

Nusantara Resources Limited

ACN 150 791 290

Entitlement Issue Prospectus

This Prospectus includes the following offers (**Offers**):

- (a) a non-renounceable entitlement issue of 5 new Shares for every 19 Shares held by those Shareholders registered at the Record Date at an issue price of A\$0.20 per Share together with 1 free new Option for every 2 new Shares subscribed for and issued, exercisable at \$0.30 on or before 5.00pm (WST) on 31 July 2020 (**Entitlement Offer**);
- (b) an Offer for the shortfall to the Entitlement Offer (**Shortfall Offer**); and
- (c) an Offer of 5,201,407 Options (on the same terms and conditions as the Options under the Entitlement Offer) to Patersons Securities Limited (ACN 008 896 311) or its nominees (**Underwriter Options Offer**),

The Entitlement Offer will raise up to approximately A\$5,133,251 (before expenses and assuming maximum subscription based on the total number of Shares on issue as at the date of this Prospectus and assuming no Options are exercised prior to the Record Date).

The Entitlement Offer will be fully underwritten by Patersons Securities Limited (ACN 008 896 311) (**Patersons**) (**Underwriter**). Refer to Section 10.4(a) for details regarding the terms of the Underwriting Agreement.

Patersons is also acting as Lead Manager to the Entitlement Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. Corporate directory

Directors

Greg Foulis
(Non-Executive Chairman)

Mike Spreadborough
(Managing Director)

Boyke Abidin
(Executive Director)

Robin Widdup
(Non-Executive Director)

Rob Hogarth
(Non-Executive Director)

Company Secretary

Derek Humphry

Registered office

Ground Floor
20 Kings Park Road
West Perth WA 6005

Telephone: +61 (8) 9460 8600

Email:
info@nusantararesources.com.au

Website: www.nusantararesources.com

ASX Code: NUS

Share Registry*

Computershare Investor Services Pty
Limited
11/172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505

Website: www.computershare.com/au

Solicitors

EMK Lawyers
Suite 1B
16 Phillimore Street
Fremantle WA 6160

Auditor*

Ernst and Young
20 George Street
Sydney NSW 2000

Underwriter

Patersons Securities Limited
Level 15
333 Collins Street
Melbourne VIC 3000

Nominee for Ineligible Shareholders

Patersons Securities Limited
Level 15
333 Collins Street
Melbourne VIC 3000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. Timetable

Lodgement of Prospectus with the ASIC	5 June 2018
Lodgement of Prospectus and Appendix 3B (application for Official Quotation of the Shares and Options the subject of the Offers) with ASX	5 June 2018
Notice sent to Optionholders	6 June 2018
Notice sent to Shareholders	7 June 2018
“Ex” date	8 June 2018
Record Date for determining Entitlements	12 June 2018
Prospectus sent out to Shareholders & Company announces this has been completed	15 June 2018
Last day Company can extend Closing Date	21 June 2018
Closing Date*	26 June 2018
Securities under Offers quoted on a deferred settlement basis*	27 June 2018
ASX notified of under subscriptions	29 June 2018
Issue date/Securities entered into Shareholders' / investors security holdings*	3 July 2018
Official Quotation of Securities issued under the Offers*	3 July 2018
Dispatch of Holding Statements	4 July 2018

* The dates above are indicative only and are subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. Important information

This Prospectus is dated 5 June 2018 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is that date which is 13 months after the date of this Prospectus. No securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form or Underwriter Options Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

A number of terms used in this Prospectus are defined in Section 12 of the Prospectus.

Risk factors

Potential investors should be aware that subscribing for and holding Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 9 of this Prospectus. These risks together with other general risks applicable to all investments in listed companies not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

4. Update on Company activities

4.1 Offers

This Prospectus includes the following offers (**Offers**):

- (a) a non-renounceable entitlement issue of 5 new Shares for every 19 Shares held by those Shareholders registered at the Record Date at an issue price of A\$0.20 per Share together with 1 free new Option for every 2 new Shares subscribed for and issued, exercisable at \$0.30 on or before 5.00pm (WST) on 31 July 2020 (**Entitlement Offer**);
- (b) an Offer for the shortfall to the Entitlement Offer; and
- (c) an Offer of 5,201,407 Options (on the same terms and conditions as the Options under the Entitlement Offer) to Patersons Securities Limited (ACN 008 896 311) or its nominees (**the Underwriter Options Offer**),

The Entitlement Offer will raise up to approximately A\$5,133,251 (before expenses and assuming maximum subscription based on the total number of Shares on issue as at the date of this Prospectus and assuming no Options are exercised prior to the Record Date).

4.2 Use of funds

Please see Section 7.1 of this Prospectus for a statement of the proposed use of funds raised from the Entitlement Offer and Shortfall Offer. As set out in that Section the majority of the funds raised will be used for the Awak Mas Gold Project.

Please see Section 4.3 below for an update on the Company's activities.

4.3 Update on activities

Nusantara was successfully listed on the Australian Stock Exchange on 2 August 2017 after an initial public offering of shares raising approximately A\$16.2 million (**IPO**). The IPO demonstrated strong interest and support for the Awak Mas Gold Project in South Sulawesi, Indonesia.

The funds raised from the IPO were mainly used towards developing the Awak Mas Gold Project (**Project**). The Company intends to complete a Definitive Feasibility Study (**DFS**) by mid-2018. The Company has conducted 10 km of drilling to upgrade the Mineral Resource for the Awak Mas Gold Project for inclusion in the DFS.

As announced by the Company to ASX on 4 April 2018 and 8 May 2018, the Company completed a drilling program which has:

- (a) confirmed the new geological model that was developed in early 2017;
- (b) increased the Mineral Resource from 1.74 million ounces at the IPO to 2 million ounces of contained gold;
- (c) increased the Indicated category of the Mineral Resource to 89%; and

- (d) confirmed the geological potential of the mine corridor through the eastern extension of the Awak Mas deposit mineralisation.

Refer to the Company's announcement to ASX on 8 May 2018 for further details in relation to the updated Mineral Resource Estimate for the Awak Mas Gold Project.

In April 2018, based on the increased Mineral Resource, a maiden Ore Reserve of 1 million ounces of gold was reported. Work remains underway to optimise the mine design and scheduling of the open pit as part of the DFS.

Refer to the Company's announcement to ASX on 18 April 2018 for further details in relation to the Ore Reserve for the Awak Mas Gold Project.

During the early stages of the DFS, analysis confirmed that the change to the Whole-of-Ore leaching processing would result in improved recoveries and reduce capital costs. This change will be incorporated into the DFS.

The viability of the Project is supported by the signing of an MOU with PT Perusahaan Listrik Negara (national power company) in August 2017 for the provision of low cost grid power to site for construction and operations.

Work is underway through field work, modelling and review of historical work to develop a future exploration program aimed at identifying further gold bearing material.

In addition to improving the technical confidence of the project, a significant achievement has been the Contract of Work amendment signed in March 2018 with the Government of Indonesia. This amendment confirms that Nusantara is the sole holder of the Contract of Work, through its Indonesian subsidiary, PT Masmindo Dwi Area, until 2050 with the possibility for further extension. Of even more significance, is that the amendment addressed the issue of divestment. Nusantara is not required to divest any portion of the project until the end of the 10th year after commercial production. At that time, Nusantara is required to divest 51% to willing Indonesian participants at fair market value according to internationally accepted practice.

Refer to the Company's announcement to the ASX on 15 March 2018 for further details in relation to the Contract of Work amendment signed with the Government of Indonesia.

5. Details of the Offers

5.1 The Entitlement Offer

The Entitlement Offer is being made as a non-renounceable entitlement issue of 5 new Shares for every 19 Shares held by Shareholders registered at the Record Date at an issue price of A\$0.20 per Share to raise up to approximately \$5,133,251 together with 1 free new Option for every 2 new Shares subscribed for and issued exercisable at \$0.30 on or before 5.00pm (WST) on 31 July 2020.

Fractional entitlements will be rounded down to the nearest whole number.

All Shares must be paid for in full at the time of Application.

All of the Shares offered under this Prospectus will, following issue, rank equally with the Shares on issue at the date of this Prospectus.

The Options will be exercisable at \$0.30 each on or before 5.00pm (WST) on 31 July 2020. All Shares issued on conversion of the Options will rank equally with the Shares on issue at the date of this Prospectus.

Please refer to Section 8 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares and the Options.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, a maximum of 25,666,253 Shares and a maximum of 12,833,126 Options may be issued pursuant to the Entitlement Offer (with a further 5,201,407 Options to be issued pursuant to the Underwriter Options Offer). Assuming the Entitlement Offer is Fully Subscribed then the Company will raise approximately A\$5,133,251 from the Entitlement Offer (before expenses). If all of the Options the subject of the Entitlement Offer are granted and subsequently exercised, then a further approximately \$3,849,938 will be raised (and a further approximately \$1,560,422 will be raised if all of the Underwriter Options are granted and subsequently exercised).

As at the date of this Prospectus the Company has 39,120,710 Options on issue. Existing holders of Options must exercise their Options prior to the Record Date in order to participate in the Entitlement Offer in respect of the Shares underlying their Options. Please refer to Section 7.5 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 7.1 of this Prospectus.

The Entitlement Offer closes on the Closing Date but the Company reserves the right to extend the Closing Date by giving notice to the ASX in accordance with the ASX Listing Rules.

5.2 Minimum subscription amount

There is no minimum subscription.

5.3 Underwriting and sub-underwriting

The Entitlement Offer is fully underwritten by Patersons (**the Underwriter**) upon and subject to the terms and conditions of the Underwriting Agreement.

Refer to Section 10.4(a) of this Prospectus for a summary of the material terms of the Underwriting Agreement.

Pursuant to the Underwriting Agreement in consideration for the Underwriter's services as the underwriter to the Entitlement Offer the Company has agreed to:

- (a) pay the Underwriter 6% of the underwritten amount of A\$5,133,251. However, this fee will be reduced to 3% on Shortfall Securities issued to any investors introduced under the Sang Mandate (with the reduction of fees capped at \$500,000 worth of Shortfall Securities introduced under the Sang Mandate) and will not be paid on the commitments from Lion Selection Group Limited and Australian Super Pty Ltd referred to in Section 5.5 of this Prospectus. See Section 10.4(c) of this Prospectus for a summary of the Sang Mandate; and
- (b) to grant the Underwriter (or its nominees) 5,201,407 Options (on the terms and conditions of Options offered under the Entitlement Offer and as set out in Section 8.2 of this Prospectus).

If any nominee to receive Underwriter Options is a related party of the Company, the Underwriter Options will be issued to the related party subject to Shareholder approval at the next general meeting of Shareholders of the Company.

The Company understands that the Underwriter has entered into a number of sub-underwriting agreements in relation to the Entitlement Offer including with:

- (a) Laridae Holding Pty Ltd as trustee for the Laridae Trust (to sub-underwrite to \$25,000), an entity of which Director Mr Greg Foulis is a director and shareholder;
- (b) Robin and Janet Widdup as trustees of the Widdup Super Fund (to sub-underwrite to \$75,000); and
- (c) Lion Manager Pty Ltd (to sub-underwrite to \$70,000), an entity of which Director Mr Robin Widdup is a director and has a beneficial interest.

Refer to Section 7.6 of this Prospectus for effect on control as a result of the underwriting and sub-underwriting. Refer to Section 10.5 for a summary of the terms of the sub-underwriting agreements with the above Directors or their relevant entities.

5.4 Lead Manager

The Company has also appointed Patersons as the Lead Manager for the Entitlement Offer under Lead Manager Mandate (**Lead Manager Mandate**). The Company has agreed to pay Patersons 1.5% of the amount raised under the Entitlement Offer.

Refer to Section 10.4(b) for a summary of the material terms of the Lead Manager Mandate.

5.5 Commitments to take up Entitlements

The Company has received firm commitments from the following Shareholders that they intend to take up part of their Entitlements as follows:

Shareholder	Entitlement	Entitlement Value	Commitment	Commitment Value
Lion Selection Group Limited ¹	8,294,008 Shares and 4,147,004 Options	\$1,658,802	7,500,000 Shares and 3,750,000 Options	\$1,500,000
Australian Super Pty Ltd	2,562,030 Shares and 1,281,015 Options	\$512,406	2,562,030 Shares and 1,281,015 Options	\$512,406

Note

1. Company Director Robin Widdup is the managing Director of Lion Selection Group Limited (**LSG**) and together with his wife Janet Widdup is a substantial shareholder of LSG, holding 10.16% of LSG.

Mr Sang has introduced an unrelated third party investor who has committed to apply for A\$500,000 of Shortfall Securities under the Shortfall Offer under the Sang Mandate. Please refer to the Sang Mandate summarised in Section 10.4(c) for further details.

5.6 Shortfall Offer

The Directors reserve the right to issue any Shortfall at their discretion. The manner in which such discretion will be exercised will be determined by the Underwriter under terms of the Underwriting Agreement.

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is also made pursuant to this Prospectus.

