



Building  
Together  
to Empower  
Performance

ANNUAL REPORT 2019 LAPORAN TAHUNAN

  
**AGINCOURT**  
RESOURCES  
MEMBER OF ASTRA



Fitria Ciptaningsih (OHS Dept.) is preparing an Industrial Hygiene monitoring device for noise to Annisa Siregar (Production Dept.).

Fitria Ciptaningsih (Dept. OHS) sedang menyiapkan perangkat pemantauan *Industrial Hygiene* untuk tingkat kebisingan ke Annisa Siregar (Dept. Produksi).



**AGINCOURT  
RESOURCES**

Increased production and reduced unit costs over the years are the results of the Company's continuous improvement process launched in 2013, called the Martabe Improvement Program (MIP). Since 2013, we have increased our mill production from 3.6 million tonnes per year (281k ounces of gold) to 6 million tonnes per year in 2019 (391k ounces of gold). We have reduced our All-in Sustaining Cost (AISC) from US\$799/oz at the beginning of production to below US\$450/oz in 2019.

The MIP program has been successful in reducing costs and optimising our assets in the mine activities and also in the processing plant. Having improved asset performance, further work has progressed in optimising mine scheduling and pit design, and this 'whole of business' approach to performance improvement has resulted in very strong production and financial outcomes.

We have achieved these results without compromising other important operational outcomes such as safety and the protection of the environment.

We are now well positioned to exploit new opportunities for future growth as a result of a more efficient operating platform. Our growth will come via exploration and also by project development.

The exploration program continues to be a strong and successful investment in discovering more gold. In parallel, we are progressing a number of studies which will examine options for investment in additional capacity in the plant and infrastructure. If successful, these programs will increase the life of the mine, which in turn will provide benefits to all of our stakeholders including economic outcomes for employees, suppliers, the state, and the investors.

In particular we will build upon this year's achievements which indicate the direction taken by the Company. They illustrate the way in which all at PT Agincourt Resources are building together to empower performance.

Peningkatan produksi dan penurunan biaya unit berhasil dicapai oleh Perusahaan sejak tahun 2013 berkat penerapan strategi peningkatan berkesinambungan, yakni Martabe Improvement Program (MIP). Sejak tahun 2013, Perusahaan mampu meningkatkan produksi penggilingan dari 3,6 juta ton per tahun (281.000 ounce emas) menjadi 6 juta ton per tahun di tahun 2019 (391.000 ounce emas). PTAR berhasil menurunkan All-in Sustaining Cost (AISC) sebesar dari US\$799 per ounce pada awal produksi menjadi di bawah US\$450 per ounce.

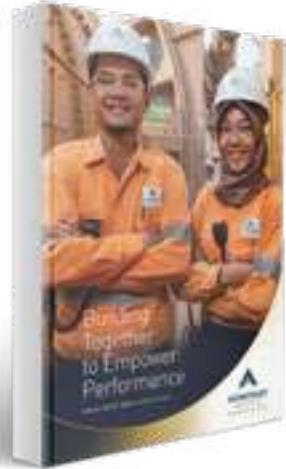
Program MIP berhasil menurunkan biaya dan mampu mengoptimalkan aset-aset dalam kegiatan tambang dan pabrik pengolahan. Peningkatan kinerja atau kegunaan aset tersebut mampu mengoptimalkan jadwal penambangan dan desain pit dan pendekatan strategi usaha Perusahaan secara menyeluruh untuk meningkatkan kinerja tersebut telah mampu membawa hasil produksi dan meningkatkan kinerja keuangan dengan sangat memuaskan.

Kami berhasil meraih capaian tersebut tanpa mengabaikan capaian operasional penting lainnya, yakni faktor keselamatan kerja dan perlindungan terhadap lingkungan hidup.

Berkat pelaksanaan operasional yang efisien di tahun 2019, kami siap untuk melaksanakan eksplorasi terhadap kesempatan-kesempatan baru demi pertumbuhan di masa depan. Kami percaya bahwa pertumbuhan usaha Perusahaan dapat dicapai melalui kegiatan eksplorasi dan pengembangan proyek.

