605	80	105	105	105	105	105
	Au (g/t)	6.83	6.83	6.83	6.83	6.83	6.83	6.83
Sekolah	Ore (kt)	433	70	75	75	75	75	63
	Au (g/t)	7.85	7.85	7.85	7.85	7.85	7.85	7.85
Subtotal Cibatu-Sekolah	Ore (kt)	1038	150	180	180	180	180	168
	Au (g/t)	7.26	7.31	7.26	7.26	7.26	7.26	7.21
Total	Ore (kt)	2441	360	450	450	450	449	282
	Au (g/t)	7.1	7.13	7.07	7.07	7.07	7.07	7.26

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

10 ENVIRONMENTAL CONSIDERATIONS

A detailed regional description of the environmental considerations and other issues of the Ciemas Gold Project can be found in "Environmental and Social Assessment" section on page 82 to 87 of the IQPR.

Other than those issues discussed in the IQPR, no significant environmental issues have been brought to GCA's attention either during the site visit or during the document inspection.

GCA has observed indigenous people reside in the Ciemas Gold Project area and some small-scale indigenous mining activity is currently being undertaken. GCA has been advised by the Company's management that relocation of these indigenous people will be undertaken and that appropriate compensation arrangements in the form of monetary payment or its equivalent (such as future employment) will be implemented in accordance with local government guidelines. No resistance from local residence of the Ciemas Gold Project was observed during the site visit.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

11 RISKS

Although mining is relatively high risk industry, risk levels generally decrease as a mining project advances in stages. The Ciemas Gold Project is still in advanced exploration to development stage and the risks are outlined below in Table 11-1. These risks are limited to those technical risks that GCA believes to have an impact on its valuation of the Ciemas Gold Project and in particular on the discounted cash flow valuation of the proposed mine development.

11.1 RISK ASSESSMENT

Table 11-1 Risk Assessment

Risk Component	Comments
Resources - Passir Manggu West, Cikadu, Cibatu and Sekolah *Medium Risk*	Resources at Passir Manggu West, Cikadu, Cibatu and Sekolah deposits have been defined by SRK and reported in accordance with the JORC Code. Additional quality assurance and quality control ("QA/QC") on historical drill data for which the resources are based on may be necessary though the SRK verification drill holes all duplicated the earlier findings to an adequate level. The resources could have been subdivided into oxide, transition and primary categories to address the difference of each category in metallurgical characteristics and likely gold recovery parameters.
Geo-technical *Medium Risk*	A detailed geotechnical study is yet to be carried out for the Ciemas Gold Project. GCA observed relatively sound ground conditions in ore zones and adjacent hanging and footwall when inspecting some of the drill cores during the site visit in June 2013. In case of additional ground support requirements for the mine development and underground ore mining, productivities could be reduced and/or costs could be increased. GCA is of the opinion that this risk can be mitigated by carrying out a detailed geotechnical study and then installing adequate dewatering capacity in the mine. In addition, the management of mine water and ore process plant tailings will need to be managed carefully so as to ensure stabilisation of water quality for any water discharge from the mining area.
Geo-Hydrology *Medium Risk*	A detailed geo-hydrology study is yet to be carried out for the Ciemas Gold Project. Unexpected groundwater ingress was identified and rated as a medium risk by SRK in the IQPR, and most of the orebodies occur below the water table. If the Ciemas Gold Project encounters more underground water than is expected, it could possibly impact both the mine construction and ore production. GCA is of the opinion that this risk can be mitigated by carrying out a detailed hydrology study.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Risk Component	Comments
Underground Mining *Medium Risk*	SRK identified a number of medium risks for the mining operation in the IQPR, including significant production shortfall, poor ground conditions, and significant geological structures. GCA considers that a potential shortage of local skilled labour, especially in the areas of shaft sinking and handheld mining is a risk to the Ciemas Gold Project. This risk might be mitigated by employing appropriate numbers of expatriate trainers and operators during the mine construction and initial mine production phase.
Processing *Medium Risk*	A processing route for the Ciemas Gold Project has been selected on the basis of limited process testwork. A more comprehensive series of testwork can be performed to enable the optimum process route for Ciemas ore to be defined. Despite this, the processing route options are all proven and effective.
Capital Cost *Medium Risk*	While the estimating methodology used to arrive at the current SRK's forecast of US$92.75M in the IQPR is considered generally reasonable and appropriate, GCA is of the opinion that sufficient contingency allowance may be necessary when considering that the cost estimate was based on a conceptual mine design. Mine closure cost and salvage value for the project are yet to be estimated. For these reasons, additional CAPEX was applied in GCA's valuation.
Operating Cost *Medium Risk*	Mine operating costs have been essentially based on the selected underground mining methods and SRK's experiences elsewhere, and they appear reasonable. GCA considers the risk in large mining cost escalation is low given an additional OPEX was applied in GCA's valuation.
Gold Price *High Risk*	Commodity prices are always volatile. Volatility in the gold price will cause direct effect on the valuation. Different gold price assumptions has been modeled and assessed in the scenarios to analyse the impact of gold price to the value conclusion. Should the valuation be taken at a different date with a different spot price, the value conclusion might be higher or lower.

Readers should also consider the additional areas of risk identified in its IQPR.

11.2 RISK MITIGATION MEASURES

There are a number of factors which combine to reduce some of the risks identified above. Principal amongst these are:

- The style of mineralization at the Ciemas deposits is reasonably well understood and there is potential to increase the resources at each of the known deposits and discover additional resources within the project tenements;

52

- Non JORC-compliant resources have been excluded from the production forecasts in the IQPR as well as GCA's production schedules adopted in the DCF models;
- The Cigombong - Cileuweung porphyry target was tested by 8 DDH drilled by Meekatharra and intersected significant widths of copper and gold mineralization; there is good potential that further drill testing could define a significant deposit;
- The proposed mining methods are well understood and appear suitable for the high-grade vein-style of mineralization of the current potential mining inventory;
- Additional 25% increase in CAPEX estimated by SRK was applied in this valuation to account for the possible increase in construction cost;
- Additional US$24 increase in OPEX estimated by SRK was applied in this valuation to account for the possible increase in the cost during mining, processing and other production procedures;
- Further potential exists for optimization of the processing route to improve gold recovery;
- The processing route will probably use conventional technology which is well understood and generally utilized in the mining industry;
- Water management and solid sediment run-off risks can be managed by ensuring adequate dam catchment, with commensurate settling and purification measures; and
- Spot price scenario reflecting the possibility of a hedge of 50% of the gold production at a price approximately US$100/oz above spot is considered to be realistically achievable in any event and would ordinarily be done as advised by the Company.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

12 ECONOMIC ANALYSIS

12.1 COUNTRY ANALYSIS

Indonesia is one of the largest countries in Southeast Asia. It is located between the Indian Ocean and the Pacific Ocean and consists of more than 13,000 islands. Parts of the country are mountainous terrains covered with rain forests and swamps. Jakarta is the capital of Indonesia. Indonesia declared its independence on 17 August 1945 and the Netherlands agreed to transfer sovereignty in 1949. Bahasa Indonesian is the official language in Indonesia and Javanese are the most widely spoken languages. 88% of the Indonesians population is Muslim. It has a very large trading environment, with several countries ranging in products from gas to textiles. 22% of its population lives below poverty line[22].

Figure 12-1 Map of West Java, Indonesia

[22] CIA, The World Fact Book

54

Indonesia is considered to be a republic with Roman-Dutch law based legal rules and regulations. The constitution of Indonesia was abrogated by Federal Constitution in 1949 and Provisional Constitution abrogated in 1950 and was restored on 5 July 1959.

President and Vice President of Indonesia are determined by elections every 5-years by direct vote of the citizens. The last elections were held on 8 July 2009 and Susilo Bambang YUDHOYONO was elected as the President. The next elections are due to be held in July 2014. The Cabinet is also appointed by the president and consequently following the July 2014 elections. A stable Indonesian government is anticipated.

The most important framework for corporate governance in Indonesia is the Indonesian Company Law of 1995. Under this Company Law, a company is a separate legal entity with directors and commissioners represent the company. Every company must register their Memorandum of Act under this Company Law[23].

12.2 ECONOMIC ANALYSIS

Indonesia is considered to be a developing country and Southeast Asia's biggest economy. Due to the government policies and the endowment of national resources, rapid GDP growth increase has been witnessed over the last few years. Indonesia has experienced strong economic expansion since recovering from the Asian financial crisis in 1997. GDP growth in Indonesia edged up moderately to 6.5% in 2011, from 6.2% in 2010. Indonesia achieved another year of 6%-plus growth in 2012, despite falling exports. Sluggish external demand combined with stronger domestic demand to shift the current account into deficit. Inflation fell to a 12-year low. Growth in gross domestic product (GDP) is forecast to quicken in the next 2 years. Near-term challenges are to manage risks associated with the current account deficit and keep inflation moderate[24].

[23] Incorporation of Company Law in Indonesia
[24] Asia Development Bank, April, 2013 "Asian Development Outlook 2013 – Indonesia", http://www.adb.org/countries/indonesia/economy

Economic Performance

Indonesia's economic growth in the fourth quarter 2012 was still going strong, although it was slower than the previous quarter. Indonesia's economic growth in 2012 reached 6.23%. Good economic growth was supported by quite strong domestic demand. Consumption and investment performance still grew strong during this quarter, though it was moderate compared with the previous period. Export performance began to show improvement in line with the economic recovery in some major trading partner countries. Imports recorded a high growth along with the strong domestic demand. Looking ahead, for the whole of 2013, economic growth is expected to reach the range of 6.3% - 6.8%. Economic growth is forecast to pick up to 6.4% this year and 6.6% in 2014, underpinned by robust private consumption, the improving investment performance, and a gradual pickup in world trade. Growth of 6.6%, projected for 2014, would be the highest in 15 years[25].

Table 12-1 Selected Economic Indicators of Indonesia

Selected Economic Indicators (%) - Indonesia	2013	2014
GDP growth	6.4	6.6
Inflation	5.2	4.7
Current account balance (share of GDP)	-2.3	-1.8

Source: Asia Development Bank

Mining Industry

Mining industry is playing an important role in Indonesia economy but experiencing a mixed performance in 2012. Realized foreign direct investment (FDI) surged by 26.1% to US$23.6 billion, nearly half into manufacturing and 17% into mining (the data exclude investment in oil and gas). However, mining output was lackluster, showing growth of just 1.5%, largely a result of declining crude oil extraction. Oil production fell by 42,000 barrels a day to 860,000 barrels a day last year, the outcome of aging oil fields and low investment over many years. (A decade ago production was more than 1.1 million barrels a day.) [26]

---

[25] Bank Indonesia, 5 January, 2013, "*QUARTERLY ANALYSIS: The Progress of Monetary, Banking and Payment System*",
http://www.bi.go.id/web/en/Publikasi/Jurnal+Ekonomi/bemp_1513.htm

[26] Asia Development Bank, April, 2013 "Asian Development Outlook 2013 – Indonesia", http://www.adb.org/countries/indonesia/economy

Inflation

The good harvest, lower global food prices, and the postponement of increases in government-controlled fuel prices brought down inflation to an average of 4.3% in 2012, the lowest in 12 years. Inflation generally has trended down over recent years, reflecting the adoption of inflation targeting in 2005 and improved management of supply-side price pressures through an official inflation task force. Food prices started to edge up late in 2012.

Inflation is forecast to average 5.2% in 2013, rising since last year because of a 15% increase in electricity tariffs, the depreciation of the rupiah, and a boost in minimum wages. Inflation in 2014 is expected to average 4.7%, taking into account base effects from the pickup this year. These forecasts assume the government does not raise fuel prices in 2013 or 2014. Inflation would be higher if fuel prices were increased to ease the high cost to the budget of fuel subsidies or if food supplies are disrupted by bad weather.

Inflation within Bank Indonesia's target range of 3.5%–5.5% suggests that monetary policy will be accommodative to economic growth. If the government were to increase fuel prices, the central bank might need to quickly lift the policy rate to dampen inflationary expectations and bolster market confidence. Nevertheless, bank lending interest rates will likely stay relatively low this year and stimulate credit growth[27].

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

[27] Asia Development Bank, 2013 "ADO 2013 – Indonesia",
http://www.adb.org/sites/default/files/ado2013-indonesia.pdf

13 VALUATION APPROACHES AND METHODS

13.1 STANDARDS AND PROCEDURES

This IER has been prepared in compliance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports - The VALMIN Code 2005 Edition, which has been adopted by the Australasian Institute of Mining and Metallurgy, The Australian Institute of Geoscientists and the Mineral Industry Consultants Association. As far as practical, Mineral Resources and Ore Reserves quoted in this report conform to the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves -the JORC Code. Where Mineral Resource figures are referred to that either pre-date or for other reasons in GCA's opinion, do not comply with the JORC Code, this is clearly stated.

13.2 GENERAL PRINCIPLES OF VALUATION

The Fair Market Value of a property as stated in the VALMIN Code (Definition 43) is:

> *"the amount of money (or cash equivalent of some other consideration) that an asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an arms-length transaction, with each party acting knowledgeably, prudently and without compulsion. "*

13.3 VALUATION APPROACHES AND METHODOLOGIES

There is no single method of valuation which is appropriate for all situations. Rather, there are a variety of valuation methods, all of which have some merits and are more or less applicable depending on the circumstances.

The three generally accepted valuation approaches, namely the cost approach, the market approach and the income approach must be considered and discussed.

13.3.a. The Cost Approach

The cost approach is based on the principle of contribution to value. The Appraised Value method is one commonly used method where exploration expenditures are analysed for their contribution to the exploration potential of the mineral security.

13.3.b. The Market Approach

The market approach to mineral asset valuation is based primarily on the principle of competition. The mineral security being valued is compared with the transaction value of similar mineral assets, transacted in an open market. Methods include Comparable Transactions and Option or Farm-in Agreement Terms analysis.

13.3.c. The Income Approach

The income approach is based upon the economic principle of anticipation (sometimes also called the principle of expectation). In the income approach, the value of the mineral assets is the income or cash flow generation potential of the mineral asset.

In any valuation analysis, all three approaches must be considered, and the approach or approaches deemed the most relevant will then be selected for use in the Fair Market Value analysis of the mineral asset or security. All the methods under the three approaches will be discussed and, for unsuitable methods, reasons are provided. Conclusion will be drawn as to which methods are to be adopted in this valuation.

13.4 <u>APPLICATION OF VALUATION METHODOLOGIES</u>

13.4.a. Application

The application of valuation approaches are determined primarily by the stage of development of the mineral asset. **Table13-1** below sets out the possible approaches for each of the different components of the Ciemas Gold Project.

GCA PROFESSIONAL SERVICES GROUP
漢 華 專 業 服 務 集 團

Table 13-1 Applicable Valuation Approach Based on Different Stages of Mining Operation

Mineralised Assets Stage	Mineralised Assets	Valuation Approach: Cost Approach	Market Approach	Income Approach
Exploration Areas Properties where mineralization may or may not have been identified, resources have not been identified.	Cibak Ciheulang Japudali	YES	YES	NO
Advanced Exploration Areas Considerable exploration has been undertaken and specific targets have been identified, that may or may not have resource.	Cigombong Cileuweung	SOME CASES	YES	SOME CASES
Pre-Development Projects Resources have been identified but decision to proceed with development has not been made.		SOME CASES	YES	SOME CASES
Development Projects Development decision has been made but production has not been commissioned yet.	Pasir Manggu West Cibatu Cikadu Sekolah	NO	YES	YES
Production Mines Mineral Assets that have been commissioned and are in production.		NO	YES	YES

13.4.b. Primary Methods

The *discounted cash flow* or net present value method is generally regarded as the most appropriate primary valuation tool for operating mines or mining projects close to development where the capital and operating costs are well defined and the likely revenue can be estimated with some degree of confidence. The development component of the Ciemas Gold Project has been primarily valued using this method.

Valuing properties at the exploration stage where ore reserves, mining and processing methods, and capital and operating costs, are yet to be fully defined, involves the application of alternative methods. The methods generally applied to exploration properties are the *related transaction* or real estate method, the value indicated by *alternative offers* or by *joint venture terms*, and the *past expenditure* method. *Rules of thumb or yardstick values* based on certain industry ratios can be used for both mining and exploration properties. Under appropriate circumstances, values indicated by *stock market valuation* should be taken into account as should any *previous independent valuations* of the property or *comparable transactions*.

A significant degree of caution should be adopted when considering the resulting valuation of exploration projects as the valuations are frequently time and circumstance specific and the valuations can change (often significantly) as circumstances change. In addition, each of the methods applicable to the valuation of exploration projects involves the input of a number of subjective factors and consequently different valuation practitioners can arrive at significantly different valuations.

13.4.c. Alternative Valuation Methods

Related or Comparable Transactions

Of relevance to the valuation of projects and tenements is the price paid in recent comparable transactions. The difficulty in utilising this method is in determining to what extent the property or transaction is indeed comparable, unless the transactions involve the specific parties, projects or tenements under review. There can also be substantial change in value with time. An underlying assumption when using the Comparable Transaction methodology is that the transaction terms were linked to the metal prices (and foreign exchange) at the time of the transaction. Therefore, to compare any project transaction with the Ciemas Gold Project, it is necessary to establish what the likely transaction value would have been at the metal prices being used with respect to the Ciemas Gold Project.

This is accomplished by applying a 'normalising factor' to the transaction parameters which in this case is derived by dividing the gold price used for the current valuation (i.e. US$1,412/oz of gold) by the gold price at the date of the transaction being considered:

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Normalising factor = US$1,412/US$ gold price at the date of the comparable transaction

Rules of Thumb or Yardsticks

Certain industry ratios are commonly applied to derive an approximate indication of value. The most commonly used ratios are dollars per ounce of gold in resources, dollars per ounce of gold in reserves, and dollars per ounce of annual production. The ratios used commonly cover a substantial range which is generally attributed to the 'quality' of the ounces in question. Low cost ounces are clearly worth more than high cost ounces. Where a project has substantial future potential not yet reflected in the quoted resources or reserves, a ratio towards the high end of the range may be justified. Such ratios can be used to provide an overall guide to value, but are subject to a significant degree of interpretation and are less precise than the NPV method. This method is far less commonly used for other commodities.

Market Valuation

In the case of a one project company or a company with one major asset, the market capitalisation clearly gives some guide to the value that the market places on that asset at that point in time. Commonly, however companies usually have several projects at various stages of development, together with a range of assets and liabilities, and in such cases it is difficult to define the value of individual projects in terms of the share price and market capitalisation.

Past Expenditure

Past expenditure, or the amount spent on exploration of a tenement is commonly used as a guide in determining the value of exploration tenements, and 'deemed expenditure' is frequently the basis of joint venture agreements. The assumption is that well directed exploration has added value to the property. This is not always the case and exploration can also downgrade a property and therefore a 'prospectivity enhancement multiplier'

("PEM"), which commonly ranges from 0.5-3.0, is applied to the effective expenditure. The selection of the appropriate multiplier is a matter of experience and judgment but is obviously highly subjective. To eliminate some of the subjectivity with respect to this method, except in exceptional circumstances, GCA utilised the following PEM ranges to establish the Ciemas Gold Project value based on the prior exploration expenditure:

Table 13-2 PEM Factor Description

PEM Factor	Description
PEM 0.5 – 0.9	Previous exploration indicates the area has limited potential and its prospectivity may have been downgraded by the prior exploration.
PEM 1.0 – 1.4	The existing (historical and/or current) data consists of pre-drilling exploration and the results are sufficiently encouraging to warrant further exploration.
PEM 1.5 – 1.9	The prospect contains one or more defined significant targets warranting additional exploration.
PEM 2.0 – 2.4	The prospect has one or more targets with significant drill hole intersections.
PEM 2.5 – 2.9	Exploration is well advanced and infill drilling is required to define or up-grade a resource such that a reserve can be estimated.
PEM 3.0	A resource has been defined but a pre-feasibility study has not been recently completed.

Some valuation practitioners also take into account of the proposed exploration expenditure for the next phase of exploration in developing an overall project valuation using this method. In GCA's view, there is a variety of potential outcomes from the next phase of exploration which is not known at the time of valuation. These include enhancing, diminishing or entirely negating further prospectivity of the project concerned. Consequently we do not believe it is appropriate to include the proposed budget amount when undertaking valuations using this method.

Alternative Offers and Joint Venture Terms

If discussions have been held with other parties and offers have been made on the project or tenements under review, then these values are certainly relevant and worthy of consideration and can be used in establishing a value of the project. Similarly, joint venture terms where one party pays to acquire an interest in a project and/or spends exploration funds in order to earn an interest provide an indication of the project's value.

14 METHODS APPLIED

14.1 OVERVIEW

Based on the difference in development stage, GCA has valued the Ciemas Gold Project using differing valuation methodologies to various components of the Ciemas Gold Project as summarised in **Table 14-1** below. The valuation methodologies and principles outlined in Section 13 have been applied to the Ciemas Gold Project tenements as at the Valuation Date of 31 May 2013.

GCA has adopted various combinations of the valuation methodologies to establish value ranges for the Ciemas Gold Project as at the Valuation Date. The valuation methods employed are:

- the Multiple of Past Expenditure method of the exploration potential;
- the Comparable Transaction Method of the entire project;
- DCF valuation of the development component; and
- Yardstick Method valuation to value resources not included in the various DCF cases.

The following project components and applicable valuation methodologies utilised by GCA are shown in **Table 14-1** below.

Table 14-1 Applicable Valuation Methodologies

	Project Component	Applicable Valuation Methodologies	Comments
1	Entire Ciemas Gold Project	Comparable Transactions	
2	Passir Manggu West, Cikadu, Cibatu and Sekolah JORC Reserves as per IQPR	Discounted Cash Flow	Net Present Value ("NPV") Scenario 1
3	Passir Manggu West, Cikadu, Cibatu and Sekolah JORC Reserves as per IQPR	Discounted Cash Flow (addition production life)	NPV Scenario 2, 3 and 4 using GCA factored tonnes
4	Regional Exploration Potential	Multiple of Past Expenditure	Partly overlaps with 5.
5	Resources not included in the various DCF cases	Yardstick	Included in, not additional to the above

The value of the Ciemas Gold Project is obtained by adding together the value of the relevant composition of entire project (except for Comparable Transaction Method which values the project as a whole).

14.2 COST APPROACH

14.2.a Multiple of Expenditures Method

The Multiple of Exploration Expenditure Method is considered an appropriate method to value those components of the Ciemas Gold Project that have not been valued by the discounted cash flow methodology. Therefore, it is applied to the valuation of five mineralized prospects namely Cigombong, Cileuweung, Cibak, Ciheulang and Japudali (and includes the overall exploration potential of the Ciemas Gold Project tenements) for the following reasons:

- The expenses incurred on the five prospects of the Ciemas Gold Project can be obtained and reliably estimated;
- The method reflects the value attributed to exploration results of the Ciemas Gold Project; and
- This method is commonly used in the industry to value mineral assets in the exploration stage.

To accomplish this, it is necessary to allocate both the available historical expenditure (i.e. prior to the Company's purchase of the Ciemas Gold Project in 2008) and also the Company's expenditure to both the development component and to the other exploration undertaken within the Ciemas Gold Project tenements.

A Geological Evaluation Study by Jonathan Nassey in 2007 includes Exploration expenditure details by three prior explorers; Parry Corporation Limited (1987), Meekatharra (1996 to 1998) and Lingbao Gold (2006 to 2007).

In allocating the historical and the Company's expenditures to various components of the Ciemas Gold Project, GCA took the following into consideration:

- The majority of useful historical exploration, particularly drilling and the costean sampling, were undertaken by Meekatharra which also recorded results from exploration by previous explorers on sections and plans.

- The available historical database was compiled by Prof. Zhang on behalf of WWI into a digital database which was subsequently used by SRK to establish the tonnages and grades reported in the IQPR.
- Prof. Zhang compiled a detailed report on the geology and mineralization of the Ciemas Gold Project which has been utilized by both SRK for the IQPR and GCA in the preparation of this IER.
- GCA has taken into consideration the lack of historical reports and other documentation in respect of determining the percentage of prior company expenditure that has been considered as 'attributable' expenditure.
- Terrex Resources NL in 1992 and P.T. Liek Tucha in 1997 also carried out work on the Ciemas Gold Project but no expenditure data for these companies were available.