Eligible Shareholders may apply for additional Securities under the Shortfall by completing the prescribed area on the Entitlement and Acceptance Form designated to the Shortfall and by paying the appropriate Application Monies in accordance with the instructions set out in the Entitlement and Acceptance Form.

Additionally, other investors who are not currently Shareholders who wish to participate in the Shortfall, may apply for Shortfall Securities using the Shortfall Application Form attached to this Prospectus by following the instructions set out on the Shortfall Application Form and paying the appropriate Application Monies.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for 14 days following the Closing Date (unless extended by the Company

in its discretion). All Securities issued under the Shortfall Offer shall be issued on the same terms as Securities being offered under the Entitlement Offer (including the issue price).

The Underwriter will determine the allottees of the Shortfall Securities at their absolute discretion. As such there is no guarantee that applicants for Shortfall Securities will receive any additional Shares applied for under the Shortfall Offer. The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Securities than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing the Shortfall. Where an application for Shortfall Securities is unsuccessful, in whole or in part, relevant Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

5.7 The Underwriter Options Offer

As set out in the summary of the Underwriting Agreement in Section 10.4(a), the Company has agreed to grant the Underwriter (or its nominee) 5,201,407 Options as part consideration for its services as the Underwriter. These Options are being offered under the Underwriter Options Offer. The Underwriter Options Offer Application Forms together with copies of this Prospectus will be provided to the Underwriter and those persons nominated by the Underwriter.

The Underwriter Options Offer closes on the Closing Date and duly completed the Underwriter Options Offer Application Forms must be received by the Company on that date (unless extended by the Company). There is no fee applicable for Applicants under the Underwriter Options Offer.

The grant of Underwriting Options to the Sub-Underwriters who are Directors or associated with Directors, as set out in Section 5.3 of this Prospectus, is subject to Shareholder approval for the purposes of Listing Rule 10.11 at the next general meeting of Shareholders of the Company.

5.8 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus on the ASX will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of three (3) months after the date of this Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application Monies for the Securities (as applicable) within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.9 Issue

Securities issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and timetable set out in Section 2 of this Prospectus.

Securities issued pursuant to the Shortfall Offer are intended to be issued at the same time that Securities are issued pursuant to the Entitlement Offer. Where the number of Shares issued is less than the number applied for, or where no issue is made,

surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Options issued under the Underwriter Options Offer will be issued at the same time that Securities are issued pursuant to the Entitlement Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Entitlement Offer and the Underwriter Options Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. Holding Statements for any Shortfall Securities issued under the Shortfall Offer will be mailed as soon as practicable after their issue.

5.10 Overseas shareholders, custodians and appointment of Nominee

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. In particular, this document may not be distributed to any person, and the Securities offered under this Prospectus may not be offered or sold, in any country outside Australia except to the extent permitted below. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of applicable securities law.

Custodians and nominees

Custodians and nominees may not distribute this document, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

Australia and New Zealand

The Entitlement Offer is being made to all Shareholders with registered addresses, on the Record Date, in Australia or New Zealand (**Eligible Shareholders**).

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Indonesia

A registration statement with respect to the Securities offered under this Prospectus has not been, and will not be, filed with the Capital Market and Financial Institutions

Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the Securities offered under this Prospectus may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the Securities offered under this Prospectus or sale, or invitation for subscription or purchase, of the Securities offered under this Prospectus may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations in the Republic of Indonesia.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this document, you should obtain independent professional advice.

China

The information in this document does not constitute a public offer of the Securities offered under this Prospectus, whether by way of sale or subscription, in the People's Republic of China (**PRC**) (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Securities offered under this Prospectus may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

If you are in the People's Republic of China, by completing an Application Form you represent that you are a (i) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets or (ii) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment.

United Kingdom

Neither the information in this document nor any other document relating to the Offers has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Securities offered under this Prospectus.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Securities offered under this Prospectus may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Securities offered under this Prospectus has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Canada

This document constitutes an offering of the Entitlement Securities only in the Province of British Columbia and the Province of Ontario (the "Provinces") and only to existing shareholders of the Company in a rights issue. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlement Securities or the offering of the Entitlement Securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of the Entitlement Securities or the resale of such securities. Any person in the Provinces lawfully participating in the Entitlement Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlement Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Entitlement Securities outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Entitlement Securities.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed

time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlement Securities purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlement Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- (a) the Company will not be liable if it proves that the purchaser purchased the Entitlement Securities with knowledge of the misrepresentation;
- (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Entitlement Securities as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable exceed the price at which the Entitlement Securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlement Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the Entitlement Securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents

evidencing or relating in any way to the sale of the Entitlement Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

United States of America

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Securities the subject of the Offers have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Other Places

In relation to Shareholders with registered addresses on the Record Date in places other than Australia, New Zealand, Indonesia, Hong Kong, China, the United Kingdom, Canada and the United States of America, the Company has decided that it would be unreasonable to make the Entitlement Offer to those Shareholders having regard to:

- (a) the number of Shareholders in each such place;
- (b) the number and value of securities the holders would be offered; and
- (c) the costs of complying with legal requirements, and requirements of regulatory authorities, in each such place.

Ineligible Shareholders

Shareholders with registered addresses on the Record Date in places other than Australia, New Zealand, Indonesia, Hong Kong, China, the United Kingdom, Canada or the United States of America are not eligible to participate in or accept the Offers (**Ineligible Shareholders**).

Pursuant to section 615 of the Corporations Act the Company has appointed Patersons Securities Limited as the Company's Ineligible Shareholder nominees (**Nominee**). The Company has applied to ASIC to approve the appointment of the Nominee pursuant to section 615 of the Corporations Act. However, as at the date of this Prospectus, ASIC has not approved appointment of the Nominee.

Pursuant to the arrangement with the Nominee, the Nominee will be transferred the Securities which Ineligible Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Securities**).

The Nominee will then sell the Nominee Securities and remit the net proceeds from the sale of the Nominee Securities (if any) to the Ineligible Shareholders in proportion to their entitlements to Shares would they have been eligible to participate in the Offer.

The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Securities will be sold and the manner of such sale. The Company will forward the net proceeds (if any) of the sale of the Nominee Securities as soon as practicable to the Ineligible Shareholders (after deducting expenses including the subscription price and brokerage commission).

Any interest earned on the proceeds of sale of the Nominee Securities will firstly be applied against expenses of such sale and any balance will be payable to the Ineligible Shareholders in accordance with the above (if any).

The Company will pay the Nominee the higher of 1.5% brokerage plus GST or \$2,500 for its services as Nominee.

Both the Company and the Nominee take no responsibility for the outcome of the sale of the Nominee Securities.

Notwithstanding that the Nominee must sell the relevant Securities offered under this Prospectus, Ineligible Shareholders may nevertheless receive no net proceeds if the receipts from the sale of the Nominee Securities are less than the subscription cost of the Nominee Securities by the Nominee and the expenses of the sale of the Nominee Securities.

5.11 CHESS and Issuer Sponsorship

The Company will not be issuing share certificates for the Securities offered under this Prospectus. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Investors who are issued Securities under this Prospectus will be provided with a holding statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

5.12 Privacy Act

If you complete an Application for Securities, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of equity securities in the Company, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the Company's register of members, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note

that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

5.13 Rounding

Fractional entitlements will be rounded down to the nearest whole number. All references to numbers of Securities to be issued pursuant to this Prospectus are expressed subject to rounding.

5.14 Enquiries

Any questions concerning the Entitlement Offer should be directed to Derek Humphry, Company Secretary, on +61 8 9460 8600 or by email to info@nusantararesources.com

6. How to apply for Entitlements

6.1 Acceptance

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
 - (iii) if paying by BPAY®, make a BPAY® payment in respect of your full Entitlement by following the instructions on the Entitlement and Acceptance Form (refer to Section 6.5 for further details); or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at A\$0.20 per Share); or
 - (iii) if paying by BPAY®, make a BPAY® payment in respect of the portion of your Entitlement that you wish to take up by following the instructions on the Entitlement and Acceptance Form (refer to Section 6.5 for further details); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement. Any application monies received for more than your final allocation of Shares will be refunded.

6.2 Return of Entitlement and Acceptance Forms

Completed Entitlement and Acceptance Forms together with a cheque for the relevant amount must be lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry (by post) at:

Computershare Investor Services Pty Limited

GPO Box 505

Melbourne VIC 3001

6.3 Implications returning a completed Entitlement and Acceptance Form

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

6.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “Nusantara Resources Limited – Entitlement Issue Account” and crossed “Not Negotiable”.

6.5 Payment by BPAY®

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form if you pay by BPAY® but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies paid by BPAY® .

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

6.6 Enquiries

Any questions concerning the Entitlement Offer should be directed to Derek Humphry, Company Secretary, on +61 8 9460 8600 or by email to info@nusantararesources.com

7. Purpose and effect of the Offers

7.1 Purpose of the Offers and use of funds

The purpose of the Entitlement Offer (and the Shortfall Offer) is to raise up to approximately A\$5,133,251 (before costs and assuming maximum subscription based on the total number of Shares on issue as at the date of this Prospectus and no Options are exercised prior to the Record Date).

The funds raised from the Entitlement Offer and Shortfall Offer are planned to be used to further advance the Company's 100% owned Awak Mas Gold Project in South Sulawesi, Indonesia towards development. As a relatively new Company, we invest the majority of our funds in Indonesia to advance the project. Since listing of the Company on ASX in August 2017, significant progress has been made on increasing the technical, commercial and regulatory aspects of the Awak Mas Gold Project (refer to Section 4.3 of this Prospectus for further details).

Specifically, the funds will be used to:

- Complete the DFS which is planned for release in July 2018. Further expenditure is required to complete the work to DFS level including detailed mine design and scheduling, incorporating of the positive change to the processing flowsheet (post DFS further test work and engineering will be required before construction), finalisation of the tailings storage facility design to DFS level to ensure compliance with updated regulatory requirements (further detailed engineering will be required prior to construction), and the cost impact of refurbishment of access roads and the Awak Mas Gold Project camp to allow for completion of the resource drilling program, technical studies, and on-going operations.
- Continue geological evaluation of the Mine Corridor between the Awak Mas and Salu Bulu deposits.
- Advance the process underway where Nusantara is currently engaged in strategic partner discussions with Indonesian and Chinese parties to share the funding risk and be involved in the development of the Awak Mas gold Project.
- Maintaining Indonesian operations including Jakarta and site facilities (roads, camp, core storage, medical station) and the on-going work on site which includes community engagement, environmental baseline studies, geological exploration field work, and continued technical studies.

The funds raised from the Entitlement Offer and Shortfall Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (A\$)	Full Subscription (US\$ using 0.75 exchange rate)	%
1.	Awak Mas Gold Project DFS	1,540,481	1,155,361	30.0
2.	Geological field work	300,000	225,000	5.8
2.	Strategic joint venture partner process	600,000	450,000	11.7
3.	Awak Mas operations	638,667	479,000	12.5
4.	Jakarta administration	457,333	343,000	8.9
5.	Expenses of the Offer ¹	344,273	258,205	6.7
6.	Working capital and Administration	1,252,497	939,372	24.4
Total		5,133,251	3,849,938	100%

Notes:

1. Refer to Section 10.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The Company's current cash resources and additional capital proposed to be raised by the Entitlement Offer and Shortfall Offer are sufficient to meet its current stated objectives.

The purpose of the Underwriter Options Offer is to comply with the Company's obligations to grant 5,201,407 Options to the Underwriter (or its nominees) pursuant to the terms of the Underwriting Agreement summarised in Section 10.4(a) of this Prospectus.

7.2 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- increase the cash reserves by approximately A\$4,788,978 (US\$3,591,733) (after deducting the estimated expenses of the Offers) immediately after completion of the Entitlement Offer; and
- increase the number of Shares on issue from 97,531,763 as at the date of this Prospectus to 123,198,016 Shares (assuming the Entitlement Offer is Fully Subscribed no Options are exercised prior to the Record Date); and
- increase the number of Options on issue from 39,120,710 as at the date of this Prospectus to 57,155,243 Options (assuming the Entitlement Offer is Fully Subscribed, the Underwriter Options Offer is fully subscribed and that no Options are exercised prior to the Record Date).

7.3 Substantial Shareholders

A 'substantial holding' under the Corporations Act means a relevant interest in 5% or more of the votes attaching to voting shares.

The table below sets out the existing Shareholders with a known substantial holding as at the date of this Prospectus.

Shareholder	Shares	%
Lion Selection Group Limited	31,517,231	32.31
Macquarie Bank Limited and associates	4,991,056	5.12
Australian Super Pty Ltd	9,735,714	9.98

Refer to Section 7.6 of this Prospectus for details on the effect of the Offers on the substantial Shareholders.

7.4 Pro-forma statement of financial position

This section provides relevant financial information to consider when assessing whether to participate in the Offers, including details of the potential financial impact of the Offers on the Company. The impact of the Entitlement Offer and the Shortfall Offer is expected to be an increase in cash of approximately US\$3,859,938 (A\$5,133,251) before costs.

Please note that the unaudited pro-forma financial information below is in United States Dollars (US\$) as the Company reports in US\$ and should be read in conjunction with the limitations expressed in the Important Notes in Section 3 and risks set out in Section 9. Australian dollar amounts have been translated into US\$ using an AUD:USD exchange rate of 0.75.