Kegiatan eksplorasi tetap menjadi investasi yang solid dan sukses dalam menemukan lebih banyak emas. Secara bersamaan, kami melanjutkan pelaksanaan studi terhadap berbagai opsi investasi dalam menambah kapasitas pabrik dan infrastruktur. Jika kegiatan ini berhasil, usia tambang dapat berlangsung lebih panjang, sehingga mampu menciptakan keuntungan lebih bagi para pemangku kepentingan, termasuk keuntungan ekonomi bagi karyawan, pemasok, negara, dan investor.

Secara khusus, kami akan terus menjaga dan meningkatkan capaian-capaian kinerja tahun 2019 yang memperlihatkan strategi Perusahaan yang telah dilaksanakan Perusahaan. Seluruh capaian yang kami peroleh menunjukkan bahwa PT Agincourt Resources senantiasa membangun bersama untuk memperkokoh kinerja.



Ilham Harapah and Annisa Siregar (Production Dept.)  
are local employees working at Processing Plant.

Ilham Harapah dan Annisa Siregar (Dept. Produksi)  
adalah karyawan lokal yang bekerja pada Pabrik Pengolahan.

**2019 ◀**  
**BUILDING TOGETHER  
TO EMPOWER PERFORMANCE**  
Membangun Bersama  
untuk Memperkokoh Kinerja

# Continuity of the Theme

## ► Kesinambungan Tema

**2018**

### CONTINUOUS IMPROVEMENT FOR FUTURE GROWTH

Peningkatan BerkelaJutan Demi  
Pertumbuhan di Masa Depan



Since the Company's founding in 2013, its continuous improvement program, known as the Martabe Improvement Program (MIP), has been responsible for increased production and reduced unit costs. During this period we have significantly increased our mill production while also reducing our All-in Sustaining Cost (AISC). Having such a highly efficient operation allows us to identify further improvements and to exploit these opportunities for future growth. The exploration program to discover more gold, for example, continues to be a strong and successful investment and we are also commencing a pre-feasibility study on options to treat sulphide ore, which will effectively increase the life of the mine.

Sejak tahun 2013, Perusahaan telah menerapkan peningkatan berkesinambungan yang disebut sebagai Martabe Improvement Program (MIP), program yang mendorong peningkatan produksi dan penurunan biaya unit. Selama jangka waktu tersebut, Perusahaan telah meningkatkan produksi penggilingan dan menurunkan All-in Sustaining Cost (AISC). Operasi yang efisien ini memberikan kesempatan bagi kami untuk mengidentifikasi peningkatan selanjutnya dan mencari peluang untuk pertumbuhan di masa depan. Sebagai contoh, program eksplorasi untuk menemukan emas terus menjadi investasi yang solid dan sukses. Selain itu, Perusahaan juga memulai studi kelayakan awal untuk mempelajari pilihan dalam memperlakukan bijih sulfide yang secara efektif dapat memperpanjang umur tambang.

Since before commencement of operations at the Martabe Gold Mine, the Company has maintained a very active exploration program, targeting the discovery of additional ore reserves close to the mine. By the end of the year, 43.1 million tonnes had been added to Martabe's ore reserves since operations commenced, an increase of 48% and equivalent to nearly eight additional years of production. This ongoing growth in reserves will deliver greater benefits over the longer-term for all our key stakeholders, from investors and employees to government and local communities.

Sejak sebelum dimulainya operasi di Tambang Emas Martabe, Perusahaan telah menyelenggarakan program eksplorasi yang sangat aktif, yang menargetkan penemuan cadangan bijih tambahan yang dekat dengan tambang tersebut. Pada akhir tahun 2017, sejumlah 43,1 juta ton telah ditambahkan ke cadangan bijih emas Martabe sejak operasi dimulai, meningkat 48% dan setara dengan hampir delapan tahun tambahan produksi. Pertumbuhan cadangan yang berkelanjutan ini akan memberikan manfaat lebih besar dalam jangka waktu yang lebih lama untuk semua pemangku kepentingan utama kami dari investor, karyawan, pemerintah, dan masyarakat setempat.

**2017**

### DELIVERING GROWTH Mewujudkan Pertumbuhan





Night view of SAG Mill at the Processing Plant.  
SAG Mill pada Pabrik Pengolahan di malam hari.



## Vision and Mission

### ► Visi dan Misi

# vision

To become a sustainable world-class operation delivering first-quartile performance in the gold industry.