The exploration and evaluation expenditures have been subjectively allocated to the various components of the Ciemas Gold Project as shown on **Table 14-2**.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Table 14-2 Allocation of Historical and Exploration Expenditures

Historical Expenditures -Source J Nassey 2007				Attributable Expenditure (excludes Component valued by DCF)			
				Development Project		Regional Prospects	
Date		US$ M	Comments/ Area of Activity	Percentage	US$M	Percentage	US$M
1987	Parry Corporation	3.50	Pasir Manggu West resource estimate	30%	1.05	0%	0.00
1996 - 98	P.T. Meekatharra Minerals	5.50	Regional and prospect scale exploration including 22 holes	60%	3.30	40%	2.20
2006 - 07	Lingbao Gold	1.00	Mining study on Pasir Manggu West	15%	0.15	0	0
Sub Total Historical Expenditure		10.0			4.50		2.20
The Company Expenditures (Source: WWI)							
2008 - present	Initial FS	0.25	Developed Project	100%	0.25	0%	0.00
	EIA, Management & Monitoring	0.75	Developed Projects	100%	0.75	0%	0.00
	Feasibility Study	0.80	Developed Project	100%	0.80	0%	0.00
	Processing Study	0.25	Developed Project	100%	0.25	0%	0.00
	Mining Study	1.50	Developed Projects	100%	1.50	0%	0.00
	Verification Drilling and resource Reserve Estimate	1.80	Developed Projects	100%	1.80	0%	0.00
	Construction of Explosive Warehouse	0.53	Developed Projects	100%	0.53	0%	0.00
	Explosives Permitting	0.60	Developed Projects	100%	0.60	0%	0.00
	Miscellaneous Exploration (Consultants)	0.75	Mining areas and regional	60%	0.45	40%	0.30
Total Expenditure		**7.23**			**6.93**		**0.3**

Consequently from the **Table 14-2** above, regional prospects entitles to US$2.20M of historical expenditure and US$0.30M of current expenditure made by the Company, totalling US$2.50M. GCA believes it is appropriate to attribute this total expenditure of US$2.50M to the exploration and evaluation of the regional exploration potential of the Ciemas Gold Project tenements, excluding those deposits which are included in the proposed immediate development project and valued by the DCF methodology.

Consequently to determine a valuation using the Multiple of Past Expenditure Methodology, GCA considers that the appropriate PEM factors are 2.2 to 2.7 (see Section 13.4) given that exploration is well advanced on many of the prospects and that in-fill drilling should enable further resources

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

(reported in accordance with the JORC Code) to be defined. Consequently the valuation range for the regional exploration using this method is between US$5.50M to US$6.75M and the preferred value is US$6.125M.

14.2.b Yardstick or Rule of Thumb Valuation

GCA has also utilised the Yardstick (or Rule of Thumb) methodology to establish a value of the additional resources not valued by, as part of the Development Project, DCF calculation in Scenario 1.

- Passir Manggu West, Cikadu, Cibatu and Sekolah Inferred Resource in the IQPR valued by the Yardstick methodology (refers to **Table 14-3** below) were excluded from DCF calculation in Scenario 1 but included in the DCF calculation in Scenarios 2, 3, and 4.

Table 14-3 Deposits Valued by the Yardstick Method

Deposit	Resource Category	Tonnage (Kt)	Grade (g/t Au)	Metal (Koz Au)
Pasir Manggu West (IQPR)#	Inferred	157.4	4.03	20.4
Cikadu (IQPR)#	Inferred	493.0	9.66	153.1
Cibatu (IQPR)#	Inferred	786.0	7.72	195.1
Sekolah (IQPR)#	Inferred	500.0	9.43	151.6
Total Inferred Resources		**1,936.4**	**8.36**	**520.2**

Resources at 1.0g/t Au cut-off, see Tables 9-6 and 9-12 of the IQPR.

To use the Yardstick Method it is necessary to allocate dollar per ounce values to the various category resources with the values reflecting the differing levels of certainty. GCA has selected the value ranges as shown below:

- SRK Inferred (Pasir Manggu West, Cikadu, Cibatu, Sekolah) – US$15 to US$- 25/oz gold

The resulting values for these resources are shown in **Table 14-4** below.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Table 14-4 Summary of Yardstick Valuation

Resource		US$M	US$M
Pasir Manggu West Inferred (SRK)		0.306	0.510
Cikadu Inferred (SRK)		2.297	3.828
Cibatu Inferred (SRK)		2.927	4.878
Sekolah Inferred (SRK)		2.274	3.790
	Total	**7.803**	**13.005**

Therefore, the range of value using the yardstick method for the Pasir Manggu West, Cikadu), Cibatu (SRK) and Sekolah Inferred (SRK) is US$7.80M to US$13.00M and the preferred value is US$10.40M.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

14.3 MARKET APPROACH

14.3.a. Comparable Transaction Method

Comparable Transaction Method, also known as the Indirect Sales Comparison Method, is based on the premise that similar properties trade for similar values and that it is possible to establish a value based on known transaction prices for comparable properties. This is a primary method under the market approach and must be considered in preference to other methods within the market approach whenever applicable.

We have considered and accepted this method to arrive at the Fair Market Value of the entire Ciemas Gold Project (including the nine known deposits) as of the Valuation for the following reasons:

- Differences in characteristics of mineral asset are reflected in the unit value of the mineral;
- This method is commonly used in the industry to value precious metal deposits and companies;
- Important information required to arrive at the Fair Market Value for the Ciemas Gold Project as of the Valuation Date are widely available for both the Ciemas Gold Project under valuation and other completed transactions; and
- Fewer assumptions on the operation and circumstance of the properties in comparison are made and relied on.

Data and information are available for comparatively recent completed market transactions for a number of Indonesian projects with similar characteristics to the Ciemas Gold Project in terms of stage of development, metal components and overall exploration potential and therefore these are considered appropriate to use as a basis for a Comparable Transaction valuation.

In each case, although these comparable projects contain both gold and silver, only the transaction cost in US dollars per ounce of gold has been established. Although the deposits within the Ciemas Gold Project also contain significant silver, at this stage, in the resources, Ore Reserves reported by SRK has only the gold grade and there is insufficient information available to accurately assess the silver content of the various deposits.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

An underlying assumption when using the Comparable Transaction Method is that the terms negotiated and agreed are linked to the metal prices at the time of the transaction. Therefore, to compare any project transaction to the Ciemas Gold Project at 31 May 2013, it is necessary to establish what the likely transaction value would have been if it had occurred at that date. GCA has done this by adjusting the actual transaction parameters at the date of the transaction to the change in metal prices by multiplying the acquisition parameters by the following 'normalising' factor:

- *US$1,412/oz (as at 31 May 2013) divided by the US$ gold price at the date of the transaction of the comparable project*

The four Indonesian projects used to provide five comparable transactions are:

1. Martabe - Sumatra
   a. 25 July 2006 – 100% of project purchased by Agincourt Resources Limited ("ARL") from Newmont Mining Corporation ("NMC")
      i. In-ground resource ounces (no categories provided) – 5,300Koz Au (no resource tonnes or grade provided.
   b. 24 April 2009 – 100% of project purchased by China Sci-Tech Holdings Limited ("CST") from Oz Minerals Limited ("OML")
      i. Resources (all categories) – 138.1 Mt at 1.3g/t Au; containing – 5,905Koz Au
2. Toka Tindung -North Sulewesi
   a. 10% of project purchased by Archipelago Resources Plc. ("ARplc") from P.T. Austindo Nusantara Jaya ("ANJ") on 11 January 2011
      i. ANJ already held 85% of the Toka Tindung Gold Project and there was a plant on site
      ii. Resources (all categories) – 7.6Mt at 3.7g/t Au; containing –915Koz Au
3. Way Linggo – South Sumatra
   a. 85% of project purchased by Kingrose Mining Limited ("KML") from P.T. Natarang Mining ("PTNM") on 28 April 2008
      i. Resources (all categories) – 0.416Mt at 9.20g/t Au; containing –123Koz Au
4. Cibaliung – South Java

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

a. 95% of project purchased by P.T. Aneka Tambang tbk ("Antam") from Arc Exploration Limited ("Arc") on 6 February 2009
   i. Resources (all categories) – 2.6Mt at 9.88g/t Au; containing – 820Koz Au

The relevant gold price used for the comparable transactions are shown on **Table 14-5** below.

Table 14-5 Metal Prices Utilised in GCA's Comparable Valuation.

Relevant Date	Event	Gold Price US$/oz Au
31 May 2013	GCA Effective Valuation Date for the Ciemas Gold Project	1,412.10
25 July 2006	ARL purchase of Martabe Project from NMC	618.75
24 April 2009	CST purchase of Martabe from OML	908.25
6 February 2009	Antam purchase of 95% of Cibaliung from Arc	613.50
11 January 2011	ARplc purchase of 10% of Toka Tindung from ANJ	1,377.50
28 April 2008	KML purchase of 85% of Way Linggo from PTNM	891.40

The relevant features of each of the comparable projects are summarised on **Table 14-6**.

Table 14-6 Available Salient Features of the Indonesian Projects Utilised as Comparable Transactions

Project	Location	Buyer	Seller	Transaction Date	Percent Transacted (%)	Contained Gold (100% of Project) (Koz Au)	Purchase Price Adjusted to 31 May 2013 (100% of project) (US$M)	Adjusted Purchase price per contained ounce of gold (US$/oz Au)
Martabe	Sumatra	ARL	NMC	25 July 2006	100	5,300	183	35
Martabe	Sumatra	CST	OMLs	24 April 2009	100	5,905 (resources + reserves)	328	55
Way Linggo	Java	KML	PTNM	28 April 2008	85	123.05	27	219
Toka Tindung	Sulawesi	ARplc	ANJ	11 January 2011	10	915.98	46	51
Cibaliung	Java	Antam	Arc	6 February 2009	95	820.17 (resources + reserves)	194	236

Note: Silver content has been disregarded

As can be seen there are clearly two groups in the purchase price per

72

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

ounce:

- the Martabe and Toka Tindung, containing larger but much lower grade resources and much larger contained gold resources than Ciemas Gold Project, have adjusted purchase prices ranging from about US$35 – 55 per ounce of gold;
- the Way Linggo and Cibaliung with similar high grades to Ciemas have adjusted purchase prices ranging from about US$219 – 236 per ounce of gold.

The Cibaliung project is close to Ciemas and had similar resources at the time of the transaction but may have already had a plant constructed although, because of a lack of detail in the Antam reports, this is difficult to determine with certainty.

To utilize the comparable transactions above in valuing the Ciemas Gold Project it is necessary to establish the in-ground gold endowment of the Ciemas Gold Project tenements.

Table 14-7 Ciemas Gold Project Attributable Contained Gold in Resources

Deposit	Category	Tonnes (t)	Grade (g/t Au)	Gold (oz)	GCA Attributable Resources GCA Factor	Tonnes (t)	Grade (g/t Au)	Gold (oz)
Passir Manggu West	Measured	100,700	7.00	22,663	100%	100,700	7.00	22,663
	Indicated	460,800	7.64	113,187	100%	460,800	7.64	113,187
	Inferred	157,400	4.03	20,394	100%	157,400	4.03	20,394
Sub-total Pasir Manggu West(JORC)		**718,900**	**6.76**	**156,244**	**100%**	**718,900**	**6.76**	**156,244**
Cikadu	Indicated	833,000	8.78	235,142	100%	833,000	8.78	235,142
	Inferred	493,000	9.66	153,114	100%	493,000	9.66	153,114
Cibatu	Indicated	592,000	8.12	154,550	100%	592,000	8.12	154,550
	Inferred	786,000	7.72	195,088	100%	786,000	7.72	195,088
Sekolah	Indicated	428,000	9.44	129,899	100%	428,000	9.44	129,899
	Inferred	500,000	9.43	151,591	100%	500,000	9.43	151,591
Sub-total Cikadu, Cibatu, Sekolah (JORC)		**3,632,000**	**8.73**	**1,019,384**	**100%**	**3,632,000**	**8.73**	**1,019,384**
							Total	**1,175,628**

Consequently using an attributable gold endowment for the Ciemas Gold Project of 1,176,000 ounces (rounded) and the comparable transaction US$/oz range indicated from **Table 14-6** a transaction valuation range of US$41M to US$278M.

As with Ciemas, both Way Linggo and Cibaliung have high average gold grades (9.20g/t Au and 9.88g/t Au respectively) and are being mined from

73

underground, while Martabe and Toka Tindung grades average 1.3g/t Au and 3.7g/t Au respectively and are being mined by open pit. Consequently, in GCA's opinion, the 'Preferred Value' is the midpoint between the value based on the Way Linggo and Cibaliung projects, i.e. US$268M.

---------------------------- CONTINUED ON NEXT PAGE ------------------------------

14.4 INCOME APPROACH

14.4.a Discounted Cash Flow

The value of a mineral asset is based on the future income that it is projected to generate. This is a primary method under the income approach and should be considered in priority to all other methods whenever applicable.

After careful consideration, the fact that the IQPR contained an Ore Reserve reported in accordance with the JORC Code, additional Inferred Resources that may eventually be converted to reserves can be considered potential mining inventory, the amount and the future benefit streams and costs can be reasonably estimated. Consequently, GCA considers the DCF under the income approach is appropriate to arrive at the Fair Market Value of the Ciemas Gold Project as of the Valuation Date for Pasir Manggu West, Cibatu, Cikadu and Sekolah deposits. The reasons for adopting this method are as follows:

- Economic benefit streams from the Ciemas Gold Project (Pasir Manggu West, Cibatu, Cikadu and Sekolah) can be identified based on the production schedule and estimated capital expenditure to be incurred provided by the management of the Company and recommended by SRK, as well as other cost estimates as detailed in the IQPR;
- The certainty of the economic benefit streams and the time of these economic benefit streams can be reasonably and reliably estimated; and
- This method is commonly and widely accepted for the valuation of Mineral Assets and resources projects in the development phase.

GCA has relied on the deposit parameters and the proposed development scenario as detailed in the IQPR as a basis for input parameters of the DCF valuation.

1. Methodology

Different scenarios have been developed by GCA with differing sets of assumptions on potential mining inventory, gold price, OPEX, and CAPEX to assess the impact of different key assumptions have on the result of the income approach model. They are generated in parallel and the results are compared at the end of this section.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

2. **Assumptions**

Our estimate of the Fair Market Value of the development component of the Ciemas Gold Project is performed using a DCF methodology, which requires a number of assumptions, including revenue and expenses forecasts, as well as capital expenditure requirement. Data derived under these assumptions has been used as inputs in the DCF method. The nature and underlying rationale for these assumptions are discussed below:

Table 14-8 below outlines the key assumptions adopted in each of the four scenarios for the DCF model and the results for each of the scenario.

Table 14-8 Key Assumptions under Different Scenarios

Scenario	Scenario 1	Scenario2	Scenario 3	Scenario 4
Total Potential Mining Inventory (Kt)	2,441 @ 7.1g/t Au	3,603@ 6.97g/t Au	3,603@ 6.97g/t Au	3,603@ 6.97g/t Au
Throughput (tpa)	450,000	450,000	450,000	450,000
Gold Price (US$)	1,150	1,250	1,500	1,550
OPEX (US$/t)	90	90	66	66
Gold Recovery (%)	90%	90%	90%	90%
CAPEX (US$)	92.75M	115.94M	92.75M	92.75M
Mining Dilution (%)	17%*	17%*	17%* - 20%^	17%* - 20%^
Discount Rate (Real) (%)	12.00%	12.00%	12.00%	12.00%

* Per SRK's estimation in the IQPR

^ Per GCA's estimation for the conversion of mineable plant feed.

Subject Mine and Potential Mining Inventories

On the basis of the IQPR, GCA has utilised the Ore Reserves reported by SRK as shown in **Table 14-9** below for its DCF calculation in Scenario 1. The additional potential Mining Inventory as shown in **Table 14-10** is based on potential extensions to the Ore Reserves from the Inferred Resources at Pasir Manggu West, Cikadu, Cibatu and Sekolah that together forms total potential mining inventory. GCA has factored the tonnes in these categories to reflect the uncertainty related to the resource categories. Mining inventory is not a terminology defined in the JORC Code and is different to Ore Reserves.

Table 14-9 IQPR reported Ore Reserves in accordance with the JORC Code for DCF calculation in Scenario 1 from Pasir Manggu West, Cikadu, Cibatu and Sekolah

JORC Ore Reserves Location	Category	Tonnes (kt)	Grade (g/t Au)	Metal (koz Au)
Pasir Manggu West	Proved	103.2	5.89	19.5
	Probable	456	6.59	96.5
	Sub-total PM West	**559**	**6.46**	**116.0**
Cikadu	Probable	843.8	7.34	199.0
Cibatu	Probable	604.5	6.83	132.8
Sekolah	Probable	433.2	7.85	109.4
Total IQPR Proved and Probable Reserves *Utilised in DCF Calculation of Scenario 1*		**2,441**	**7.10**	**557.3**

Table 14-10 Additional Potential Mining Inventory for DCF calculation Scenario 2, 3 and 4 from Pasir Manggu West, Cikadu, Cibatu and Sekolah

JORC Resources Location	Category	Tonnes	Grade	GCA Factor (by tonnes)	Factored Additional Potential Mining Inventory		
		(kt)	(g/t Au)		Tonnes (kt)	Grade (g/t Au)	Metal (koz Au)
Pasir Manggu West	Inferred	157	4.03	50%	78.7	4.03	10.20
Cikadu	Inferred	493	9.66	50%	246.5	9.66	76.56
Cibatu	Inferred	786	7.72	50%	393.0	7.72	97.54
Sekolah	Inferred	500	9.43	50%	250.0	9.43	75.80
Total Additional Potential Mining Inventory *Utilised in addition to IQPR Reserves in DCF Calculation of Scenarios 2, 3 and 4*					**968.2**	**8.36**	**260.1**

Note: As per IQPR, a mining dilution factor of 20% is further applied when this additional potential mining inventory is applied to production schedule for Scenarios 2, 3 and 4.

Life of Mine and Production Schedule

According to the IQPR, the Ciemas Gold Project has a mine life of 6 years. The Company starts infrastructure construction in 2013 and expects production of gold bullion to commence in 2014. The estimated production schedule is as follows:

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

Figure 14-1 Production Schedule for Scenario 1

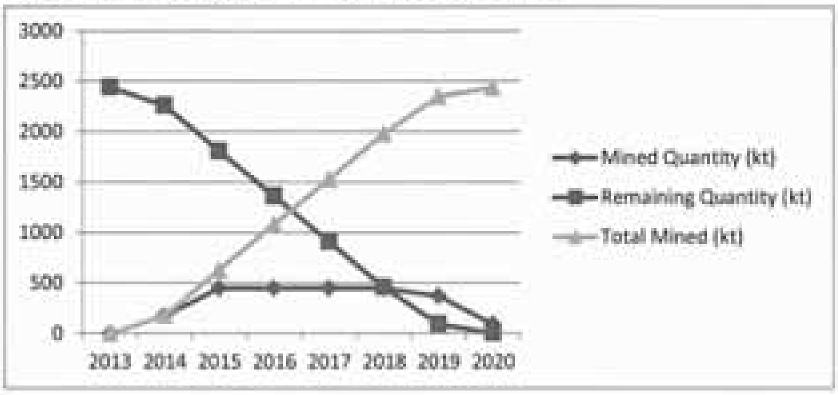


Table 14-11 Production Schedule for Scenario 1

Item / Year ($ million)	2013	2014	2015	2016	2017	2018	2019	2020
Mined Quantity (kt)	-	180	450	450	450	450	369	92
Remaining Quantity (kt)	2,441	2,261	1,811	1,361	911	461	92	-
Total Mined (kt)	-	180	630	1080	1530	1980	2349	2441
Produced Au (koz)	-	37	92	92	92	92	77	19

Figure 14-2 Production Schedule for Scenario 2, 3 and 4

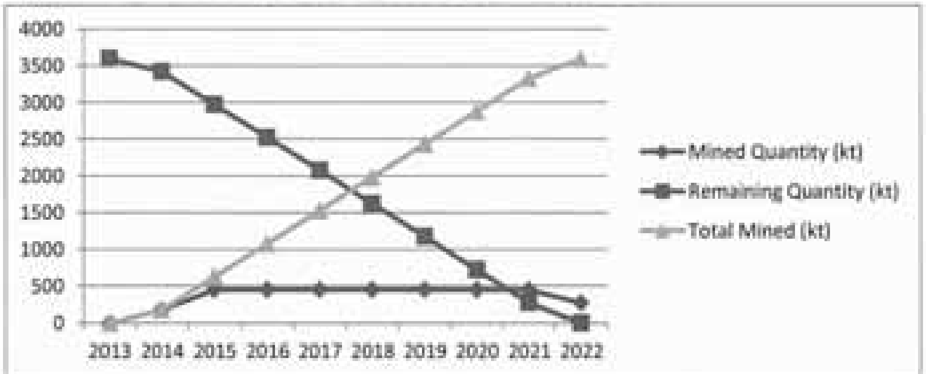


Table 14-12 Production Schedule for Scenario 2, 3 and 4

Item / Year ($ million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mined Quantity (kt)	-	180	450	450	450	450	450	450	450	273
Remaining Quantity (kt)	3,603	3,423	2,973	2,523	2,073	1,623	1,173	723	273	-
Total Mined (kt)	0	37	92	92	92	92	93	89	87	53
Produced Au (koz)	-	37	92	92	92	92	93	89	87	53

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Commodity Prices

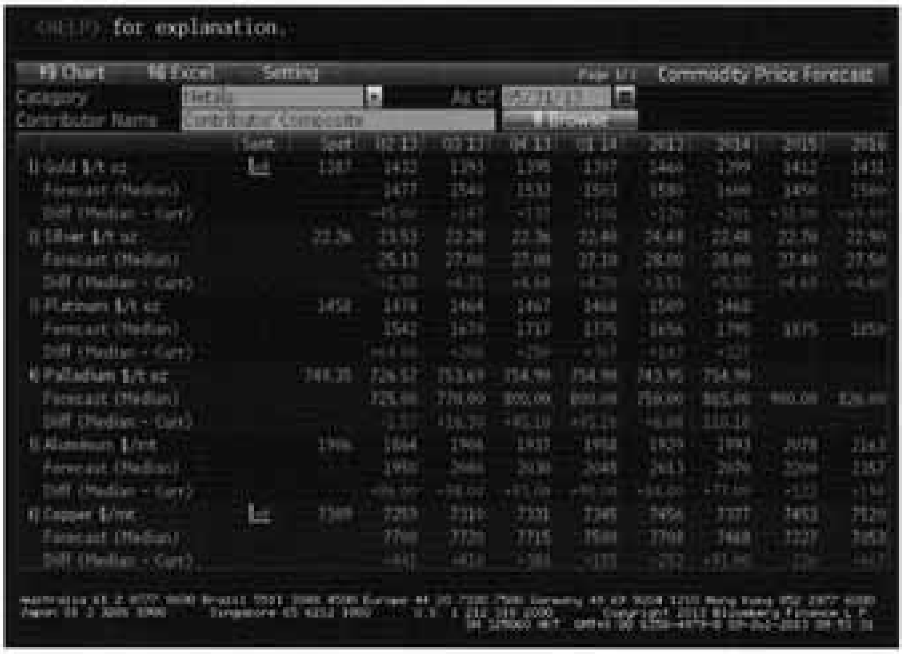
The chart below represents the movement of gold price during the one year period immediately before the Valuation Date, i.e. from 1 June 2012 to 31 May 2013.

