



# INVESTOR PRESENTATION

PT ARCHI INDONESIA

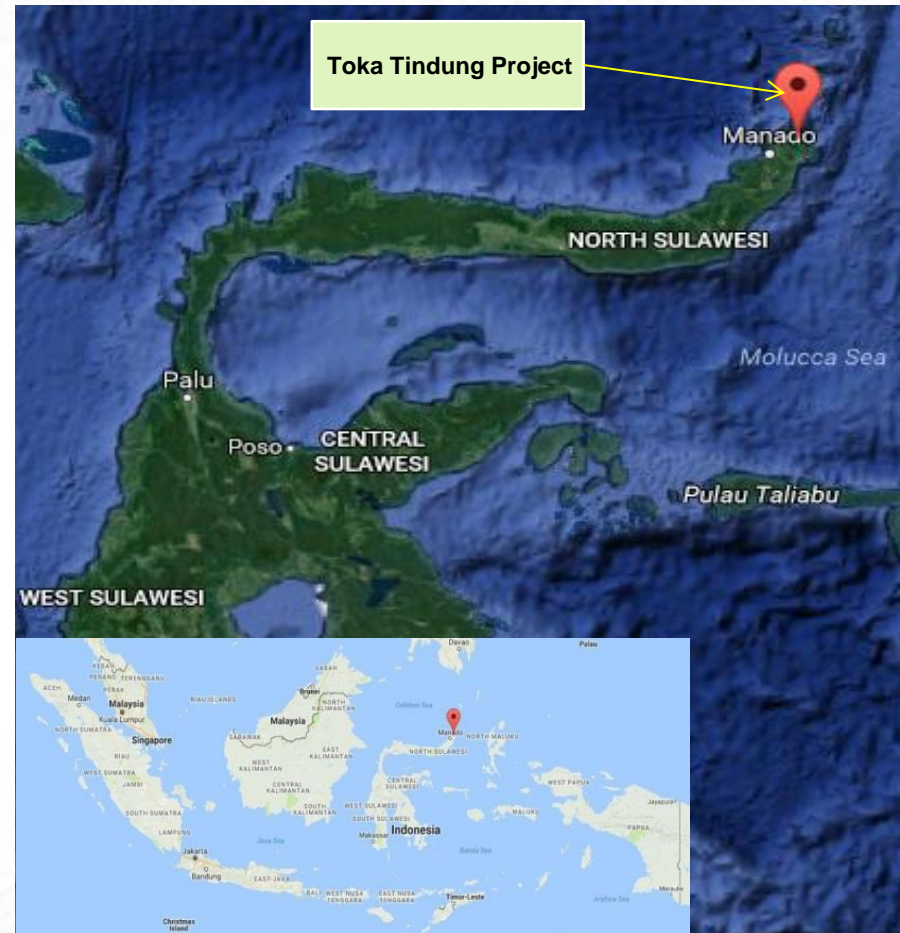
## Precious Metals Summit - November 2016



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# Introduction

- Archi is 100% owned by the Rajawali Group (Peter Sondakh) and operates the Toka Tindung Project in Sulawesi, Indonesia
  - 2007-2012 purchased Archipelago Resources plc when Ore Reserve 0.9 Moz Au
  - 2011 Started aggressive Exploration Program
  - 2012 Commenced Commercial Production
- In 2015, Archi mine produced >168 koz Au at a C1 Cash Cost of US\$440/oz generating NPAT of US\$25.6m
  - Produced to date >850 koz Au
  - June 2016 JORC Ore Reserve is 1.99 Moz Au – all open-pittable
- The tenement is 39,817 ha - the Project presently covers only 6%
- 31 drill targets identified by mid-2014 representing huge exploration upside potential
  - #1 target returning highest grades (OR >6gpt) to date on project and ore production commenced in 2015
  - #2 target showing similar grades
- Archi plan to list in the first quarter of 2017