Mewujudkan operasi berkelanjutan kelas dunia dengan unjuk kinerja papan atas dalam industri pertambangan emas.

# mission

To develop a long-term sustainable business generating positive outcomes for all stakeholders.

Mengembangkan bisnis berkelanjutan jangka panjang yang memberikan hasil positif bagi seluruh pemangku kepentingan.

Aerial view of processing plant and Purnama pit.  
Tampak atas pabrik pengolahan dan pit Purnama.

# Core Values

## ► Nilai-Nilai Inti Perusahaan

Success at PTAR is driven by our people who live by our GREAT values:

Kesuksesan PTAR digerakkan oleh individu Perusahaan yang menjunjung nilai-nilai GREAT:

Diversity in Maintenance Team.  
(Tuti Hayani, Rochidin, Naili Fitriyah Ridwan, and Rina Wati Dawolo).  
Keberagaman dalam Maintenance Team.  
(Tuti Hayani, Rochidin, Naili Fitriyah Ridwan, dan Rina Wati Dawolo).



**Growth** and added value - for all our stakeholders.

**Pertumbuhan** dan nilai tambah bagi semua pemangku kepentingan melalui nilai-nilai inti kami.

**Respect** - for people, culture, and stakeholders.

**Penghargaan** - kepada setiap individu, budaya, dan pemangku kepentingan.

**Excellence** - through energy, enthusiasm, and commitment.

**Keunggulan** - melalui energi, antusiasme, dan komitmen.

**Action** - delivery and doing what we say we are going to do.

**Aksi Nyata** - kinerja dan wujud komitmen kami.

**Transparency** - openness, listening, engagement, and honesty.

**Transparansi** – keterbukaan, kemampuan mendengarkan, keterikatan, dan kejujuran.



COMPANY PROFILE  
Profil Perusahaan



BOARD REPORTS  
Laporan Manajemen



MANAGEMENT DISCUSSION & ANALYSIS  
Analisis & Bisnis Manajemen



HUMAN RESOURCES  
Sumber Daya Manusia



OCCUPATIONAL HEALTH AND SAFETY  
Kesehatan dan Keselamatan Kerja

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GOOD CORPORATE GOVERNANCE  
Tata Kelola Perusahaan



CORPORATE SOCIAL RESPONSIBILITY  
Tanggung Jawab Sosial Perusahaan



ENVIRONMENT  
Lingkungan



CORPORATE IDENTITY  
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Processing plant at start of night shift.  
Pabrik pengolahan diawali shift malam.

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# Financial Highlights

## ► Ikhtisar Keuangan

### Statement of Profit or Loss and Other Comprehensive Income Laporan Laba Rugi dan Penghasilan Komprehensif Lain

US\$'000 unless otherwise stated	► 2019	2018	US\$'000 kecuali dinyatakan lain
Sales	560,887	574,197	Penjualan
Cost of goods sold	(230,496)	(266,821)	Beban pokok penjualan
Gross profit	330,391	347,376	Laba kotor
Income before tax	295,099	270,708	Laba sebelum pajak penghasilan
Net profit after tax	215,792	166,797	Laba bersih setelah pajak
Earnings per share (US\$)	2.16	1.97	Laba bersih per saham (US\$)

### Statement of Financial Position Laporan Posisi Keuangan Berjalan

US\$'000 unless otherwise stated	► 2019	2018	US\$'000 kecuali dinyatakan lain
<b>Total assets</b>	<b>767,414</b>	<b>709,801</b>	Jumlah aset
Current assets	115,836	71,793	Aset lancar
Non-current assets	651,578	638,008	Aset tidak lancar
<b>Total liabilities</b>	<b>234,528</b>	<b>278,433</b>	Jumlah liabilitas
Current liabilities	157,626	83,648	Liabilitas jangka pendek
Non-current liabilities	76,902	194,785	Liabilitas jangka panjang
<b>Equity</b>	<b>532,886</b>	<b>431,368</b>	Ekuitas
<b>Capital stock</b>			Modal saham
Authorized capital [shares]	85,000,000	85,000,000	Modal dasar (saham)
Issued and fully paid capital [shares]	85,000,000	85,000,000	Modal ditempatkan dan disetor penuh (saham)