Figure 14-3 One Year Gold Spot Price from 1 June 2012 to 31 May 2013

As indicated by the management of the Company and as a common practice, the Company will seek a hedge of 50% of the gold production at a price approximately US$100/oz above the expected spot price (a realistic minimum) at the beginning of the production. Hedging the price of future production is a common practice adopted by many, though not all gold producers worldwide and hedging instruments are widely available provided by financial institutions. Taking the expected hedging strategy into account, primarily as it is the preferred strategy of the project developers, we have modelled the different gold prices in the scenarios presented in **Table 14-8** to reflect the benefit resulting from a hedge of, as the Company advised that this would ordinarily be done and in any event was realistically achieveable.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Figure 14-4 Gold Price Forecast



Revenue

Given the previous projected production schedule and gold price, assuming 1,500tpd of operation capacity and 300 working days in a year, annual production of 450,000tpa can be reached with forecasted revenue of US$106M a year at an applicable gold price of US$1,150 for Scenario 1 or US$143M a year at an applicable gold price of US$1,550 for Scenario 4. **Table14-13** below summarizes the amount of revenue the Ciemas Gold Project is expected to generate in each of the production year.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Figure 14-5 Revenue and Profitability Projection for Scenario 1

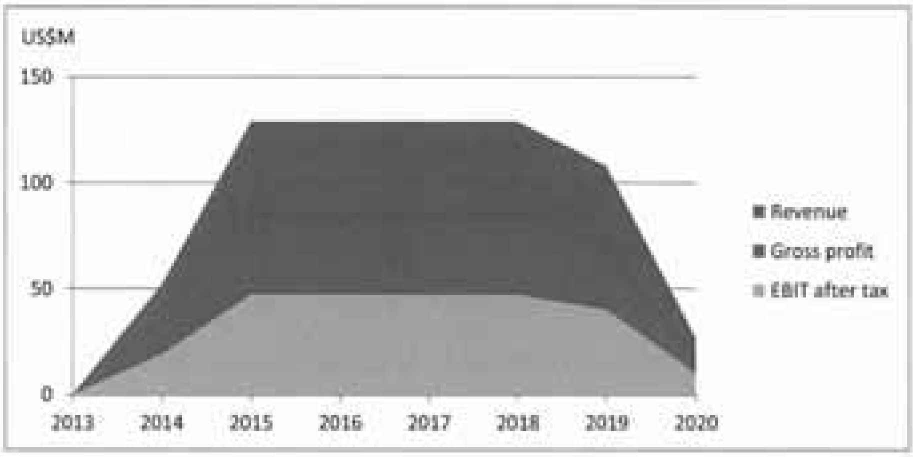
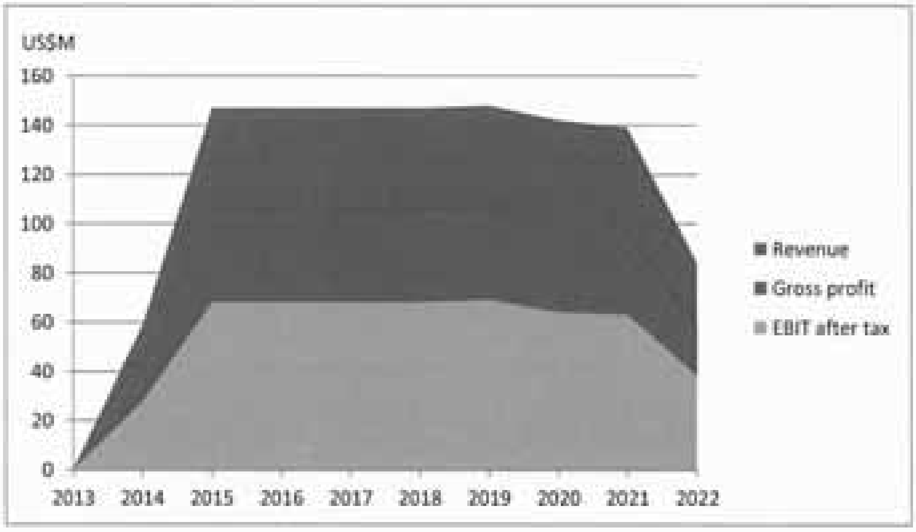


Table 14-13 Revenue and Profitability Projection for Scenario 1

Item / Year (US$ million)	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	-	41	102	102	102	102	85	21
Gross profit	-	25	61	61	61	61	52	13
EBIT after tax	-	14	33	33	33	33	28	7

Figure 14-6 Revenue and Profitability Projection for Scenario 4



GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Table 14-14 Revenue and Profitability Projection for Scenario 4

Item / Year (US$ million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue	-	58	143	143	143	143	144	137	135	82
Gross profit	-	44	108	108	108	108	108	102	100	61
EBIT after tax	-	29	72	72	72	72	73	68	66	40

Capital Expenditures

A total CAPEX of US$92.75M based on a throughput of 1,500tpd has been estimated in the IQPR to be spent on the development of the Ciemas Gold Project to support the planned production. A 25% increase in estimated CAPEX in the IQPR was applied in Scenario 2 for the purpose of this valuation, as it was considered that the recent and continuing escalation in construction costs would ultimately result in a capital cost increase. As a result, total CAPEX of US$115.94 was applied in Scenario 2 for the purpose of this valuation. Approximately US$48M and US$44M (Scenario 1, 3, and 4) or US$60M and US$56M (Scenario 2) of capital expenditure is budgeted to be spent in 2013 and 2014, respectively to reach the total recommended production capacity of 1,500tpd for the whole project. No additional CAPEX is expected throughout the production life of the Ciemas Gold Project but 10% of the total indirect G&A cost[28] will be incurred on the maintenance of the facilities and equipment related to these capital expenditures to support the ongoing operations of the Ciemas Gold Project.

In order to better match the depreciation expenses with the operation, fixed asset is assumed with the same useful life as the operation. Thus, the fixed asset will be fully depreciated at the end of the operation (except for lands) in the Ciemas Gold Project.

Details of the CAPEX breakdown can be found in the "Capital Cost and Operating Cost" on page 79 to 80 of the IQPR.

[28]The management of Wilton Resources Holdings Pte. Ltd.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Table 14.13. Capital Expenditure Projection of the Ciemas Gold Project

Item / Year (US$ million)	2013	2014	2015	2016	2017	2018	2019	2020
Capital expenditures	48	45	-	-	-	-	-	-

Royalty, Operating Expense, Tax and Other Costs

Based on the assumption of production derived from the amount of potential mining inventories that are expected to be produced as well as the production capacity that the Company planned to adopt, the cost of the Ciemas Gold Project are as follows:

The gold royalty in Indonesia is 3.75% of the selling price per kg and will be applied to the total revenue from the mining and production of gold[29].

There are two types of costs included in operating expense ("OPEX") estimation of the IQPR, production cost are typically direct cost that varies with the level of production and G&A expense and sales and marketing expense are indirect cost and are fixed charges regardless of the level of production.

The Ciemas Gold Project is subject to a flat corporate income tax ("CIT") rate of 25%[30]. This flat CIT rate applies to the net taxable income of the Ciemas Gold Project throughout its production. GCA is advised by the management of the Company that no special tax arrangement will be applied to the Ciemas Gold Project.

The diagrams and tables below outline the composition of the costs in the operation of Ciemas Gold Project. An additional US$24 per mined ton to that of US$66 per mined ton estimated OPEX in the IQPR was applied in Scenario 3 and 4 for the purpose of this valuation. This was considered prudent as the total cash operating cost of US$66/t would certainly be at the low end of the scale for underground mining by hand-held mining means, coupled with flotation as well as CIL processing. Details of the OPEX breakdown can be found in the "Capital Cost and Operating Cost" on page 79 to 80 of the IQPR.

[29] Indonesia Government Regulation No. 45/2003
[30] PwC, "*Worldwide Tax Summaries – Corporate Tax 2011/12*"

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Figure 14-7 Cost Components for Scenario 1

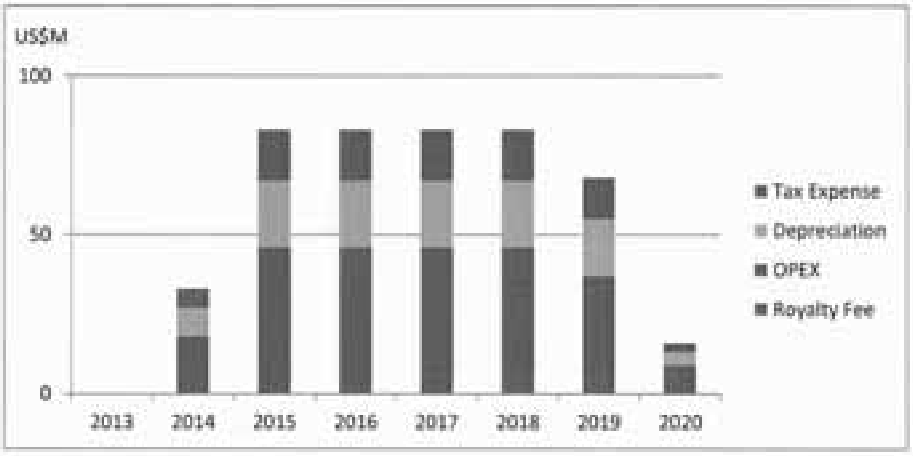
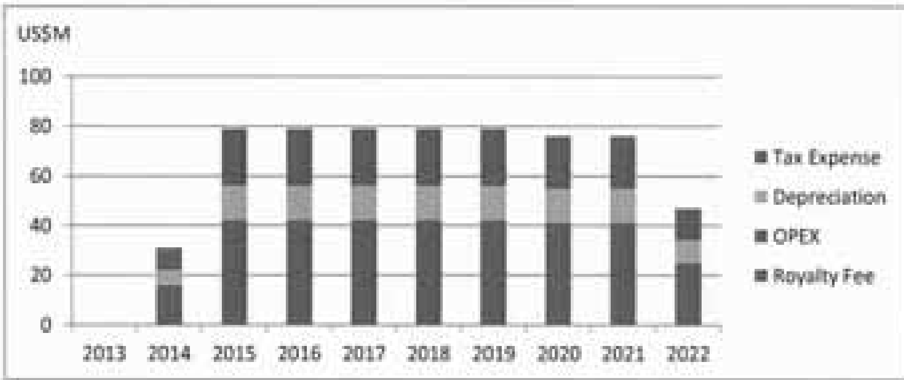


Table 14-15 Royalty, OPEX, and Tax Projection for Scenario 1

Item / Year (US$ million)	2013	2014	2015	2016	2017	2018	2019	2020
Royalty Fee	-	2	5	5	5	5	4	1
OPEX	-	16	41	41	41	41	33	8
Depreciation Expense	-	7	17	17	17	17	14	3
Tax Expense	-	7	17	17	17	17	14	4

Figure 14-8 Cost Components for Scenario 4



------------------------------ CONTINUED ON NEXT PAGE ------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Table 14-16 Royalty, OPEX, and Tax Projection for Scenario 4

Item / Year (US$ million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Royalty Fee	-	2	5	5	5	5	5	5	5	3
OPEX	-	12	30	30	30	30	30	30	30	18
Depreciation Expense	-	5	12	12	12	12	12	12	12	7
Tax Expense	-	10	24	24	24	24	24	23	22	13

Working Capital Requirement

Since the Ciemas Gold Project is currently still in advanced exploration to development stage, we have estimated its working capital movement throughout the Ciemas Gold Project projection period by making reference to the working capital requirements of other companies which are engaged in the similar gold mining and processing activities as well as considering the local operation situations applicable to the Ciemas Gold Project.

Closure Cost

At this stage, no reliable estimation on the closure cost of the Ciemas Gold Project is available given the uncertainty on the timing of plant closure and the size of the plant at the closure date due to the possibility of additional mineral resources discovery and exploration potentials. Salvage value of existing plant and equipment may be available to offset portion of the possible closure cost of a mine. Therefore, it is of GCA's opinion that it is inappropriate to try to estimate the closure costs and salvage values using insufficient data. The impact of these items on an NPV is minimal as they will be incurred at the end of mine life and will be discounted for the life of the mine in the DCF model.

Other Assumptions

- There will be no material changes in the existing political, legal, fiscal, foreign trade and the economic conditions in Indonesia;
- There will be no material changes in interest rates or foreign currency exchange rates from those currently prevailing;
- It is assumed that zero coupon interest free loan arrangements of sufficient amount will be negotiated between the Company and

Hartawan upon the completion of the Proposed Acquisition for financing all the investment on the capital expenditure for the Ciemas Gold Project[31];

- Working capital is assumed to be similar to other local mining companies which the information is provided by the management of WWI[32];
- There will be no material changes to the estimated Ore Reserves reported in the IQPR;
- All relevant legal approvals, mining rights, exploration permit and business certificates or licenses for mining activities have been obtained and that no additional costs or fees are required to procure such approval during the application;
- The exploration permits and mining licence are free from any encumbrance and liability including but not limited to mortgage, charge, land premium, relocation compensation and development costs;
- The use of the land acquired by Mr. Wijaya Lawrence for the operation of the Ciemas Gold Project will be free of charge; and
- The Company will retain competent management and key personnel in order to support the on-going operation of the Ciemas Gold Project.

3. Discount Rate

One of the key inputs in the DCF model is the discount rate. It is a single rate to be used to discount all future cash flows of the company/project to arrive at the Fair Market Value. Appropriate and accurate estimation of this rate will significantly improve the valuation result.

In selecting the appropriate discount rate to applied, we have taken into account a number of factors including the risk considered inherent in the operation, our knowledge of discount rates commonly applied valuing gold projects using the DCF methodology and consideration of the current cost of finance.

We have selected a discount rate of 12.00% in real terms as that in our opinion is appropriate for the risks involved in undertaking the further development of the Ciemas Gold Project.

[31] P.T. Wilton Wahana Indonesia, Management Letter, 21 July 2012
[32] P.T. Wilton Wahana Indonesia, Management Letter, 21 July 2012

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Table 14-17 DCF Valuation Result under Different Scenarios

Scenario	Scenario 1	Scenario2	Scenario 3	Scenario 4
Total Potential Mining Inventory (Kt)	2,441 @ 7.10g/t Au	3,603 @ 6.97g/t Au	3,603 @ 6.97g/t Au	3,603 @ 6.97g/t Au
CAPEX (US$)	92.75M	115.94M	92.75M	92.75M
OPEX (US$/t)	90	90	66	66
Gold Price (US$)	1,150	1,250	1,500	1,550
Discount Rate (Real) (%)	12.00%	12.00%	12.00%	12.00%
DCF Result (US$M)	**145.7**	**226.8**	**345.8**	**361.3**

4. Sensitivity Analysis

Due to the difference in the impact of various factors to the value, a sensitivity analysis is undertaken to evaluate the impact of changes in different key factors on the value. The charts below present the sensitivity analysis of the impact of various systematic changes in gold price, OPEX, CAPEX and recovery rate against every 1% change in discount rate on the value of the entire project.

Gold Price & Discount Rate

Table 14-18 Sensitivity Analysis of Gold Price for Scenario 1

Discount Rate (Real)	Entire Project Value (US$) Gold Price (US$)				
	1,050	1,100	1,150	1,200	1,250
10%	142,090,225	154,955,556	167,820,887	180,686,218	193,551,549
11%	140,073,706	152,542,736	165,011,767	177,480,797	189,949,827
12%	138,078,575	150,169,287	162,259,999	174,350,712	186,441,424
13%	136,107,363	147,836,712	159,566,060	171,295,409	183,024,757
14%	134,162,191	145,546,172	156,930,152	168,314,132	179,698,112

Table 14-19 Sensitivity Analysis of Gold Price for Scenario 4

Discount Rate (Real)	Entire Project Value (US$) Gold Price (US$)				
	1,450	1,500	1,550	1,600	1,650
10%	359,346,235	376,134,708	392,923,182	409,711,656	426,500,129
11%	347,572,002	363,703,527	379,835,052	395,966,577	412,098,102
12%	336,376,126	351,888,286	367,400,447	382,912,607	398,424,767
13%	325,723,786	340,651,495	355,579,205	370,506,915	385,434,624
14%	315,582,554	329,958,279	344,334,004	358,709,730	373,085,455

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

OPEX & Discount Rate

Table 14-20 Sensitivity Analysis of OPEX for Scenario 1

Discount Rate (Real)	OPEX (US$/t)	Entire Project Value (US$)			
	110	100	90	80	70
10%	142,579,937	155,200,412	167,820,887	180,441,362	193,061,837
11%	140,616,467	152,814,117	165,011,767	177,209,417	189,407,067
12%	138,669,811	150,464,905	162,259,999	174,055,093	185,850,188
13%	136,742,865	148,154,463	159,566,060	170,977,658	182,389,255
14%	134,838,081	145,884,116	156,930,152	167,976,187	179,022,223

Table 14-21 Sensitivity Analysis of OPEX for Scenario 4

Discount Rate (Real)	OPEX (US$/t)	Entire Project Value (US$)			
	86	76	66	56	46
10%	359,520,867	376,222,024	392,923,182	409,624,340	426,325,497
11%	347,843,779	363,839,416	379,835,052	395,830,688	411,826,325
12%	336,735,625	352,068,036	367,400,447	382,732,857	398,065,268
13%	326,162,464	340,870,834	355,579,205	370,287,576	384,995,946
14%	316,092,666	330,213,335	344,334,004	358,454,673	372,575,343

CAPEX & Discount Rate

Table 14-22 Sensitivity Analysis of CAPEX for Scenario 1

Discount Rate (Real)	CAPEX (US$M)	Entire Project Value (US$)			
	+20%	+10%	92.75	-10%	-20%
10%	161,616,395	164,718,641	167,820,887	170,923,133	174,025,379
11%	159,307,350	162,159,559	165,011,767	167,863,975	170,716,183
12%	157,020,892	159,640,446	162,259,999	164,879,553	167,499,106
13%	154,760,145	157,163,103	159,566,060	161,969,018	164,371,976
14%	152,527,737	154,728,944	156,930,152	159,131,359	161,332,566

Table 14-23 Sensitivity Analysis of CAPEX for Scenario 4

Discount Rate (Real)	CAPEX (US$M)	Entire Project Value (US$)			
	+20%	+10%	92.75	-10%	-20%
10%	388,239,810	390,581,496	392,923,182	395,264,868	397,606,554
11%	375,675,848	377,755,450	379,835,052	381,914,654	383,994,256
12%	363,718,926	365,559,686	367,400,447	369,241,207	371,081,967
13%	352,333,295	353,956,250	355,579,205	357,202,160	358,825,115
14%	341,485,591	342,909,798	344,334,004	345,758,211	347,182,417

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Recovery Rate & Discount Rate

Table 14-24 Sensitivity Analysis of Recovery Rate for Scenario 1

Discount Rate (Real)	Entire Project Value (US$)				
	Recovery Rate (%)				
	88%	89%	90%	91%	92%
10%	161,245,273	164,533,080	167,820,887	171,108,694	174,396,501
11%	158,638,707	161,825,237	165,011,767	168,198,297	171,384,827
12%	156,080,302	159,170,151	162,259,999	165,349,848	168,439,697
13%	153,571,060	156,568,560	159,566,060	162,563,560	165,561,061
14%	151,111,673	154,020,912	156,930,152	159,839,391	162,748,630

Table 14-25 Sensitivity Analysis of Recovery Rate for Scenario 4

Discount Rate (Real)	Entire Project Value (US$)				
	Recovery Rate (%)				
	88%	89%	90%	91%	92%
10%	381,357,789	387,140,486	392,923,182	398,705,878	404,488,575
11%	368,722,224	374,278,638	379,835,052	385,391,466	390,947,880
12%	356,714,292	362,057,369	367,400,447	372,743,524	378,086,601
13%	345,295,672	350,437,438	355,579,205	360,720,972	365,862,738
14%	334,430,727	339,382,365	344,334,004	349,285,643	354,237,282

----------CONTINUED ON NEXT PAGE----------

GCA PROFESSIONAL SERVICES GROUP
漢 華 專 業 服 務 集 團

15 CONCLUSION OF VALUE RANGE

15.1 CONCLUSION AND OPINION

Applying methodologies and procedures described above and based on the facts and circumstances, the Fair Market Value of 100% interest in the Ciemas Gold Project in cash or terms equivalent to cash, on the Valuation Date of 31 May 2013 is **US$341,000,000 (UNITED STATES DOLLAR THREE HUNDRED AND FOURTY ONE MILLION)**. The Fair Market Value determined is the most likely value within a range of **US$233,000,000** to **US$367,000,000**. The reasons for selecting this preferred value in the range are discussed below.

15.2 SYNTHESIS AND RECONCILIATION

The following comparative data summarizes the various methods that we have applied or considered but rejected, along with their respective final values. Each method is rated relative to the applicability of the method to the Ciemas Gold Project's unique aspects and circumstances.

Cost Approach

Appraised Value Method -- Rejected
Application --- N/A

Multiple of Expenditures Method --- Accepted
Application -- Moderate

Geoscientific Method -- Rejected
Application --- N/A

Market Approach

Comparable Transaction Method -- Accepted
Application-- Strong

Option &Farm-in Agreements Method ------------------------------------- Rejected
Application--- N/A

90

Value Per Metal Unit Method -------------------- Rejected
Application-------------------- N/A

Dollar Per Unit Area Method-------------------- Rejected
Application-------------------- N/A

Market Capitalization Method-------------------- Rejected
Application-------------------- N/A

Gross In-situ Value Method-------------------- Rejected
Application-------------------- N/A

Income Approach

Discounted Cash Flow Method-------------------- Accepted
Application-------------------- Strong

Option Pricing Method -------------------- Rejected
Application-------------------- N/A

Monte Carlo Method -------------------- Rejected
Application-------------------- N/A

Probabilistic Method -------------------- Rejected
Application-------------------- N/A

15.3 VALUATION SUMMARY

Table 15-1 below provides the valuation summary of the Ciemas Gold Project using different methodologies and scenarios. GCA performed four scenarios by using both the DCF method and the PEM method to value different components of the Ciemas Gold Project (development component and exploration potential). GCA has performed a sanity check of the entire project using a Comparable Transaction Method that resulted in a valuation of US$268M.

GCA PROFESSIONAL SERVICES GROUP
漢 華 專 業 服 務 集 團

Table 15-1 Valuation Summary of the Ciemas Gold Project

Method	DCF + PEM Scenario 1	DCF + PEM Scenario 2	DCF + PEM Scenario 3	DCF + PEM Scenario 4	Comparable Transaction
Development Component (DCF Method)	145	227	346	361	-
Potential within Development Components (Yardstick Method)	10.4				-
Exploration Potential (PEM Method)	6.1	6.1	6.1	6.1	-
Entire Project (Comparable Transaction)	-	-	-	-	268
Fair Market Value	162	233	352	367	268
Decision	Reject	Accept	Accept	Accept	Accept
Reason	Unlikely	Primary	Primary	Primary	Sanity Check

It is the Expert's opinion that the likelihood of the Inferred Resources to be converted into mineable plant feed in the future operation of the Ciemas project is high and the 50% conversion ratio together with a mining dilution 20% is appropriate. Therefore, we reject Scenario 1 and have arrived at a preferred value based on Scenarios 2, 3, and 4.

15.4 VALUATION CONCLUSION

Given the reconciliation of the results of the Comparable Transaction Method and the Discounted Future Cash Flow Method, we report our valuation of the Ciemas Gold Project using different valuation methodologies and our preferred value by considering the status and condition of the Ciemas Gold Project in Appendix 2.

The applicable value range for the Ciemas Gold Project is from US$233M (being Scenario 2) to US$367M (being Scenario 4). It is our opinion that **US$341M** is the preferred value of the Ciemas Gold Project.

The reason for selecting this preferred value from the value range is as follows,

- The Ciemas Gold Project is considered to have good potential for the discovery of additional ore (and therefore extend the production life) as:
  - extensions to the known deposits;
  - conversion of Inferred Resources to Indicated and Measured Resources and then Reserves; and
  - discovery of additional deposits.
- From the site inspection and the Shuikoushan Metallurgical report, silver is present in the ore from the Ciemas Gold Project.However, the DCF scenarios do not attribute any value to silver at this stage; and
- The gold price has just experienced a large drop immediately before the Valuation Date and a relatively low gold price was used for the purpose of this valuation and caused a lower valuation range than if a higher but realistically achievable gold price was used. The preferred value would compensate for this downward bias of the valuation range caused by temporary gold price movement.

