

**INDEPENDENT RESERVES ASSESSMENT
UNDER THE AUSTRALASIAN CODE OF REPORTING OF EXPLORATION RESULTS,
MINERAL RESOURCES AND ORE RESERVES (JORC REPORT)
BUKIT IBAM GOLD PROSPECT
MUKIM KERATONG**

Borneo Oil Berhad (“BOB”) is pleased to announce that its wholly owned subsidiary, Borneo Oil & Gas Corporation Sdn Bhd (“BOG”), had completed the first part of the exploration works on part of one of the eight Zones (Zone A to H) in the Bukit Ibam Gold Prospect and a report under the Australasian Code of Reporting of exploration Results, Mineral Resources and Ore Reserves (“JORC Report”) has been prepared and signed off by a “Competent Person” on part of Zone B (the “1st Zone”).

1. Introduction

- 1.1 By an Exclusive Agreement dated 21 May 2010 between Perbadanan Kemajuan Negeri Pahang (“PKNP”) and HDL Global Sdn Bhd (“HDL”), prospecting and mining rights were granted by PKNP to HDL to an area covering 1,200 hectares and known as Block A, SKC(H), 1/2001, Hutan Simpan Bukit Ibam, Mukim Keratong (“Prospecting Area”) .
- 1.2 Pursuant to an Exclusive Production Sharing Agreement dated 11 March 2015 between BOG and HDL, BOG has been granted sole and exclusive right to prospect, explore, mine, extract, process, sell and collect all revenue of sales with respect to all minerals and precious metals including gold (“Mining works”) on the Prospecting Area and has since March 2015 been carrying out exploration works over the said area.
- 1.3 As at the date hereof, an area measuring approximately 187 hectares/ 462 acres within the Prospecting Area has been issued with a mining lease under Mining Lease No. ML17/2009) (“the Mining Area”) on which BOG is currently carrying out mining works.

- 1.4 The Mining Area is divided into 8 zones known as Zone A to H on which BOG has been conducting detailed exploration works.
- 1.5 This Announcement is a continuation of the two announcements made earlier on the 19 July 2016 and 28 February 2017 respectively.
- 1.6 At the conclusion of Phase 1 and Phase 2 of the preliminary exploration works on 7 of the 8 Zones from A to G, an assessment of Potential Gold Resources dated March 2019 was prepared by Dr. Yves (MAIG, IGM) (“the 1st Assessment”) showing potential gold resources of :

60,032 oz of Au or 1,866,943 gm (1.866 ton) of Au

Current price of Gold -

USD2,052.03 per oz. / RM8,589.96 per oz.

USD65.97 per gm / RM276.17per gm

- 1.7 Since the completion of the 1st assessment of the 7 zones, detailed exploration on the 1st Zone out of the 8 Zones has been completed and a report under the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Report”) has been prepared and signed off by a “Competent Person” dated 5 August 2020.

2. The main highlights of the JORC Report are :

2.1 Definition

(A) **Measured** -

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

(B) **Indicated** -

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

(C) **Inferred** -

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

2.2 This report is a follow up to the 1st Assessment Report dated March 2019.

2.3 The works undertaken for this are as follows :-

- a) Area covered 2.03 ha (part of Zone B);
- b) Diamond drilling of 13 holes covering 1,175m were done at an average depths of 90m
- c) RC Drilling of 19 holes covering 1,469m were done at average depths of 60m – 80m;
- d) RC samples assayed 1,469;
- e) Blast drilling of 741 holes covering 2,223m, at average depths of 9m;
and
- f) Blast-Drill samples assayed 2,223.

2.4 Total Gold Resources for this 1st Zone are as follows :-

Measured resources of 7,730 oz / 216,550 gm of Gold in 80,000 metric tons of ore with an average grade of 2.88 g/t.

Indicated resources of 10,650 oz / 298,352 gm of Gold in 730,000 metric tons of ore with an average grade of 0.45 g/t.

Inferred resources of 3,820 oz / 107,015 gm of Gold in 850,000 metric tons of ore with an average grade of 0.14 g/t.

Total resources of 22,200 oz / 621,917 gm of Gold in 1.66 million metric tons of ore with an average grade of 0.42 g/t.

2.5 Recommendation is made by the competent person to develop the exploration of not only the immediate extension of the 1st Zone ("Zone B"), but also in several other Zones in the Mining Area that

have similar geology as they may hold significant potential for additional gold resources.

- 2.6 The report is prepared and signed off by Dr. Yves Cheze (MAIG, IGM). Dr. Yves Cheze is a member (No. 3182) of the Australian Institute of Geoscientists (AIG) and qualified as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves”. Dr. Yves Cheze is also a Member (No. 755) of the Institute Geology Malaysia.

3. Further Information

- 3.1 Subsequent to the findings on the 1st Zone, BOG now intends to proceed with excavation and mining (“Mining Works”) on the 1st Zone, vide an outsourcing business structure. A contractor will be appointed shortly. The company is now in the process of selecting the most competent and suitable contractor for the Mining Works.
- 3.2 BOG is also continuing with exploration works on the other 7 Zones and shall similarly assess the same under the JORC Standard, the resources therein at an interval of 3 to 6 months for each zone.

4. Effects of the Transaction

The aforesaid matter does not have any effect on the issued and paid-up share capital and substantial shareholders’ shareholding of BOB. It is also not expected to have any material effect on the net assets, gearing and earnings of BOB for the financial year ending 30 June 2021.

5. Interest of Directors, Major Shareholders and Persons connected

None of the directors, major shareholders or persons connected with a director or major shareholder, have any interest, direct or indirect, in the foresaid matter.

6. Statement by the Board of Directors

Having considered all aspects of the aforesaid matter, the Board of Directors of BOB is of the opinion that this announcement is made in the best interest of the Company.

7. Document Available for Inspection

The original of the said JORC report for the 1st Zone is available for inspection at the registered office at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, W.P. Labuan during normal office hours from Monday to Friday (except for public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 6th August 2020.