## Results Years 2014 to 2019

### Hasil Tahun 2014 Hingga 2019

**Gold & Silver Revenue (in US\$ million)**  
Pendapatan Emas dan Perak (dalam juta US\$)



**Gold Sold (Ounce)**  
Emas Terjual (Ounce)



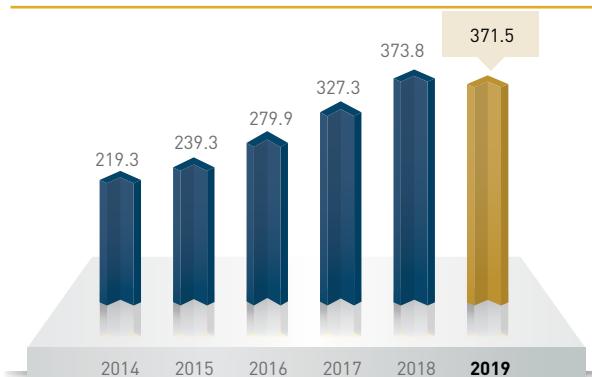
**All-In Sustaining Cost\* (in US\$/ounce)**  
All-In Sustaining Cost\* (dalam US\$/ounce)



**Net Profit After Tax (in US\$ million)**  
Laba Bersih Setelah Pajak (dalam juta US\$)



**EBITDA\*\* (in US\$ million)**  
EBITDA\*\* (dalam juta US\$)



**Cash Generated from Operations (in US\$ million)**  
Arus Kas Hasil Operasi (dalam juta US\$)

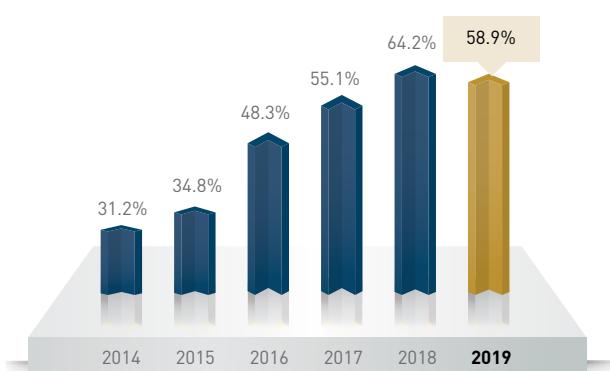


\* All-in Sustaining Costs (AISC) is a non-GAAP [generally accepted accounting principles] financial performance measure for gold producers. It does not have a standardized definition under the Indonesian Financial Accounting Standards (PSAK) and so is provided in this report as additional information only.  
AISC merupakan ukuran kinerja keuangan di luar GAAP (prinsip akuntansi yang berlaku umum) untuk produsen emas. Ukuran ini tidak memiliki definisi standar menurut PSAK, dan hanya disajikan dalam laporan ini sebagai informasi tambahan semata-mata.

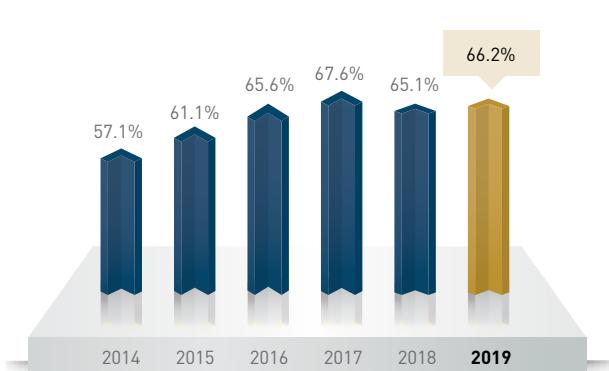
\*\* Earnings Before Interest, Tax, Depreciation and Amortization.  
Pendapatan Sebelum Bunga, Pajak, Depresiasi dan Amortisasi.