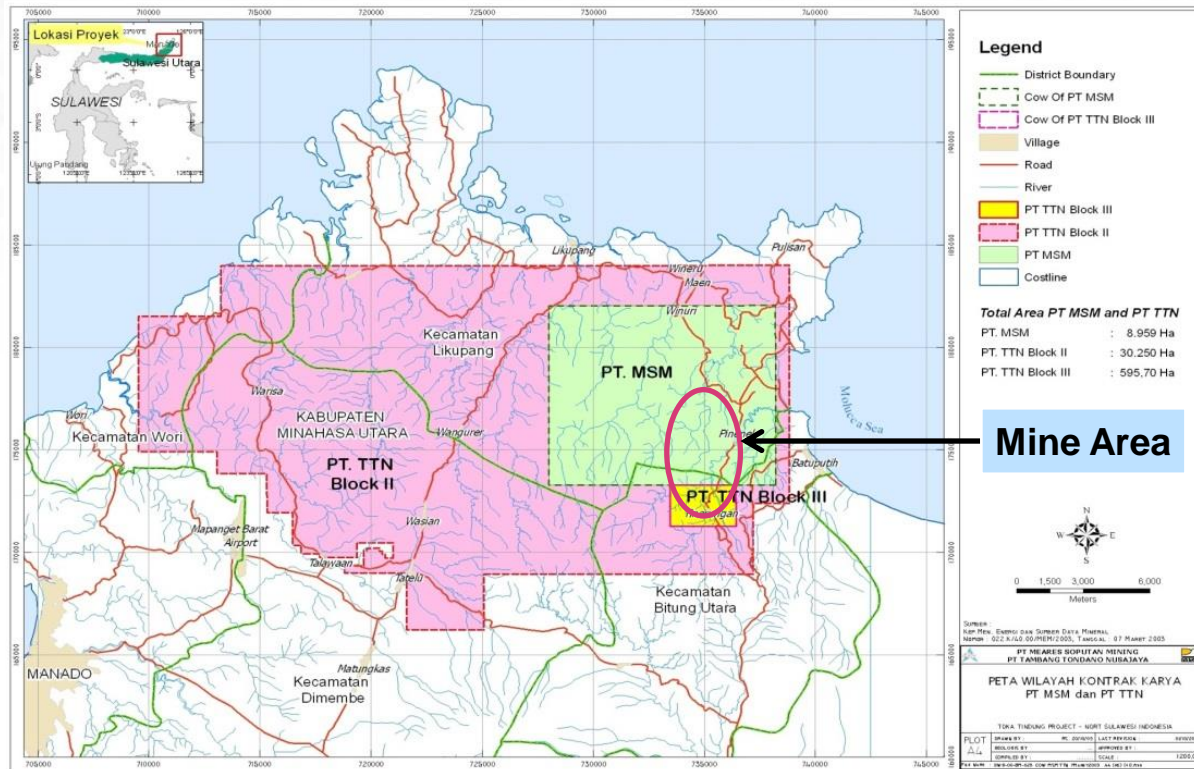
# Rajawali (*Eagle*) Group



- Conglomerate with mining, plantations, hotels, transportation and property operations within South East Asia (SEA) and Australia
  - Head Office in Jakarta, Indonesia
- Owned and managed by Peter Sondakh (63)
  - Born in Manado, lives in Jakarta
  - Entrepreneur who started the first private TV /Media Company in Indonesia in 1970s
  - Made his wealth personally from investments
- Net Worth \$1.9b (Forbes ~ Oct '16)
  - #9 in Indonesia
  - Well-known businessman in SEA



# Operational Overview



- ❖ Two Contract of Works (CoWs) covering 39,817 ha
- ❖ 30 years from March 2011
  - ❖ expires in 2041;
  - ❖ extendable for another 2 x 10 years
- ❖ Exploration Potential
- ❖ Mining footprint 6% of CoW – ore open on strike and depth
- ❖ Full extent of mineralisation not yet realised

- ❖ Deposits for mining - Toka Tindung – main pit (1 - 2 gpt Au) & 4 satellite high grade (2.0 - 6.3 gpt Au) pits at South: Kopra, Blambangan, Araren, Jipang & Bone
- ❖ Method - open pit; < 10:1 strip ratio (life of mine)
- ❖ National Contractor mining
- ❖ Processing - Crusher; CIL recovery
- ❖ Refining agreement (Dore bars to Au 99.99%) with PT Aneka Tambang Tbk (“Antam”)
- ❖ Off-take agreement with Mercuria Energy Trading (80 koz per year until 2018)

# 30 June 2016 JORC MR and OR

## Toka Tindung Project

■ JORC Mineral Resources of the Toka Tindung project as of 30 June 2016 at a 0.5 g/t gold cut-off are estimated as follows:

	Tonnage (million tonnes)	Grade (g/t)		Contained oz (kilo ounces)		
		Gold	Silver	Gold equivalent	Gold	Silver
Measured	6.4	1.4	2.9	287	280	590
Indicated	36.3	2.1	4.0	2,465	2,410	4,600
Inferred	13.8	1.6	3.1	717	700	1,390
<b>Total</b>	<b>56.4</b>	<b>1.9</b>	<b>3.6</b>	<b>3,469</b>	<b>3,390</b>	<b>6,580</b>

■ JORC Ore Reserves at the Toka Tindung project as of 30 June 2016 at a US\$1,250 per oz gold price and a US\$15 per oz silver price are estimated as follows:

	Tonnage (million tonnes)	Grade (g/t)		Contained oz (kilo ounces)		
		Gold	Silver	Gold equivalent	Gold	Silver
Proved	7.9	1.3	2.5	338	330	636
Probable	22.3	2.3	4.6	1,694	1,655	3,286
<b>Total</b>	<b>30.2</b>	<b>2.0</b>	<b>4.0</b>	<b>2,032</b>	<b>1,985</b>	<b>3,922</b>