The preferred value, though at the upper end of the valuation range, reflects what we believe to be the most likely and achievable value as at the valuation date. Movements in the gold price of US$200/oz were seen to affect the valuation by approximately US$20M, which should serve to emphasise the sensitivity of the valuation to the assumed gold price.

15.5 SANITY CHECK

As presented in **Table 15-1** above, GCA performed valuation of two different components of the Ciemas Gold Project in two different ways:

- the DCF method is adopted to determine the value of the development component under four different scenarios; and
- the PEM method is adopted to determine the exploration potential of the Ciemas Gold Project.

The results in different scenarios form a range between US$233M and US$367M. GCA also used the Comparable Transaction Method, as a check methodology, to calculate the value of Ciemas Gold Project as a whole which yielded a value of US$268M which lies within the above valuation range. GCA's preferred valuation of US$341M is reasonably close to the value from the Comparable Transaction Method and supports the reality of this valuation, given that it is arguably the less precise of the two estimates. While significant exploration potential of the Ciemas Gold Project is reported in the IQPR, such exploration potential is not included when calculating the result of the market approach. Therefore, the difference of the result from the market approach and our preferred value may reflect the value of this exploration potential. Details of such exploration potential can be found in Table 7 – 1 on page 27 of the IQPR.

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

4 APPENDICES

4.1 REFERENCE

- Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas, Sukabumi Region, Republic of Indonesia, SRK Consulting (China) Limited, June 2013

- Indonesia Ciemas Gold Mine Pasir Manggu West Mining Concept Design (印度尼西亚金马石(Ciemas)金矿田普穗蒙古矿段井下开采初步设计说明书), Henan Metallurgical Planning and Design Institute Co. Ltd (河南省冶金规划设计研究院有限公司), March 2012

- Indonesia Ciemas Gold Mine Sekolah-Cibatu Mining Concept Design (印度尼西亚金马石(Ciemas)金矿田 SEKOLAH-CIBATU 矿段井下开采初步设计说明书), Henan Metallurgical Planning and Design Institute Co. Ltd (河南省冶金规划设计研究院有限公司), April 2012

- Indonesia Ciemas Gold Mine Cikadu Mining Concept Design (印度尼西亚金马石(Ciemas)金矿田 CIKADU 矿段井下开采初步设计说明书), Henan Metallurgical Planning and Design Institute Co. Ltd (河南省冶金规划设计研究院有限公司), April 2012

- Indonesia Ciemas Gold Project Feasibility Study (印尼金马石金矿田开发利用可行性研究报告), Shangdong Gold Group Yantai Design& Research Engineering Co. Ltd (山东黄金集团烟台设计研究工程有限公司), March 2012

- Indonesia Ciemas Gold Project Geological Evaluation Report (印尼金马石金矿田地质评价报告), Professor Zhang ZhengWei PhD, 19 February 2012

- Indonesia Ciemas Gold Project Processing Feasibility Study (印尼金马石(Ciemas)金矿选矿可行性研究报告), Shangdong Gold Group Yantai Design & Research Engineering Co. Ltd (山东黄金集团烟台设计研究工程有限公司), March 2012

- The "Ciemas Gold Project" presentation delivered by the management of

95

GCA PROFESSIONAL SERVICES GROUP
漢 華 專 業 服 務 集 團

the Company during the site visit and its transcript

- The VALMIN Committee, 2005, "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (The VALMIN Code)"

- Pratt, Reilly, Schweihs, 2000, "Valuing a Business – The Analysis and Appraisal of Closely Held Companies", McGraw-Hill Press

- T.F.Torries, 1998, "Evaluating Mineral Projects: Applications and Misconceptions", Society for Mining, Metallurgy, and Exploration, Inc.

- Reilly, Schweihs, 1999, "Valuing Intangible Assets", McGraw-Hill Press

- The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, Minerals Council of Australia, December 2004, "Australiasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)"

- Hitesh Goyal, Nirupan Chakravarthi, Sainath.V, 3rd October 2009, "PESTEL analysis of Indonesia"

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

4.2 APPENDIX 1: GENERAL SERVICE CONDITIONS

The service(s) provided by Greater China Appraisal Limited will be performed in accordance with professional appraisal standards. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us. We will act as an independent contractor and reserve the right to use subcontractors. All files, workpapers or documents developed by us during the course of the engagement will be our property. We will retain this data for at least seven years.

Our report is to be used only for the specific purposes stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in its entirety to those third parties who need to review the information contained herein. No one should rely on our report as a substitute for his or her own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subjects in connection with this engagement. You will not be liable for our negligence. Your obligation for indemnification and reimbursement shall extend to any controlling person of Greater China Appraisal Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the amount of fees we received for this engagement.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

---------------------------- CONTINUED ON NEXT PAGE ----------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

4.3 APPENDIX 2: VALUATION SUMMARY

		Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Key Assumptions		1. Gold Price $1,150 2. OPEX $90/t 3. CAPEX $92.75M 5. No Inf Res Conversion	1. Gold Price $1,250 2. OPEX $90/t 3. CAPEX +25% 4. 50% Inf Res Conversion	1. Gold Price $1,500 2. OPEX $66/t 3. CAPEX 92.75M 4. 50% Inf Res Conversion	1. Gold Price $1,550 2. OPEX $66/t 3. CAPEX 92.75M 4. 50% Inf Res Conversion	N/A
Pasir Manggu West **SRK Mineable Material** Cikadu Cibatu-Sekolah **Total SRK Mining Inventory**	DCF DCF DCF	145.7	226.8	345.8	361.3	267.5
Additional Mining Inventory Conversion rat @ 50% for Inferred Resources Pasir Manggu West Cikadu Cibatu Sekolah	 ROT / DCF ROT / DCF ROT / DCF ROT / DCF	10.4				
		Exploration Potentials				
Cigombong, Cileuweung, Cibak, Cihenlang, Japudak, Porphyry Deposits	PEM	6.125	6.125	6.125	6.125	
					Total Value Estimation	
		162.2	232.9	351.9	367.4	
		Rejected	Accept	Accept	Accept	Accept

CONTINUED ON NEXT PAGE

4.4 APPENDIX 3: IUP-OP

Please refer to Appendix 1 of the IQPR for the IUP-OP of the Ciemas Gold Project.

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

4.5 APPENDIX 4: LIST OF LAND PURCHASED

List of Land of Ciemas Gold Project After measurement/Land Title Deed - Borrow & Use for P.T. Wilton Wahana Indonesia

SP & Grant Agreement	Date	Land Title Deed	Date	Name	Area (ha)		Location	Borrow & Use Title (Notary)	Date	Period of Borrow & Use
206/2012	12-Oct-2012	658	19-Feb-2013	Decky Suianto	71,258	m2	Pasirmanggu	83	25/Mar/2013	17 years (8-Sep-2030)
205/2012	12-Oct-2012	659	19-Feb-2013	Nicco D Lawrence	53,614	m2	Pasirmanggu	84	25/Mar/2013	17 years (8-Sep-2030)
208/2012	12-Oct-2012	657	19-Feb-2013	Tirto Sarjono	11,082	m2	Pasirmanggu	86	25/Mar/2013	17 years (8-Sep-2030)
207/2012	12-Oct-2012	660	19-Feb-2013	Haryanto	31,792	m2	Pasirmanggu	85	25/Mar/2013	17 years (8-Sep-2030)
AJ:34.618.137:PP	8-Jan-2009	661	19-Feb-2013	Wijaya Lawrence	98,514	m2	Pasirmanggu	79	25/Mar/2013	17 years (8-Sep-2030)
AJ:34.618.132:PP	26-Sep-2008	664	20-Feb-2013	Wijaya Lawrence	8,798	m2	Pasirmanggu	81	25/Mar/2013	17 years (8-Sep-2030)
AJ:34.618.139:PP	27-Sep-2008	662	20-Feb-2013	Wijaya Lawrence	3,037	m2	Pasirmanggu	80	25/Mar/2013	17 years (8-Sep-2030)
AJ:34.476.875:PP	8-Jan-2009	663	20-Feb-2013	Wijaya Lawrence	5,413	m2	Pasirmanggu	82	25/Mar/2013	17 years (8-Sep-2030)
				Total:	283,508	m2				

CONTINUED ON NEXT PAGE

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

4.6 APPENDIX 5: GLOSSARY AND DEFINITIONS

Glossary and Definitions	
@	At
%	percent
acid/acidic alteration	a change to the mineral composition of a rock, typically brought about by the action of hydrothermal fluids
Advanced Exploration Area	considerable exploration has been undertaken and specific targets have been identified, may or may not have resource
Ag	silver
andesite	mediate in composition between basalt, low in silica, i.e. basic, and rhyolite, high in silica, i.e. acidic
ANJ	P.T. Austindo Nusantara Jaya
anomaly	value higher or lower than the expected or norm
Antam	P.T. Aneka Tambang tbk
Arc	Arc Exploration Limited
argillic/argilically	pertaining to clay or clay minerals; i.e. argillic alteration in which certain minerals are converted to minerals of the clay group
ARL	Agincourt Resources Limited
ARplc	Archipelago Resources plc
arsenopyrite	a mineral; iron arsenic sulphide
assay	chemical analysis of rocks
Au	Gold
auger	screw-like boring tool most commonly used to obtain shallow soil samples
back fill	refers to material replaced into mine voids
ball mill work index	a measure of the resistance of the material to crushing and grinding
base metals	generally a non-ferrous metal inferior in value to the precious metals; usually and especially copper, lead, zinc, nickel
basic	loosely of any igneous rock composed chiefly of dark-coloured minerals.
breccia/brecciated	a rock composed of angular fragments of rock

	embedded in a matrix of younger age rock
bullion	refined gold or silver in the form of bars
butyl xanthate	a chemical reagent used in the flotation process
CAGR	compound annual growth rate
CAPEX	capital expenditure
Company / Commissioning Entity	Wilton Resources Holdings Pte. Ltd.
chalcedony/chalcedonic	a cryptocrystalline variety of quartz
chalcopyrite	a copper iron sulphide mineral, the main ore of copper
chlorite	a platy green mineral group [general formula: (Mg,Fe+2,Fe+3)6AlSi3O10(OH)8]
CIT	Corporate Income Tax
COG	Cut-Off Grade; the lowest grade of mineralisation that qualifies as ore, that will meet all further operating costs, in a given deposit
comminution	refers to crushing and grinding of ore
costean	a slot or trench cut from surface, usually by a backhoe, to allow examination of geological strata
CPI	Consumer Price Index
cross section	a profile perpendicular to the long axis of a tabular body
CST	China Sci-Tech Holdings Limited
cyanide leaching	a metallurgical technique for extracting gold from low-grade ore using cyanide
DCF	Discounted Cash Flows method
DDH	Diamond Drill Hole
decline	an inclined mine access
Development Project	development decision has been made but production has not been commissioned yet
diamond drilling	rotary drilling using diamond bits, used to produce a solid core of rock
dibutyl dithiophosphate	a chemical reagent used in the flotation process
dip	the angle that strata or any planar feature makes with the horizontal, measured perpendicular to the strike, i.e. down-plunge
disseminated	mineralisation distributed throughout a rock
EFG	three-dimensional matrix based on the deposit's economics (E), the level of feasibility studies undertaken (F) and the level of geological degrees of confidence (G) using a numerical ranking system
electrum	a natural alloy of gold and silver

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

Expert	Mr. John S. Dunlop
Exploration Area	properties where mineralization may or may not have been identified, resources have not been identified
fault	a break in rock strata continuity with strata remaining parallel but displaced relative to one another on either side of the fault
FMV	Fair Market Value; the amount of money (or the cash equivalent of some other consideration) determined by the Expert in accordance with the provisions of the VALMIN Code for which the Mineral or Petroleum Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion.
FS	Feasibility Study; a technical and financial study of a project at sufficient level of accuracy and detail to allow a decision as to whether the project should proceed
footwall	the mass of rock beneath a dipping orebody, fault, etc
galena	a mineral, lead sulphide; the dominant ore mineral of lead
GCA	Greater China Appraisal Limited
GDP	Gross domestic Product
Guideline Public Companies	public companies which have a similar line of business with and comparable to the Company
g/t	grams per tonne (same as ppm - parts per million)
ha	hectares
Hartawan	Hartawan Holdings Limited, a Catalist listed company on the SGX
HPRP	Hanafiah Ponggawa & Partners
grade	the relative quantity or percentage of metal or ore mineral contained in mineralisation
gravity recovery	a method of recovering minerals with a high specific gravity e.g. gold
hanging wall	the mass of rock overlying a dipping orebody, fault, etc
Highest and Best Use	the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

	the highest value of the property being valued
IER	Independent Expert Report
igneous	formed by solidification from a molten or partially molten state
IMF	International Monetary Fund
Indicated Resources	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Resources	that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
Intended Users	the management of the Company, the shareholders of the Company and Hartawan, other entities involved in the Proposed Acquisition and the SGX
intermediate	descriptive of igneous rocks lying midway between acid and basic in composition
intrusive	having, while fluid, penetrated into or between other rocks, but solidifying before reaching the surface
IPO	initial public offering
IQPR	Independent Qualified Person's Report issued by SRK dated June 2013
Jig	a tapered bowl used for spinning crushed material such that the force of gravity is accentuated and results in a cleaner separation between similar density minerals.
JORC Code	Code for Reporting of Mineral Resources and Ore Reserves prepared by the Australasian Joint Ore Reserves Committee
kg	kilogram; 1kg = 1,000 grams

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

km^2	square kilometre – 1 square kilometre = an area of 1000 metres by 1000 metres
KML	Kingrose Mining Limited
Koz	kilo ounce; 1koz = 1,000 oz
KVA	kilovolt ampere
kW	kilo watt; 1kw = 1,000 watts
kt	kilo tonne; 1kt = 1,000 tonnes
LC	P.T. Liektucha Ciemas
leaching	the dissolution of minerals components from ore by appropriate chemicals
LHD	Load-Haul-Dump, a common unit of underground mining equipment
Listing Rules	the rules governing the listing of securities on the SGX
lithology	the physical characteristics of a rock
lode	a tabular or vein-like deposit of valuable material between well-defined walls of country rock
m	Metre
M	Million
Measured Resources	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
Meekatharra	P.T. Meekatharra Minerals
metallurgy	the science and technology of metals
micron	measurement of size; one micron = one millionth of a metre
mine dilution	refers to waste material that is taken in the process of ore extraction
Mineral Assets	all property including but not limited to real property, intellectual property, mining and exploration tenements held or acquired in connection with the exploration of, the development of and the production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those

105

	tenements
Mineral Resources	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
Mineral Securities	securities issued by a body corporate or an unincorporated body whose business includes exploration for, development of, or extraction and processing of Minerals
mineralisation	the group of minerals of interest; commonly taken to be sulphide or precious metal minerals
mining inventory	the sum of ore reserves, plus an estimate of mineral resources that may in the future be upgraded to ore reserves with an reasonable level of confidence.
mm	millimeter – 1,000mm = 1 metre
μm	symbol for micron; 1 micron = 1 millionth of a metre
Mt	million tonnes
MI	mining inventory
NMC	Newmont Mining Corporation
NPV	net present value
OML	Oz Minerals Limited
open pit	the main type of mine designed to extract minerals close to the surface; also known as open cut
OPEX	operating expense
ore	material which can be mined and/or treated at a profit
Ore Reserve	the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction

	could reasonably be justified. It is sub-divided in order of increasing confidence into Probable Reserves and Proved Reserves
orebody	a solid and fairly continuous mass of ore
outcrop	the part of a rock formation which appears at the surface of the ground
oxide ore	a weathered type of gold ore, commonly consisting of mineralisation from which gold is relatively easily released by leaching; also referred to as free-milling
oxidised zone	zone in which sulphides have been altered to oxides by surface waters
oz	ounces, herein a troy ounce, one-twelfth of a pound, used to measure precious metals such as gold and silver
paste fill	a dense non draining slurry made from single or a combination of several suitable solid materials produced to toothpaste consistency
PEM	Prospectivity Enhancement Multiplier
porphyry	igneous rocks containing coarse phenocrysts in a fine grained ground mass
Pre-Development Project	resources have been identified but decision to proceed with development has not been made
pre-feasibility study	a preliminary technical and financial study of a project to assess whether more comprehensive feasibility study work is justified
primary ore	ore unaffected by oxidation
Probable Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
Production Mine	Mineral Assets that have been commissioned and are in production
Prof. Zhang	Professor Zhang ZhengWei PhD
Probable Reserve	the economically mineable part of an Indicated, and

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

	in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors These assessments demonstrate at the time of reporting that extraction could reasonably be justified
Proposed Acquisition	a proposed acquisition of the entire issued and paid-up share capital of the Company by Hartawan
Proved Reserve	the economically mineable part of a Measured Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
PTNM	P.T. Natarang Mining
pyrite	common iron sulphide mineral [FeS2]
pyroxene	a group of common silicate rock forming minerals containing variable amounts of magnesium, iron, calcium and sodium
QA/QC	quality assurance/quality control
quartz	silica or silicon dioxide, a very common mineral
RCP	Reverse Circulation Percussion drilling; a form of open hole drilling
Report Date	26 September 2013
RER	Prof. Zhang, Indonesia Ciemas Gold Project Resource Evaluation Report, February 2012
reserve	or ore reserve, that part of a resource which could be economically recovered; with decreasing levels of confidence, reserves can be classified as proved or probable
resource	or mineral resource, an occurrence from which valuable minerals may be recovered; with decreasing levels of confidence, a resource may be

GCA PROFESSIONAL SERVICES GROUP
漢 華 專 業 服 務 集 團

	classified as measured, indicated or inferred
rougher concentrate	refers to the concentrate from the rougher cells in a flotation plant
S$	Singapore Dollar, the official currency of Singapore
scavenger concentrate	refers to the concentrate from the scavenger cells in a flotation plant
sediment	rocks formed by transportation of particles by air, water or ice
SGX	Singapore Exchange
Shandong	Shandong Gold Group Yantai Design Research Engineering Co., Limited
shrinkage mining	mining that proceeds from the bottom upwards, in horizontal slices (similar to cut and fill mining), with the broken ore being left in place for miners to work
silica	silicon dioxide, i.e. quartz mineral
silicified/silicification	the introduction of, or replacement by, silica
Specialist	persons who may be retained by the Expert to prepare sections of Reports concerning matters about which the Expert is not personally Competent. Specialists must accept responsibility for the sections of the reports they prepare.
sphalerite	a mineral, zinc sulphide; the dominant ore mineral of zinc
SRK	SRK Consulting (China) Limited
stope	an underground excavation formed by the extraction of ore
stratigraphy	the arrangement of strata as to its geographic position and chronological order of sequence
sulphide	a mineral compound characterised by the linkage of sulphur with a metal
t	tonnes
tailings	those portions of washed or milled ore that are regarded as too poor to be treated further, as distinguished from concentrates
tectonic	structures resulting from the deformation of the earth's crust
Terrex	P.T. Terrex Resources Indonesia
tertiary	the geological time period between 65 and 2 million years ago
tpa	tonnes per annum
tpd	tonnes per day
transition ore	refers to ore that lies between the oxide zone and the primary zone and has components of both oxide

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

	ore and primary ore
tuffaceous	volcanic ash strata (derived from weathering of, or containing, tuff strata)
UCF	underhand cut and fill, an underground mining/stoping method
UDF	underhand drift-and-fill, an underground mining/stoping method
UNFC	United Nations Framework Classification
US$	United States Dollar, the official currency of the United States
VALMIN Code	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, prepared by the VALMIN Committee in 2005
Valuation Date	31 May 2013
volcanic	pertaining to the activities, structures or rock types of a volcano
volcaniclastic	a clastic rock containing material derived from volcanic source rocks
WWI	P.T. Wilton Wahana Indonesia

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

4.7 LIST OF FIGURES

------------------------------ CONTINUED ON NEXT PAGE ------------------------------

4.8 LIST OF TABLES

GCA PROFESSIONAL SERVICES GROUP
漢華專業服務集團

END OF REPORT

Jakarta, 18 September 2013

The Board of Directors
Hartawan Holdings Limited
175A Chin Swee Road
Singapore 169879

Canaccord Genuity Singapore Pte. Ltd.
77 Robinson Road
#21-02
Singapore 068896

RE: SHAREHOLDERS' CIRCULAR TO BE ISSUED BY HARTAWAN HOLDINGS LIMITED IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF WILTON RESOURCES HOLDINGS PTE LTD ("WILTON", AND TOGETHER WITH ITS SUBSIDIARIES, THE "TARGET GROUP")

We have conducted a legal due diligence of PT Wilton Investment ("**PT WI**"), PT Wilton Wahana Indonesia ("**PT WWI**") and PT Liektucha Ciemas ("**PT LTC**") (each a "**Target Subsidiary**" and collectively, the "**Target Subsidiaries**"). Pursuant to Rule 225(1)(j)(i) of the SGX-ST Listing Manual Section B: Rules of Catalist, we provide herewith a legal opinion on (i) compliance by the Target Subsidiaries with relevant laws, rules and regulations; and (ii) title to or validity and enforceability of the Target Subsidiaries' rights to any assets ("**Opinion**").

This Opinion is confined to matters of the laws of the Republic of Indonesia. Accordingly, we express no opinion herein with regard to any system of law other than the laws of the Republic of Indonesia as currently applied by the Indonesian courts. This Opinion is governed by and construed in accordance with the laws of the Republic of Indonesia as at the date of this Opinion. To the extent that the laws of any other jurisdiction may be relevant, we have made no independent investigation thereof and this Opinion is subject to the effect of such laws.

A. <u>DOCUMENTS EXAMINED</u>

I. Laws and Regulations

For the purpose of this Opinion, we have examined the following laws and regulations:

1. Law No. 1 of 1995 concerning Limited Liability Company ("**Old Company Law**");

2. Law No. 40 of 2007 concerning Limited Liability Company ("**Company Law**");

3. Law No. 4 of 2009 concerning Mineral and Coal Mining ("**Mining Law**");

4. Law Number 41 of 1999 regarding Forestry as amended by Law Number 19 Year 2004 regarding Forestry ("**Forestry Law**");

5. Law No. 5 of 1960 concerning Basic Regulations of Agrarian Principles ("**Land Law**");

6. Government Regulation No. 40 of 1996 concerning Right to Cultivate, Right to Build, and Right of Use of Land ("**PP No. 40/1996**");

7. Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Business Activities ("**PP No. 23/2010**") as amended by Government Regulation No. 24 of 2012 concerning the amendment to PP No. 23/2010 ("**PP No. 24/2012**");

8. Government Regulation Number 24 of 2010 regarding the Use of Forest Areas, as lastly amended by the Government Regulation Number 61 of 2012 ("**PP No. 24/2010**"); and

9. Regulation of the Minister of Forestry Number P.18/Menhut-II/2011, as lastly amended by the Regulation of the Minister of Forestry Number P.38/Menhut-II/2012 regarding the Guidance for the Leasehold of Forest Areas ("**Permenhut No. P.38/2012**").