## Results Years 2014 to 2019 Hasil Tahun 2014 Hingga 2019

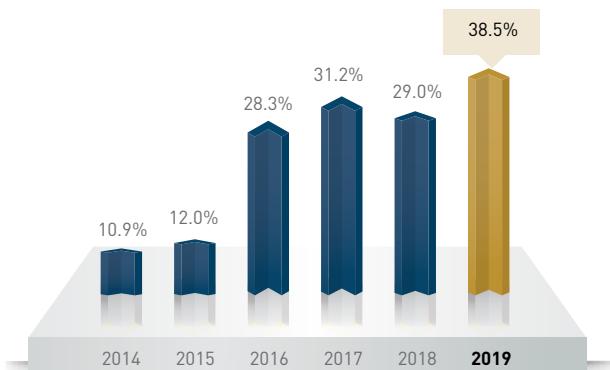
**Gross Profit Margin**  
Margin Laba Kotor



**EBITDA Margin**  
Margin EBITDA



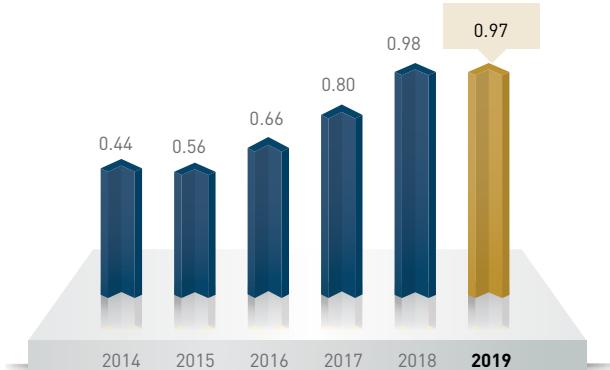
**Profit After Tax (PAT) Margin**  
Margin Laba Setelah Pajak



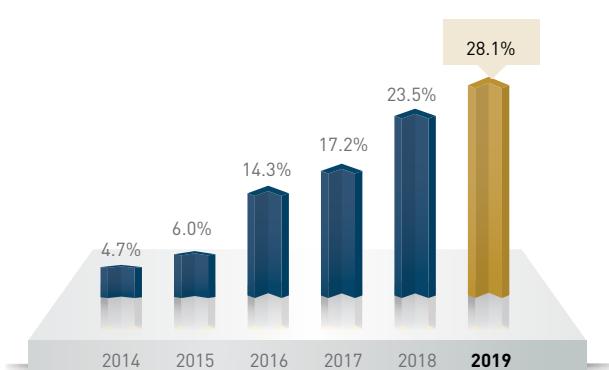
**Net Debt to EBITDA**  
Utang Bersih terhadap EBITDA



**Fixed Assets Turnover**  
Rasio Perputaran Aktiva Tetap



**Return on Assets**  
Tingkat Pengembalian Aset





Theresia Tamba (Intertek Laboratory Technician)  
adding reagents before titrating  
at PTAR's Water Polishing Plant (WPP) Laboratory.

Theresia Tamba (Teknisi Laboratorium Intertek)  
sedang menambahkan pereaksi sebelum melakukan titrasi  
di Laboratorium Water Polishing Plant (WPP) milik PTAR.



Water Polishing Plant at Martabe Gold Mine  
Instalasi Pengolahan Air di Tambang Emas Martabe



➤ PROFIL PERUSAHAAN  
**COMPANY PROFILE**



# Company Profile

## ► Profil Perusahaan



East view of Purnama pit and TSF.  
Sisi Timur pit Purnama dan TSF.

### PT Agincourt Resources

PT Agincourt Resources (PTAR) is an Indonesian mining company engaged in the exploration, mining, and processing of gold and silver. Its sole operating site is the Martabe Gold Mine located in North Sumatera.

### PT Agincourt Resources

PT Agincourt Resources (PTAR) adalah Perusahaan tambang Indonesia yang bergerak di bidang eksplorasi, pertambangan, serta pengolahan emas dan perak. Lokasi tambang (*site*) utama yang dioperasikan oleh PTAR adalah Tambang Emas Martabe yang terletak di Sumatera Utara.

At the close of 2019, PTAR employed 858 permanent and contract employees. There were an additional 2,448 contractors employed at the mine. Over 74% of the site workforce were employed locally, illustrating the Company's commitment to maximizing employment opportunities at the mine for local communities.

Pada akhir tahun 2019, PTAR mempekerjakan 858 karyawan permanen dan kontrak. Selain itu, terdapat 2.448 kontraktor yang dipekerjakan di tambang. PTAR mempekerjakan lebih dari 74% karyawan lokal untuk bekerja di *site*. Kondisi ini menunjukkan bahwa PTAR berkomitmen untuk memberikan kesempatan kerja sebesar-besarnya kepada masyarakat setempat.