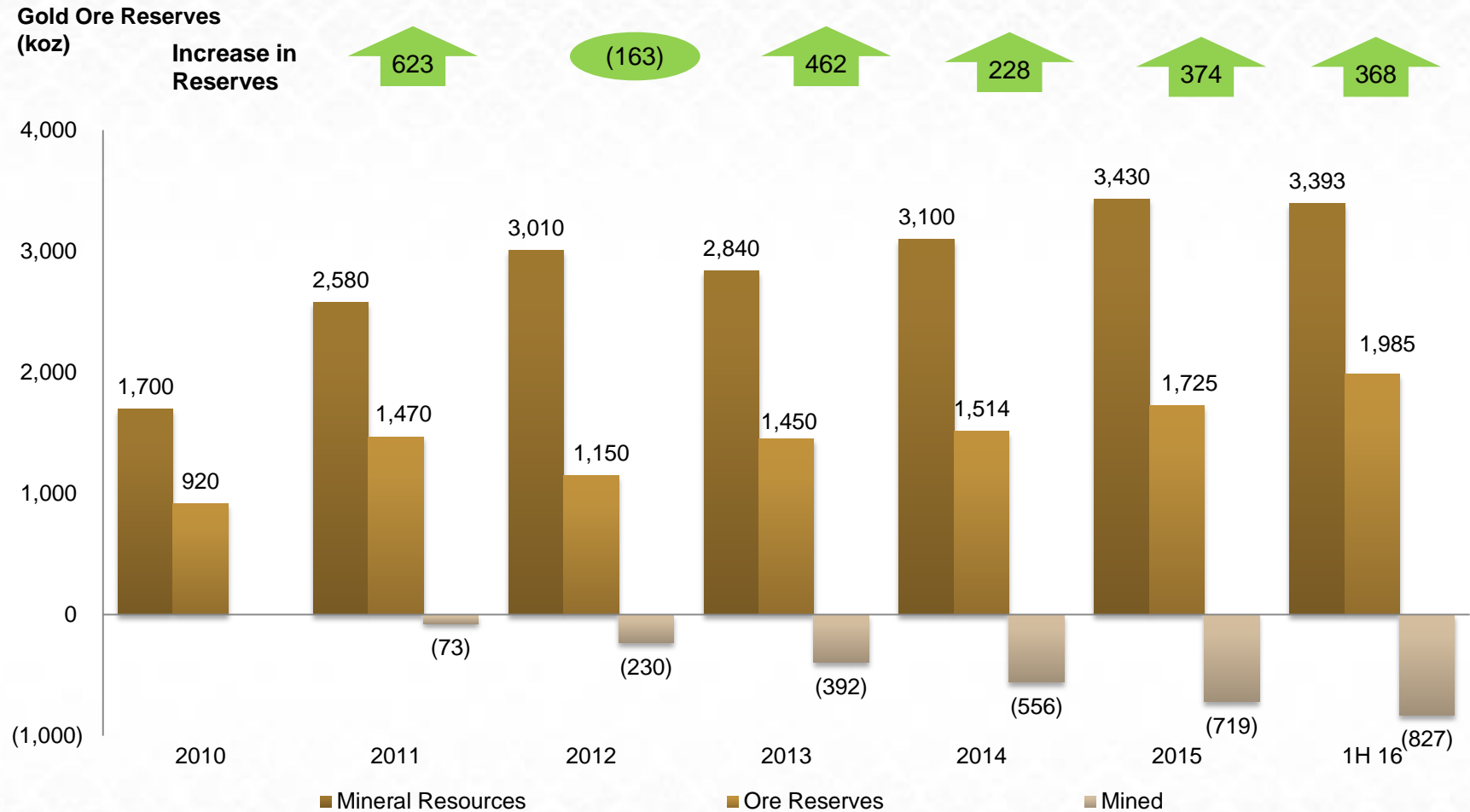
Source: Mineral Resources were estimated at end of H116 by PT Archi's internal Qualified Person/Competent Person Graham Petersen under the supervision of Mineral Associates and Cube Consulting and are JORC Compliant

Ore Reserves were estimated at end of H116 by PT Archi's internal Qualified Person/Competent Person Salih Ramazan under the supervision of Cube Consulting and are JORC Compliant

Notes: Gold equivalent Ore Reserves and Mineral Resources were estimated assuming a US\$1,250 per oz Gold price and \$15 per oz Silver price. Revenues from Silver are not included in cut-off grade calculations and optimization.

Both estimates include stock piles.

# Strong Reserve Replenishment – at \$26/oz (\$54m)



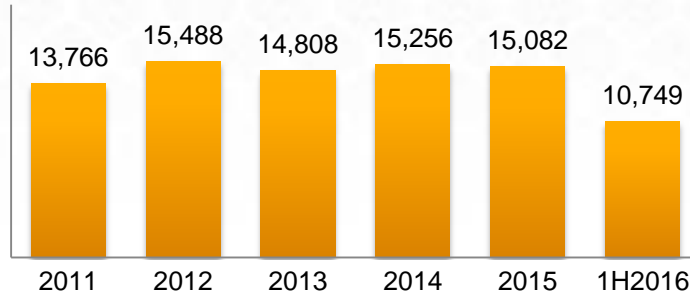
**JORC compliant Ore Reserves have been replenished faster than mined**

Source: Company information.