The audited statement of financial position as at 31 December 2017, the unaudited management accounts statement of financial position of the Company and the unaudited pro-forma statement of financial position as at 30 April 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes in financial position.

The audited statement of financial position as at 31 December 2017 has been extracted from the Company's last annual financial report which is a general purpose financial report prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. That financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The unaudited pro-forma statement of financial position has been prepared to provide an indication on the effect of the Offers on the financial position of the Company assuming the Entitlement Offer is Fully Subscribed, all Underwriter Options are granted and no Options are exercised prior to the Record Date. It has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The Company's cash balance at 31 December 2017 has continued to be invested in exploration and evaluation of the Awak Mas Gold Project as reported to the ASX on 30 April 2018, in the Company's 31 March 2018 Quarterly Activities Report and Appendix 5B Quarterly Report.

The Adjustments Pro-Forma column below reflect the significant effects of the Offers (assuming the Entitlement Offers is Fully Subscribed, all Underwriter Options are grant and no existing Options are exercised) to:

- (a) Increase the cash reserves by approximately US\$3,591,733 (A\$4,788,978) comprising:
 - (i) proceeds from the Entitlement Offer of US\$3,859,938 (A\$5,133,251);
 - (ii) less expenses of the Entitlement Offer US\$258,205 (A\$344,273).
- (b) Increase the number of issued shares by 25,666,253 to 123,198,016 and increase Issued Capital by US\$3,591,733 (A\$4,788,978), being the New Shares issued under the Offers being US\$3,859,938 (A\$5,133,251), less the costs of the Offers being US\$258,205 (A\$344,273); and
- (c) increase the number of Options on issue by 12,833,126, assuming 1 option for every 2 New Shares issued, and an increase in the number of Options on issue by 5,201,407, assuming 1 option for every 3 New Shares issued under the underwriting arrangements. This would be a total increase of 18,074,007 options on issue to 57,155,243. Options have been assumed with nil value for the purposes of the pro-forma balance sheet.

The unaudited pro-forma consolidated statement of financial position set out below is based on the issue of 25,666,253 new Shares under the Entitlement Offer (assuming Full Subscription) at an issue price of A\$0.20 each to raise approximately A\$5,133,251 (before costs) less estimated expenses of the Entitlement Offer of approximately A\$344,273. Applying an AUD:USD exchange rate of 0.75 equates to approximately US\$3,591,733* net of expenses.

	AUDITED 31 December 2017 US\$	UNAUDITED 30 April 2018 US\$	ADJUSTMENTS PRO-FORMA US\$	UNAUDITED PRO-FORMA 30 April 2018 US\$
Current assets				
Cash and cash equivalents	7,433,666	3,038,946	3,591,733	6,630,679
Other receivables	260,928	261,438	-	261,438
Total current assets	7,694,594	3,300,384	3,591,733	6,892,117
Non-current assets				
Property, plant and equipment	83,310	91,752	-	91,752

	AUDITED 31 December 2017 US\$	UNAUDITED 30 April 2018 US\$	ADJUSTMENTS PRO-FORMA US\$	UNAUDITED PRO-FORMA 30 April 2018 US\$
Exploration and evaluation expenditure	25,922,423	28,863,814	-	28,863,814
Other assets	73,421	69,433	-	69,433
Total non-current assets	26,079,154	29,025,000	-	29,025,000
TOTAL ASSETS	33,773,748	32,325,384	3,591,733	35,917,117
Current liabilities				
Creditors and borrowings	1,108,186	1,337,508	-	1,337,508
Provisions	142,887	63,089	-	63,089
Total current liabilities	1,251,073	1,400,597	-	1,400,597
TOTAL LIABILITIES	1,251,073	1,400,597	-	1,400,597
NET ASSETS	32,522,675	30,924,787	3,591,733	34,516,520
Equity				
Issued capital and reserves	36,928,223	36,912,198	3,591,733	40,503,931
Accumulated losses	(4,405,548)	(5,987,411)	-	(5,987,411)
TOTAL EQUITY	32,522,675	30,924,787	3,591,733	34,516,520

The pro-forma statement of financial position includes an adjustment for US\$3,591,733 (A\$4,788,978) representing proceeds from the Entitlement Offer of US\$3,849,938 (A\$5,133,251) less expenses of the Entitlement Offer US\$246,955 (A\$329,273), being raised under the Entitlement Offer (assuming Full Subscription and that no Options are exercised prior to the Record Date and deducting the estimated expenses of the Offer) which includes payment of A\$0.20 per Share.

7.5 Effect on capital structure

The effect of the Entitlement Offer on the capital structure of the Company, assuming it is Fully Subscribed, is set out below.

Shares	Number
Shares currently on issue	97,531,763 ¹
Shares offered pursuant to the Offer	25,666,253 ²
Total Shares on issue after completion of the Offer	123,198,016

Notes:

1. 25,446,243 Shares are escrowed until 2 August 2019.

Options	Number
Options currently on issue:	
Listed Options (ASX Code: NUSO) exercisable at A\$0.42 cents each on or before 14 November 2018	32,508,392
Unlisted Options exercisable at A\$0.42 each on or before 2 August 2020 ^{1, 3}	472,000
Unlisted Options exercisable at A\$0.61 each on or before 2 August 2021 ^{2, 3}	5,400,318
Unlisted Options exercisable at A\$0.61 each on or before 27 July 2021 ³	740,000
Options offered pursuant to the Entitlement Offer	
Listed Options exercisable at A\$0.30 each on or before 5.00pm (WST) on 31 July 2020	12,833,126
Options offered pursuant to the Underwriter Options Offer	
Listed Options exercisable at A\$0.30 each on or before 5.00pm (WST) on 31 July 2020	5,201,407
Total Options on issue after completion of the Offer³	57,155,243

Notes

1. 295,000 of these Options are escrowed until 2 August 2019.
2. 2,802,500 of these Options are escrowed until 2 August 2019.
3. Option terms confer a right to a change in exercise price after the Entitlement Offer in accordance with the formula in ASX Listing Rule 6.22.2. Accordingly, assuming the Entitlement Offer is fully subscribed, the exercise price of these Options will change to \$0.04 per Option.

The issued capital of the Company on a fully diluted basis as at the date of this Prospectus is 136,652,473 Shares and on completion of the Offers would be 180,353,259 Shares.

7.6 Effect on control of the Company

Effect on control as a result of the Underwriting and sub-underwriting

The Underwriter currently holds 37,000 Shares and 12,332 listed Options.

The Underwriter is not a related party of the Company for the purposes of the Corporations Act.

The Underwriter's present Voting Power in Shares, and changes to that Voting Power, under several scenarios in relation to the Entitlement Offer are set out in the table below (assuming the Underwriter takes up its full entitlement as a Shareholder):

Event	Shares held by Underwriter	Voting Power of Underwriter
Date of Prospectus (1 June 2018)	37,000	0.04%
Entitlement Offer		
Fully Subscribed	46,736	0.04%
75% Fully Subscribed	6,463,299	5.25%
50% Fully Subscribed	12,879,863	10.45%
25% Fully Subscribed	19,296,426	15.66%
0% Fully Subscribed	25,712,989	20.87%

The number of Shares held by the Underwriter and its Voting Power in the table above (in line with the assumptions) show the potential effect on the control of the Company as a result of the Entitlement Offer. The table assumes the firm commitments referred to in Section 5.5 do not occur to show the total maximum relevant interests that may be acquired in each scenario. However, it is unlikely that no shareholders will take up Entitlements under the Entitlement Offer and that no investors will make Applications under the Shortfall Offer.

The Voting Power of the Underwriter will reduce by a corresponding amount for the amount of:

- (a) Securities under the Entitlement Offer taken up by the other Shareholders;
- (b) Securities taken up by applicants for Shortfall Securities as permitted under the Underwriting Agreement; and
- (c) Securities taken up by sub-underwriters.

Also, the Underwriter has sub-underwriting commitments for up to A\$3,120,845 of the Entitlement Offer. Given this equates to the underwritten amount, then upon completion of the sub-underwriting agreements the Underwriter will not increase its voting power in the Company.

Pursuant to the terms of the Underwriting Agreement (summarised in Section 10.4(a) of this Prospectus), the Company has agreed to grant the Underwriter or their nominees 5,201,407 Options in part consideration for the underwriting services provided by the Underwriter.

In the event that the Underwriter obtains and retains and exercises any Options acquired as a result of the underwriting or as part consideration for underwriting services, its Voting Power will increase at the time of exercise of the relevant Options. The exercise of such Options and subsequent increase of the Underwriters Voting Power will be subject to the restrictions in Chapter 6 of the Corporations Act.

The Company understands that the Underwriter has entered into a number of sub-underwriting agreements in relation to the Entitlement Offer including with:

- (a) Laridae Holding Pty Ltd as trustee for the Laridae Trust (to sub-underwrite to \$25,000), an entity of which Director Mr Greg Foulis is a director and shareholder;
- (b) Robin and Janet Widdup as trustees of the Widdup Super Fund (to sub-underwrite to \$75,000); and
- (c) Lion Manager Pty Ltd (to sub-underwrite to \$70,000), an entity of which Director Mr Robin Widdup is a director and has a beneficial interest.

The maximum potential increase in the voting power of Directors Mr Robin Widdup and Mr Greg Foulis and the respective entities in which they have a beneficial interest as a result of these sub-underwriting arrangements and the Directors' Entitlements is set out below.¹

Director	Sub-underwritten Securities	Sub-underwritten Value	Current Voting Power	Voting Power Post Offers ²
Greg Foulis	125,000 Shares and 62,500 Options	\$25,000	Nil%	0.10%
Robin Widdup	625,000 Shares and 208,333 Options	\$125,000	1.64%	2.23%

Notes

1. Each of these parties have entered into sub-underwriting agreements summarised under the heading Sub-underwriting by Directors and related entities in Section 10.5 of this Prospectus. Pursuant to the terms of the sub-underwriting, the Underwriter will pay each sub-underwriter a fee of 3% (excluding GST) of the sub-underwriter's respective sub-underwritten value.
2. This figure assumes that 100% of the Shortfall is placed, each Director above and their associates takes up 100% of their Entitlements, that the sub-underwriters are obliged to subscribe for 100% the Securities that they agree to sub-underwrite. However, the obligation to subscribe for sub-underwritten Shares will reduce to the extent that the Shareholders take up entitlements under the Entitlement Offer.

The above sub-underwriters will receive 1 Underwriter Option per 3 sub-underwritten Shares. The grant of Underwriting Options to the above sub-underwriters is subject to Shareholder approval for the purposes of Listing Rule 10.11 at the next general meeting of Shareholders of the Company.

Effect on the substantial Shareholders

A 'substantial holding' under the Corporations Act means a relevant interest in 5% or more of the votes attaching to voting shares.

The table below sets out the existing Shareholders with a known substantial holding as at the date of this Prospectus.

Shareholder	Shares	%	Entitlement
Lion Selection Group Limited	31,517,231	32.31	8,294,008 Shares 4,147,004 Options
Macquarie Bank Limited and associates	4,991,056	5.12	1,313,435 Shares 656,717 Options
Australian Super Pty Ltd	9,735,714	9.98	2,562,030 Shares 1,281,015 Options

If all Shareholder Entitlements are accepted, there will be no change to the percentage shareholding interest of the substantial Shareholders on completion of the Entitlement Offer.

As set out in Section 5.5 of this Prospectus:

- (a) Lion Selection Group Limited has committed to taking up most of its Entitlement; and
- (b) Australian Super Pty Ltd has committed to taking up its full Entitlement.

As the Entitlement Offer is fully underwritten, the Entitlement Offer is not expected to have a material impact on the percentage shareholding interest of the substantial Shareholders above.

Both Lion Selection Group Limited and Australian Super Pty Ltd have advised the Company that they each do not intend to subscribe for Shortfall Securities.

7.7 Dilution

Shareholders who do not participate in the Entitlement Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect assuming no further Shares are issued or Options exercised:

Holder	Holding at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
1	10,000,000	10.25	2,631,579	10,000,000	8.12
2	5,000,000	5.13	1,315,789	5,000,000	4.06
3	500,000	0.51	131,579	500,000	0.41
4	50,000	0.05	13,158	50,000	0.04
5	5,000	0.01	1,316	5,000	0.00

Note:

The dilutionary effect shown in the table is the maximum percentage on the basis that those Entitlements not accepted are placed under the Shortfall Offer. Percentages post-Offer has been calculated on the basis of their being 123,198,016 Shares on issue on completion of the Offer. Refer to Section 7.5 for further details of the Company's capital structure and the effect of the Offers on the capital structure of the Company.

8. Rights and Liabilities attaching to Shares and Options

8.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one (1) vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one (1) vote for each Share held.

(c) Dividend rights

The Board may declare or pay dividends as it sees fit and determine that a dividend is payable and fix the amount, the time for payment and the method of payment.

Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), holders of fully paid Shares on which any dividend is declared or paid are entitled to participate in that dividend equally.