PT. Danusa Tambang Nusantara is PTAR's majority shareholder (with 95% of shares) which in turn is owned by PT. United

Pemegang saham mayoritas (95%) PTAR adalah PT Danusa Tambang Nusantara, yang dimiliki oleh PT United Tractors





GOOD CORPORATE GOVERNANCE  
Tata Kelola Perusahaan



CORPORATE SOCIAL RESPONSIBILITY  
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ENVIRONMENT  
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CORPORATE IDENTITY  
Identitas Perusahaan



## “ The operation has established a reputation for industry-leading safety, sustainability, and operational excellence.

Kegiatan operasional Perusahaan telah memiliki reputasi yang baik pada aspek keselamatan, usaha yang berkelanjutan, dan kinerja operasionalnya. »

Tractors Tbk (60%) and PT. Pamapersada Nusantara (40%). The remaining 5% of shares are owned by the Governments of South Tapanuli Regency and North Sumatra Province, through PT. ANA.

Tbk (60%) dan PT Pamapersada Nusantara (40%), 5% saham lainnya dimiliki oleh Pemerintah Kabupaten Tapanuli Selatan dan Pemerintah Provinsi Sumatera Utara melalui PT ANA.

### The Martabe Gold Mine

The Martabe Gold Mine is located in North Sumatera. Multiple open cut pits and a conventional process plant facilitate gold and silver bullion production. Operations began in 2012 and the operation has established a reputation for industry-leading safety, sustainability, and operational excellence.

#### Overview

The Martabe Gold Mine operates under a 30-year Contract of Work with the Indonesian government. The area covered by this agreement extends across the districts of South Tapanuli, Central Tapanuli, North Tapanuli, and Mandailing Natal, covering an area of 1,302 km<sup>2</sup>. The Martabe Gold Mine itself is located in the district of South Tapanuli.

The mine's surrounding area includes native forest, rubber and oil palm plantations and rice paddies, with nearby rural villages

### Tambang Emas Martabe

Tambang Emas Martabe terletak di Sumatera Utara, yang terdiri dari *pit* tambang terbuka dan pabrik pengolahan konvensional mendukung produksi emas dan perak batangan. Sejak mulai beroperasi di tahun 2012, Tambang Emas Martabe memiliki reputasi yang baik dalam hal keselamatan kerja, keberlanjutan, dan kinerja operasionalnya.

#### Gambaran Umum

Tambang Emas Martabe beroperasi di bawah Kontrak Karya dengan Pemerintah Indonesia selama 30 tahun. Cakupan wilayah operasional yang tercantum di dalam Kontrak Karya meliputi Kabupaten Tapanuli Selatan, Tapanuli Tengah, Tapanuli Utara, dan Mandailing Natal dengan jumlah luas wilayah sebesar 1.302 km<sup>2</sup>. Tambang Emas Martabe sendiri terletak di Kabupaten Tapanuli Selatan.

Di sekeliling wilayah tambang terdapat hutan asli, perkebunan karet dan sawit, lahan persawahan, dan beberapa desa maupun



COMPANY PROFILE  
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and townships. Support facilities for the mine are mostly located in a lowland area adjacent to the trans-Sumatran highway. Mining operations are located in close proximity in an elevated hilly area bordering the Batangtoru Forest.

The area of operations currently includes three open-cut mines and a conventional carbon-in-leach (CIL) gold ore processing plant. Related infrastructure ranges from haul roads, a Tailings Storage Facility (TSF), raw water storage tanks, sediment control dams, a water polishing plant, an analytical laboratory, a switchyard, an explosive magazine, several workshops, an accommodation camp, a sports oval, a medical clinic, administration buildings, a fuel depot and warehousing facilities.

Construction of the Martabe Gold Mine began in 2008, with the production of gold and silver starting four years later. As of December 2019, the Martabe Gold Mine had been in production for seven and a half years, with an approved mine plan extending to 2033.

## Resources and Reserves

The Martabe Gold Mine's deposits are of a type known as high sulphidation epithermal deposits and comprise part of a large-scale mineralized district which has the potential to host further gold and gold-copper deposits. As of December 2019, the Mineral Resource of the Martabe Gold Mine was 7.8 million ounces of gold and 64 million ounces of silver. Ore Reserves were 4.5 million ounces of gold and 32 million ounces of silver. This is equivalent to an additional 16 years of mine operations.

kota kecil. Fasilitas pendukung tambang sebagian besar terletak di area dataran rendah yang dekat dengan jalan raya trans-Sumatera. Lokasi penambangan terletak tidak jauh dari fasilitas pendukung, yakni di area berbukit yang berbatasan dengan Hutan Batangtoru.