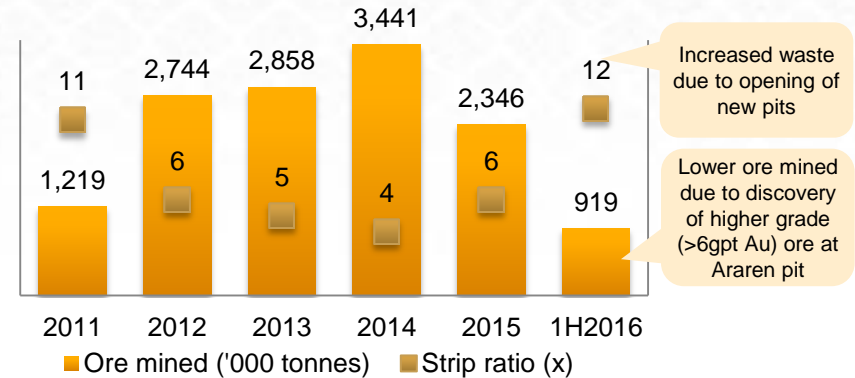
# Production Summary

## Waste mined

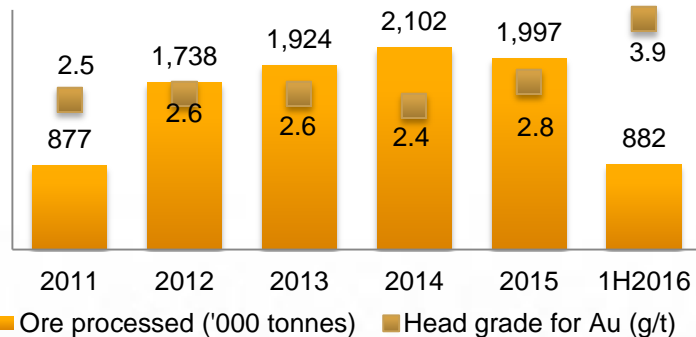
('000 tonnes)



