

**ADDITIONAL INFORMATION FOR PUBLIC RELEASE**

We refer to the Company's announcement made on the 6 August 2020 under caption **"INDEPENDENT RESERVES ASSESSMENT UNDER THE AUSTRALIASIAN CODE OF REPORTING OF RESERVES (JORC REPORT) ON BUKIT IBAM GOLD PROSPECT AT MUKIM KERATANG"** and at the request of Bursa Securities, we are pleased to provide the following additional information for public release.

**1. Event Leading to the preparation of the JORC Report**

- 1.1 At the conclusion of the 1<sup>st</sup> phase of the preliminary exploration in July 2016, a gold prospect resource estimation was prepared by the Company's Independent Resources and Reserve Estimation Consultant, Agus DWI Susanto IR, a member of Ikatan Ahli Geologi, Indonesia and Persatuan Ahli Pertambangan, Indonesia. The resources estimation was completed after the completion of trenching works on 15 trench lines with a total length of 5.4 km with 2,209 samples taken and a diamond drilling of 8 holes at depths of 50m and 85m. The result of this resources estimation can be viewed vide the announcement made to Bursa Securities on the 19 July 2016 under Ref. GA1-18072016-0092 (a copy of the announcement is attached herewith). The Inferred Gold Resources in this Resources Estimation Report was 60,814 troy oz. (1,891.5 kg) embedded in 6,266,663 tonnes of oxide and fresh ore with an average grade of 1.0 g/t or 28,107 troy oz. (874.2 kg) up to a depth of 25m). The Company's subsidiary, Borneo Oil & Gas Corporation Sdn Bhd (**BOG**) then proceeded with Phase 2 of the preliminary exploration.

- 1.2 At the conclusion of part of the Phase 2 of the Preliminary Exploration in February 2017, an interim program report was prepared by the Company's Chief Geologist, Dr. Zakaria Endut and the same can be viewed vide the Company's announcement made to Bursa Securities on the 28 February 2017, under Ref. GA1-27022017-00120 (a copy of the announcement is attached herewith). The highlights of the 2<sup>nd</sup> Report were the description of 3 Diamond Drills intercepting bodies of high grade gold :-
- a. BMD28 - intercepting gold for 8.3m with grade of 2.68 g/t;
  - b. BMD29 – intercepting gold in one section for 14m with grades of 1.39 g/t and in another section for 3.7m at 3.16 g/t;
  - c. BMD06 – intercepting gold for 5m with grade of 1.86 g/t
- 1.3 At the conclusion of Phase 1 and a substantial part of Phase 2 of the Preliminary Exploration, a decision was made by the BOG to seek an independent review of all the datas, information and analysis obtained and collected. An independent Consultant, Dr. Yves Cheze (MAIG, IGM) was appointed by BOG in January 2019 to review the same and in March 2019, an assessment of potential gold resources was prepared (**“the 1<sup>st</sup> Assessment”**). Recommendation was made in the 1<sup>st</sup> Assessment report for a thorough exploration program under JORC Standard and Compliance on the various zones in the tenement (**“Mining Area”**).
- 1.4 In accordance with the advice and recommendation made in the 1<sup>st</sup> Assessment, BOG in late October 2019 embarked on the drilling program in accordance with JORC Standard on the 1<sup>st</sup> area, Zone B.

2. **Reason for not announcing the 1<sup>st</sup> Assessment Report which was completed in March 2019**

The 1<sup>st</sup> Assessment Report was a review of the 1<sup>st</sup> and 2<sup>nd</sup> Reports prepared by Agus DWI Susanto IR in 2016 and Dr. Zakaria Endut in 2017, both of which were published vide the 1<sup>st</sup> and 2<sup>nd</sup> Announcements made to the Bursa Securities on the 19 July 2016 and 28 February 2017 respectively.

3. **The actual Completion Date of the detailed exploration on the 1<sup>st</sup> Zone**

5<sup>th</sup> August 2020.

4. **To elaborate how much Gold can be extracted from the total resources of 22,200 oz. and the basis of estimation**

4.1 Based on metallurgical tests conducted, up to 90% of the gold can be extracted, 30% by gravity and 70% by Carbon In Leach (CIL).

4.2 There are 2 methods in which gold from the 1<sup>st</sup> Zone can be extracted, either :-

- a. By a CIL circuit (which is preferred) where 90% of the gold can be extracted; or
- b. By heap leaching (which is not preferred) where 30% of the gold can be extracted.

5. **Basis for the recommendation to develop the exploration of the 1<sup>st</sup> Zone and also several other zones in the Mining Area**

5.1 The potential of :-

- a) Finding more and additional Gold Resources; and
- b) Undertaking it in accordance with the JORC Standards

is the basis for the recommendation made both in the 1<sup>st</sup> Assessment (March 2019) and in the JORC Report of the 1<sup>st</sup> Zone (5 August 2020).

6. **Estimated total cost /outlay and timeframe for the Excavation and Mining on the 1<sup>st</sup> Zone**

The mining plan is being finalised and details of the same will be announced soon and mining works are expected to start immediately after that.

7. **Brief details on the arrangement on the outsourcing business structure**

It will either be contractual payment(s) in accordance with an Excavation and Mining Contract or through an outsourcing model whereby the Excavation and Mining Contractor be tasked with selling or purchasing the ores belonging to BOG or through a joint collaboration where the mining plan is jointly developed with the mining contractor and through arrangements that involve a combination of any or some of the options as stated herein.

8. **Risk Factors for the Exploration and Mining Works**

8.1 Weather;

8.2 Unforeseen geological condition(s);

8.3 Metallurgical challenges on ores in different geological settings such as deposits of sulphite ore or gold in pyrite.

8.4 Changes in Government policies;

8.5 Standard industrial risks associated with gold mining.

8.6 Fluctuation in gold prices.