Each Share which is not fully paid is entitled to a fraction of the dividend declared or paid on a fully paid Share equivalent to the proportion which the

amount paid (not credited) on the Share bears to the total amounts paid and payable (excluding amounts credited) on the Share.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the Company's property, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

(e) Shareholder liability

As the Shares issued under the Prospectus will be fully paid shares at the time of issue, they will not be subject to any calls for further moneys by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of, or failure to observe the provisions of, a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the Directors' control. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

8.2 Options

The Options entitle the holder (**Optionholder**) to subscribe for, and be issued, ordinary shares in the capital of the Company (**Shares**) on and subject to the following terms and conditions:

(a) Entitlement

Each Option gives the Optionholder the right to subscribe for, and be issued, one Share.

(b) Expiry Date

The Options will expire at 5.00pm (WST) on 31 July 2020 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Exercise Price

Subject to Part (i), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(d) Notice of Exercise

An Optionholder may exercise any Options by lodging with the Company, before the Expiry Date:

- (i) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (ii) a cheque or electronic funds transfer for the aggregate Exercise Price for the number of Options being exercised.

(e) Exercise Date

An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) Timing of issue of Shares on exercise and quotation

Within 10 Business Days of the Exercise Date, the Company will:

- (i) allot the applicable Shares to the Optionholder; and
- (ii) if the Company is admitted to the official list of the ASX at the time, apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(g) Shares issued on exercise

All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other issued fully paid Shares.

(h) Quotation of Shares issued on exercise

If admitted to the official list of the ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.

(i) Reorganisation

If, prior to the Expiry Date, the issued capital of the Company is reorganised, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and any requirements with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(j) Participation in new issues

(i) There are no participating rights or entitlements inherent in the Options.

(ii) An Optionholder will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options except to the extent that Options are exercised prior to the 'record date' for determining entitlements for the new issue.

(k) Change in exercise price

An Option does not confer on the holder any right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australia securities law.

(m) Agreement to be bound

By lodging an Exercise Notice, the Optionholder agrees to take the applicable Shares and agrees to be bound by the constitution of the Company.

9. Risk factors

9.1 Introduction

The Securities offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

9.2 Company specific risks

(a) Potential for dilution

Upon implementation of the Offers, assuming Fully Subscribed, the number of Shares in the Company will increase from 97,531,763 currently on issue to 123,198,016. This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share or Option will be following the completion of the Offers being implemented and the Directors do not make any representation or prediction as to such matters.

The trading price of Shares on the ASX prior to the Prospectus being lodged is not necessarily a reliable indicator as to the potential trading price of Shares after completion of the Offer.

If Shareholders do not take up their full Entitlement, their shareholding will be diluted as a result by approximately 20.83%.

(b) Awak Mas Gold Project development

If Nusantara makes a decision to proceed with developing the Awak Mas Gold Project to the production stage, the process of developing and constructing the mine will be subject to additional risks, including those set out in this section.

While Nusantara would make a decision to proceed to production only after completing feasibility studies and consideration of expected financial outcomes and project related risks, which will be prepared with a higher level of detailed investigation and therefore a higher degree of assumed accuracy than the work completed to date, there will remain a risk that economic and technical estimates and assumptions will prove to be inaccurate, and unforeseen factors will result in outcomes that are materially less favourable than those estimated or assumed in the feasibility study.

There are many uncertainties that are inherent in developing a mining project, including:

- (i) the availability of capital to finance feasibility studies, construction and development activities;
- (ii) the timing (including due to availability and timing of key equipment, and due to weather events) and cost of constructing mining and processing facilities and related infrastructure;
- (iii) the limitations on activities due to seasonal or adverse weather patterns and delays in availability of equipment;
- (iv) the availability and cost of skilled labour, power, water and transport; and
- (v) the need to obtain necessary government permits and the timing of those permits.

As with any mining project, Nusantara may experience unexpected problems and delays during development, construction and mine start-up. Even if mining commences, there is a risk that the geology of the mine and geotechnical characteristics of the rock will be more complex than Nusantara's geological investigations have indicated, and that the ore extracted will be lower grade or have different metallurgical and physical characteristics.

(c) Additional funding requirements

Funds raised by the Entitlement Offer and Shortfall Offer will not be sufficient for expenditure expected to be required for completing development of the Awak Mas Gold Project, including the works required to complete construction of, and commence production at, the project and for exploration across the Contract of Work area.

The Company expects to raise additional funds for working capital and in order to finance its projected capital expenditure at the Awak Mas Gold Project, potentially by raising debt and/ or equity, or through entry into strategic joint venture partner arrangements. However, if these funding alternatives do not eventuate or are insufficient the Company may need to raise additional equity. Any additional equity financing may be dilutive to Shareholders, and debt financing (including lease financing of equipment), if available, may involve restrictions on financing and operating activities.

There is no assurance that the Company will be able to obtain or access additional funding when required, or that the terms associated with that funding will be acceptable to the Company. If such funding is not obtained, the Company will be unable to proceed with the Awak Mas Gold Project, which would adversely affect its business, financial condition and operating results and its ability to continue as a going concern or its ability to pay its debts as and when they fall due. It could also jeopardise the Company's ownership of the Contract of Work (CoW).

Also, no guarantee or assurance can be given as to whether the Awak Mas Gold Project can be developed to the stage where it will generate positive cash flow or the timing of this development. As such, the Awak Mas Gold Project is dependent on many factors, for example, exploration success,

positive DFS outcomes, subsequent mine development, commissioning and operational performance.

(d) Lack of operating history

Nusantara has never developed or managed a fully operational mining operation facility. Nusantara was incorporated on 9 May 2011 and its only business activity is in connection with the Awak Mas Gold Project. Accordingly, Nusantara has no experience in building or operating mining or processing facilities. While Nusantara's Directors and management have substantial experience in the mining industry, there can be no assurance that the Awak Mas Gold Project will experience results similar to those achieved by other companies or projects in which its Directors and management have been involved in the past. Nusantara's financial condition will depend upon the commercial viability and profitability of the Awak Mas Gold Project. Nusantara cannot provide any assurance that it will be able to commission or sustain the successful operation of the Awak Mas Gold Project, or that it will achieve commercial viability.

(e) No alternative means of generating revenue

The Awak Mas Gold Project is the only business activity that Nusantara intends to undertake in the near term. Almost all of Nusantara's assets and resources will be employed in the Definitive Feasibility Study and potentially the development of the Awak Mas Gold Project. Until completion, the Awak Mas Gold Project will not generate income sufficient to cover Nusantara's expenses and until that time, Nusantara will have limited means of generating income or other gains (apart from interest, divestment of PT Masmino (the Company's Indonesian Subsidiary) shares or asset sales) or positive cash flows. If the Awak Mas Gold Project is not completed on schedule and in the manner anticipated, there could be a material adverse effect on Nusantara's financial condition.

(f) Exploration and operations

The current and future operations of Nusantara, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including:

- (i) geological conditions;
- (ii) limitations on activities due to seasonal or adverse weather patterns;
- (iii) alterations to program and budgets;
- (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;
- (v) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- (vi) industrial action, disputation or disruptions;
- (vii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;

- (viii) unavailability of suitable laboratory facilities nearby;
 - (ix) adverse metallurgical testwork investigations;
 - (x) failure of metallurgical testing to determine a commercial viable product;
 - (xi) shortages or unavailability of manpower or appropriately skilled manpower;
 - (xii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
 - (xiii) prevention or restriction of access by reason of inability to obtain consents or approvals.
- (g) Estimation of Mineral Resources and Ore Reserves

Estimating the quantity and quality of Mineral Resources is an inherently uncertain process and any Mineral Resources or Ore Reserves that Nusantara states to date or in the future are and will be estimates and may not prove to be an accurate indication of the quantity and/or grade of mineralisation that Nusantara has identified or that it will be able to extract, process and sell.

Mineral Resource Estimates (**MREs**) are expressions of judgement based on knowledge, experience and industry practice. MREs are necessarily imprecise and depend to some extent on interpretations and geological assumptions, the application of sampling techniques, estimates of commodity prices, cost assumptions, and statistical inferences which may ultimately prove to have been unreliable.

The inclusion of MREs should not be regarded as a representation that these amounts can be economically exploited and investors are cautioned not to place undue reliance on MREs, particularly Inferred Resource estimates, which are highly uncertain.

Consequently, MREs are often regularly revised based on actual production experience or new information and are therefore expected to change. Furthermore, should Nusantara encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Nusantara's MREs may have to be adjusted and mining plans, processing and infrastructure may have to be altered in a way that might adversely affect Nusantara's operations. Moreover, a decline in the price of gold, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environmental, permitting, title or tax regulations, that are adverse to Nusantara, may mean the volumes of mineralisation that Nusantara can feasibly extract may be significantly lower than the Company's current MRE as previously announced to ASX. If it is determined that mining of certain of Nusantara's Mineral Resources and the Ore Reserves derived from them have become uneconomic, this may ultimately lead to a reduction in the quantity of Nusantara's aggregate Mineral Resources being mined or result in Nusantara deciding not to proceed with the project.

If Nusantara's actual Mineral Resources or Ore Reserves are less than current estimates, Nusantara's prospects, value, business, results of operations and financial condition may be materially adversely affected.

(h) Operations

Nusantara's future mining operations, if they commence, will be subject to operating risks that could result in decreased production, which could reduce its revenues. Operational difficulties may impact the amount of gold produced, delay or increase the cost of mining for a varying length of time. Such difficulties include (but are not limited to) unexpected maintenance or technical problems; failure of key equipment; depletion of Mineral Resources; increased or unexpected reclamation costs; interruptions due to transportation delays; industrial and environmental accidents; industrial disputes; unexpected shortages or increases in the costs of consumables and spare parts; availability of water; availability and cost of power and other utilities; fires; adverse weather conditions and other natural disasters. Other difficulties may arise as a result of variations in mining conditions from those projected from drilling, such as geotechnical issues, variations in the amount of waste material, variations in geological conditions and the actions of potential contractors engaged by Nusantara to operate the Awak Mas Gold Project (including any breach of contract or other action outside the control of Nusantara). There is a significant geotechnical risk associated with the project due to the high rainfall, rugged topography, low permeability of the rock mass and potential for landslides.

Unforeseen geological, geotechnical or operational difficulties could also cause a loss of revenue due to lower production than expected, higher operating and maintenance costs and/or ongoing unplanned capital expenditure to meet production targets. Any such geological conditions may adversely affect Nusantara's financial performance.

A failure to obtain access (whether under a contractual arrangement or otherwise) to an adequate supply of capital equipment or consumables for use in Nusantara's operations could result in delays to the commencement of operations at the Awak Mas Gold Project, reduced production rates and increased costs.

Nusantara may consider opportunities for expansion and/or opportunities to acquire other mining and processing rights in the future. There can be no certainty that any expenditures made by Nusantara towards the search for, acquisition of or evaluation of mineral deposits or rights will result in commercial discoveries or acquisitions.

(i) Licences and permits

Nusantara is required under applicable laws and regulations to seek governmental concessions, permits, authorisations, licenses and other approvals, including in connection with its operating, producing, exploration and development activities. The Directors cannot predict whether the Company will be able to obtain all required permits or other authorisations for its current and future operations. Obtaining, retaining or renewing the necessary governmental concessions, permits, authorisations, licenses (including with respect to environment and water use) and approvals can be a complex and time-consuming process and may involve substantial costs or the imposition of unfavourable conditions. There can be considerable delay in obtaining the necessary permits and other authorisations and in certain cases the relevant government agency may be unable to issue a required permit or other authorisation in a timely manner.

The duration and success of permit applications are contingent on many factors that are outside Nusantara's control (including objections from local communities, non-government organisations or special interest groups). Failure to obtain a material licence or permit in connection with the Awak Mas Gold Project would adversely impact the ability to mine the Awak Mas Gold Project in an economically viable manner or at all.

(j) Land access

The Awak Mas Gold Project is situated on state-owned land in Indonesia. Under Indonesian law, a party may use state-owned land, provided that it has been granted the necessary land use rights by the competent local, federal or governmental authority.

In addition, there are certain regulatory requirements requiring agreements with other users of the land in respect of the Awak Mas Gold Project, including both legal land users and informal land users. Nusantara does not currently have such agreements in place and will require land compensation arrangements to be agreed by both parties.

The cost and time of completing such agreements is contingent on many factors that are outside Nusantara's control (including objections from local communities, non-government organisations or special interest groups), and may not be able to be concluded. Failure to obtain such agreements in connection with the Awak Mas Gold Project would adversely impact the ability to mine the Awak Mas Gold Project in an economically viable manner or at all.

(k) Local communities and landowners

The development of the Awak Mas Gold Project will depend in part on maintaining good relations with the relevant local communities, particularly with respect to negotiations with a number of land owners which will be required to gain access to areas covered by the Awak Mas Gold Project. Not meeting community and social expectations with respect to compensation for land access, employment opportunities, impact on local businesses or other aspects of the Awak Mas Gold Project may lead to local dissatisfaction with the Awak Mas Gold Project, which in turn may lead to disruptions in Nusantara's proposed operations.