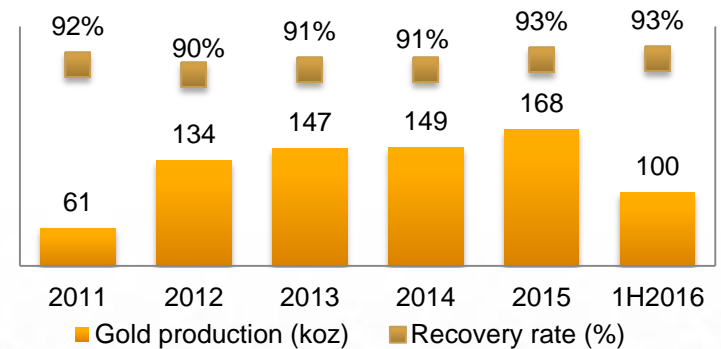
## Ore mined



## Ore processed

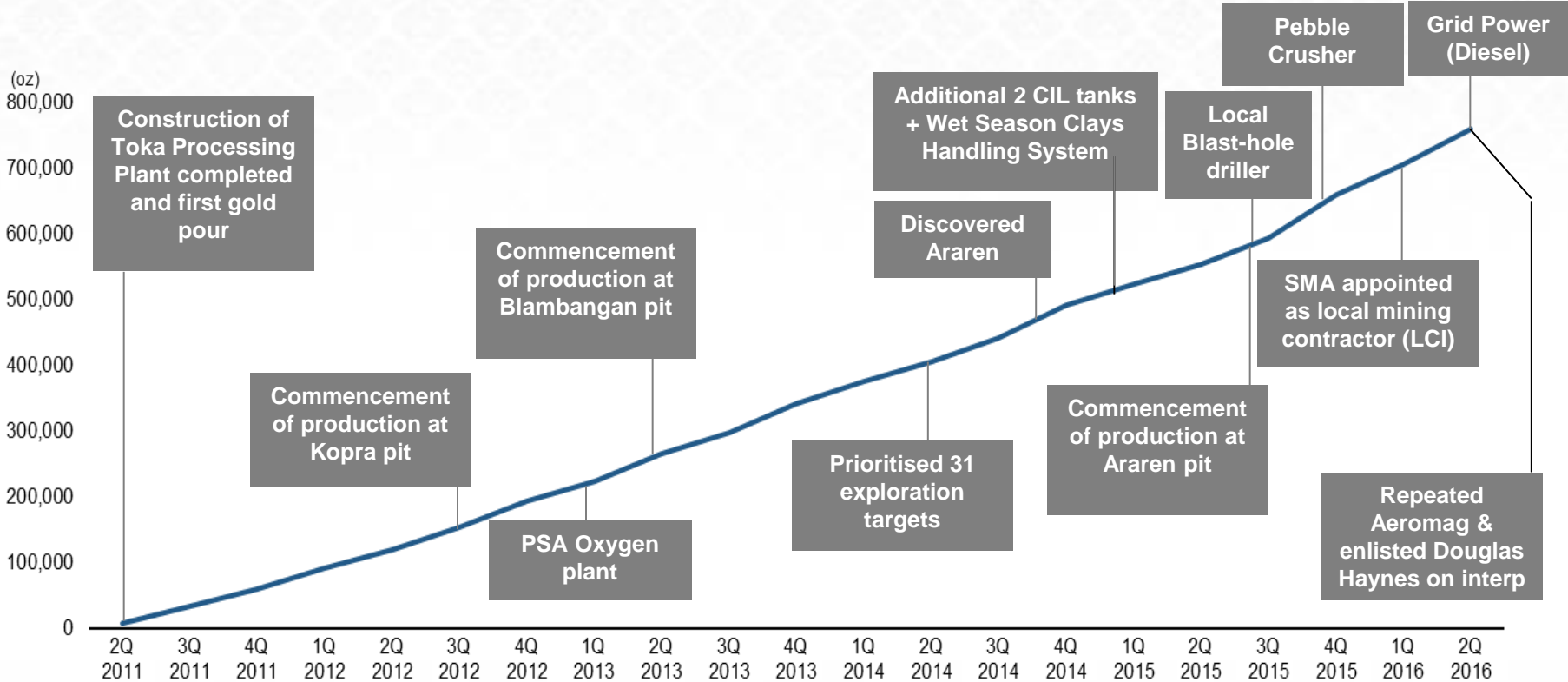


## Gold production



Discovery of ultra high grade ore at Araren pit over 2014-Date (1.3 Moz at 5.5gpt) has enhanced production and is set to continue

# Key Achievements – over US\$1b sales



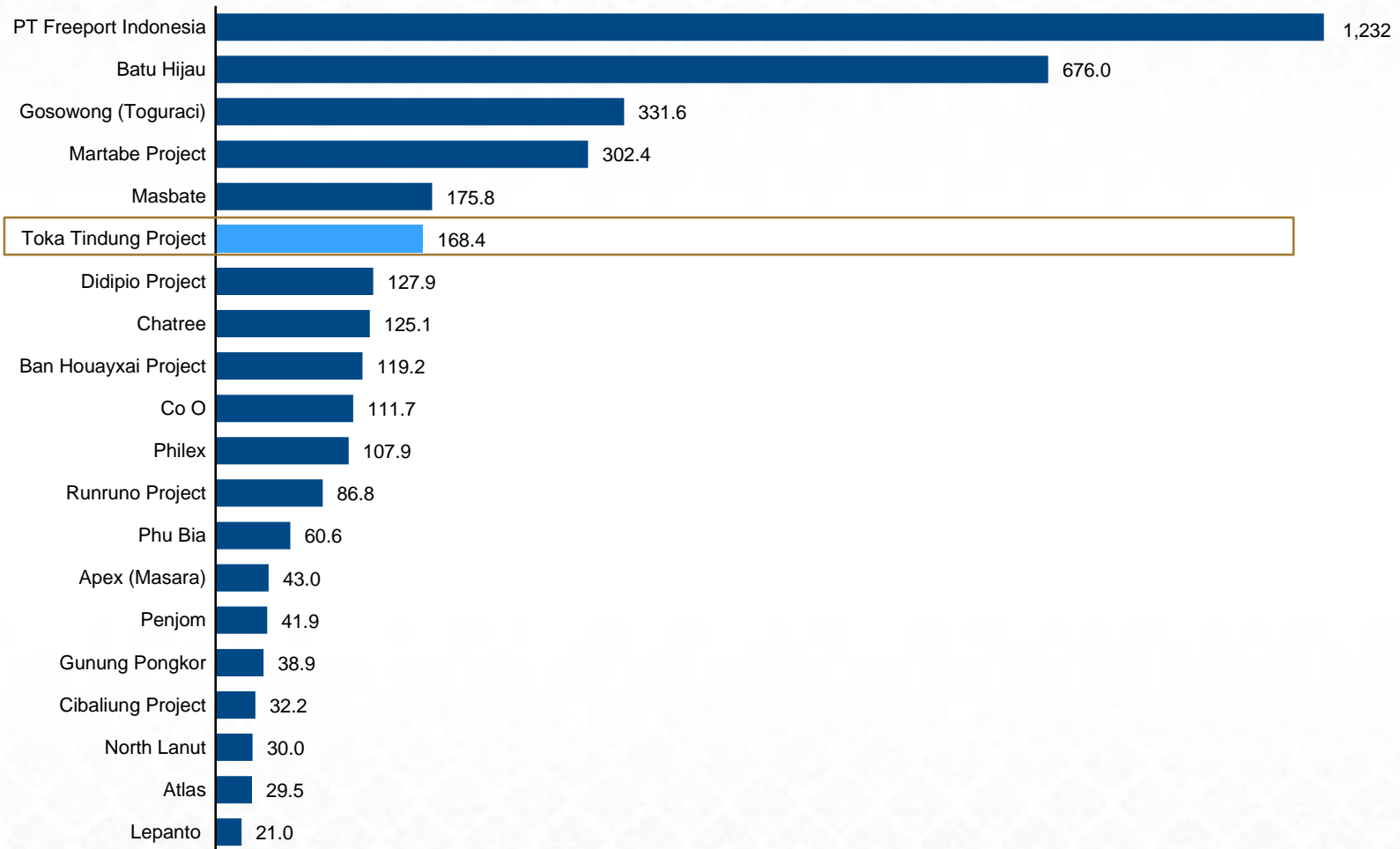
Continuous Investment and Improvement



# One of the largest gold producers in Southeast Asia

## Top 20 largest Southeast Asia gold producers

(2015 Gold Production - koz Au)