II. PT WI

For the purpose of this Opinion, we have examined copies of the following documents of PT WI:

1. Deed of Establishment of PT WI No. 23 dated 17 June 2011, made before Musa Muamarta, S.H., Notary in Jakarta, which has been legalized by the Minister of Law and Human Rights ("**MOLHR**") by the Decree No. AHU-33035.AH.01.01.Tahun 2011 dated 1 July 2011, registered in Company Registry (TDP) in the Company Registry Office under No. AHU-0053575.AH.01.09.Tahun 2011 dated 1 July 2011, announced in the State Gazette No. 53983 and Supplement to the State Gazette No. 77 dated 25 September 2012;

2. Foreign Investment Registration Certificate No. 01743/1/PPM/I/PMA/2011 dated 17 June 2011, issued by the Chair of Foreign Investment Coordination Board ("**BKPM**");

3. Certificate of Domicile No. 732/1.824.5/VI/2011 dated 21 June 2011, issued by the Head of Mangga Dua Selatan Ward;

4. Company Registration Certificate No. 09.05.1.07.69397 dated 7 July 2011, issued by the Head of Cooperative, Micro, Small and Medium enterprises and Trade Service Office of DKI Jakarta Province;

5. Taxpayer Registration Number of PT WI No. 03.048.495.0-026.000, issued by Head of Jakarta Sawah Besar Satu Tax Office;

6. Capital Investment Quarterly Report ("**LKPM**") of PT WI for the 4th quarter of the year 2012 and the 1st quarter of year 2013;

7. Medium Trade Business License (*Surat Izin Usaha Perdagangan Menengah* – SIUP) No. 503.17/3106/380/10-22/PM.Herr-BPMPT/2013 dated 12 February 2013;

8. Obligatory Manpower Report (*Wajib Lapor Ketenagakerjaan* – "**WLTK**") of PT WI which has been received by the officer of Manpower and Transmigration Office of Central Jakarta Municipality on 30 July 2013;

9. Collective Share Certificate of PT WI No. 2 dated 11 July 2013 under the name of Mr. Wijaya Lawrence;

10. Collective Share Certificate of PT WI No. 2 dated 11 July 2013 under the name of Ms Hui Kun Lauw;

11. Share Register Book of PT WI signed by Mr. Wijaya Lawrence as the director;

12. Special Share Register Book of PT WI signed by Mr. Wijaya Lawrence as the director; and

13. Director Certificate dated 17 September 2013, signed by Mr. Wijaya Lawrence as the director.

III. PT WWI

For the purpose of this Opinion, we have examined copies of the following documents of PT WWI:

1. Deed of Establishment of PT WWI No. 10 dated 21 June 2000, made before Tjoek Ratriawan, S.H., Notary in Jakarta, which has been legalized by the Minister of Justice and Human Rights of Republic of Indonesia ("**MOJHR**") by the Decree No. C-23622 HT.01.01.TH.2000 dated 3 November 2000, registered in Company Registry (TDP) in the Company Registry Office of Jakarta Pusat Administrative City dated 31 October 2006, announced in the State Gazette No. 32 dated 20 April 2010, Supplement State Gazette No. 3746;

2. Deed of Meeting Resolution No. 28 dated 22 November 2003, made before Abdullah Ashal, S.H., Notary in Jakarta, which notification has been accepted by MOJHR under Decree No. C-UM.02.01.11473 dated 21 September 2003, and registered in the Company Registry on 31 October 2006 ("**Deed No. 28/2003**");

3. The deeds of transfer of rights over shares with regard to the transfers of shares stipulated in the Deed No. 28/2003;

4. Deed of Meeting Resolution No. 59 dated 29 February 2008, made before H. Feby Rubein Hidayat, S.H., Notary in Jakarta, which has been approved by the MOLHR by Decree No. AHU-26282.AH.01.02.Tahun 2008 dated 19 May 2008 and registered in the Company Registry under No. AHU-0038485.AH.01.09.Tahun 2008 dated 19 May 2008, announced in the State Gazette No. 32 dated 20 April 2010, Supplement State Gazette No. 3747;

5. Certificate of Domicile No. 1439/1.824.5/XII/2010 dated 16 December 2010, issued by the Head of Mangga Dua Selatan Ward;

6. Large Business Trade License No. 02218/1.824.271 dated 22 April 2008, issued by the Head of Industry and Trade Office of DKI Jakarta Province;

7. Company Registration Certificate No. 09.05.1.51.39537 dated 28 December 2010, issued by the Head of Cooperative, Micro, Small and Medium and Trade Office of DKI Jakarta Province;

8. Taxpayer Registration Number of PT WWI No. 1.969.913.1-026, issued by the Head of Jakarta Sawah Besar Tax Office;

9. Head of Integrated Licenses and Capital Investment Office of Sukabumi Regency Decree No. 503.8/6441-BPPT/2010 dated 8 September 2010 regarding Approval for Escalation of Exploration Mining Business Permit to become Operational Production Mining Business Permit ("**PT WWI IUP OP**").

10. Head of Integrated Licenses and Capital Investment Office of Sukabumi Regency Decree No. 503.8/4266-BPPT/2011 dated 1 June 2011 regarding Approval for the Amendment of the IUP OP ("**First IUP OP Amendment**");

11. Head of Integrated Licenses and Capital Investment Office of Sukabumi Regency Decree No. 503.8/7797-BPPT/2011 dated 5 October 2011 regarding Approval for Adjustment of the Amendment of the IUP OP ("**Second IUP OP Amendment**");

12. Statement Letter No. 540/2247/PPP dated 24 October 2011 issued by Integrated License Service Office of Sukabumi Regency ("**Statement Letter No. 2247**");

13. Statement Letter No. 5224/1410-PPK dated 21 October 2011 issued by Forestry and Plantation Office of Sukabumi Regency ("**Statement Letter No. 1410**");

14. Statement Letter No. 475.1/4574-Disnakertrans/2011 dated 12 October 2011 issued by Manpower and Transmigration Office of Sukabumi Regency;

15. Deed of Land Borrow and Use Agreement No. 79 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H.;

16. Deed of Land Borrow and Use Agreement No. 80 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H.;

17. Deed of Land Borrow and Use Agreement No. 81 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H.;

18. Deed of Land Borrow and Use Agreement No. 82 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H.;

19. Deed of Land Borrow and Use Agreement No. 83 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H.;

20. Deed of Land Borrow and Use Agreement No. 84 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H.;

21. Deed of Land Borrow and Use Agreement No. 85 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H.;

22. Deed of Land Borrow and Use Agreement No. 86 dated 25 March 2013, made before H. Feby Rubein Hidayat, S.H;

23. Right of Ownership of Land Certificate No. 657 under the name of Mr. Tirto Sarjono dated 19 February 2013 issued by the National Land Agency of Sukabumi Regency;

24. Right of Ownership of Land Certificate No. 658 under the name of Mr. Decky Susanto dated 19 February 2013 issued by the National Land Agency of Sukabumi Regency;

25. Right of Ownership of Land Certificate No. 659 under the name of Mr. Nicco Damansaputra Lawrence dated 19 February 2013 issued by the National Land Agency of Sukabumi Regency;

26. Right of Ownership of Land Certificate No. 660 under the name of Mr. Haryanto dated 19 February 2013 issued by the National Land Agency of Sukabumi Regency;

27. Right of Ownership of Land Certificate No. 661 under the name of Mr. Wijaya Lawrence dated 19 February 2013 issued by the National Land Agency of Sukabumi Regency;

28. Right of Ownership of Land Certificate No. 662 under the name of Mr. Wijaya Lawrence dated 19 February 2013 issued by the National Land Agency of Sukabumi Regency;

29. Right of Ownership of Land Certificate No. 663 under the name of Mr. Wijaya Lawrence dated 20 February 2013 issued by the National Land Agency of Sukabumi Regency;

30. Right of Ownership of Land Certificate No. 664 under the name of Mr. Wijaya Lawrence dated 20 February 2013 issued by the National Land Agency of Sukabumi Regency;

31. Medium Business Trade License No. 08363/P-1.824.271 dated 3 April 2013, issued by the Head of Industry and Trade Office of DKI Jakarta Province;

32. Letter to the Directorate General No. 001/WWI-DU/CNC/XI/2012 dated 26 November 2012 in relation with the application of PT WWI to obtain Clean and Clear Certificate;

33. Report of mining area border stakes installment;

34. Evidence of the payment of Fixed Contribution (Dead Rent) of PT WWI Operation Production IUP for the first, second, and third years of production;

35. AMDAL documentation including the RKL and RPL and has received the approval from the Regent of Sukabumi by letter of approval No. 660.1/1362.A-BLH dated 16 August 2010;

36. Letters No. 136/III/2013, No. 137/III/2013, No. 138/III/2013, No. 139/III/2013, No. 140/III/2013, No. 141/III/2013, No. 142/III/2013, and No. 143/III/2013, all dated 24 May 2013, issued by the National Land Agency of Sukabumi Regency;

37. Letter of Mining and Energy Agency of Sukabumi Regency Number 540/401/PU dated 9 December 2011 concerning Legalization of Mr. Caca Cahyaman as the Head of Mine Technical of PT WWI;

38. Letter of Mining and Energy Agency of Sukabumi Regency Number 540/401/PU dated 9 December 2011 concerning Legalization of Mr. Caca Cahyaman as the Head of Mine Technical of PT WWI;

39. Letter of Mining and Energy Agency of Sukabumi Regency Number 540/425/PU dated 20 December 2011 concerning Legalization of Mr. Unang Zaenudin as the Vice Head of Mine Technical of PT WWI;

40. Quarterly Report for the 1st, 2nd, 3rd, and 4th quarters of year 2012 of PT WWI;

41. Document of Work and Budget Plan (*Rencana Kerja Anggaran dan Biaya* – "**RKAB**") for the year 2012-2013 of PT WWI;

42. RKAB for the year 2013-2014 of PT WWI;

43. Letter of Mining and Energy Agency of Sukabumi Regency Number 540/355/Produksi dated 30 December 2011 concerning Legalization of Work and Budget Plan of Mineral Mining Activities (*Rencana Kerja Anggaran dan Biaya*) Year 2012 of PT WWI;

44. The Seventh Announcement of IUP Reconciliation (where PT WWI is listed as one of the companies that may receive Clean and Clear status) issued by the Directorate General of Minerals, Coal, and Geothermal Energy;

45. Offer of Employment Letter to Wijaya Lawrence as Executive Chairman and Chief Executive Officer dated 1 March 2013;

46. Offer of Employment Letter to Nicco Darmasaputra Lawrence as Vice President Director, Executive Officer and Head of the General Administration Division dated 1 March 2013;

47. Offer of Employment Letter to Yusuf Hermawan Jatikusumo as Executive Officer and Head of the Technical & Development Division dated 1 March 2013;

48. Offer of Employment Letter to Amnah Tarigan as Executive Officer and Head of the Finance & Administration Division dated 1 April 2013;

49. Offer of Employment Letter to Caca Cahyaman as Manager and Head of the Development (Exploration) Department dated 1 March 2013;

50. Offer of Employment Letter to Decky Susanto as Vice Head of the General Administration Division and Head of the Security & Legal dated 1 March 2013;

51. Offer of Employment Letter to Tirto Sarjono as Vice Head of the Technical & Development Division and Head of the Purchasing, QA/QC Department dated 1 March 2013;

52. Building Permit (*Ijin Mendirikan Bangunan*) No. 503.3/644.4/329/PMB-DPTPM/2008 dated 18 January 2008;

53. Statement Letter dated 7 June 2013 issued by PT WWI, which was acknowledged and accepted by PT LTC and all land title holders in the Demarcated Land (as defined below) ("**Statement Letter PT WWI**");

54. Amendment to Land and Borrow Use Agreement dated 15 July 2013, entered into by and between PT WWI and Mr. Wijaya Lawrence, acknowledged and agreed by PT LTC;

55. Amendment to Land and Borrow Use Agreement dated 15 July 2013, entered into by and between PT WWI and Mr. Nicco Darmasaputra Lawrence, acknowledged and agreed by PT LTC;

56. Amendment to Land and Borrow Use Agreement dated 15 July 2013, entered into by and between PT WWI and Mr. Decky Susanto, acknowledged and agreed by PT LTC;

57. Amendment to Land and Borrow Use Agreement dated 15 July 2013, entered into by and between PT WWI and Mr. Haryanto, acknowledged and agreed by PT LTC;

58. Amendment to Land and Borrow Use Agreement dated 15 July 2013, entered into by and between PT WWI and Mr. Tirto Sarjono, acknowledged and agreed by PT LTC;

59. WLTK of PT WWI which has been received by the officer of Manpower and Transmigration Office of Central Jakarta Municipality on 30 July 2013;

60. Collective Share Certificate of PT WWI No. 1 dated 11 July 2013 under the name of Mr. Wijaya Lawrence;

61. Collective Share Certificate of PT WWI No. 2 dated 11 July 2013 under the name of Mr. Dulhalim Lemena;

62. Share Register Book of PT WWI signed by Mr. Wijaya Lawrence as the director;

63. Special Share Register Book of PT WWI signed by Mr. Wijaya Lawrence as the director;

64. Director Certificate dated 17 September 2013, signed by Mr. Wijaya Lawrence as the director.

IV. PT LTC

For the purpose of this Opinion, we have examined copies of the following documents of PT LTC:

1. Deed of Establishment of PT LTC No. 8 dated 20 April 1996, made before Loes Rattu, S.H., Notary in Sukabumi, which has been ratified by the Minister of Justice by the Decree No. C2-10.336.HT.01.01.TH.'96 dated 14 November 1996, announced in the State Gazette No. 36 dated 6 May 1997, Supplement to State Gazette No. 1756;

2. Deed of Minutes of Extraordinary Meeting of Shareholders No. 2 dated 11 August 2006, made before Ermida Hosen, S.H., Notary in Cianjur, which notification has been accepted by the MOLHR under the Decree No. C-UM.02.01.14930 dated 28 August 2006 ("**Deed No. 2/2006**");

3. The deeds of transfer of rights over shares with regard to the transfers of shares stipulated in the Deed No. 2/2006;

4. Deed of Minute of Extraordinary Meeting of Shareholders No. 1 dated 5 September 2006 made before Ermida Hosen, S.H., Notary in Cianjur, which notification has been accepted by the MOLHR under the Decree No. W8-HT.01.10-198 dated 26 September 2006 ("**Deed No. 1/2006**");

5. The deeds of transfer of rights over shares with regard to the transfers of shares stipulated in the Deed No. 1/2006;

6. Deed of Minute of Extraordinary Meeting of Shareholders No. 3 dated 12 February 2007 made before Ermida Hosen, S.H., Notary in Cianjur, which notification has been accepted by the MOLHR under the Decree No. W8-HT.01.10-565 dated 28 March 2007 ("**Deed No. 3/2007**");

7. The deeds of transfer of rights over shares with regard to the transfers of shares stipulated in the Deed No. 3/2007;

8. Deed of Resolution of Shareholders No. 4 dated 1 July 2008 made before Anne Djoenardi, S.H., MBA, Notary in Jakarta, which notification has been accepted by the MOLHR under the Decree No. AHU-AH.01.10-17901 dated 15 July 2008 and registered in the Company Registry No. AHU-0059340.AH.01.09.Tahun2008 dated 15 July 2008 ("**Deed No. 4/2008**");

9. The deeds of transfer of rights over shares with regard to the transfers of shares stipulated in the Deed No. 4/2008;

10. Deed of Meeting Resolution No. 121 dated 16 April 2009, made before H. Feby Rubein Hidayat, S.H., Notary in Jakarta, which has been approved by the MOLHR by Decree No. AHU-19367.AH.01.02.Tahun 2009 dated 8 May 2009 and registered in the Company Registry under No. AHU-0024734.AH.01.09.Tahun 2009 dated 8 May 2009 ("**Deed No. 121/2009**");

11. The deeds of transfer of rights over shares with regard to the transfers of shares stipulated in the Deed No. 121/2009;

12. Deed of Resolution of Meeting No. 167 dated 15 May 2009 made before H. Feby Rubein Hidayat, S.H., Notary in Jakarta, notification has been accepted by the MOLHR under the Decree No. AHU-AH.01.10-08924 dated 30 June 2009 and registered in the Company Registry No. AHU-0038026.AH.01.09.Tahun 2009 dated 30 June 2009 ("**Deed No. 167/2009**");

13. The deeds of transfer of rights over shares with regard to the transfers of shares stipulated in the Deed No. 167/2009;

14. The Deed of Resolution of Meeting No. 87 dated 25 March 2013 made before H. Feby Rubein Hidayat, S.H., Notary in Jakarta ("**Deed No. 87/2013**"). The Deed No. 87/2013 stipulated the approval of the sale of shares of Mr. Yusuf Hermawan Jatikusumo in the amount of 12 (twelve) shares to PT WWI and in the amount of 3 (three) shares to Mr. Wijaya Lawrence;

15. Deed of Sale and Purchase of Shares No. 13 dated 2 April 2013 made before H. Feby Rubein Hidayat, S.H., Notary in Jakarta;

16. Deed of Sale and Purchase of Shares No. 14 dated 2 April 2013 made before H. Feby Rubein Hidayat, S.H., Notary in Jakarta ;

17. Business Location Permit No. 503.4/538/SITU.3105-BPPT/2009 dated 16 June 2009, issued by the Head of Integrated License Service Office Sukabumi Regency;

18. Large Business Trade License No. 503.17/3106/10-22/PB-BPPT/2009 dated 16 June 2009, issued by the Head of Integrated License Service Office Sukabumi Regency;

19. Company Registration Certificate No. 102111300204 dated 16 June 2009, issued by the Head of Integrated License Service Office of Sukabumi Regency;

20. Taxpayer Registration Number of PT LTC No. 01.761.114.6-405.000, issued by the Directorate General of Tax;

21. Head of Integrated License and Capital Investment Office of Sukabumi Regency Decree No. 503.8/102-DPTPM/2008 dated 4 January 2008 regarding Exploitation Mining Business Permit ("**PT LTC Exploitation KP**");

22. Head of Integrated License Service Office of Sukabumi Regency Decree No. 503.8/1747-BPPT/2010 dated 9 March 2010 regarding Increase of PT LTC Exploitation KP into to Production Operation Mining Business Permit as been amended by the Head of Integrated License Service Office of Sukabumi Regency Decree No. 503.8/3106-BPPT/2012 dated 8 May 2012 ("**PT LTC IUP OP**");

23. Statement Letter No. 540/2287/PPP dated 25 October 2011 issued by Integrated License Service Office of Sukabumi Regency ("**Statement Letter No. 2287**");

24. Statement Letter No. 5224/1409-PPK dated 21 October 2011 issued by Forestry and Plantation Office of Sukabumi Regency ("**Statement Letter No. 1409**");

25. Statement Letter No. 475.1/4573-Disnakertrans/2011 dated 12 October 2011 issued by Manpower and Transmigration Office of Sukabumi Regency; and

26. The deeds of sale and purchase of land, mentioning the land transfer from land titleholders mentioned in each deed to Mr. Wijaya Lawrence, as follows ("**Deeds of Land Transfer**"):

    a. Deed of Sale and Purchase of Land No. 115/2008 dated 26 September 2008;

    b. Deed of Sale and Purchase of Land No. 116/2008 dated 27 September 2008;

    c. Deed of Sale and Purchase of Land No. 16/2009 dated 8 January 2009;

    d. Deed of Sale and Purchase of Land No. 15/2009 dated 8 January 2009;

    e. Deed of Sale and Purchase of Land No. 18/2009 dated 8 January 2009;

    f. Deed of Sale and Purchase of Land No. 14/2009 dated 8 January 2009;

    g. Deed of Sale and Purchase of Land No. 17/2009 dated 8 January 2009; and

    h. Deed of Sale and Purchase of Land No. 19/2009 dated 8 January 2009.

27. Statement Letter No. 590/551/X/2012 dated 4 October 2012 issued by Head of Ciemas District Office, from which we have the information that the lands being checked are registered in the database of Ciemas District;

28. Statement Letter No. 34/470/2002/2012 dated 4 October 2012 issued by Secretary of Mekarjaya Village Office, from which we have the information that the owners of each of the lands being checked are the same with the sellers from whom Mr. Wijaya Lawrence purchased the Lands as set out in the Deeds of Land Transfer;

29. Medium Business Trade License No. 503.17/3106/380/10-22/PM.Herr-BPMPT/2013 dated 12 February 2013, issued by the Head of Integrated License Service Office Sukabumi Regency;

30. the AMDAL documentation of PT LTC including the RKL and RPL;

31. Company Registration Certificate No. 102110700204 dated 28 November 2011;

32. Evidence of the payment of Fixed Contribution (Dead Rent) of PT LTC Operation Production IUP for the First Year up to the Fourth Year;

33. Letter of Mining and Energy Agency of Sukabumi Regency Number 540/401/PU dated 9 December 2011 concerning Ratification of Mr. Caca Cahyaman as the Head of Mine Technical of PT LTC;

34. Letter of Mining and Energy Agency of Sukabumi Regency Number 540/425/PU dated 20 December 2011 concerning Ratification of Mr. Unang Zaenudin as the Vice Head of Mine Technical of PT LTC;

35. Quarterly Report for the 1st, 2nd, 3rd, and 4th quarters of year 2012 of PT LTC;

36. RKAB for the year 2012-2013 of PT LTC;

37. RKAB for the year 2013-2014 of PT LTC;

38. Letter of Mining and Energy Agency of Sukabumi Regency Number 540/435/Produksi dated 30 December 2011 concerning Ratification of the Company's RKAB for the Year 2012;

39. The Seventh Announcement of IUP Reconciliation (where PT LTC is listed as one of the companies that may receive Clean and Clear status) issued by the Directorate General of Minerals, Coal, and Geothermal Energy;

40. Non-Tax Payment Receipt dated 8 May 2012 for the payment of Fifth Year Fixed Contribution (Dead Rent) of Production Operation IUP of PT Liektucha Ciemas No.: IUP:503.8/102-DPTPM/2008 in Sukabumi Regency for the period of 4 Januari 2012 – 4 Januari 2013;

41. Non-Tax Payment Receipt dated 21 February 2013 for the payment of Sixth Year Fixed Contribution (Dead Rent) of Production Operation IUP of PT Liektucha Ciemas No.: IUP:503.8/3106-BPPT/2012 in Sukabumi Regency for the period of 4 January 2013 – 4 January 2014;

42. WLTK of PT LTC which has been received by the officer of Manpower and Transmigration Office of Sukabumi Regency on 29 July 2013;

43. Collective Share Certificate of PT LTC No. 1 dated 11 July 2013 under the name of PT WWI;

44. Collective Share Certificate of PT LTC No. 2 dated 11 July 2013 under the name of Mr. Wijaya Lawrence;

45. Share Register Book of PT LTC signed by Mr. Yusuf Hermawan Jatikusumo as the director;

46. Special Share Register Book of PT LTC signed by Mr. Yusuf Hermawan Jatikusumo as the director; and

47. Director Certificate dated 17 September 2013, signed by Mr. Yusuf Hermawan Jatikusumo as the director.

B. ASSUMPTIONS

In considering the documents referred to above and in rendering this Opinion, we have assumed:

1. the genuineness of all signatures on, and the authenticity and completeness of, documents provided to us whether as originals or copies;

2. the conformity to originals of all documents supplied to us as photocopies, scanned copies, or facsimile copies;

3. the originals or copies of all documents provided to us to date are complete and there are no amendments, additions, replacements, and exceptions to such documents which have not been brought to our attention;

4. the documents as listed in point A.II, A.III, and A.IV ("**Examined Documents**") above will not contravene the laws of any country, other than the laws of the Republic of Indonesia;

5. insofar as any obligation under the Examined Documents is to be performed in any jurisdiction outside the Republic of Indonesia, its performance will not be illegal or ineffective by virtue of the law of that or those jurisdictions;

6. all statements and facts included in the documents shown to us are true, and we have not made any examination or investigation of the truth of such statements and facts;

7. we have assumed that every legal action and signature set forth in the documents shown to us was duly taken and made by a party entitled and authorized to do so, who had obtained all approvals from the organs/officers of the organization/agency concerned and met all requirements stipulated by statutory regulations and the articles of association or by-laws of the organization/agency;

8. without prejudice to the generality of the foregoing point (8) we have assumed that:

   a. all licenses, approvals and other documentation issued to the Target Subsidiaries have been properly and legitimately applied for, processed and issued; and

   b. in entering into contracts with third parties for the Target Subsidiaries, if any, the members of the Board of Directors ("**BOD**") and the Board of Commissioners ("**BOC**") of the Target Subsidiaries observed their fiduciary duties to the Target Subsidiaries.

9. we have assumed that the details revealed by searches of public registers maintained by governmental or other regulatory authorities are true and complete and that such information has not since then materially altered, and that such searches did not fail to disclose any material information which had been delivered for filing but did not appear on the public register at the time of the searches;

10. that all government approvals, licenses, and permits obtained by or on behalf of the Target Subsidiaries or any other documents issued by any governmental authority have been duly authorized, executed, and delivered after all relevant and necessary actions and measures duly adopted, and coordinated amongst the relevant government authorities.