(l) Mineral title

Title to the mineral property rights held by Nusantara may be challenged or impugned. In Indonesia, the State is the sole authority able to control mineral property rights, and Nusantara's ability to maintain mineral rights will be partly dependent on government policy, rules for the use of minerals and compliance with any special conditions. In addition, some of the properties that Nusantara has acquired may be subject to prior claims, and Nusantara's rights to the properties may be affected by, among other things, undetected title defects. Certain concessions, permits, authorisations, licenses or approvals held by Nusantara in respect of its operations, development of the Awak Mas Gold Project may be terminated under certain circumstances, which include the following:

- (i) failure by Nusantara to comply with any of its material general or special licence conditions or to gain an extension to the time period required for compliance with such conditions;

- (ii) failure to complete construction within the required timeframe;
- (iii) environmental and safety standards are not met;
- (iv) employment standards are not met;
- (v) Nusantara operates in the licensed areas in a manner that violates applicable law;
- (vi) Nusantara fails to provide information required or requested by authorities; or
- (vii) liquidation of the immediate licence holder.

It is not always possible to comply with or obtain waivers with respect to such requirements and it is not always clear whether the requirements have been properly complied with, or whether it is possible or practical to obtain evidence of compliance. In some cases, failure to comply with such requirements or to obtain relevant evidence may call into question the validity of the actions taken. Termination by any relevant governmental authority of any one or more of Nusantara's mining, development, exploration or other concessions, permits, authorisations, licences or approvals could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects and may result in Nusantara being unable to proceed with the development, exploration or continued operation of the Awak Mas Gold Project.

The Awak Mas Gold Project is held under a 7th Generation CoW signed with the Government of Indonesia (GoI) in 1998. The CoW is held by Nusantara's 100% owned local subsidiary company, PT Masmindo Dwi Area (PT Masmindo). In 2009, the GoI introduced a new mining law that required existing CoWs to be adjusted consistent with the provisions of the 2009 Mining Law.

As announced by the Company to ASX on 15 March 2018, the Company recently signed amendment to the CoW that reaffirms PT Masmindo as the legal holder of the CoW with the sole rights to explore and exploit any mineral deposits within the CoW area until 2050. After this period, the operations under the CoW may be extended in the form of a special mining business licence (IUPK) in accordance with prevailing laws and regulations, which currently allows for an extension of 10 years and a further extension of 10 years.

The agreed amendments to the PT Masmindo CoW include:

- (i) Adopting the prevailing rates for taxes and royalties featuring:
 - (A) A corporate tax rate of 25%; and
 - (B) A gold royalty rate currently levied at 3.75%.

(ii) Clarifying the requirement for project divestment to Indonesian parties. No divestment of the Awak Mas Gold Project is required to Indonesian parties until the end of the 10th year after commercial production, at which time at least a 51% share in the CoW is to be divested at fair market value according to internationally accepted practice. Based on the current mine development schedule, divestment is not anticipated to be required before 2030, although Nusantara may elect to sell any percentage interest prior to this time.

(m) Infrastructure and utilities

A number of factors could disrupt the operation of the Awak Mas Gold Project, including natural events.

The Awak Mas Gold Project will require a power source sufficient to permit the conduct of the mining activities contemplated by Nusantara's mine plans. Currently, there is no high voltage power supply and infrastructure at the Awak Mas Gold Project. As announced by Nusantara to ASX on 15 August 2017, Nusantara has signed a Memorandum of Understanding with the Indonesian power utility, PT Perusahaan Listrik Negara (**PLN**), for providing transmission infrastructure and electricity for the operation of the project. In the interim, PLN have provided sufficient power for existing facilities. Any failure to procure a reliable high voltage power supply could have a material adverse effect on Nusantara's ability to carry out its business and mine plans and to achieve expected production at the Awak Mas Gold Project. Water is used in mining operations for various purposes. Due to factors such as changing or difficult climate conditions (including drought), changes in allocations or government policy, continuing access to water cannot be guaranteed.

(n) Commodity prices

Nusantara may derive some of its future revenue from the sale of commodity products. Consequently, any earnings will be closely related to the price of these commodities.

Commodity prices fluctuate and are affected by numerous factors beyond the control of Nusantara. These factors include worldwide and regional supply, physical and investment demand for the specific commodity, prevailing commodity trading terms general world economic conditions and the outlook for interest rates, inflation and other economic factors and political trends on both a regional and global basis. These factors may have a positive or negative effect on Nusantara's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(o) Capital and operating costs

Nusantara's business, results of operations and financial condition may vary with fluctuations in capital and operating costs. Higher than expected costs may impact the ability of Nusantara to complete its current business plans including exploration drilling and completing a DFS on the Awak Mas Gold Project. An increase in Nusantara's production or capital costs could have a material impact on its potential Ore Reserves estimates. Nusantara's main production expenses are expected to be contractor costs, materials (including construction materials, fuel and mining and processing consumables), personnel costs and energy, and its main capital costs are

expected to be the development capital expenditure for the Awak Mas Gold Project. Changes in the costs of Nusantara's mining and processing operations as well as its capital costs could occur as a result of unforeseen events, including international and local economic and political events, and could result in changes in reserve estimates.

Many of these factors may be beyond Nusantara's control. In past resource cycles, operating and capital costs have tended to increase as commodity prices have increased but have not necessarily decreased as quickly as commodity prices decrease. Thus, Nusantara may be faced with higher than currently expected operating and capital costs in the future.

(p) Foreign currency fluctuations

Nusantara operates in a number of currencies. The majority of Nusantara's sales will provide for payment in US dollars, the same currency in which Nusantara's financial position and results will be presented. However, Nusantara shares are listed in Australian dollars, and costs are likely to be incurred in a mixture of Australian dollars, US dollars and Indonesian Rupiah.

Movements in these foreign currency exchange rates may have a positive or negative effect on Nusantara's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

The Board will consider whether to manage currency fluctuation risk by hedging however, there can be no assurance that the Company will hedge its exchange rate exposure, nor that it will be able to hedge such exposure on acceptable terms in the future or that any exchange rate hedging conducted by the Company will be effective or will not result in an adverse financial impact arising from the inability to benefit from a favourable movement in exchange rates.

(q) Environment

The Awak Mas Gold Project is subject to Indonesian laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the Awak Mas Gold Project will be expected to have a variety of environmental impacts should development proceed. There is a risk that owners' rights and environmental requirements may restrict or prevent Nusantara from carrying out its exploration, development and mining activities.

Nusantara intends to and has conducted its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. All and any areas disturbed by Nusantara's activities have been and are rehabilitated as required by applicable laws.

The Company's future operations are subject to the extensive environmental risks inherent in the mining and processing industry. Nusantara's operations may substantially impact the environment or cause exposure to hazardous materials. Nusantara will use hazardous materials and will generate hazardous waste in connection with its mining operations. Nusantara may be subject to claims for toxic torts, natural resource damages, and other damages as well as the investigation and clean-up of soil, surface water, groundwater, and other media. Such claims may arise, for example, out of current or former activities at sites that Nusantara owns or will operate. Mining operations can also impact flows and water quality in surface water

bodies and remedial measures may be required, such as lining of stream beds, to prevent or minimise such impacts.

These and other impacts that Nusantara's operations may have on the environment, as well as exposures to hazardous substances or wastes associated with Nusantara's operations and environmental conditions at Nusantara's properties, could result in costs and liabilities that would have a material adverse impact on the financial position and operating results of Nusantara.

A violation of environmental laws relating to a mine or other operating facilities, or failure to comply with the instructions of the relevant environmental authorities, could lead to, amongst other things, a temporary shutdown of all or a portion of the mine or relevant facility, a loss of the right to operate the relevant facility, the imposition of costly compliance procedures and fines, or serious reputational damage to Nusantara.

Environmental legislation and permitting requirements and the manner in which these are enforced are likely to evolve in a manner which will increase standards and enforcement criteria, as well as increase fines and penalties for non-compliance. Gold production is an emissions intensive industry. Compliance with changes in laws, regulations and obligations relating to climate change could result in substantial capital expenditure, taxes, reduced profitability from changes in operating costs and revenue generation and strategic growth opportunities being impacted.

The Directors are unable to predict the extent and effect of additional environmental laws and regulations that may be adopted in the future, and if environmental standards evolve in such a manner, this could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

The Company's operations are subject to inspections, including spot checks, by various regulators.

(r) Health and safety

The Awak Mas Gold Project is subject to a variety of Indonesian industry-specific health and safety laws and regulations which are formulated to improve and protect the health and safety of employees and contractors. Exploration, mining and processing operations have inherent risks and liabilities associated with the health and safety of employees, contractors and impacted communities. This exposure is due to a range of activities including the use of heavy equipment, working in conditions subject to ground failure or at height or in confined spaces, lifting objects and the handling of hazardous materials, explosives and hazardous waste. In addition, the location of the Awak Mas Gold Project involves extensive travel by employees and contractors.

While the Company has and intends to implement training and management strategies on site to ensure and improve the health and safety culture of local workers, the occurrence of any industrial accidents, workplace injuries or fatalities may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. This could lead to, amongst other things, a temporary shutdown of all or a portion of the mine or relevant facility, a loss of the right to operate the relevant facility, the imposition of costly compliance procedures and fines, or serious reputational damage to Nusantara.

Nusantara has and intends to conduct its activities in a responsible manner and in accordance with applicable health and safety laws and industry standards.

(s) Exploration

The exploration of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge will not fully eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate, establish and update MREs or Ore Reserves and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which include the particular attributes of the deposit, such as size, quality and proximity to infrastructure; commodity prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Nusantara not receiving an adequate, or any, return on invested capital for any exploration activities that may be undertaken in the future.

(t) Dependence on key personnel

The loss of key personnel and the failure to recruit sufficiently qualified staff could affect Nusantara's future performance. Nusantara has entered into employment contracts with several key personnel and has engaged consultants on a full time and part-time basis, whose expertise and experience in the mining industry is important to the continued development and operation of its mining interests.

Due to Management's experience and the important role they have taken in developing Nusantara's mining, business and financial plans, Nusantara could be adversely affected if any members of Management cease to actively participate in the Management of Nusantara or leave Nusantara entirely. There may be a limited number of persons with the requisite experience and skills to serve in Nusantara's Management positions if existing Management leave or become otherwise unavailable to Nusantara. Nusantara may not be able to locate or employ qualified executives on acceptable terms or at all. Nusantara does not currently maintain "key person" insurance. If Nusantara cannot attract, train and retain qualified managers or key consultants become unavailable, Nusantara may be unable to successfully manage its growth or otherwise compete effectively in the international gold industry.

(u) Other regulatory factors

Government regulations will impose significant costs on Nusantara's mining operations, and future regulations could increase those costs or limit Nusantara's ability to produce gold. The mining industry is subject to increasingly strict regulation with respect to matters such as limitations on land use, employee health and safety, mine permitting and licensing requirements, reclamation and restoration of mining properties, air quality standards, water pollution, protection of human health, plant life and wildlife, the discharge of materials into the environment, surface subsidence from underground mining and the effects of mining on groundwater quality and availability.

The possibility exists that new legislation and/or regulations and orders may be adopted that may materially adversely affect Nusantara's mining operations, cost structure and/or the ability of Nusantara to sell its products. New legislation or administrative regulations (or new judicial interpretations or administrative enforcement of existing laws and regulations), including proposals related to the protection of the environment that would further regulate and tax the industry, may also require Nusantara or its customers to change operations significantly or incur increased costs.

Other changes in government regulation may impact on Nusantara's business. These include changes to taxation laws, fiscal, monetary and regulatory policy changes and changes to export regulation in countries which the Company holds assets.

(v) Insurance cover

Nusantara's business is subject to a number of risks and hazards generally, including adverse environmental conditions, health and safety accidents, labour disputes, local community challenges, unusual or unexpected geological conditions, ground or slope failures, unexpected metallurgical characteristics, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and fires. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Nusantara's properties or the properties of others, delays in development or mining, monetary losses (and associated economic loss) and possible legal liability. Although Nusantara has and intends to maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations.

Nusantara may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability or may contain clauses which exclude liability in certain instances. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Nusantara or to other companies in the mining industry on acceptable terms. Nusantara might also become subject to liability for pollution or other hazards which may not be insured against or which Nusantara may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Nusantara to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. To the extent that Nusantara incurs losses not covered by its insurance policies, the funds available for sustaining the current operations and for the development of future operations and exploration will be reduced.

(w) Major shareholder

As at the day before the date of this Prospectus, Lion Selection Group Limited holds a Relevant Interest of approximately 32% of the Shares on issue. If Lion Selection Group was to dispose of a substantial number of its Shares, or if it were perceived that such sales might occur, this could have a negative impact on the value of the Securities. On the other hand, the failure of Lion Selection Group to dispose of Shares may result in the continuation of a limited level of liquidity in daily trading of the Shares on issue. Note that approximately 20.8 million of the Nusantara Shares held by Lion Selection

Group Limited are subject to ASX imposed mandatory escrow for a period of 24 months from 2 August 2017.