Source: Company information

# Low Cost Operations

Strong position to generate high operating cash flow

Reasonable capex requirements



Low cash operating costs

- Capital expenditure will be largely focused on optimisation initiatives to increase processing capacity, expansion of tailings disposal facilities and plant maintenance
- Exploration budget of US\$13 million in 2016; Expect to drill ~300 holes for ~60km
- Cash operating costs compare favourably to those of other Southeast Asian independent gold producers
  - Low cash operating costs improve operating margins
- Management focus on reducing operating costs in a sustainable manner

## Favorable cost structure due to:

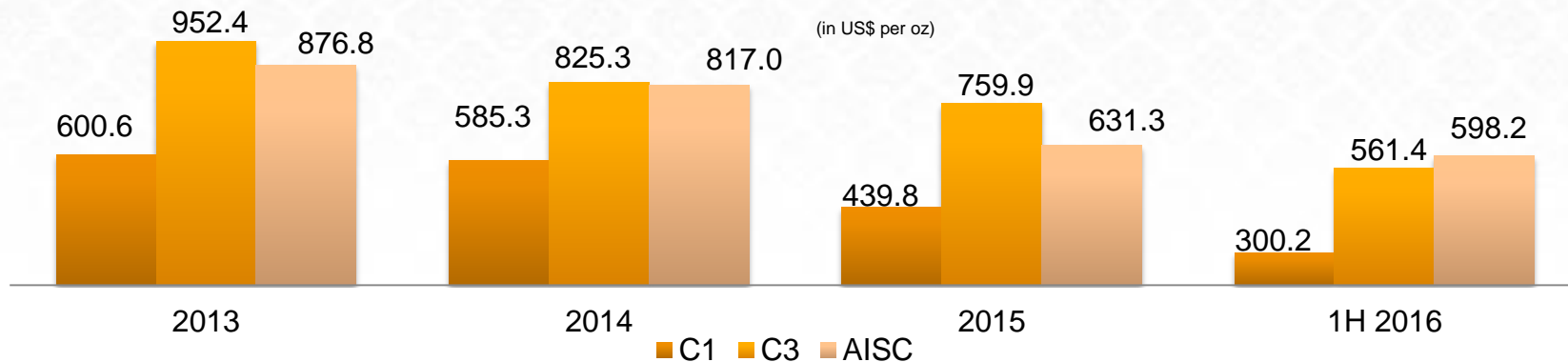
- 1 Geological, Mining and Processing factors
- 2 Competitive Input Costs
- 3 Skilled Indonesian work force
- 4 Silver by product credits

## Recent cost reduction initiatives:

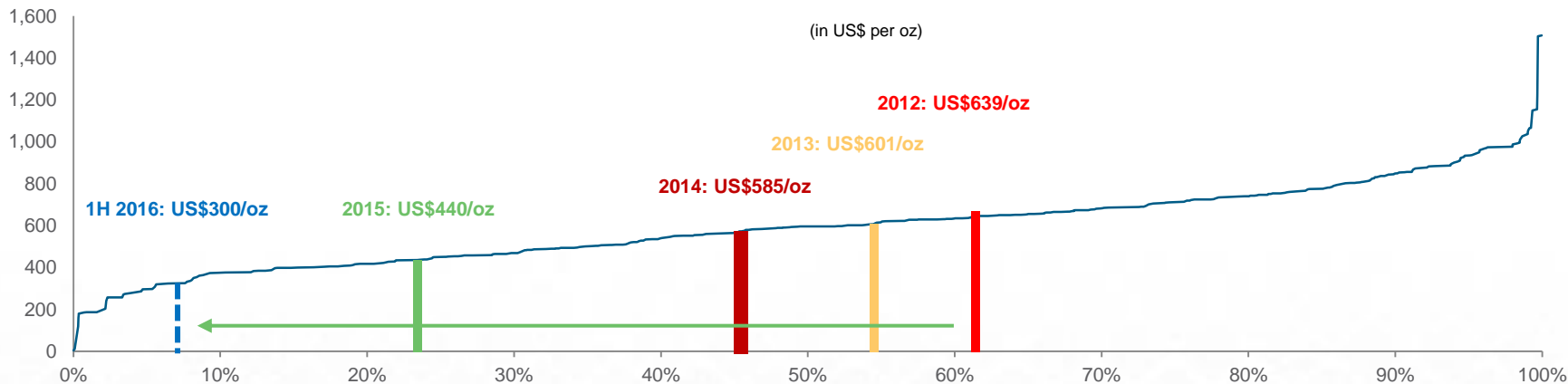
- 1 Upgrade of facilities, equipment & mining fleet
- 2 Renegotiation of contracts with suppliers
- 3 'Nationalised' mining contracts
- 4 Switched from diesel to state electric grid

# Decreasing Cost Profile

## Decreasing C1 / C3 / AISC cash production cost



## Historic C1 Costs vs 2015 Global gold mine cost curve<sup>(1)</sup>



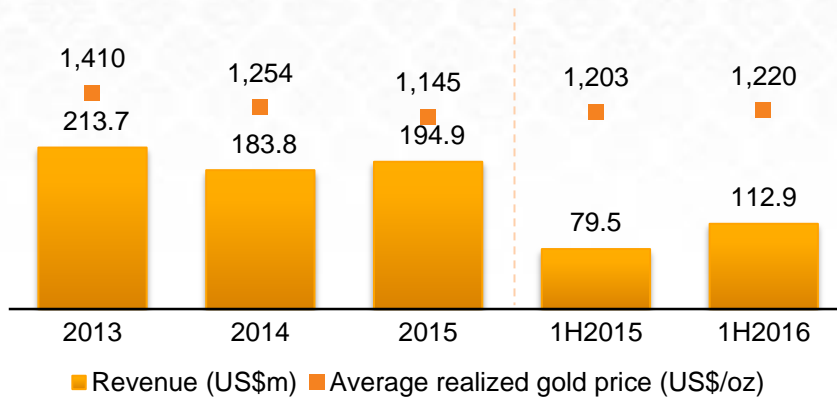
## Favourable cost structure drives significant operating margin

Source: Company data, Standard Chartered Bank (Singapore), company filings.