C. OPINION

On the basis of the above assumptions, and subject to the qualifications and observations of the foregoing and the matters set out below and having regard to the considerations of the laws of the Republic of Indonesia in force at the date of this Opinion we consider relevant (but without regard to any recorded judgments of the Indonesian courts of which we have no knowledge or which have not been brought to our attention as at the date of this Opinion), we are of the opinion that:

1. Due Incorporation

PT WWI was duly incorporated under the Old Company Law, and PT WI and PT LTC were duly incorporated under the Company Law. Each of the Target Subsidiaries has the status of an independent legal entity, having full capacity, power and authority to enter into legally binding and enforceable contracts and undertakings, with full power to sue or to be sued in its own name. The principal business activity of PT WWI and PT LTC is gold mining. PT WI is intended to be an investment holding company.

Please be advised that Indonesian law does not recognize investment holding company as a line of business. Line of business that commonly used for investment holding company in Indonesia is business management and consultation services. Although it is advisable to amend PT WI's line of business into business management and consultation services, the same would only need to be effected when the relevant authority requires the same of PT WI in writing.

Each of the Target Subsidiaries has the full power and authority to own, use, lease and operate its properties and assets and to conduct its business as it is now being conducted and as described in its articles of association.

Based on our review of the Examined Documents, there are no provisions or irregularities, inconsistencies or other matters contained in the articles of association of the Target Subsidiaries which would adversely affect:

a. the status of each of the Target Subsidiaries as a duly incorporated or established independent legal entity; or

b. the business by each of the Target Subsidiaries as presently conducted and as set out in its articles of association.

2. Compliance with Laws, Approvals and Licenses

2.1 The Target Subsidiaries are required to comply with and hold valid licenses, permits and approvals to carry on its mining operations. Most of these licenses, permits and approvals are issued subject to conditions to be complied with.

2.2 Based on our review of the Examined Documents, each of PT WWI and PT LTC has obtained the relevant material licenses, permits and approvals for its mining operations and has complied with the conditions imposed thereunder.

2.3 Having gold mining as its business line, PT WI has yet to obtain a mining business permit. PT WI must obtain a mining business permit before it can start conducting mining business activities in its own right.

3. Share Capital of the Target Subsidiaries

3.1 The authorized capital and the issued and paid-up capital of the Target Subsidiaries pursuant to their respective articles of association are as follows:

PT WI

Authorized capital	IDR 8,584,000,000 divided into 1,000,000 shares each having nominal value of IDR 858,400
Issued and Paid-up capital	IDR 8,584,000,000 divided into 1,000,000 shares each having nominal value of IDR 858,400

PT WWI

Authorized capital	IDR 1,000,000,000 divided into 1,000 shares each having nominal value of IDR 1,000,000
Issued and Paid-up capital	IDR 300,000,000 divided into 300 shares each having nominal value of IDR 1,000,000

PT LTC

Authorized capital	IDR 1,000,000,000 divided into 1,000 shares each having nominal value of IDR 1,000,000
Issued and Paid-up capital	IDR 300,000,000 divided into 300 shares each having nominal value of IDR 1,000,000

3.2 The present shareholders of the Target Subsidiaries and their respective shareholdings are as follows:

PT WI

Name of Shareholders	**Number of Shares held**	**Percentage of Shares held**
Mr. Wijaya Lawrence	9,500	95%
Mrs. Hui Kun Lauw	500	5%

PT WWI

Name of Shareholders	**Number of Shares held**	**Percentage of Shares held**
Mr. Wijaya Lawrence	290	97%
Mr. Dulhalim Lemena	10	3%

PT LTC

Name of Shareholders	Number of Shares held	Percentage of Shares held
PT WWI	297	99%
Mr. Wijaya Lawrence	3	1%

3.3 All issues, allotment and transfers of shares in the capital of each of the Target Subsidiaries and the present authorized share capital of each of the Target Subsidiaries are valid and have been effected in accordance with the respective Target Subsidiaries' articles of association and the Company Law.

4. Title to or Validity and Enforceability of the Rights to any Assets

4.1 Mining Licenses

4.1.1 PT WWI has been granted with PT WWI IUP OP, First IUP OP Amendment and Second IUP OP Amendment, with which PT WWI has the right to conduct gold (and other following minerals, which usually are, silver (Ag), copper (Cu), lead (Pb), iron (Fe) and zinc (Zn) ("**Following Minerals**")) mining activities in an area of approximately 2,878.5 hectares located in Ciemas and Mekarjaya Village Ciemas District, Cihaur Village Simpenan District, Sukabumi Regency, West Java Province, Indonesia. The second IUP OP Amendment will expire on 7 September 2030.

4.1.2 PT LTC has been granted with PT LTC Exploitation KP and PT LTC IUP OP, with which PT LTC has the right to conduct gold (and other Following Minerals) mining activities in an area of approximately 200 hectares located in Block Pasir Manggu, Mekarjaya Village, Ciemas District, Sukabumi Regency, West Java Province, Indonesia. PT LTC Operational Production IUP will expire on 4 January 2028.

4.2 Land Compensation

PT WWI has entered into deed of land borrow and use agreements and its addendum ("**Borrow and Use Agreements**") with land title holders for an area of approximately 28.3 (twenty eight point three) hectares located inside its mining area ("**Demarcated Land**"). The Borrow and Use Agreements allows PT WWI to conduct mining activities in the Demarcated Land for 17 (seventeen) years as from 20 March 2013 until 8 September 2030, with no borrowing fee that has to be paid to each land title holders.

Based on the Borrow and Use Agreements, PT LTC has also been allowed to access and conduct mining activities in its mining area located inside the Demarcated Land.

Pursuant to the above, both PT WWI and PT LTC have complied with the requirement of the Mining Law regarding land compensation.

4.3 Forestry Area

According to Statement Letter No. 1409 and Statement Letter No. 1410, several parts of PT WWI's and PT LTC's mining areas overlap with forestry area, which require PT WWI and/or PT LTC to apply and obtain the leasehold of forestry area permit *(Ijin Pinjam Pakai)* issued by the Minister of Forestry prior to conducting any mining business activities in such particular overlapping areas. To the extent PT WWI and/or PT LTC conduct their mining business activities outside the overlapping areas, the leasehold of forestry area permit *(Ijin Pinjam Pakai)* is not required.

4.4 Plantation Area

According to Statement Letter No. 2247 and Statement Letter No. 2287, several parts of PT WWI's and PT LTC's mining areas overlap with plantation area with the Right to Use (*Hak Guna Usaha/HGU)* land title. PT WWI and/or PT LTC will be required to settle the issue with the land title holder prior to conducting any mining business activities in such particular overlapping area. The most common settlement of which is in the form of an agreement between the mining license holder and the land titleholders where the land titleholders permit the mining license holder to conduct mining activity in its plantation area with certain compensation. To the extent PT WWI and/or PT LTC conduct their mining business activities outside the overlapping areas, the settlement with the land title holder is not required.

D. QUALIFICATIONS

Our opinions are subject to the following qualifications:

1. We do not purport to be experts on or to be generally familiar with or qualified to express legal opinions based on any law other than the laws of the Republic of Indonesia and accordingly express no legal opinion herein based upon any law other than the laws of the Republic of Indonesia.

2. Enforcement may be affected by judicial decisions which may permit the introduction of extrinsic evidence to modify the terms or the interpretation laws, regulations, and the Examined Documents.

3. Except as contemplated in this Opinion, we have not undertaken any independent investigation with any person outside of our firm, or as to the accuracy or completeness of any factual representation or other information made or furnished in connection with the matter contemplated in this Opinion.

This opinion is intended to be used in the context which is specifically referred to herein and each paragraph should be looked and interpreted as a whole and no part of which should be extracted and/or quoted and/or referred to independently. Headings are for reference and shall not in any manner affect the interpretation of this opinion.

Very yours truly,
HANAFIAH PONGGAWA & PARTNERS

The discussion below is not intended to constitute a complete analysis of all tax consequences relating to ownership of Shares. Holders of Shares should consult their own tax advisors concerning the tax consequences of their particular situations. This description is based on laws, regulations and interpretations now in effect and available in Singapore and Indonesia as of the date of this Circular. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. It is emphasised that neither the Company, the Directors, the Target Group, the Proposed Directors nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription for, holding or disposal of the Shares.

SINGAPORE INCOME TAX

General

Individual taxpayers

All individuals (resident or non-resident), subject to certain exceptions, are subject to income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore by resident individuals will be exempt from income tax. This exemption will however not be applicable if the foreign-sourced income is received through a partnership in Singapore. Non-resident individuals are not subject to income tax on foreign-sourced income received in Singapore.

An individual is regarded as tax resident in Singapore if he is physically present in Singapore or exercises an employment in Singapore (other than as a director of a company) for 183 days or more in a calendar year, or if the individual resides in Singapore.

In addition, there is an administrative concession whereby an individual would be regarded as a tax resident if he/she is physically present or exercises employment in Singapore for at least 183 days, even if it straddles two calendar years. However this concession is not available to a director of a Singapore company.

For Singapore tax resident individuals, their taxable income (after deduction of personal reliefs) will be subject to tax on progressive tax rates starting from 0% and increasing to a maximum rate of 20%.

Corporate taxpayers

Corporate taxpayers (resident or non-resident), subject to certain exceptions, are subject to Singapore income tax on Singapore-sourced income and foreign-sourced income remitted or deemed remitted to Singapore. Foreign-sourced branch profits, dividends and service income received or deemed received in Singapore by a tax resident company may, subject to certain conditions, be exempt from tax in Singapore. Such foreign-sourced income will be exempt from income tax, so long as it is derived from a jurisdiction with a headline tax rate of at least 15% in the year of receipt and has been subject to tax or paid out of income which has been subject to tax of a similar character to income tax in that jurisdiction either by direct assessment or by withholding tax as the case may be. Such foreign-sourced income must also be remitted to Singapore directly from the relevant jurisdiction.

A corporate taxpayer is regarded as tax resident in Singapore if the company's business is controlled and managed in Singapore. The meaning of "control and management" is not defined in the Singapore Income Tax Act. In practice, the residence of a company is generally taken to be where the directors of the company manage and control its business and hold their board meetings.

The corporate tax rate in Singapore is 17% with effect from the Year of Assessment 2010. In addition, 75% of the first S$10,000 of a company's chargeable income that is subject to normal tax rate, and 50% of the next S$290,000 will be exempt from income tax. This partial exemption will not apply to Singapore dividends received by companies. For the Years of Assessment 2013, 2014 and 2015, companies will be granted a 30% Corporate Income Tax Rebate capped at S$30,000 for each Year of Assessment.

Dividend Distributions

Singapore adopts a one-tier corporate tax system. Under this system, the Singapore income tax paid by a tax resident company on its profits is final and all dividends paid are exempt from tax in the hands of shareholders (referred hereinafter as "exempt dividends").

Under this one-tier corporate tax system, dividends declared by the Company will be exempt dividends. Exempt dividends paid on the Shares are exempt from Singapore income tax in the hands of the Shareholders regardless of whether they are resident or non-resident of Singapore.

Under the current tax law in force, no Singapore withholding tax will be imposed on dividends paid to non-resident shareholders.

Bonus Issues

Under current Singapore tax law and practice, a capitalisation of profits followed by the issue of new shares, credited as fully paid, *pro rata* to shareholders ("bonus issue") does not represent a distribution of dividends by a company to its shareholders. Therefore, a shareholder receiving shares by way of a bonus issue should not have a liability to Singapore income tax.

Scrip Dividends

When a dividend declared by the Company is to be satisfied wholly or in part in the form of an allotment of Shares credited as fully paid, the dividend so declared will be treated as an exempt dividend, the receipt of which will not be subject to Singapore income tax in the hands of the Shareholders.

Capital Gains

Gains of a capital nature are not taxable, whereas gains of an income nature will be subject to Singapore income tax if the gains are either sourced in Singapore or received / deemed received in Singapore.

Any gain derived on disposal of the Shares should be exempt from Singapore income tax provided that such a gain is accepted by the Inland Revenue Authority of Singapore as a capital gain. If, however, the gain is construed to be of an income nature rather than capital in nature, it will be taxable in full if sourced in Singapore or received / deemed received in Singapore.

The assessment of whether the gain is a non-taxable capital gain or a taxable revenue gain is entirely dependent upon various factors such as intention, frequency of similar transactions, length of ownership and circumstances responsible for the sale. For example, the gains arising to a financial institution or investment dealing enterprise, regularly transacting in its portfolio of security investments (including equity investments in various companies, listed or unlisted), may be construed as trading gains and be subject to Singapore income tax.

Under section 13Z of the Income Tax Act, Chapter 134 of Singapore, the gains derived by a company from the disposal of ordinary shares in an investee company during the period 1 June 2012 to 31 May 2017 (both dates inclusive) is not taxable if immediately prior to the date of the share disposal, the divesting company had legally and beneficially held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months. This rule does not apply to a divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of section 26 of the Income Tax Act, Chapter 134 of Singapore; or disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development); or disposal of shares by a partnership, limited partnership or limited liability partnership where one or more of the partners is/are company(s).

In addition, Shareholders who adopt the tax treatment to be aligned with the Singapore Financial Reporting Standard 39: Financial Instruments – Recognition and Measurement may be taxed on gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of the Shares is made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Shares.

SINGAPORE STAMP DUTY

There is no stamp duty payable on the subscription of the Shares.

Stamp duty is payable on any conveyance, assignment or transfer on sale of any stock or shares or interest thereof. The purchaser is liable for stamp duty, unless otherwise agreed. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty will be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

The above stamp duty is, however, not applicable to electronic transfers of the shares through CDP.

SINGAPORE GOODS AND SERVICES TAX ("GST")

General

The sale of shares is considered a supply of services for Singapore GST purposes. Generally, a supply of services made by a GST-registered person belonging in Singapore is subject to GST at the current standard rate of 7% unless the supply of services can qualify for zero-rating (i.e. charge GST at 0%) under Section 21(3) of the Singapore GST Act or exempt from GST under the Fourth Schedule to the GST Act.

On Acquisition

No GST is payable on the purchase of the Shares except for possible GST payable on other incidental charges, e.g. brokerage charges as mentioned below.

On Sales

The sale of shares by a GST-registered investor belonging in Singapore through the SGX-ST member or to another person belonging in Singapore is exempt from GST (i.e. not subject to GST) under the Fourth Schedule to the GST Act. Any GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply will generally become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

If the sale of shares by a GST-registered investor belonging in Singapore is made to a person belonging outside Singapore, and that person is outside Singapore at the time of supply, the sale would qualify for zero-rating (i.e. subject to GST at 0%) under Section 21(3) of the GST Act. Consequently, any GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of shares.

Other Incidental Charges

Brokerage, handling and clearing fees in connection with the purchase, sale or acquisition of shares charged by a GST-registered person (e.g. broker) to an investor belonging to Singapore is subject to GST at the current standard rate of 7%. Similar services rendered to an investor belonging outside Singapore should qualify for zero-rating provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

SINGAPORE ESTATE DUTY

Singapore has abolished estate duty with effect from 15 February 2008.

INDONESIA TAXATION

The applicable income tax laws, regulations, notices and decisions related to foreign investment enterprises and their investors include the following:

Corporate Tax

General Principle

Companies incorporated or domiciled in Indonesia are subject to income tax on worldwide income.

Foreign tax may be claimed as a tax credit subject to a limitation rule.

Rates of Corporate Tax

Corporate tax is imposed at a flat rate of 25%. This rate applies to Indonesian companies and foreign companies operating in Indonesia through a permanent establishment. The tax rate is reduced by 5 percentage points for listed companies that have at least 40% of their paid up capital traded on the stock exchange. Small and medium-scale companies (that is, companies having gross turnover of up to Rp50 billion) are entitled to a 50% reduction of the tax rate. The reduced rate applies to taxable income corresponding to gross turnover of up to Rp4,800,000,000.

Tax incentives are granted to certain qualifying resident companies investing in certain types of businesses or regions. The tax incentives consist of the following:

- Accelerated depreciation and amortisation.
- Carry forward of a tax loss for a period of 10 years, subject to certain conditions.
- Reduced tax rate of 10% (or lower rate under a double tax treaty) for dividends paid to non resident.
- Investment allowance in the form of reduction of net income by 30% of the amount invested in land and buildings, and plant and equipment. This allowance may be claimed at a rate of 5% each year over a 6-year period.

To qualify for the above tax incentives, the investment must be a new investment or an investment for the purpose of expanding a current business. Under a government regulation, 52 categories of business sectors and 77 other categories of types of industries in certain areas may qualify for the tax incentives.

Tax holiday is available for certain qualified taxpayers engaged in pioneering industries (i.e. base metal industry; oil refinery and/or organic base chemical industry which the sources are from natural oil and gas; machinery industry; renewable energy industry; and/or communication equipment industry). The company must be a new company and have a minimum investment of IDR1 trillion. Under the tax holiday, corporate income tax will be exmpet for five to ten years from the commencement of commercial production, followed thereafter by a 50% reduction of the corporate income tax payable for the next two years.

Capital Gains

A 0.1% final withholding tax is imposed on proceeds of sales of publicly listed shares through the Indonesian Stock Exchange. An additional tax at a rate of 0.5% of the share value at the time of initial public offering is imposed for founder shares. Founder shareholders must pay the 0.5% tax within one (1) month after the shares are listed. Founder shareholders that do not pay the tax by the due date are subject to income tax on the gains at the ordinary income tax rates.

Capital gains derived by residents are included in taxable income and are subject to tax at the normal income tax rate. Capital gains from disposal of certain type of assets in Indonesia derived by non-residents are subject to tax at a rate of 20%. The law provides that the 20% tax is imposed on an amount of deemed income. The Minister of Finance of Indonesia established the deemed income for sales of unlisted shares. The deemed income equals 25% of the gross sale proceeds, resulting in an effective tax rate of 5% of the gross sale proceeds. This rule applies to residents of non-treaty countries and to residents of treaty countries if the applicable treaty allows Indonesia to tax the income.

Sale or transfer by non-residents of shares in conduit companies or special purpose companies established or resided in tax haven jurisdictions that have special-relationship with an Indonesian entity or an Indonesian permanent establishment of foreign entity, is deemed to be a sale or transfer of shares of the Indonesian entity or the permanent establishment ("Indirect Transfer Rule"). The regulation provides that the Indonesian income tax applicable on the transaction will be 5% of gross sale proceeds. The 5% rate is derived from application of 20% cross-border withholding tax under Article 26 of the Income Tax Law on a profit that is deemed to be 25% of gross sale proceed. Indirect Transfer Rule will not apply if the seller of the shares is a tax resident of a country having a tax treaty with Indonesia and the respective treaty provides capital gain tax relief.

The trading of the Company's Shares shall be excluded from the above provision as the Company is a publicly listed company and a publicly listed company should not be considered as a conduit company or a special purpose company. Therefore, the Indirect Transfer Rule should not apply.

Dividends

In general, dividends are included in taxable income.

Dividends paid to Indonesian limited liability companies as resident taxpayers are subject to withholding tax at the rate of 15%. This tax is an advance payment of the dividend recipient's tax liability. Tax exemption may apply if the dividends are paid from retained earnings and if the recipient's share ownership in the payer of the dividends represents 25% or more of the paid-in capital. Dividends exempted from tax are not subject to 25% corporate income tax in the hands of the recipient and the 15% withholding tax.

Dividends remitted to a non-Indonesian tax resident are subject to a final 20% withholding tax, unless an applicable tax treaty provides a lower rate. Under the current tax treaty between Indonesia and Singapore, the reduced withholding tax rate on future dividend distributions from Indonesian subsidiary is 10% if the share ownership in Indonesia subsidiary is at least 25% of the capital of Indonesian subsidiary, otherwise, the reduced treaty rate would be 15% if the Singapore tax resident can avail itself of treaty benefits. One of the requirements to avail of treaty benefits is that the Singapore tax resident must be the beneficial owner of the dividend and provide a Certificate of Tax Residence to the Company. Under the regulations issued by the Indonesian Tax Authorities, if it is determined that:

- an income recipient is not the beneficial owner of the income (e.g., the income recipient is merely an agent or a nominee or conduit company);
- a transaction does not have economic substance and is structured with the sole purpose of enjoying tax treaty benefits; or
- a transaction is structured such that the legal form is at variance with the economic substance for the sole purpose of enjoying tax treaty benefits.

a taxpayer's entitlement to withholding tax benefits under an applicable tax treaty will be voided and the 20% statutory withholding tax rate will be applied.

However under the regulations, the non-resident can qualify for benefits allowed under applicable tax treaties if they are able to satisfy all of the following requirements:

- the non-resident's incorporation and transactions are not merely aimed at enjoying tax treaty benefits;
- the management of the non-resident has genuine decision-making authority;
- the non-resident has sufficient qualified personnel;
- the non-resident is engaged in genuine business activities;
- any revenue sourced in Indonesia is subject to tax in the country where the recipient of the income is located; and
- the non-resident does not use more than 50% of its total income to fulfill obligations to other parties in the form of interest, royalty, or other fees (excluding salary to employees and dividend paid to shareholders).

The non-resident must submit, as its Certificate of Tax Residence, either an Indonesian Directorate General of Taxation ("DGT") 1 Form or DGT 2 Form (for banking institutions only). The competent tax authorities of the jurisdiction where the recipient non-resident is domiciled must legalise page one of either form. Page one is effective for 12 months from the issuance date. If the DGT 1 Form is used, page two must be completed and signed by the non-resident. If neither of these forms can be obtained, the Company is obliged to deduct 20% withholding tax on the amount of the distribution. For other non-resident residing in a country where the competent tax authority refuses to legalise page-one of DGT-1 Form, the regulations issued in 2010 by the Indonesian Tax Authority allows the non-resident to use a Certificate of Tax Residence issued by the competent tax authority, but the non-resident needs to fill in and sign the page two of the DGT-1 Form.

Dividends received by Indonesian individuals are subject to a final tax with a maximum rate of 10%.

Value added tax ("VAT")

VAT is imposed on most goods and services at a rate of 10%. Government regulations can adjust the rate to as low as 5% and as high as 15%. The tax is generally collected by "VAT-able firms" (entities which deliver taxable goods or services). These firms are required to submit monthly VAT returns.

VAT Relief

Under the current VAT legislations, Indonesian Government provides VAT relief in the form of VAT exemption on importation or acquisition of certain strategic goods, i.e., capital goods used for producing VAT-able goods and certain agriculture products. Certain types of goods and services are not subject to VAT, which include goods of mining products and drilling results taken directly from its sources such as gold ores, iron ores, coal that has not been processed into brickets.

Under the VAT Law, non residents purchasing taxable goods in Indonesia and paying VAT on the purchase can claim refund of the VAT, subject to fulfillment of certain requirements.

Sales Tax on Luxury Goods ("STLG")

The highest rate of sales tax on luxurious goods is 200% and the lowest rate is as low as 10%.

Land and Buildings Tax

Land and Building tax is imposed on individuals, companies or organisations that have certain rights to or obtain benefits from land, or possess, control or obtain benefits from ownership of land and buildings.

The tax is based on the government assessed value (ratable value) of the land and buildings as determined by the DGT. Land value is reassessed every three years in most areas and every year in rapidly developing areas.

The current tax on land and buildings is 0.1% or 0.2% of the ratable value.

INDONESIA LEGAL SYSTEM

Laws, regulations and directives

Regulatory Framework

Minerals and Coal Mining are currently governed Under Law No. 4 of 2009 (the "**Law 4/2009**") which replaces the predecessor Mining Law No. 11/1967. To date, the fundamental implementing regulations which have been enacted are as follows:

(a) Decree of Minister of Energy and Mineral Resources No. 28 of 2009 concerning Mining Services ("**ESDM Regulation 28/2009**") as amended by Decree of Minister of Energy and Mineral Resources No. 24 of 2012 ("**ESDM Regulation 24/2012**");

(b) Government Regulation No. 22 of 2010 concerning Mining Areas;

(c) Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Business Activities ("**GR 23/2010**") as amended by Government Regulation No. 24 of 2012 concerning the amendment to GR 23/2010 ("**GR 24/2012**");

(d) Government Regulation No. 55 of 2010 concerning Guidance and Supervision of Mineral and Coal Mining Business Management;

(e) Government Regulation No. 78 of 2010 concerning Reclamation and Post Mining;

(f) Decree of Minister of Energy and Mineral Resources No. 34 of 2009 concerning Domestic Market Obligation;

(g) Decree of Minister of Energy and Mineral Resources No. 7 of 2012 concerning Mineral Value Increase Trough Mineral Processing and Refining ("**ESDM Regulation 7/2012**") as amended by Decree of Minister of Energy and Mineral Resources No. 11 of 2012 concerning the amendment to ESDM Regulation No. 7/2012 ("**ESDM Regulation 11/2012**") and Decree of Minister of Energy and Mineral Resources No. 20 of 2013 concerning the second amendment to ESDM Regulation No. 7/2012 ("**ESDM Regulation 20/2013**").