9.3 Issues specific to Nusantara's foreign operations

(a) General

Nusantara is subject to risks relating to the general economic, regulatory, legal, social and political environment in the jurisdictions in which it operates. Other than Nusantara's registered and operating offices in Australia, its principal asset is located in Indonesia. Nusantara's corporate holding structure also means Nusantara holds those assets through legal entities incorporated in Barbados. As part of its growth program, Nusantara may pursue opportunities in other jurisdictions in the future. Accordingly, Nusantara's business, financial condition and results of operations could be materially adversely affected by factors specific to investing in these jurisdictions. Some of these jurisdictions have experienced, and may continue to experience, significant political and social instability and may in some cases have less established judicial or legal systems, a more volatile political environment and/or more challenging trading conditions than in some other parts of the world. Moreover, Nusantara's business, financial condition and results of operations could be materially adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors or foreign policy in the areas in which Nusantara operates or will operate, sells or expects to sell its products, and holds or will hold its major assets, as well as other unforeseen matters. Unlawful, selective, discriminatory or arbitrary government action could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

Nusantara's operations may also be adversely affected by laws and policies of Australia or other jurisdictions in which or through which Nusantara operates affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its operations, Nusantara may be subject to the exclusive jurisdiction of a foreign court or may not be successful in subjecting foreign persons to the jurisdiction of courts in Australia or enforcing Australian judgments in foreign jurisdictions.

(b) Investment in emerging markets

The Indonesian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world, and, generally, investing in emerging markets such as Indonesia involves greater risk than investing in more developed markets, including in some cases significant legal, economic and political risks. Investors should also note that emerging markets such as Indonesia are subject to rapid change. Global financial or economic crises in any large emerging market country tend to adversely affect prices in equity markets of most or all emerging market countries as investors move their money to more stable, developed markets.

As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Indonesia and adversely affect the economy. In addition, during such times, businesses that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light

of those risks, their investment is appropriate. Potential investors are urged to consult with their own legal and financial advisors before making an investment in the Company.

(c) Expropriation, nationalism and commercial disputes

As the Company's assets are located primarily in Indonesia which is an emerging market country, its assets and income are subject to certain political, economic and other uncertainties, including the risk of expropriation, nationalisation and commercial disputes.

Indonesia has been seeking to develop a value added downstream sector including the requirement for domestic processing and refining, bans on the export of unprocessed ores, use of local content, domestic market obligations and staged divestment to local parties. These laws and regulations may result in sub-optimal outcomes for Nusantara and the Awak Mas Gold Project, and there is the possibility that the Indonesian legislation and regulations currently applicable to Nusantara and the Awak Mas Gold Project may become more nationalistic to the detriment of Nusantara.

While legislation exists in Indonesia that would require the payment of compensatory amounts in the event of an expropriation or nationalisation of assets and the CoW specifically includes the availability of international arbitration, there is no assurance that such protections could be enforced and the amount of any such compensation may be lower than the price for which the expropriated asset could be sold in a free-market sale or the value of the asset as part of an ongoing business. Any expropriation or nationalisation of the Company's assets in Indonesia may have a material adverse effect on the Company's financial position and results of operations.

Commercial disputes arise in Indonesia as they do in most jurisdictions. Foreign owned Indonesian companies may face local commercial pressures and legal challenges to asset ownership and value which are time consuming, costly and disrupt harmonious business relationships.

While legislation exists in Indonesia to protect commercial rights, there is no assurance that such protections could be enforced and commercial settlements may be lower than the price for which disputed assets could be sold in a free-market sale or the value of the asset as part of an ongoing business. Any commercial disputes regarding the Company's assets in Indonesia may have a material adverse effect on the Company's financial position and results of operations.

(d) Physical infrastructure

Whilst Indonesia continues to invest in improving its physical infrastructure, certain elements remain in poor condition, which may lead to interruptions in effective financial and economic activity. Particularly affected are parts of the rail and road networks, power-generation and transmission networks, communication systems and building stock. This poor physical infrastructure potentially disrupts the transportation of goods and supplies as well as communications and adds costs to doing business, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Since 2015 there have been significant advances in the electricity sector and generation and transmission/distribution of power through a major nationwide capital works program initiated by the GoI. Of specific benefit to

the Company has been the upgrading of power reticulation and capacity in Southern Sulawesi including a new high-voltage power line passing through the town of Belopa approximately 35 km from the Awak Mas Gold Project. Interim power of 66Kva sufficient for existing facilities has recently been connected to the Awak Mas Gold Project.

(e) Corruption in Indonesia

The local and international press has reported that high levels of corruption exist in Indonesia. The demands of corrupt officials or potential future claims that the Company has been involved in official corruption could result in negative publicity or disrupt its ability to conduct its business effectively, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

(f) The Indonesian tax system

Nusantara is subject to a broad range of taxes payable at federal, regional and local levels in Indonesia. Since the signing of the Contract of Work Amendment Nusantara, through its local operating subsidiary, is subject to prevailing tax law and underlying tax rates including Royalties rates which could have a material adverse effect on the Company's business, results of operations and financial condition. Indonesian tax laws, regulations and court practice are subject to frequent change, varying interpretations and inconsistent and selective enforcement. Tax audits or inspections may result in additional costs to the Company if the relevant tax authorities conclude that the Company did not satisfy its tax obligations in any given year. Such audits or inspections may also impose additional burdens on the Company by diverting the attention of management resources. The outcome of these audits or inspections could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Group has been subject to VAT and withholding tax audits by the Indonesian tax department and has been issued with revised assessments with respect to certain periods. The Group is in the process of disputing some of these assessments, however this is subject to due process, the outcome is uncertain, and these estimates may be insufficient. The Group may also be subject to tax audits for other periods from which additional claims could arise.

If the tax authorities and/or courts adopt a different interpretation of various tax laws and regulations from that followed by Nusantara and its legal and tax advisors, Nusantara may have to pay taxes of a different type and quantum currently anticipated. This could have a material adverse effect on Nusantara's business, results of operations, financial condition and prospects.

There is the possibility that the Indonesian taxation and/or royalty regime currently applicable to Nusantara and the Awak Mas Gold Project may change to the detriment of Nusantara, without adequate consultation or compensation. This could have a material impact upon the Company and the economic feasibility of the Awak Mas Gold Project.

Additionally, dividends paid by an Indonesian legal entity to a foreign legal entity are generally subject to Indonesian withholding income tax, although this tax rate may be reduced under an applicable double taxation treaty. Although the Company will seek to claim treaty protection, there is a risk that the applicability of the reduced rate may be challenged by the Indonesian tax

authorities. As a result, there can be no assurance that the Company would be able to benefit from the reduced withholding income tax rate which, in practice, could have a material adverse effect on the results of the Company's operations and financial condition.

(g) The Indonesian legal system and legislation

Risks associated with the Indonesian legal system include, to varying degrees, the following:

- (i) there is the possibility that the Indonesian legislation and regulations currently applicable to Nusantara and the Awak Mas Gold Project may change to the detriment of Nusantara, without adequate consultation or compensation. This could have a material impact upon the Company and the economic feasibility of the Awak Mas Gold Project;
- (ii) inconsistencies between: (i) federal laws; (ii) decrees, orders and regulations issued by the President, the Government and federal ministers; and (iii) regional and local laws, rules and regulations;
- (iii) a lack of judicial and administrative guidance on interpreting legislation as well as a lack of sufficient commentaries on judicial rulings and legislation;
- (iv) the relative unavailability of Indonesian legislation and court decisions in an organised manner that facilitates understanding of such legislation and court decisions;
- (v) the relative inexperience of judges and courts in interpreting newly adopted legislation and complex commercial arrangements;
- (vi) substantial gaps in the legal framework due to the delay or absence of implementing regulations for certain legislation;
- (vii) a lack of judicial independence from political, social and commercial forces;
- (viii) alleged corruption within the judiciary and governmental authorities;
- (ix) problematic and time-consuming enforcement of both Indonesian and non-Indonesian judicial orders and international arbitration awards;
- (x) a high degree of discretion on the part of governmental authorities, leaving significant opportunities for arbitrary and capricious government action; and
- (xi) bankruptcy procedures that are not well developed and are subject to abuse.

These weaknesses and others could affect Nusantara's ability to enforce its rights under contracts or statutes, or to defend itself against claims by others or enforce or safeguard its property rights.

(h) Foreign investment regulation in Indonesia

The Indonesian regulatory regime in relation to foreign investments imposes certain restrictions on the acquisition by foreign investors of direct or indirect interests in Indonesian companies, including offshore loan regulations and repatriation of funds. Changes in the regulatory regime could consequently have a material adverse effect on Nusantara's business and financial condition.

9.4 General risks

(a) Stock market fluctuations and economic conditions

The Securities to be issued under this Prospectus will be quoted on the ASX. The price of Shares may rise or fall and there is no certainty in respect of profitability, dividends, return of capital, or the price at which the Securities may trade on the ASX.

The selling value of the Securities will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the Directors and officers of the Company. Such factors include, but are not limited to:

- (i) the demand for and availability of Securities;
- (ii) movements in domestic interest rates;
- (iii) exchange rates;
- (iv) general and domestic economic activity; and
- (v) fluctuations in the Australian and international stock markets.

Returns from an investment from the Securities may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that there will be an active market in the Securities.

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals which underpin the projected growth of the Company's target markets or its cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending and employment rates, amongst others, are out of the control of the Company and may result in material adverse impacts on the business or its operating results.

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which Nusantara may have an interest.

(b) Wars, terrorism, political and environmental events

Events may occur within or outside Australia that could impact upon the world economy, commodity prices, the operations of Nusantara and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, landslides, fires and poor weather affecting roadways, mining and

processing of ore. Nusantara has only a limited ability to insure against some of these risks.

(c) Taxation on the acquisition and disposal of Securities

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of subscribing for Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(d) Liquidity of Securities

There may be relatively few potential buyers or sellers of the Securities on the ASX at any time. This may increase the volatility of the price of the Securities. It may also affect the prevailing market price at which holders of Securities are able to sell their Securities. This may result in a market price being received which is less than the price that Securityholders paid to acquire their Securities.

(e) Investment risks

As with any stock market investment, there are various risks associated with investing in the Company, specifically because of the nature of the Company's exploration business and the present stage of development of the Company's operations. Potential investors should consider whether the Securities offered under this Prospectus are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out in this section. Many of these risk factors are outside the Directors' control. Whilst some common risk factors are set out in this section, it is not possible to produce an exhaustive list. The Directors recommend that potential investors consult their professional advisers before deciding whether to apply for Shares.

(f) Claims, liability and litigation

Although the Company is not currently involved in any legal proceedings, other than as disclosed in Section 9.3(f), and the Directors are not aware of any legal proceedings pending or threatened against the Company, the risk of litigation remains a general risk to the Company. The Company may incur costs in making payments to settle any such claims which may not be adequately covered by insurance or at all. Any litigation or settlement may have an adverse impact on the Company's financial position.

(g) Issue of additional securities

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If Nusantara were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

(h) Encumbrances on title

Nusantara may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.

9.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities under this Prospectus.

10. Additional information

10.1 Litigation

As at the date of this Prospectus, other than as disclosed in Section 9.3(f) of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The Offers comprise offers of Shares which are ‘continuously quoted securities’ for the purposes of the Corporations Act as well as Options to acquire such Shares.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is primarily required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is issued in circumstances where significant publicly available information in relation to the Company exists by virtue of disclosures to ASX. This Prospectus does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors are encouraged to have regard to the other publicly available information available through the ASX in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three (3) months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not generally been included in this Prospectus other than certain information required to be included in this Prospectus by the Corporations Act.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) the Company is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of the ASIC; and
- (c) the Company will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure notices given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected, or a copy obtained, at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the date of lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
5 June 2018	Reinstatement to Quotation
5 June 2018	Non-Renounceable Issue
4 June 2018	Change in Director's Interest Notice
4 June 2018	Change in Director's Interest Notice
4 June 2018	Appendix 3B
4 June 2018	Suspension from Official Quotation
31 May 2018	Corporate Presentation June
31 May 2018	Change of Registered Office and Resignation of Co Sec
31 May 2018	Final Director's Interest Notice
31 May 2018	Trading Halt
30 May 2018	Corporate Presentation 30 May 2018
30 May 2018	Results of Meeting
30 May 2018	Chairman's Address to Shareholders
15 May 2018	Initial Director's Interest Notice - Correction
8 May 2018	Corporate Presentation – May 2018
8 May 2018	Mineral Resource Estimate Update
30 April 2018	Quarterly Reports – March 2018
30 April 2018	Release of Shares from Escrow
27 April 2018	Notice of Annual General Meeting/ Proxy Form
24 April 2018	Annual Report to Shareholders
24 April 2018	Appendix 4G
24 April 2018	Corporate Governance Statement
18 April 2018	Nusantara Delivers Maiden 1.0 Moz Gold Ore Reserve
17 April 2018	Appendix 3B
6 April 2018	Upcoming Release of Shares from Escrow
6 April 2018	Initial Director's Interest Notice

Date	Description of announcement
4 April 2018	Significant Results from Awak Mas Extension Drilling
29 March 2018	Board Changes
28 March 2018	Financial Statements 2017

ASX maintains files containing publicly available information for all listed companies. Copies of all documents released by the Company to the ASX are available on the ASX website at www.asx.com.au

10.3 Market price of Shares

The highest, lowest and last market sale prices of the Shares on ASX during the three (3) months immediately preceding the date of lodgement of this Prospectus with the ASIC and the last respective date of those sales were:

Highest	31 cents	27 to 29 March 2018 and 3 April 2018
Lowest	19 cents	9 May 2018
Last	22 cents	29 May 2018

10.4 Material Agreements

(a) Underwriting Agreement

Pursuant to an agreement between the Company and the Underwriter (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Entitlement Offer for an amount of A\$5,133,251.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter 6% of the underwritten amount. However, this fee will be reduced to 3% on Shortfall Securities issued to any investors introduced under the Sang Mandate (with the reduction of fees capped at \$500,000 worth of Shortfall Securities introduced under the Sang Mandate).