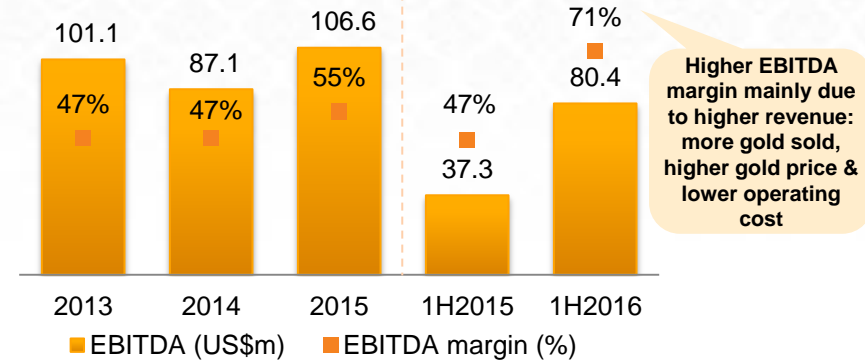
(1) C1 Cash Cost is calculated by summing mining, treatment and drilling expenses and transport and refining expenses, less credits from by-products (i.e. revenue from sale of silver). Cost curve data for Toka Tindung provided by management; Cost curve data for remaining mines provided by Standard Chartered Bank.

# Financial Overview

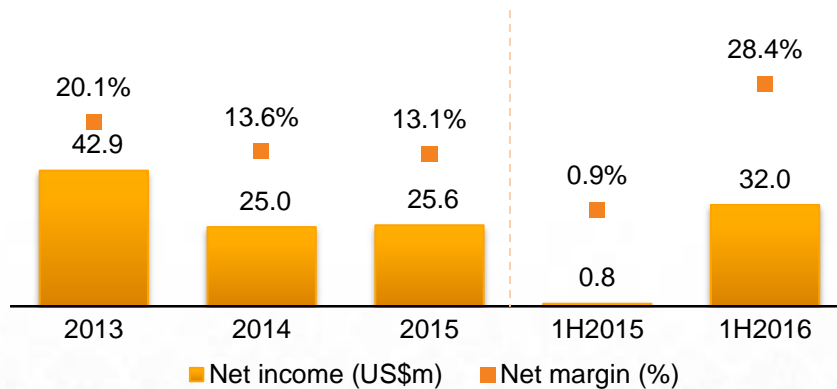
## Revenue



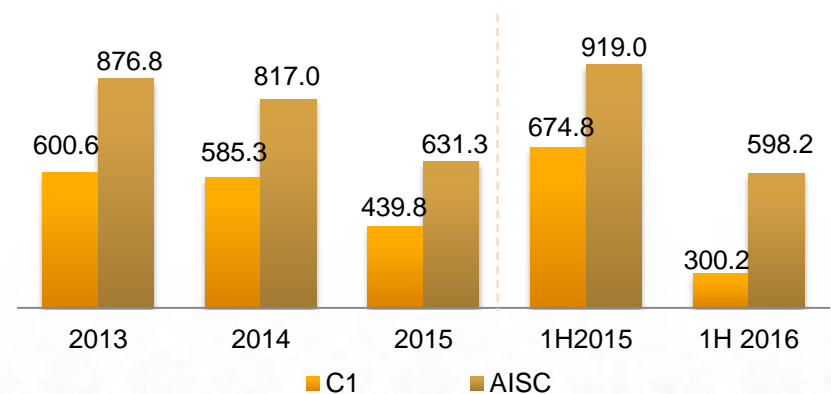
## EBITDA



## Net income



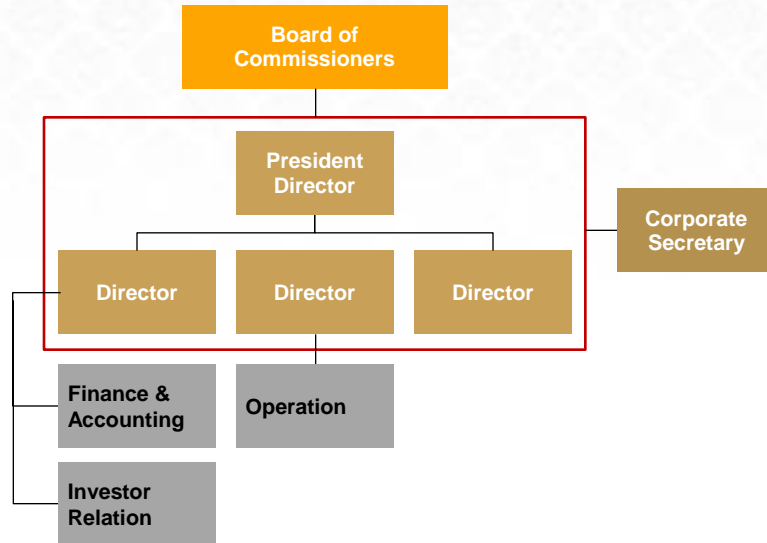
## Cash operating costs



Source: Company information.