Area operasi saat ini meliputi tiga tambang terbuka dan satu pabrik pengolahan bijih emas *carbon-in-leach* (CIL) konvensional. Infrastruktur terkait kegiatan operasional mencakup jalan angkut, fasilitas penyimpanan material sisa pengolahan (*Tailing Storage Facility*/TSF), tangki penyimpanan air baku, bendungan pengendali sedimen, instalasi pengolahan air, laboratorium analisis, gardu induk tegangan tinggi, gudang bahan peledak, dan beberapa bengkel kerja, fasilitas tempat tinggal (*camp*), lapangan olahraga, klinik kesehatan, gedung administrasi, stasiun pengisian bahan bakar, dan gudang.

Pembangunan Tambang Emas Martabe dimulai sejak tahun 2008 dan mulai berproduksi empat tahun setelahnya. Hingga akhir Desember 2019, Tambang Emas Martabe telah beroperasi selama tujuh setengah tahun dengan rencana tambang yang disetujui hingga tahun 2033.

## Sumber Daya dan Cadangan

Tambang Emas Martabe memiliki deposit yang termasuk ke dalam jenis deposit epitermal sulfidasi tinggi dan terdiri dari wilayah mineralisasi berskala besar yang berpotensi menjadi tempat deposit emas dan emas-tembaga. Pada akhir Desember 2019, Sumber Daya Mineral Tambang Emas Martabe adalah 7,8 juta ounce emas dan 64 juta ounce perak. Selain itu, Tambang Emas Martabe memiliki Cadangan Bijih yang terdiri dari 4,5 juta on emas dan 32 juta ounce perak. Jumlah ini setara dengan tambahan enam belas tahun operasi tambang.

### Mineral Resources and Ore Reserves

PTAR reports on the size of its deposits using two standard definitions which are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code'):

- The Mineral Resource is the quantity of gold or silver in defined deposits for which there are reasonable prospects for eventual economic extraction. A Mineral Resource is determined from exploration and sampling.
- The Ore Reserve is the economically mineable part of the Mineral Resource. This estimate is derived from a resource by applying numerous modifying factors such as cut-off grade, pit slopes, metallurgical factors and economic factors. It is the ore reserve that determines mine life, together with production rate.

### Sumber Daya Mineral dan Cadangan Bijih Emas

PTAR melaporkan ukuran depositnya dengan menggunakan dua definisi standar sesuai dengan Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code):

- Sumber daya mineral merupakan kuantitas emas atau perak pada deposit yang terdefinisi di mana terdapat prospek yang wajar untuk pengambilan secara ekonomis. Sumber daya mineral ditentukan dari eksplorasi dan pengambilan sampel.
- Cadangan bijih merupakan bagian sumber daya mineral yang dapat ditambang secara ekonomis. Estimasi ini diperoleh dari suatu sumber daya dengan menerapkan sejumlah faktor pengubah seperti cut-off grade, kemiringan pit, faktor metalurgi dan ekonomi. Cadangan bijih menentukan usia tambang, bersamaan dengan tingkat produksi.



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Extivonus Fransiskus (Geologist) is explaining the details of core description to Vina Wirasda Nainggolan and Mayasari Nasution (Internships) at Coreshed Exploration

Extivonus Fransiskus (Geologis) sedang menjelaskan spesifikasi deskripsi bijih kepada Vina Wirasda Nainggolan dan Mayasari Nasution (Pemagang) di Coreshed Exploration.

## Exploration

Due to the size of the system and the large area remaining to be explored, PTAR considers the remaining potential at Martabe to be very high. An active exploration program has been in operation since the project began. In addition to supporting mining operations, the Martabe Gold Mine also serves as the regional base for the Company's exploration program covering the area of the immediate mine and the Contract of Work. These facilities include office and work areas for exploration staff and a core shed where drill core is logged and sampled. Samples are then prepared to be sent off-site to an external laboratory for gold, silver, and copper analyses. For future reference remaining drill core has been archived at Martabe since 1997. Martabe also serves as the helicopter operations base to support drilling and other regional activities.