Pursuant to the Underwriting Agreement the Company has agreed to also grant the Underwriter (or its nominees) 5,201,407 Options (on the terms and conditions of Options offered under the Entitlement Offer and as set out in Section 8.2 of this Prospectus). If any nominee to receive Underwriter Options is a related party of the Company, the Underwriter Options will be issued to the related party subject to Shareholder approval at the next general meeting of Shareholders of the Company.

The Company will reimburse the Underwriter for reasonable expenses in relation to its role at lead manager providing the Underwriter first seeks the Company's consent to incur expenses over \$500.

The Underwriter is permitted to procure sub-underwriters in its discretion. The Underwriter must pay all fees payable to such sub-underwriters. The Underwriter may determine to whom and in what quantities the Shortfall will be placement.

The Underwriting Agreement contains a moratorium restriction the Company and its subsidiaries from doing certain things without the prior written consent of the Underwriter, such as altering its capital structure other than as disclosed in the Prospectus or disposing of, or agreeing to dispose of, a substantial part of its business.

The obligation of the Underwriter to underwrite the Entitlement Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (i) (Indices fall): any of the All Ordinaries Index or the Standard and Poors / ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement, 7.5% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (ii) (Share Price): the Shares of the Company which trade on the ASX under the ASX code of "NUS" closer lower than the Issue Price for two consecutive normal trading days; or
- (iii) (Breach of Material Contracts): any of the material contracts or contracts described in the Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in the Prospectus or by the Company on ASX; or
- (iv) (New circumstances) there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement and is in the reasonable opinion of the Underwriter that it is materially adverse from the point of view of an investor; or
- (v) (No Official Quotation): Official quotation of the Securities has not been granted within 2 Business Days after the Closing Date or, having been granted, is subsequently withdrawn, withheld or qualified. This is not a termination right if ASX Listing Rule 2.5 (condition 6) is yet to be satisfied with respect to the Options the subject of the Offer but will be satisfied when all Shortfall Securities are issued; or
- (vi) (Supplementary prospectus):
 - (A) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in (xix)(G) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require having due consideration to the Company's disclosure obligations under the Corporations Act and the Listing Rules and any ASIC and ASX requested disclosure; or
 - (B) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (vii) (Non-compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information required by the Corporations Act; or

- (viii) (Misleading Prospectus): it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) (Breach of Material Contracts): any of the material contracts or contracts described in the Prospectus (other than the Underwriting Agreement) is breached (by a party other than the Underwriter, in any capacity), not complied with according to its terms, terminated or substantially modified; or
- (x) (Restriction on allotment): the Company is prevented from allotting the Securities under the Offers within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (xi) (Withdrawal of consent to Prospectus): any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (xii) (ASIC application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the date which is 2 Business Days after the Closing Date has arrived, and that application has not been dismissed or withdrawn;
- (xiii) (ASIC hearing): ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (xiv) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (xv) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America, or the Peoples Republic of China, Canada or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

- (xvi) (Authorisation) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (xvii) (Indictable offence): a director or senior manager of a member of the Company group is charged with an indictable offence;
- (xviii) (Acts by Directors): any commitment or agreement entered into by a Director as disclosed in the Prospectus is not carried out or adhered to in accordance with its terms or the agreement is breached, revoked, rescinded or avoided;
- (xix) (Termination Events): subject always to, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of any of the following events which has or is likely to have, or two or more of the following events together have or are likely to have a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise:
 - (A) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (B) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (C) (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (D) (Failure to Disclose): it transpires that the Company has in the past failed to disclose to the ASX Material Information;
 - (E) (Adverse change): any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts (including expected time until production), losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (F) (Error in Due Diligence Results): it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them;
 - (G) (Significant change): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;

- (H) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus;
- (I) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer, the Issue or the affairs of any Relevant Company at any time prior to Completion is or becomes misleading or deceptive or likely to mislead or deceive;
- (J) (Official Quotation qualified): the official quotation granted for the Entitlement Offer Securities is qualified or conditional other than subject to the issue of the Securities;
- (K) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (L) (Prescribed Occurrence): a Prescribed Occurrence occurs;
- (M) (Suspension of debt payments): the Company suspends payment of any debts (if applicable) generally;
- (N) (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company;
- (O) (Judgment against a Relevant Company): a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (P) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus, or Due Diligence Program or otherwise disclosed during the Due Diligence Investigations;
- (Q) (Board and senior management composition): there is a change in the composition of the Board (other than as already disclosed in the Notice of Annual General Meeting dated 24 April 2018) or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;

- (R) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (S) (Timetable): there is a delay in any specified date in the Timetable which is greater than 7 Business Days without the prior agreement of the Underwriter;
- (T) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (U) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (V) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (W) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
- (X) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the European Union, Canada, the United States of America, Indonesia or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are customary for an agreement of this nature.

(b) Lead Manager Mandate

Pursuant to a letter agreement between the Company and Patersons, the Company has appointed Patersons as the Lead Manager for the Entitlement Offer (**Lead Manager Mandate**).

The Company has agreed to pay Patersons a lead manager fee of 1.5% of the amount raised under the Entitlement Offer.

The Company will reimburse Patersons for reasonable expenses in relation to its role at lead manager providing Patersons first seeks the Company's consent to incur expenses over \$500.

The Lead Manager Mandate also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are customary for an agreement of this nature.

(c) Sang Mandate

The Company and Mr Jianhua Sang have agreed an arrangement pursuant to which Mr Sang will provide corporate advisory services to the Company (**Sang Mandate**).

Under the arrangement the Company will provide Sang a monthly retainer of A\$10,000 per month and A\$2,000 per day when traveling to China with Company personnel.

When the Company conducts a capital raising from time to time, the Company will provide Mr Sang a success fee of 5% for up to A\$10 million raised from investors introduced by Mr Sang and a success fee of 3% for amounts in excess of A\$10 million raised from investors introduced by Mr Sang.

The arrangement can be terminated by the Company on one months' notice.

Mr Sang has introduced an unrelated third party investor who has committed to apply for A\$500,000 of Shortfall Securities under the Shortfall Offer.

10.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) to a Director or proposed Director as an inducement to become, or to qualify as, a Director; or
- (b) to a Director, proposed Director or Relevant Person for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Disclosure of interests in the promotion of the Company

The Company was previously a wholly owned subsidiary of One Asia Resources Limited (ACN 150 653 982) (**OAR**).

In 2017 the Company demerged from OAR and conducted an initial public offering of securities. The Company listed on the Official List of the ASX on 2 August 2018.

As part of the demerger of the Company from OAR, OAR shareholders were issued 1 Company Shares per 3 OAR shares held (**In-Specie Distribution**).

Company Director Robin Widdup has been a director of OAR since 8 August 2013 and as at the date of this Prospectus is still a director of OAR.

Robin Widdup has a beneficial interest in Lion Manager Pty Ltd which at the date of the IPO held the following shares in OAR and received the following Company Shares as part of the In-Specie Distribution:

Entity	OAR Shares	Company Shares received in the In-Specie Distribution
Lion Manager Pty Ltd	3,385,640	1,128,547

For the two years ending 31 December 2017, Lion Manager Pty Ltd, a company in which Robin Widdup has a beneficial interest, was granted 583,329 OAR shares as remuneration for Robin Widdup.

Directors' Interests in Securities

The Relevant Interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement under the Offer, is set out in the table below.

Director	Current Holdings		Offer Entitlement		Total Subscription Price (A\$)
	Shares	Options	Shares	Options	
Greg Foulis	Nil ¹	445,000 ^{1, 2}	Nil	Nil	Nil
Mike Spreadborough	180,000	2,125,000 ³	47,368	23,684	A\$9,474
Robin Widdup	1,602,850 ⁴	1,271,783 ^{4, 5}	421,802	210,901	A\$84,360
Rob Hogarth	Nil	295,000 ⁶	Nil	Nil	Nil
Boyke Abidin	165,235 ⁷	497,578 ⁸	43,482	21,741	A\$8,696

Notes

- As set out in Section 5.3 of this Prospectus, an associated entity of Greg Foulis (Laridae Holding Pty Ltd as trustee for the Laridae Trust) has agreed to sub-underwrite the Entitlement Offer to the extent of 125,000 Shares and 62,500 Options. Subject to Shareholder approval, this associated entity will also receive 41,666 Underwriter Options.

2. Comprising unlisted Options exercisable at 61 cents each on or before 27 July 2021 (subject to vesting conditions). These Options are held by Laridae Holding Pty Ltd as trustee for the Laridae Trust, an entity associated with Greg Foulis.
3. Comprising 1,770,000 unlisted Options exercisable at 61 cents each on or before 2 August 2021 (subject to vesting conditions and escrowed until 2 August 2019), 295,000 unlisted Options exercisable at A\$0.42 each on or before 2 August 2020 (escrowed until 2 August 2020) and 60,000 listed NUSO Options.
4. Comprising 258,096 Shares held by Robin and Janet Widdup as trustees of the Widdup Super Fund, and 1,128,547 Shares held by Lion Manager Pty Ltd, and 216,207 Shares held by WWW Management Pty Ltd AFT <Widdup Family A/C>. As set out in Section 5.3 of this Prospectus, Lion Manager Pty Ltd, a company in which Robin Widdup has a beneficial interest, has agreed to sub-underwrite the Entitlement Offer to the extent of 250,000 Shares and 125,000 Options. Subject to Shareholder approval, Lion Manager Pty Ltd will also receive 83,333 Underwriter Options. As set out in Section 5.3 of this Prospectus, Robin and Janet Widdup as trustees of the Widdup Super Fund have agreed to sub-underwrite the Entitlement Offer to the extent of 375,000 Shares and 187,500 Options. Subject to Shareholder approval, Robin Widdup and Janet Widdup as trustees of the Widdup Super Fund will also receive 125,000 Underwriter Options.
5. Comprising 86,032 NUSO Options held by Robin and Janet Widdup as trustees of the Widdup Super Fund, and 376,182 NUSO Options and 442,500 unlisted Options exercisable at 61 cents each on or before 2 August 2021 and 295,000 unlisted Options exercisable at 61 cents each on or before 27 July 2021 (subject to vesting conditions) held by Lion Manager Pty Ltd, and 72,069 NUSO Options held by WWW Management Pty Ltd AFT <Widdup Family A/C>.
6. Unlisted Options exercisable at 61 cents each on or before 2 August 2021 (subject to vesting conditions and restricted until 2 August 2019).
7. 153,235 Shares are Escrowed until 2 August 2019.
8. Comprising 442,500 unlisted Options exercisable at 61 cents each on or before 2 August 2021 (subject to vesting conditions and restricted until 2 August 2019) and 55,078 listed NUSO Options.

The Directors or their associated entities who are registered as Shareholders on the Record Date may participate in the Offer.

Remuneration

The remuneration of an executive director is decided by the Board, without the affected executive director participating in that decision-making process. The total maximum remuneration of non-executive directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules as applicable. The determination of non-executive directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive director.

A director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors.

The following shows the total (and proposed) annual remuneration paid to both executive and non-executive directors for the last 2 years and the current financial year in US\$ (where relevant using an exchange rate of 0.75 USD to 1 AUD).¹

Director	2016 (Actual) ²	2017 (Actual) ³	2018 (Proposed) ³
Greg Foulis	Nil	Nil	US\$42,188
Mike Spreadborough	Nil	US\$113,642	US\$262,500
Robin Widdup	Nil	Nil	US\$31,250
Rob Hogarth	Nil	US\$34,092	US\$37,500
Boyke Abidin	US\$72,000 ²	US\$77,118	US\$94,440

Notes:

1. This does not include any reimbursements that the Directors may receive for work related expenses or securities issued to Directors as part of their remuneration. Please see below for a summary of option issued to Directors, or proposed to be issued to Directors, in connection with their employment with the Company.
2. No Directors were Directors during the 2016 financial year. Boyke Abidin was a key management person during the 2016 financial year as the president Director of the Company's subsidiary PT Masmino Dwi Area.
3. 2018 remuneration is in United States dollars estimated using an exchange rate of 0.75 USD to 1 AUD. The amount shown includes short term benefits being salaries and fees and includes superannuation. The amount does not include Share Based Payments – options.