# Strong Corporate Governance, HSE and CSR programs

## Corporate governance structure



## Excellent HSE track record

- ✓ We believe that we operate one of the gold mines with the highest safety level in the world with no LTI's for >22m man-hours (Jul 2011- Sep 16)
- ✓ “UTAMA” (Silver Award) from the Ministry of Energy and Mineral Resources (“MEMR”) in recognition of mineral and coal mining safety management for 2015 (MSM & TTN) and good environmental management in open cut mining industry for 2014
- ✓ PROPER – “Blue” status from the Ministry of the Environment of Indonesia in recognition of good environmental management for 2013 – 2014
- ✓ “ADITAMA” (Gold Award) from the MEMR in recognition of mining environmental management
- ✓ “CSR Best Practice” (Silver Award) from Coordinating Ministry for Human Development and Culture for 2014

## HSE statistics

Safety statistic	2015	2016	PTD (1)
Lost Time Injuries (LTI's)	0	0	4
LTI Frequency Rate	0	0	0.14
LTI Severity Rate	0	0	1.44
Man-hours Worked Since Last LTI (end of June 2016)		<b>21.9 m</b>	

Sound corporate governance structure along with strong emphasis on HSE issues

# Experienced and Professional Management team



**Hendra  
Surya**  
*CEO*

- Initially appointed as President Director in September 2010 and reappointed in September 2014
- CEO — Mining and Resources of PT Rajawali Corpora, President Commissioner of PT Internasional Prima Coal, Commissioner of PT MSM, PT TTN, PT Triaryani, PT Rajawali Asia Resources



**Edwin  
Gunawan**  
*CFO*

- Reappointed as a Director of PT Archi Indonesia in September 2014 and is also a Director of Archipelago Resources Pte Ltd, PT MSM and PT TTN
- Group Treasurer for Archipelago Resources Plc from June 2012 - November 2013
- Served as Treasurer for the Rajawali Foundation from 2010-2012 and General Manager - Mining and Resources for PT Rajawali Corpora from 2007 - 2010



**Terry  
Holohan**  
*COO/GM*

- Has served as PT Archi Indonesia's COO and General Manager since June 2014 is also a Director of Archipelago Resources Pte Ltd, PT MSM and PT TTN
- Served as CEO and Managing Director of Paramount Mining Corporation Limited (October 2011 – May 2014), Head of Exploration and Development (January 2010 - September 2011) and Chief Operating Officer (June 2007 - December 2009) of Platmin Limited, Senior Vice President and Director of Ivanhoe Nickel and Platinum (June 2003 – May 2007)



**Terkelin  
Purba**  
*Pres Director  
(PT MSM/  
TTN)*

- Reappointed as PT Archi Indonesia's Director in September 2014 and is also President Director of PT MSM and PT TTN
- Has served in various roles for PT MSM and PT TTN since 2003, including Director and Manager External Relations and Manager - Indonesia Government, Community and Land Management

# Key Highlights

Reserves: 1.99 Moz. Au

Resources: 3.39 Moz Au

2015 C1 Cost: US\$440/oz

2015 AISC: US\$598/oz

2015 Au Prod: 168 koz

2015 Ag Prod: 358 koz

One of Asia's top 6 largest producing gold projects

2015 Project NPAT: US\$25.6m

2012-2015 Cumulative  
Project NPAT: US\$140.7m

39,817 ha of tenements with  
only 6% explored

31 exploration drill targets identified by 2014  
#1 target drilled 2014-2016 – 1.3 Moz at 5.5gpt Au  
#2 target drilled 2016 – 17 drills showing similar grades

**Archi is a company with a strong profitable track record, long life resources, huge exploration upside and a strong shareholder**

# 2016 Actual<sup>1</sup>/Forecast (A/F) & 5yr Plan

2016A (Jan-Sep) Costs  
C1 - US\$ 281/oz & AISC US\$ 550/oz

2016F Forecast Costs  
C1 - <US\$ 290/oz & AISC <\$552/oz

2016A (Jan-Sep) Au Prod: 163 koz

2016F Au Prod: >220 koz

By end of 2016 should be in Asia's top 5 (6) largest producing gold projects  
and the lowest decile of C1 Costs globally

2016A (Jan-Sep) Project NPAT: \$ 73 m

2016F Project NPAT: >\$ 93m (at Gold >\$1,250/oz)

## 5 Year Plan

2017-2021 Production: 250-270 koz progressively

Expand plant by 50% for <\$40m by 2018 ex FCF  
Exploration of \$15-20m per annum ex FCF

**In transition from a 150 koz to >250 koz per annum gold mine**



**Thank you!**