The Significant Changes

The enactment of Law 4/2009 has brought about significant changes to the previous mining regime. Contractual based concessions will no longer be granted for new mining projects. The Contract of Work (called "**COW**") for foreign investors and *Kuasa Pertambangan* (called "**KP**") for domestic investors have been replaced by a licensing-based concession system. COWs that are still valid on the date of the enactment of Law 4/2009 are required to adjust the provisions in the COW agreement to the provisions of Law 4/2009 and KPs that are still valid on the date of the enactment of Law 4/2009 are required to adjust the form of the license to the Mining Business Permit (called "**IUP**") form.

New IUPs, excluding IUP which are the result of adjustment from the KP license format, have to be obtained through a tender process but the Indonesian Government has yet to enact the implementing regulation that provides the terms and provisions of the tender exercise. As a result, therefore, no new IUPs will be issued until such implementing regulation is in place.

Mining Areas

Mining activities can only be conducted in certain mining areas determined by the Central Government as open for mining (Mining areas are referred to in *Bahasa* as *Wilayah Pertambangan* or "**WP**"). WPs can be categorised as follows:

(a) Commercial mining business areas (*Wilayah Usaha Pertambangan* – "**WUP**"). WUPs are mining areas for larger scale mining;

(b) State reserve areas (*Wilayah Pencadangan Negara* – "**WPN**"); or

(c) People's mining areas (*Wilayah Pertambangan Rakyat* – "**WPR**"). WPRs are mining areas for small scale local mining.

Licensing Categories

The following types of mining licences to mine and operate these areas may be issued to one or more parties:

(a) *Izin Usaha Pertambangan (*IUP *or* Mining Business License*)*. IUP is a general license to conduct mining business activities in WUP areas. IUP may be granted to companies, cooperatives and individuals.

(b) *Izin Usaha Pertambangan Khusus* ("**IUPK**" or Special Mining Business License) is a license to conduct mining activities in WPN areas. IUPK may be granted to Indonesian legal entities which includes state-owned companies, regional government owned companies or private companies.

(c) *Izin Pertambangan Rakyat* ("**IPR**" or People"s Mining License) is a license to conduct mining activities in particular WPN areas with limited size and investment. IPRs are not to be granted to foreign investors. IPR may be granted to Indonesian individuals, cooperatives and community groups.

IUP and IUPK are granted for exploration and production stages respectively with the following activities:

- IUP and IUPK for exploration stage are granted for performing general survey, exploration and feasibility studies within the WUP and WPN area.

- IUP and IUPK for production stage are granted for performing construction, mining, processing, refining, hauling and selling within the WUP/WPN area.

Mining Licence Holder

An IUP may be issued to the following entities:

(a) a business entity incorporated under the laws of the Republic of Indonesia which includes domestic investment company and foreign investment company or "**PMA**")*;*

(b) a cooperative; or

(c) an individual (including partnership).

Restrictions on the Use of Mining Service Providers

Pursuant to ESDM Regulation 28/2009 holders of IUP/IUPK are required to give priority to local mining services providers and national mining services providers. These holders of IUP/IUPK may engage a foreign services provider only in certain defined circumstances such as after the public announcement by the IUP/IUPK holder that there is no local or national services provider available to carry out the work required, or the holder wants to use a local affiliate and is conducting a tender process. Holders of IUP/IUPK are also prohibited to receive any form of royalties from mining service providers. Holders of IUP/IUP are also prohibited to involve their subsidiaries and/or affiliates in the fields/lines of mining service business in mining areas they commercialise, unless granted approval from the Minister.

In addition to the above, holders of IUP/IUPK must perform themselves mine activities (except for stripping of top soil, overburden, and hauling activities which can be done by mining service business companies), processing, and refining/smelting.

Restriction on transfer of IUPs and IUPKs

Previously, pursuant to Law 4/2009 and the GR 23/2010, IUPs and IUPKs are not transferrable. The investor may only transfer ownership and/or shares of an IUP/IUPK company on the Indonesian stock exchange only after executing the Exploration phase and once the IUP/IUPK company has found at least two prospective mining sites in its IUP/IUPK area during such Exploration phase. This is aimed at preventing speculative trading of exploration interests.

This regulation, however, has been changed pursuant to Article 7A and 7B of the GR 24/2012, which amends several provisions in GR 23/2010, where IUP and IUPKs are now transferrable, provided that the assignor holds at least 51% of the share ownership of the assignee.

Pursuant to ESDM Regulation 7/2012, mining companies are prohibited from exporting raw materials and have to domestically process and refine raw ore, under certain minimum requirement (for gold ore the minimum is 99% Au) before exporting the ore. However, pursuant to ESDM Regulation 20/2013, Operational Production IUP holders may export their raw ore until 12 January 2014 upon obtainment of recommendation from the Minister of Energy and Mineral Resources and export approval from the Minister of Trade or the authorized government authorities appointed in accordance with laws and regulations. The requirements of having the recommendation are as follows:

(a) obtain clean and clear status upon their mine sites;

(b) pay-off all financial obligations to the Government;

(c) provide mining work plan and/or cooperation schedules with regard to conducting domestic processing and/or refining of the ore from their mine sites; and

(d) sign integrity pact with the Government.

Judicial system

The Republic of Indonesia is having a legal system which is based on the Civil Law that originated from the Roman law and brought by the Netherlands during their colonisation period. This means that the legal system of Republic of Indonesia refers to the codes and provisions as codified in bundles of regulations.

In relation to the court as part of judicial system, Republic of Indonesia having two highest court bodies, being the Constitutional Court and the Supreme Court. Constitutional Court having the authority to process the dispute with regard to the following:

(a) examine a law before Constitution;

(b) settle a dispute between governmental bodies;

(c) dissolution of political party; and

(d) settle a dispute in general election.

Supreme Court is the highest court for other judicial system in the Republic of Indonesia which in charge of the State Court (*Pengadilan Negeri*), the Religion Court (*Pengadilan Agama*), the Military Court (*Pengadilan Militer*), and the Administrative Court (*Pengadilan Tata Usaha Negara*). Other special court is established pursuant to special regulation (i.e. commercial court, child court) and placed under the supervision of the Supreme Court.

Arbitration and enforcement of arbitral awards

In accordance with the Law No. 30 of 1999 concerning Arbitration and Dispute Settlement Alternative ("**Arbitration Law**"), arbitration is one of the acknowledged alternative dispute settlement. Arbitration as a dispute resolution shall be agreed by the parties in the form of an agreement, and the disputes that can be settled by means of arbitration is commercial matters. Indonesia has it owns arbitration body in

Indonesia which is called the National Board of Arbitration (*Badan Arbitrase Nasional Indonesia* – "**BANI**") which will process the arbitration in accordance with BANI rules. The decision issued by BANI will be final and binding for the disputing parties, as pursuant to the Article 60 Arbitration Law.

In relation with the enforcement of arbitration decision, according to Article 61 of Arbitration Law, in the event a party does not perform the arbitration decision voluntarily, an execution of such decision must be performed under the order of Head of District Court upon the application of one of the disputing parties. However, an execution of arbitration decision must not in contrary with the norm of decency and public order.

In the event of the disputing parties agreed to settle the dispute in an international arbitration, Arbitration Law provides that the arbitration decision can only be implemented in Indonesia with the followings conditions:

(a) decision of International Arbitration issued by arbiter or arbiter tribune in a country having an agreement with Indonesia, whether bilateral or multilateral, in relation with the acknowledgement and performance of Decision of International Arbitration;

(b) decision of International Arbitration as referred to in point a above limited to the decision related to the field of trade law according to Indonesian Law;

(c) decision of International Arbitration as referred to in point a above can only be performed in Indonesia limited to the decisions which are not in contrary with public order;

(d) decisions of International Arbitration can be performed in Indonesia after stipulation of Head of Jakarta Pusat District Court; and

(e) decision of International Arbitration as referred to in point a above relation with the Republic of Indonesia as one of the party in dispute, can only be performed after stipulation of Supreme Court which delegated to Jakarta Pusat District Court.

FOREIGN INVESTMENT

The government of Indonesia periodically issues what is known as the Negative List of Investment (referred to in Indonesia as *Daftar Negatif Investasi* (the "**DNI**")). The DNI lists those areas in which foreign and domestic investments are prohibited or open under certain conditions. In theory, any area not listed in the DNI is open for foreign investment and domestic investment. The most recent DNI is set forth in Presidential Regulation No. 77 of 2007, as recently amended by Presidential Regulation No. 111 of 2007. The DNI is valid for three (3) years as of the issuance date and may be re-evaluated if required. If the period of 3 (three) years has elapsed and the new list of business fields closed and business fields conditionally opened have not been regulated, then the Presidential Regulation stipulating the business field closed and conditionally opened are still valid. Foreign investment in this context means investment by a foreign company, foreign national individual and/or foreign government, whether it is a 100% foreign investment or less, as governed under the Investment Law No. 25 of 2007.

As a general rule and save for certain industries such as upstream oil and gas and financial services, which are separately regulated, equity investments in Indonesian companies by foreigners are permitted only in a company formed pursuant to the Foreign Capital Investment Law No. 1 of 1967, as amended, in conjunction with Investment Law No. 25 of 2007 and subject to the supervision and control of the Capital Investment Coordinating Board (referred to in Indonesian as *Badan Koordinasi Penanaman Modal* (the "**BKPM**")). The BKPM is a non-departmental government institution having derivative authority to issue basic investment permits on behalf of the functional industrial ministries.

All Indonesian limited liability companies, whether foreign direct investment companies or otherwise, are also subject to Law No. 40 of 2007 concerning limited liability companies (the "**Law No. 40 of 2007**"). Law No. 40 of 2007 touches upon a great range of issues, including the duties and liabilities of directors, minority shareholder rights and updated merger provisions.

Foreign Shareholding

The initial foreign shareholding and divestment requirements applicable to foreign direct investment companies were revised and substantially liberalised following the enactment of Law No. 25 of 2007. Pursuant to this regulation, a foreign direct investment company can be set up either as: (i) a joint venture with an Indonesian citizen or legal entity or (ii) a 100% foreign owned (with a minimum of 2 (two) shareholders). Under present regulations, whether or not equity participation by an Indonesian citizen or legal entity is required is regulated by the DNI and will depend on the industry or business line. Where Indonesian equity participation is required, the DNI will specify the minimum percentage ratio that must be complied with. For pre-existing foreign direct investment companies, a divestment requirement may apply and this will be as set out in their investment approvals.

A foreign direct investment company may undertake business operations in certain key infrastructure industries subject to DNI set forth in Presidential Regulation No. 77 of 2007 as amended by No. 111 of 2007.

Pursuant to Government Regulation No. 20 of 1994, as lastly amended by Government Regulation No. 83 of 2001 and implemented by Decree of the BKPM Chairman No. 15 of 1994, a foreign direct investment company which has already reached commercial production may establish subsidiaries. Government Regulation No. 20 of 1994 also permits foreign direct investment companies, foreign legal entities or foreign nationals to purchase shares of other foreign direct investment companies, other investment companies and non-investment companies, whether or not the target company has reached commercial production. The purchases of shares of investment companies or non-investment companies by foreign legal entities, foreign direct investment companies or foreign nationals are subject to certain limitations:

(a) the target company must operate in an area permitted for foreign investment under the DNI;

(b) in the case of acquisition by foreign legal entities, foreign direct investment company or foreign nationals, towards companies who have share percentage limitation under the DNI, for which a joint venture has to be conducted, the Indonesian participation in a target company must not be less than 5% of the total issued shares; and

(c) pursuant to Decree of the BKPM Chairman No. 5 of 2013 dated 8 April 2013, the status of the target company must be converted into a foreign direct investment company. For such purchase of its shares, the target company should first obtain BKPM approval.

Foreign Investment

The Government of Indonesia is yet to issue regulations which regulate the maximum foreign capital percentage in a mining company. In recent practice, the Capital Investment Coordinating Board (*Badan Koordinasi Penanaman Modal*, or "**BKPM**"), being the supervising authority of foreign investment companies, has implemented a policy that allows up to 100% of foreign capital ownership, with the requirement of a recommendation letter from the issuer of the IUP, i.e. Regent (called *Bupati*) or Governor, or the Minister of Energy and Mineral Resources, in accordance with their respective authorities. However, given the requirement to gradually divest 51% of equity in a mining company to an Indonesian Party upon 5 (five) years of production, the 100% foreign share ownership in a mining company is not fully recommended by BKPM.

Divestment

GR 23/2010 imposes a divestment obligation on PMA Company holding an IUP to divest its shares gradually such that on the tenth year calculated as of the fifth year from the commencement of the production stage 51% of the share capital in such PMA Company is owned by Indonesian entity. GR 24/2012 provides that Indonesian entity includes the central government, regional government on province level, or municipal government, state-owned enterprises, regional government-owned enterprises. However, in practice and as a policy of BKPM, if a mining company already has, at least 51% Indonesian ownerships, i.e. by the Central Government, the provincial governments or the district/city governments, state-owned entities, region-owned entities, or national private entities, the mining company is not required to conduct divestment procedures.

The participation of Indonesian party in every year after the fifth year must not less than the followings:

(a) the sixth year 20% (twenty percent);

(b) the seventh year 30% (thirty percent);

(c) the eight year 37% (thirty seven percent);

(d) the ninth year 40% (forty percent);

(e) the tenth year 51% (fifty one percent).

FOREIGN EXCHANGE CONTROL

The Government of Republic of Indonesia promulgated Law No. 7 of 2011 pertaining Currency ("**Currency Law**") which stipulates the obligation to use Indonesian Rupiah as the currency of a transaction. Article 21 of the Currency Law stipulates the followings:

1. Rupiah must be used in:

   a. Each transaction with a purpose of payment;
   b. Other performance of obligation which fulfilled by means of money; and/or
   c. Financial transaction of the country,

   performed in the territory of the Republic of Indonesia.

2. The obligation as mentioned in point 1 above will not apply for:

   a. Transactions performed for the purpose of income and expense budget of the state;
   b. Income or grant from or to abroad;
   c. International trade transaction;
   d. Savings in bank in form of foreign currency; or
   e. International financing transaction.

In addition to the obligation to use Rupiah as currency as described above, there are other obligation needs to be highlighted. As pursuant to Bank of Indonesia Regulation No. 12/24/PBI/2010 pertaining Offshore Loan Report Obligation, in the event of offshore loan occurs the debtor shall make periodic report to Bank of Indonesia describing the loan and its realisation/development.

THE LAND SYSTEM OF INDONESIA

According to the 1945 Constitution of Indonesia, all rights to land are vested in the Indonesian government (the "**State**") as the representative of the Indonesian people. Thus, only the State has full power in respect of, *inter alia*, the granting of the rights to land and the use of land. Rights to land are regulated by the Basic Agrarian Law (Law No. 5/1960).

For legal certainty, all rights to land, their transfers and encumbrances with security rights thereof must be registered with the *Badan Pertanahan Nasional* or National Land Agency (the "**BPN**") having jurisdiction over the location of the land, which office is responsible for keeping and maintaining a Land Register Book (*Daftar Buku Tanah)* and Land Measurement Register Book (*Daftar Surat Ukur)*.

BPN issues a certificate of land title as the *prima facie* evidence of legal title of the landholder's right to the land. A mortgage over the land must be reflected on the land certificate as evidence that the land is encumbered with a mortgage for the benefit of the creditor.

Types of Right to Land under Indonesian Law

The Basic Agrarian Law provides for a system of land title registration and requires that all land not retained by the State for its own use be registered, although given the immensity of Indonesia and the practical impossibility of immediate registration of the whole of the archipelago, the process of registration has been gradual and much of the land remains unregistered.

While the Basic Agrarian Law recognises several forms of registered title, only a number are actually implemented in practice. Particular features of those forms of title are discussed below:

(a) *Hak Milik* or Right of Ownership

Hak Milik is the strongest and the fullest ownership title that an individual can obtain over a piece of land. *Hak Milik* is the only registered land title with perpetual right of ownership and in principle can only be held by Indonesian natural persons. The State however, may determine the legal entities own *Hak Milik*. The owner of *Hak Milik* may allow other rights, i.e. *Hak Guna Bangunan* (as defined below) or *Hak Pakai* (as defined below) over its land by entering into an agreement with the holder of *Hak Guna Bangunan* or *Hak Pakai* on the use of such land. This right is similar to the rights of the State to grant rights over land to Indonesian individuals and entities.

(b) Hak Guna Usaha or Right to Cultivate

Hak Guna Usaha gives its holder the right to exploit/use or to cultivate the land. This right is usually given for agricultural (agribusiness), fishery and animal husbandry purposes for an initial fixed period not exceeding 35 years and may be extended for 25 years. After the expiration of this term, the holder may apply for a further renewal of the land title for a further 35 years at the maximum.

An extension and renewal of *Hak Guna Usaha* is generally granted so long as the utilisation of the land covered by the rights complies with the approved usage of the land when the rights were initially granted to the holder.

Hak Guna Usaha can be held by Indonesian natural persons and corporations incorporated in Indonesia and domiciled in Indonesia (including any joint venture company or foreign investment company incorporated in Indonesia). These land rights can be mortgaged as collateral. Please see the section entitled "Granting of Land Rights" of this Appendix XVII below.

(c) *Hak Pakai* or Right of Use

Hak Pakai gives its holder the right to use the respective land. The *Hak Pakai* may be created over State land or over a *Hak Pengelolaan* (as defined below) or a *Hak Milik*. If a *Hak Pakai* is created over State land, the government will issue a decision letter that stipulates the special purpose of the use of that land. If a *Hak Pakai* is to be created over a *Hak Pengelolaan* or *Hak Milik*, the holder of the *Hak Pengelolaan* or the *Hak Milik* and the applicant of the *Hak Pakai* must enter into an agreement concerning the use of such land. This agreement is then submitted to the respective government authority which will use it as the legal basis for the issuance of the *Hak Pakai* being applied for. It is worth noting that generally the *Hak Pakai* is granted by the State in respect of land that is State land. It may be granted for a period of up to 25 years, which period is extendable up to 20 years.

(d) *Hak Guna Bangunan* or Right to Build

Hak Guna Bangunan is a right on land which allows its holder to utilise the land and anything previously or thereafter built upon the land on an exclusive basis for that period. *Hak Guna Bangunan* could be granted either by the State, if it is granted over State land, or such state-owned enterprises holding *Hak Pengelolaan* in respect of the land. Under Indonesian laws, the certificate of *Hak Guna Bangunan* is issued by BPN for a period of up to 30 years. The initial 30-year period may be extended upon request submitted by the *Hak Guna Bangunan* holder to BPN for a period of up to 20 years. After the expiration of this term, the holder may apply for a further renewal of the land title for a further 30 years at the maximum. *Hak Guna Bangunan* may be transferred to another party and can be held by Indonesian natural persons or Indonesian legal entities (including joint venture companies or foreign investment companies incorporated in Indonesia).

(e) *Hak Pengelolaan*

In addition to the above land titles, there is *Hak Pengelolaan* which is granted by the State to government entities or to state-owned enterprises. The holder of *Hak Pengelolaan* could grant *Hak Milik*, *Hak Guna Bangunan*, or *Hak Pakai* to third parties. The holder of *Hak Pengelolaan* may, in addition, contract with third parties for purposes that are consistent with the purposes for which the *Hak Pengelolaan* was granted. The holder of *Hak Pengelolaan* has the authority to (i) plan the intended use and utilisation of the land which is the subject matter of the *Hak Pengelolaan*; (ii) use the land for the purposes of carrying out its business; (iii) deliver or transfer the right to use all or any part of the land to third parties on terms and conditions as determined by it; and (iv) permit such parties to obtain *Hak Milik, Hak Guna Usaha, Hak Guna Bangunan or Hak Pakai* on such land, provided that delivery or transfer is in compliance with the Indonesian Basic Agrarian Law.

Granting of Land Rights

Land titles from the Indonesian government must be obtained in order to establish a gold exploration and mining operation (in the form of *Hak Guna Usaha*) and to utilise the land as well as secure ownership of the processing mills constructed on the land (in the form of *Hak Guna Bangunan*).

Under the current Indonesian land law and regulations, the granting of *Hak Guna Usaha* and *Hak Guna Bangunan* rights to Indonesian companies established pursuant to Indonesian capital investment laws involves primarily four (4) stages, namely: (i) obtaining an *Ijin Lokasi* or Location Permit; (ii) land relinquishment or acquisition; (iii) application for the land title; and (iv) land registration and issuance of the land title certificate.

The first stage of the process is obtaining the *Ijin Lokasi* which is an approval, granted by the State to a capital investment company which permits that company to relinquish or acquire the land covered by the permit in accordance with the prevailing laws and regulations. Procedures for obtaining the *Ijin Lokasi* are currently regulated under a Decree of the State Minister for Agrarian Affairs No. 2 of 1999 (the "**Agrarian Decree No. 2/99**"). Pursuant to the *Ijin Lokasi*, there are certain requirements to be fulfilled, amongst other things, the land relinquishment or acquisition. Following the relinquishment or acquisition, the holder must develop the land or otherwise the holder may lose these rights granted by the government under the said *Ijin Lokasi*.

The second stage of the process is the relinquishment or acquisition of the land by the relevant company from the original owner of the land. Usually, the relevant company has one (1) to three (3) years to arrange for such relinquishment or acquisition depending on the size of the land. Certain deed or deeds of relinquishment will need to be executed before the Head of the District of the relevant Regency under which jurisdiction the land concerned is located. By such deed or deeds of relinquishment, the original land owner releases his right on the land back to the State, being considered to be the ultimate holder of all land in Indonesia, for the benefit of the purchaser (the relevant company). By this deed, the land concerned becomes the State's land.

The third stage, following the execution of the deed of relinquishment, the relevant company can then apply to the Head of BPN/State Minister for Agrarian Affairs via the Head of Land Office at the provincial level, with a copy to the Land Office of the relevant Regency where the land is located, for the issuance of a *Hak Guna Usaha* title in the relevant company's name. Based on this application, the Land Office will proceed with its measurement of the land, its examination of the relevant documents, and request *Panitia A* or Adjudication Committee to inspect the land. The result of *Panitia A*'s inspection will be reported in its minutes of land inspection. Upon the satisfactory completion of these acts, the Land Office will issue a recommendation to the Head of BPN/State Minister for Agrarian Affairs. If the positive recommendation is accepted, the Head of BPN/State Minister for Agrarian Affairs will issue a *Surat Keputusan Pemberian Hak* or Decree on the Granting of the Right in the name of the relevant company. This *Surat Keputusan Pemberian Hak* is however only to be regarded as a conditional granting of land rights.

Upon the fulfillment of all of the conditions as set forth in the *Surat Keputusan Pemberian Hak*, including the submission of the original evidence of the retribution payment/administration fee and any other fees, the Land Office of the relevant Regency will register the land and issue the land title certificate under the name of the relevant company.

Prior to purchasing land, the company should first check with the Department of Forestry, Agriculture and Energy and Mineral Services, and the local government whether the land is:

(a) not a forest protected area;

(b) free from mining licenses; and

(c) free from squatters or people using the land for planting any crops, all of which should first be cleaned up with the parties concerned.

Subject to the timely provision of all required information and the compliance with all applicable requirements and conditions, the *Hak Guna Usaha* and the *Hak Guna Bangunan* certificates can be expected to be issued within three years after issuance of the *Ijin Lokasi*.