The Company has entered into an executive services agreement with Michael Spreadborough as Managing Director of the Company. Mr Spreadborough is paid a salary package of A\$350,000 (US\$262,500 using an exchange rate of 0.75 USD to 1 AUD) per annum including statutory superannuation. The Agreement is subject to a mutual 12 month notice period. Mr Spreadborough has been granted a total of 2,065,000 unlisted Options as per the terms of his engagement by the Company.

The Chairman, Mr Foulis, is entitled to annual Directors fees of A\$75,000 (US\$56,250 using an exchange rate of 0.75 USD to 1 AUD) including superannuation. Mr Foulis has been granted 445,000 unlisted Options as per the terms of his initial engagement by the Company.

Mr Widdup is entitled to annual Directors fees of A\$50,000 (US\$37,500 using an exchange rate of 0.75 USD to 1 AUD) including superannuation. Mr Widdup has been granted 295,000 unlisted Options as per the terms of his initial engagement by the Company.

Mr Hogarth is entitled to annual Directors fees of A\$50,000 (US\$37,500 using an exchange rate of 0.75 USD to 1 AUD) including superannuation. Mr Hogarth has been granted 295,000 unlisted Options as per the terms of his initial engagement by the Company.

Mr Abidin is entitled to annual executive services remuneration of US\$94,440 (AU\$125,920 using an exchange rate of 0.75 USD to 1 AUD). Mr Abidin has been granted 442,500 unlisted Options as per the terms of his initial engagement by the Company.

The Company is party to deeds of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a Director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect Board papers in certain circumstances once the relevant Director ceases to be a director.

Material Terms of Sub-underwriting Agreements with directors and relevant entities

The Company understands that the Underwriter has entered into sub-underwriting agreements in relation to the Entitlement Offer with certain Directors or their related entities on the following terms and conditions:

- (a) the sub-underwriters will receive a fee of 3% of at the sub-underwritten amount; and
- (b) the sub-underwriters will receive 1 Underwriter Option per 3 underwritten Shares subject to Shareholder approval at the general meeting of Shareholders of the Company.

Set out below is the identity of these sub-underwriters, the sub-underwritten value, the sub-underwriting fees and the relevant Underwriter Options.

Director or relevant entity	Sub-underwritten Value	Sub-underwriting fees	Sub-underwriting Options
Laridae Holding Pty Ltd as trustee for the Laridae Trust – associated with Director Greg Foulis	A\$25,000	A\$750	41,667
Robin and Janet Widdup as trustees of the Widdup Super Fund	A\$75,000	A\$2,250	125,000
Lion Manager Pty Ltd – a company in which Robin Widdup has a beneficial interest	A\$70,000	A\$2,100	83,333

10.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (c) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (d) promoter of the Company; or
- (e) Underwriter (but not a sub-Underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (f) the formation or promotion of the Company;
- (g) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (h) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (i) the formation or promotion of the Company; or
- (j) the Offers.

EMK Lawyers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay EMK Lawyers A\$25,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, EMK Lawyers has been paid fees totalling A\$19,967 (excluding GST and disbursements) for legal services provided to the Company.

Patersons Securities Limited (**Patersons**) will be paid:

- (a) an underwriting fee of approximately A\$187,251 (being 6% of the underwritten amount of A\$5,133,251). However, this fee will be reduced to 3% on Shortfall Securities issued to any investors introduced under the Sang Mandate (with the reduction of fees capped at \$500,000 worth of Shortfall Securities introduced under the Sang Mandate) and 5,201,407 Options (to be granted to Patersons or its nominees) for its services as Underwriter to the Entitlement Offer; and
- (b) a lead manager fee of 1.5% of the total amount raised from the Entitlement Offer and the Shortfall Offer. This will be approximately \$76,999.

During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons has been paid fees totalling A\$986,718 by the Company which relate to the 2017 initial public offering of the Company.

Patersons has been appointed as the nominee for the purposes of Section 615 of the Corporations Act subject to ASIC approval. For this service Patersons will be paid the higher of 1.5% brokerage plus GST or \$2,500.

10.7 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its

name and a statement included in this Prospectus with the consent of that party as specified in this section.

EMK Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus and have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Lead Manager and Underwriter and nominee for the purposes of section 615 of the Corporations Act, to the offer of securities under this Prospectus, in the form and context in which it is named.

Mr Adrian Shepard has given his written consent to being named in this Prospectus as a Competent Person (as defined in the JORC Code) in the form and context in which he is named and the inclusion of the information contained in Section 4.3 and Section 10.9 of this Prospectus.

Mr David Varcoe has given his written consent to being named in this Prospectus as a Competent Person (as defined in the JORC Code) in the form and context in which he is named and the inclusion of the information contained in Section 4.3 of this Prospectus.

Patersons Securities Limited was not involved in the preparation of any part of this Prospectus (except for this statement) and did not authorise or cause the issue of this Prospectus. Patersons Securities Limited makes no express or implied representation or warranty in relation to Nusantara Resources Limited, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited.

10.8 Competent Persons Statement

Mineral Resources

The information in this Prospectus that relates to the Mineral Resource Estimation for the Awak Mas Gold Project is based on and fairly represents information compiled by Mr Adrian Shepherd, Senior Geologist, (BSc), MAusIMM CP, for Cube Consulting Pty Ltd. Mr Shepherd is an employee of Cube Consulting Pty Ltd and is a Chartered Professional geologist and a current Member of the Australian Institute of Mining and Metallurgy (AusIMM No: 211818).

Mr Shepherd has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Shepherd consents to the inclusion in this Prospectus of the matters based on this information in the form and context in which it appears.

Ore Reserves

The information in this Prospectus that relates to the Ore Reserves Estimation for the Awak Mas Gold Project is based on and fairly represents information compiled by Mr David Varcoe, Principal Mining Engineer, for AMC Consulting Pty Ltd. Mr Varcoe is an employee of AMC Consulting Pty Ltd and is a current Fellow of the Australian Institute of Mining and Metallurgy (AusIMM No: 105971).

Mr Varcoe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Varcoe consents to the inclusion in this Prospectus of the matters based on this information in the form and context in which it appears.

10.9 Expenses of the Offer

In the event that all Entitlements are accepted, the total cash expenses of the Entitlement Offer are estimated to be approximately A\$344,273 (excluding GST (US\$258,205) and are expected to be applied towards the items set out in the table below:

	A\$	US\$¹
ASIC fees	2,400	1,800
ASX fees	14,123	10,592
Underwriting fees	187,251 ²	140,439 ²
Lead manager fees	76,999	57,749
Nominee fees	2,500	1,875
Sang Mandate	25,000	18,750
Legal fees	25,000	18,750
Printing and distribution	6,000	4,500
Miscellaneous	5,000	3,750
Total	344,273	258,205

Notes:

1. Above amounts based on an AUD:USD exchange rate of 0.75:1.
2. The Underwriting fees are presented on the basis that the Company has received firm commitments from two Shareholders as set out in Section 5.5 which are not subject to Underwriting fees in accordance with Section 5.3. If these Commitments are not received and the amounts are instead taken up by the Underwriter, then the Underwriting fee above would increase to A\$307,995 (US\$230,997). The above fees may be reduced by A\$15,000 (US\$11,250) in accordance with the Underwriting agreement as it applies to investors introduced by the Sang Mandate, see Section 5.3.

10.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

10.11 Electronic prospectus

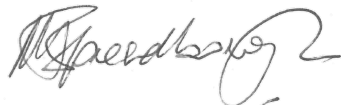
If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9460 8600 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.nusantararesources.com

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11. Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mike Spreadborough

**Managing Director
For and on behalf of
Nusantara Resources Limited**

12. Glossary

A\$ means Australian Dollars.

Associates has the meaning given in Division 2 of the Corporations Act.

Applicant means a Shareholder (or a transferee of a Shareholder's Entitlements) who applies for Securities pursuant to the Entitlement Offer or a Shareholder or other party who applies for Securities pursuant to the Shortfall Offer or Underwriter Options Offer.

Application means an application to subscribe for Shares under this Prospectus.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form or Underwriter Options Application Form, as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Awak Mas Gold Project means exploration, development, mining and mineral processing rights for the Mineral Resources and Ore Reserves contained within the 7th Generation Contract of Work (CoW) a mineral exploration and extraction licence which is owned 100% by PT Masmindo Dwi Area, a wholly owned subsidiary of Nusantara.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

CHES means the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Ltd.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Nusantara Resources Limited (ACN 150 791 290).

Constitution means the constitution of the Company as at the date of this Prospectus.

Contract of Work (CoW) means Government of Indonesia's system to administer Foreign Direct Investment in mining. The CoW framework was created in 1967. A CoW is an agreement between the Indonesian Government and a company, as a contractor, to carry out all mining activity periods, which include general survey, exploration, exploitation, processing and refining and sale of the relevant minerals in

the area covered by the CoW. The original intention behind the CoW regime was to create an attractive 'fixed' set of contractual provisions that would not fluctuate with the changes in law and circumstances, particularly with respect to taxes, royalties, permitted mining area, share divestment obligations, term and dispute resolution process.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

DFS means definitive feasibility study.

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement Offer has the meaning given to that term on the cover page of this Prospectus as that offer is made on the terms and conditions of this Prospectus.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Event of Insolvency means:

- (c) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (d) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (e) any application (not being an application withdrawn or dismissed within 21 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
 - (iv) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (f) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (g) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or

- (h) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the Company or the Underwriter.

Fully Subscribed means that all Entitlements are taken up (including those to be sold by the Nominee on behalf of Ineligible Shareholders) on the assumption that no further Shares are issued by the Company prior to the Record Date (whether on the exercise of options or otherwise).

Gol means the Government of Indonesia.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address in the Company's register of members is not situated in Australia, New Zealand, Indonesia, Hong Kong, China, United Kingdom, Canada or the United States of America.

Issue Price means A\$0.20.

JORC Code means the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore reserves (2012 Edition) published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Lead Manager Mandate means the letter agreement between the Company and Patersons dated on or about 30 May 2018.

LSG means Lion Selection Group Limited (ACN 077 729 572).

Material Adverse Effect means:

- (i) a material adverse effect on the outcome of the Entitlement Offer or on the subsequent market for the Entitlement Securities (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Entitlement Securities); or
- (j) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries either individually or taken as a whole; or
- (k) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
- (l) a material adverse effect on the tax position of either;
 - (v) the Company and its subsidiaries either individually or taken as a whole; or
 - (vi) all Australian resident shareholders in the Company.

Material Information means information which is not generally available and which a reasonable person would expect to have a material effect on the price of the Company's Shares.

Mineral Resource Estimates or MRE means a concentration or occurrence of material of intrinsic economic interest on the earth's crust in such form 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.

Nominee means Patersons Securities Limited.

Nusantara means the Company.

NUSO Options means the Company's listed Options as described in section 7.2 of this Prospectus.

OAR means One Asia Resources Limited (ACN 150 653 982).

Offers means the Entitlement Offer, the Shortfall Offer and the Underwriter Options Offer as the context requires.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Patersons means Patersons Securities Limited (ACN 008 896 311).

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company;

- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Prospectus means this prospectus.

PT Masmindo Dwi Area or **PT Masmindo** means **PT Masmindo Dwi Area**, a wholly owned subsidiary of Nusantara incorporated in Indonesia as a foreign investment limited liability (PMA) mining company, and holder of the CoW.

Relevant Company means the Company and each Subsidiary.

relevant interest has the meaning given in sections 608 and 609 of the Corporations Act.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Sang Mandate means the agreement summarised in Section 10.4(c) of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company and **Shares** means more than one Share.

Shareholder means a holder of a Share.

Share Registry means the share registry of the Company as noted in section 1 of this Prospectus.

Share Registry Address means the address for the Share Registry for the purposes of forwarding paper Applications under this Prospectus by mail or delivery (as relevant) as specified in section 5.2 of this Prospectus.

Shortfall means the Shares not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 5.6 of this Prospectus.

Shortfall Securities means those Shares not issued pursuant to the Offer.

Subsidiary means each company which is a subsidiary of the Company within the meaning of the Corporations Act.

Underwriter means Patersons Securities Limited (ACN 008 896 311).

Underwriter Options means the Options the subject of the Underwriter Options Offer.

Underwriter Options Offer has the meaning given to that term on the cover page of this Prospectus as that offer is made on the terms and conditions of this Prospectus.

Underwriting Agreement means the agreement dated on or around 4 June 2018 between the Company and the Underwriter appointing the Underwriter to fully underwrite to the Entitlement Offer as summarised in Section 10.4(a) of this Prospectus.

Underwriter Options Application Form means the Underwriter Options application form either attached to or accompanying this Prospectus.

Underwritten Securities means the Securities underwritten by the Underwriter pursuant to the Underwriting Agreement.

US\$ means the United States Dollar.

Verification Material means the material maintained by the Company being the documents and information provided by the Company in verification of statements made in the Prospectus.

voting power has the meaning given in section 610 of the Corporations Act.

WST means Western Standard Time as observed in Perth, Western Australia.