As discussed in the foregoing, based on Agrarian Decree No. 2/99, a company intending to acquire a plot of land must first obtain an *Ijin Lokasi*. The holder of the *Ijin Lokasi* is permitted to arrange for the relinquishment of the intended land from all of its existing legal relationships with third parties who own or have interest over such land, in accordance with the prevailing regulations. After completion of the relinquishment of the intended land, the holder of the *Ijin Lokasi* may be given a land title over such land (as evidenced by the land certificate). Agrarian Decree No. 2/99 gives aggregate size limitations for oil palm plantations of 20,000 ha in one (1) province, and 100,000 ha throughout Indonesia, applicable to any one company or group of companies.

Law 4/2009 provides that holders of IUP/IUPK must resolve issues of title to land with the holders of the title prior to start the production operation activities. The settlement could be done by compensation, rent, or by applying and obtaining title to the land.

Size limitations of IUP/IUPK licenses are regulated as follows:

(a) Exploration IUP for metal minerals: minimum 5,000 hectares and maximum 100,000 hectares;

(b) Operational Production IUP for metal minerals: maximum 25,000 hectares;

(c) Exploration IUP for non-metal minerals: minimum 5,00 hectares and maximum 25,000 hectares;

(d) Operational Production IUP for non-metal minerals: maximum 5,000 hectares;

(e) Exploration IUP for rock mining: minimum 5 hectares and maximum 5,000 hectares;

(f) Operational IUP for rock mining: maximum 1,000 hectares;

(g) Exploration IUP for coal: minimum 5,000 hectares and maximum 50,000 hectares; and

(h) Operational Production IUP for coal: maximum 15,000 hectares.

While the authority issuing the land title is the Head of BPN/State Minister for Agrarian Affairs, however, it is provided under Law No. 18/2004, that it is the Minister of Agriculture who has the authority to determine the maximum land area that can be occupied and utilised for plantation purposes. In February 2007, the Minister of Agriculture issued an implementing regulation of Law No. 18/2004, Decree No. 26, which provides, amongst other things, limitation on the size of plot of land for oil palm plantation that can be occupied and utilised by one company namely, 100,000 ha without any territorial limitations. To date, the Agrarian Decree No. 2/99 has not been amended to conform to Law No. 18/2004 and Decree No. 26 with respect to land area limitation.

Due to the foregoing, as a matter of practice, any plantation company wishing to expand its land area up to or above 20,000 ha in a province would face difficulties in obtaining the *Ijin Lokasi* for the purposes of land title acquisition.

MAJOR TAXES APPLICABLE TO MINING COMPANY

According to Article 128 paragraph (1) of Law 4/2009, holders of IUP/IUPK must pay state revenues, which consist of tax revenues and non-tax state revenues, and regional revenues. According to Article 128 paragraph (3) of Law 4/2009, the tax revenues consist of:

(a) taxes which are within the competency of the Government according to the provisions of legislative regulations in the field of taxation, for example: income tax (PPh) and land and building tax (PBB); and

(b) customs and excise duties, which, as according to Minister of Treasury Decree No. 75/PMK.011/2012 concerning Goods that are Subject to Export Duties and Tariffs ("**PMK 75/2012**"), shall be in the value of 20% (twenty percent) of the export value, valid only for the export of raw gold ore.

According to Article 128 paragraph (4) of Law 4/2009, the non-tax state revenues consist of the following items which are further regulated under Government Regulation No. 9 of 2012 concerning Types and Tariffs upon Non-Tax State Revenues applied in the Ministry of Energy and Mineral Resources ("**GR 9/2012**"):

(a) fixed exploration levy at US$2 per hectare per year;

(b) fixed production levy at US$4 per hectare per year; and

(c) compensation for data and information, which depends on the size, type, and format.

GR 9/2012 also regulates production royalties which has to be paid by mining companies to the Government prior to the sale of the ore. Production royalty for gold ore according to GR 9/2012 is 3.75% (three point seventy five percent) of its sale price per kilogram.

According to Article 128 paragraph (5) of Law 4/2009, the regional revenues consist of the following items which vary subject to the prevailing local regulations:

(a) local taxes;

(b) local fees; and

(c) other revenues valid under the provisions of legislative regulations.

MAJOR ENVIRONMENTAL PROTECTION REQUIREMENTS

The following is a general description of certain environmental laws and regulations in Indonesia. As there are many environmental laws and regulations in Indonesia, the following does not purport to be a comprehensive nor exhaustive description of all of the relevant laws and regulations.

Environment protection in Indonesia is governed by various laws, regulations and decrees including, *inter alia* the following:

(a) Law No. 5 of 1990 regarding Conservation of Natural Resources and Ecosystems (the "**Law No. 5**");

(b) Decree of the President of the Republic of Indonesia No. 32 of 1990 regarding Management of Protected Areas;

(c) Government Regulation No. 27 of 2012 regarding Environmental License (the "**GR No. 27**");

(d) Decree of the President of the Republic of Indonesia No. 10 of 2000 regarding the Environmental Impacts Management Agency;

(e) Government Regulation No. 82 of 2001 regarding Management of Water Quality and Control of Water Pollution (the "**GR No. 82**");

(f) Law No. 26 of 2007 regarding Spatial Use Management (the "**Law No. 26**");

(g) Government Regulation No. 26 of 2008 regarding National Spatial Zoning Plan (the "**GR No. 26**");

(h) Law No. 32 of 2009 regarding Environmental Protection and Management (the "**2009 Environmental Law**"); and

(i) Decree of the Minister of Environment No. 5 of 2012 regarding Types of Business and/or Activities That Must Be Enclosed with Environmental Impact Analysis ("**ME Decree No. 5**").

The operations of PT WWI and PT LTC are subject to Indonesian laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental pollution, including the foregoing laws which seek to regulate and protect the environment against pollution related activities in Indonesia, namely, the Environmental Law, Law No. 5 and Law No. 26.

Environmental Impact Analysis ("AMDAL") and Environmental Management/Monitoring Effort ("UKL/ UPL")

Any activity having a major or significant impact on the environment must undertake an environmental impact analysis of the development. The process is known as an "AMDAL", which consists of the preparation of an "ANDAL" (Environmental Impact Study); a "RKL" (Environmental Management Plan); and a "RPL" (Environmental Monitoring Plan).

GR No. 27 stipulate general provisions on the criteria of the activities which require AMDAL, and the mechanism for preparing, evaluating and approving AMDAL. GR No. 27, which was enacted on 23 February 2012, also introduces a new environmental license ("**Environmental License**") which has to be obtained by companies that required having AMDAL and must be applied concurrently with AMDAL assessment application to the authorised government institution (Minister of Environment, Governor, or Regent/Major according to their respective authority).Companies who already have environmental licenses, AMDAL and/or UKL/UPL (as defined below) before the enactment of GR No. 5 does not need to apply and obtain the Environmental License whereas their current environmental licenses will be regarded as equal to the Environmental License.

The State Minister of Environment decides which development activities require a full AMDAL, based on the scope of the work, the proximity of the development to protected zones and its potential impact on the environment. Those activities that do not require an AMDAL are required to undertake an environmental management effect (**UKL**) and an environmental monitoring effort (**UPL**").

In June 1990, the *Badan Pengendalian Dampak Lingkungan* or Environmental Impact Management Agency (the "**BAPEDAL**") was formed to assist the President of the Republic of Indonesia in managing the impact of pollution in Indonesia. The environmental management policies of BAPEDAL focus on the conservation and efficient utilisation of resources, waste minimisation, the reuse and safe disposal of waste, the use of AMDAL as a tool for sustainable development of resources, the minimisation of the use of hazardous substances and the management of environmental management support systems such as institutions, laws, incentives, training, laboratories and information systems and increasing public awareness and participation.

Since January 2002, the President of Indonesia based on Presidential Decree No. 2 of 2002, dissolved BAPEDAL. BAPEDAL's tasks and functions were merged into the State Ministry of Environment. The policy to dissolve BAPEDAL does not apply to local (province and district/municipality) BAPEDAL, known as *Badan Pengendalian Dampak Lingkungan Daerah* (the "**BAPEDALDA**").

Every business plan or activities that may cause adverse impact to the environment shall be obligated to make an AMDAL Study. ME Decree No. 5 sets out a list of business plans or activities that are subject to AMDAL Study, where mining business, subject to certain criteria one of which is companies being granted with IUP for equal to or more than 200 hectares in mine size, is one that is obligated to prepare such assessment . The reporting mechanism of AMDAL is now directed to the BAPEDALDA. Under the 2009 Environmental Law, the environmental license (details as set out in the paragraph below) is the pre-requisite to the issuance of the permanent business license. The relevant governmental authorities may require the submission of the revision or renewal documents of AMDAL for obtaining the required environmental license as prerequisite supporting documents for issuance of any expansion license to the permanent business license.

Water Quality Management and Water Pollution Control

The Indonesian government has addressed water quality and water pollution by issuing GR No. 82. Under this regulation, any business activities which will use waste water for application in the soil are obliged to obtain a written permit from the Head of Regency or Mayor. The written permit will be based on the result of AMDAL or UKL and UPL. Other than that, each business player which disposes of waste water to water or water sources has an obligation to prevent and manage water pollution.

In 2003, the State Minister of Environment further issued State Minister of Environment Decree No. 29 of 2003 on Guidelines of Terms and Procedures for the Licensing of Utilization of Palm Oil Industrial Waste Water on Land in Oil Palm Plantation, which further requires the applicant to provide, as supporting documents, *inter alia*, approval from the employees and local community within 500 m from the intended location, report of the result of utilisation of waste water, and AMDAL document or UKL/UPL document which has covered the plan to use waste water in its respective study.

On 13 October 2004, the State Minister of Environment further issued the Decree of the State Minister of Environment No. 202 of 2004 regarding Waste Water Quality Standards for Gold and/or Copper Business and/or Activities, pursuant to which decree gold and copper mining companies has to manage their waste water to comply with certain standard value as enclosed in the decree (for example pH at maximum of 6 – 9 points and Hg at maximum of 0.005 mg/L).

Guidelines on the Terms and Procedures for Licensing and Research Guidelines of Waste Water Disposal to Water or Water Sources

Under the Environmental Law, PT WWI and PT LTC may also be subject to implementing regulations relating to the management of certain materials and waste and are required to obtain separate licenses in order to operate, and to reduce, process, accumulate, transport and discharge such waste. Such licenses may be revoked and operations may be required to cease if the regulations relating to such waste are violated. As PT WWI and PT LTC in their operations may discharge liquid waste into the nearby river, this shall be subject to the required permit to discharge liquid waste issued by the Regent as provided under State Minister of the Environment No. 111 of 2003 on Guidelines on the Requirements and Procedures for Licensing and Review on Liquid Waste Discharge into Water or Water Resources.

Based on this Decree, each business which has the intention to dispose of waste water to water or water sources must obtain a written permit from the Head of Regency or Mayor. The Head of Regency or Mayor, however, is not permitted to issue the waste water disposal permit to any business which may violate the water quality standard and cause water pollution.

Standards for Criteria for Environmental Damage

Environmental damage had never been governed before the issuance of the Environmental Law. The Indonesian government has issued Government Regulation No. 150/2000 on the control of land damage in bio-mass production (plantation) and Government Regulation No. 4/2001 on the control of damage to and/or pollution caused by to forest and/or field fires (the "**GR No. 4**").

PT WWI and PT LTC shall comply with certain mandatory procedures, as provided in GR No. 4, that will prevent pollution and damages to the environment when clearing land for its plantations.

Due to widespread forest fires in Indonesia which are believed to have been caused by companies and individuals clearing land for plantations, Law No. 18 of 2004 on Plantation requires, amongst other things, that an individual or company must obtain the following before a plantation business permit can be granted by the government:

(a) AMDAL approval;

(b) risk management analysis for plantations with genetically modified produce; and

(c) a statement regarding the ability to provide an emergency system and procedures that can promptly react to emergencies and prevent forest fires.

Any company which has obtained a plantation business permit but fails to apply the AMDAL and/or environmental risk management analysis and monitoring plan and other related licenses as applicable may be subject to the revocation of its plantation business permit and the relevant directors of the company who conduct the business operations without a proper environmental license may also be subject to criminal sanctions, should there be any claim of pollution caused by such business operations.

Due to the nature of its business activity, environmental damage is one of the major concerns of the Government in granting mining business permits. In relation to which, the Government, trough Decree of the Minister of Mining and Energy No. 1211.K/008/M.PE/1995 concerning Prevention and Countermeasures of Environmental Pollution and Damages on General Mining Business Activities dated 17 July 1995, which is still valid up to date, requires mining business actors to submit annual environmental management report to the authorised Government institutions which contains, among others, land allotment plan, environmental management technique and methods, reclamation schedules, and cost estimation for environmental management.

Aside of the above regulation, as follow up implementing regulation after Law 4/2009 was issued, the Government enacted the Government Regulation No. 78 of 2010 regarding Reclamation and Post Mining dated 20 December 2010 ("**GR No. 78**"). GR No. 78 stipulates that Exploration IUP/IUPK holders, prior to conducting their mining exploration activities, are required to draw up and obtain approval from authorised Government institutions for their reclamation and post-mining plans. Under the regulation, IUP/IUPK holders are also required to (i) amend the reclamation and post-mining plans if the mining plan is amended; (ii) conduct reclamation and post-mining activities in accordance with the approved plans; (iii) submit annual report of the reclamation and post-mining activities to the authorised Government institutions; and (iv) provide reclamation (on exploration and exploitation stage) and post-mining warranty fund. However, submission of the warranty fund to the Government does not eliminate IUP/IUPK holders' obligation to conduct the reclamation and post-mining activities. Failure to comply with the requirements of GR No. 78 could lead administrative sanctions to the IUP/IUPK holder in the form of (i) warning letters; (ii) temporary suspension of mining activities; and (iii) revocation of IUP/IUPK licenses.

Hazardous and Toxic Waste

The management of hazardous and toxic waste (the "**B3**") is regulated by Government Regulation No. 18/1999, as amended by Government Regulation No. 85/1999. Hazardous and toxic wastes are now governed from their creation to their ultimate storage and disposal, and licenses are required for production, transportation, storage, processing and landfilling of such materials.

Penalties

Administrative penalties for causing environmental damage were not stipulated in the old Law No. 4/1982, (except the requirement to pay clean-up costs). The 2009 Environmental Law now provides for the imposition of recovery costs and clean up costs, and clearly stipulates that if the environmental license is revoked, the principal business / operation license will also be revoked. Administrative penalties are imposed by the Governor of the affected province.

Pursuant to the Environmental Law, remedial and preventative measures and sanctions (such as the imposition of substantial criminal penalties and fines and the cancellation of approvals) may also be imposed to remedy or prevent pollution caused by operations. The sanctions range from 3 (three) to 15 (fifteen) years of imprisonment and/or fine of Rp500 million to Rp15 billion. Monetary penalty may be ordered in lieu of performance of the obligation to rehabilitate the damaged areas.

Public Right to Information

Article 5(2) of the Environmental Law, codifies the public's right to access environmental information and participate in management of the environment. Further implementation of the Environmental Law by Government Regulation 27/1999, requires that the public be involved in the preparation and evaluation of the frame of reference of the AMDAL, and the public's suggestions, opinions, and replies by the agency as well as the conclusion of the Evaluation Commission and decision of the BAPEDAL must be open to the public. The Head of BAPEDAL issued BAPEDAL Decree No. 08 of 2000, which authorised the Governor to stipulates further or decide who can represent the community in the Evaluation Commission. All AMDAL documents must be submitted to BAPEDAL's library, and the public is to be given free access to these documents.

Strict Liability

The Environmental Law provides that a party will be strictly liable for losses if the party's operation has a significant impact and the party's operation use hazardous and toxic substances, or generates hazardous and toxic waste. The polluter can be released from strict liability if it can prove that the pollution and environmental damage was caused by natural disaster or war, *force majeure*, or a third party's action.

Settlement of Disputes

The Environmental Law offers two (2) alternatives for the settlement of environmental disputes, namely:

(a) settlement of disputes outside the District Court, i.e. through arbitration or mediation, either through a government institution or independent expert; or

(b) settlement of disputes in District Court.

The Public's Right to Make an Environmental Claim

The Environmental Law recognises the right of the public, including environmental non-governmental organisations, to make an environmental claim in court, or to report to a law enforcement official environmental problems.

Government Investigators

The 2009 Environmental Law now authorises environmental investigations to be undertaken by government officers who are trained and experienced in environmental matters. Under Article 94 of the 2009 Environmental Law, the civil service investigator coordinates the investigation with the police and submits the results to the public prosecutor.

Regional Autonomy

In 1999, in an effort to stem growing provincial and regional dissatisfaction and secessionist threats, the government passed Law No. 22/1999 as replaced by Law No. 32 of 2004 on Regional Autonomy (the "**Regional Autonomy Law**"). The Regional Autonomy Law was designed to provide regional governments with greater authority over matters that had traditionally been managed by the central government, including in respect of environmental matters. The Regional Autonomy Law called for environmental decision making to be passed down to the local levels of government. Notwithstanding the above, under the 2009 Environmental Law, the Minister of Environment may interfere with the above by directly monitoring the compliance of business activities which licenses had been issued by the regional governments and may impose administrative sanctions, where applicable, in the event the central government finds that there have been serious breaches of environmental protection and that the regional governments had intentionally not imposed sanctions.

HARTAWAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200300950D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this Notice shall bear the same meanings ascribed to them in the Circular to Shareholders dated 26 September 2013 unless otherwise defined herein or where the context otherwise requires.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Hartawan Holdings Limited (the "**Company**") will be held at Hotel Re! @ Pearl's Hill, Re!Joice, 175A Chin Swee Road, Singapore 169879 on 21 October 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary and special resolutions, with or without any modifications:

AS ORDINARY RESOLUTIONS

1. Proposed acquisition of the entire issued and paid-up share capital of Wilton Resources Holdings Pte. Ltd. for the Purchase Consideration of S$300 million

   THAT subject to and contingent upon resolution 4 being passed,

   (a) approval be and is hereby given to the Company for the acquisition of the entire issued and paid-up share capital of Wilton, from the Vendors (the "**Acquisition**") on the terms and subject to the conditions of the Sale and Purchase Agreement entered into between the Company and the Vendors; and

   (b) authority be and is hereby given for the Directors of the Company to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be necessary or expedient for the purposes of giving effect to the Acquisition or to give effect to this resolution or the transactions contemplated by the Acquisition.

   (Resolution 1)

2. Proposed consolidation of every 12 existing Shares of the Company into 10 Consolidated Shares

   THAT subject to and contingent upon resolution 1 being passed, approval be and is hereby given to the Company for the consolidation of every 12 existing Shares in the capital of the Company into 10 Consolidated Shares in the capital of the Company.

   (Resolution 2)

3. Proposed allotment and issuance of 1,500,000,000 Consideration Shares to the Vendors and/or their designated holders in satisfaction of the Purchase Consideration

   THAT subject to and contingent upon resolution 1 being passed, pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorised to allot and issue 1,500,000,000 Consideration Shares to the Vendors and/or their designated holders, in accordance with the Sale and Purchase Agreement, at an Issue Price of S$0.20 per Consideration Share.

   (Resolution 3)

4. Proposed Whitewash Resolution for the waiver by Independent Shareholders of their right to receive a mandatory general offer from the Vendors and/or their Concert Parties

   THAT subject to and contingent upon resolution 1 being passed and pursuant to the letter dated 23 February 2012 from the Securities Industry Council, the shareholders of the Company who are independent of the Vendors and/or their Concert Parties, on a poll taken, do hereby unconditionally and irrevocably waive their right to receive a general offer for all the shares held by them to be made by the Vendors and/or their Concert Parties at the highest price paid or agreed to be paid by Vendors and/or their Concert Parties in the six (6) months prior to Vendors and/or their Concert Parties incurring the general offer obligation under Rule 14 of the Code, as a result of the acquisition by Vendors and/or their Concert Parties of more than 30% of the voting rights in the Company pursuant to the allotment and issuance of the Consideration Shares.

   (Resolution 4)

5. Proposed Put Option as an Interested Person Transaction

   THAT subject to and contingent upon resolution 1 being passed, the Proposed Put Option given to the Company by Winstedt Chong Thim Pheng be and is hereby approved.

   (Resolution 5)

6. Proposed allotment and issuance of Advisory Shares

   THAT subject to and contingent upon resolution 1 being passed and the Acquisition being completed, the Directors of the Company be and are hereby authorised to allot and issue 4,362,290 Advisory Shares to Canaccord Genuity Singapore Pte. Ltd..

   (Resolution 6)

7. Proposed change of core business of the Hartawan Group to the business of the Target Group

   THAT subject to and contingent upon resolution 1 being passed and the Acquisition being completed, the change of core business of the Hartawan Group to the business of the Target Group be and is hereby approved.

   (Resolution 7)

8. THAT subject to and contingent upon resolution 1 being passed and the Acquisition being completed and subject further to his individual consent to act, the following persons be appointed as a Director of the Company with effect from Completion.

Wijaya Lawrence	**(Resolution 8)**
Chong Chin Fan	**(Resolution 9)**
Ngiam Mia Je Patrick	**(Resolution 10)**
Teo Kiang Kok	**(Resolution 11)**
Tan Cher Liang	**(Resolution 12)**
Seah Seow Kang Steven	**(Resolution 13)**

AS SPECIAL RESOLUTION

9. Proposed change of name of the Company from "Hartawan Holdings Limited" to "Wilton Resources Corporation Limited"

   THAT subject to and contingent upon resolution 1 being passed and the Acquisition being completed, the name of the Company be changed to "Wilton Resources Corporation Limited" and that the name "Wilton Resources Corporation Limited" shall be substituted for "Hartawan Holdings Limited", wherever the latter name appears in the Company's Memorandum and Articles of Association.

(Resolution 14)

By Order of the Board

Chew Kok Liang
Company Secretary

Singapore, 26 September 2013

EXTRAORDINARY GENERAL MEETING – PROXY FORM

HARTAWAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200300950D)

IMPORTANT:-

1. For investors who have used their CPF monies to buy shares in Hartawan Holidngs Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote, must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________ (Name)

of ______________________________

being member/members* of Hartawan Holdings Limited (the "**Company**") hereby appoint:-

Name	NRIC / Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or* (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Hotel Re! @ Pearl's Hill, Re!Joice, 175A Chin Swee Road, Singapore 169879 on 21 October 2013 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

Capitalised terms used in this Proxy Form shall bear the meanings ascribed to them in the Circular to Shareholders dated 26 September 2013 unless otherwise defined herein or where the context otherwise requires. Please refer to the Notice of EGM for a detailed description of the resolutions.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Ordinary Resolutions relating to:	FOR	AGAINST
1.	Proposed Acquisition		
2.	Proposed Share Consolidation		
3.	Proposed allotment and issuance of Consideration Shares		
4.	Proposed Whitewash Resolution		
5.	Proposed Put Option as an Interested Person Transaction		
6.	Proposed allotment and issuance of Advisory Shares		
7.	Proposed change of core business of the Hartawan Group to the business of the Target Group		
8.	Proposed appointment of Wijaya Lawrence as director		
9.	Proposed appointment of Chong Chin Fan as director		
10.	Proposed appointment of Ngiam Mia Je Patrick as director		
11.	Proposed appointment of Teo Kiang Kok as director		

EXTRAORDINARY GENERAL MEETING – PROXY FORM

12	Proposed appointment of Tan Cher Liang as director		
13.	Proposed appointment of Seah Seow Kang Steven as director		
No.	**Special Resolution relating to:**	**FOR**	**AGAINST**
14.	Proposed Change of Name		

Dated this ___________ day of ____________ 2013

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholders
Or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes:

(1) Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50) of Singapore, you should insert the number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.

(2) A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

(3) Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

(4) Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies to the EGM.

(5) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company's at 175A Chin Swee Road Singapore 169879 not less than 48 hours before the time appointed for the EGM.

(6) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

(7) Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointer, the power of attorney or a duly certified copy thereof must be lodged with the instrument.

(8) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.