## Eksplorasi

PTAR masih memiliki ukuran sistem dan area yang dapat dieksplorasi yang sangat luas, sehingga PTAR menganggap bahwa potensi Tambang Emas Martabe masih sangat tinggi. Hingga saat ini, program eksplorasi masih aktif berlanjut sejak proyek dimulai. Selain mendukung operasi penambangan, Tambang Emas Martabe juga berfungsi sebagai basis program eksplorasi regional di area tambang terdekat dan program yang tercantum dalam Kontrak Karya. Tambang Emas Martabe dilengkapi berbagai fasilitas pendukung program dan kegiatan operasional, meliputi kantor dan area kerja bagi staf eksplorasi serta *core shed* atau tempat hasil pengeboran (*drill core*) dicatat dan diambil sampelnya. Sampel yang didapat dari hasil pengeboran kemudian dikirim ke luar site, yakni ke laboratorium eksternal, untuk dilakukan analisis kandungan emas, perak, dan tembaga. *Drill core* yang ada di Martabe sejak tahun 1997 masih tersimpan untuk rujukan di masa depan. Fasilitas lain yang ada di Martabe adalah pangkalan helikopter untuk mendukung kegiatan pengeboran dan eksplorasi regional lainnya.

## Mining

Ore is mined from relatively shallow pits located on mineralized hills or ridges at the Martabe Gold Mine. Mining commenced at the Purnama deposit in 2011, with mining at the nearby Barani and Ramba Joring deposits starting in 2016 and 2017 respectively. In 2018, approval was granted for mining at the Tor Uluala deposit.

## Penambangan

Pada Tambang Emas Martabe, bijih ditambang dari *pit* dengan kedalaman relatif dangkal yang terletak di perbukitan atau punggung bukit yang mengandung mineral. Penambangan pertama bermula di deposit Purnama pada tahun 2011, kemudian dilanjutkan dengan penambangan di dekat deposit Barani dan Ramba Joring masing-masing dimulai pada tahun 2016 dan 2017. Pada tahun 2018, PTAR memperoleh persetujuan untuk menambang di deposit Tor Uluala.



Mining activities include: mine surveying and planning, geotechnical analysis, grade control drilling, blasting, trucking of waste rock and ore, and ore stockpiling. Waste rock from the pits is placed in the TSF embankment rather than in waste rock dumps, as is the case at most mines. A mining service contractor, currently, PT. Macmahon Mining Services, conducts the mining using their own equipment.

Kegiatan penambangan terdiri dari rangkaian kerjakan survei dan perencanaan, analisis geoteknik, pengeboran kontrol kadar bijih, peledakan, pengangkutan batu buangan (*waste rock*) dan bijih, serta penimbunan bijih. PTAR menempatkan batu buangan dari *pit* di tanggul TSF alih-alih di penimbunan batu buangan sebagaimana dilakukan oleh kebanyakan tambang lainnya. Penambangan PTAR dilakukan oleh kontraktor jasa penambangan, yang saat ini dipegang oleh PT Machmahon Mining Services, dan menggunakan peralatan langsung dari kontraktor.

## Processing

A conventional carbon-in-leach (CIL) plant is the process plant at the Martabe Gold Mine with a capacity that exceeds 6 million tonnes of ore per annum. The process plant is operated continually with the exception of maintenance shutdowns.

It is relatively simple to extract gold and silver from the Ore, the key steps are:

- Ore crushing.
- Grinding and conversion of the ore forming slurry.
- Using cyanide to leach the gold and silver from the slurry.
- Adsorption of gold and silver in solution onto carbon granules.
- Using a process called elution to remove gold and silver from the carbon granules.
- Using electrowinning to recover gold and silver.
- Smelting to produce dore bullion (gold and silver) bars ready for shipment. All bullion produced at the Martabe Gold Mine is refined in Jakarta.

After the gold and silver has been removed from the slurry, the remainder, called tailings, undergoes a process which reduces cyanide concentration to low levels, a cyanide detoxification process. For permanent disposal the tailings are then pumped to the Tailings Storage Facility.

## Supply Chain

Numerous contractors and suppliers support the operation of the Martabe Gold Mine. A mining services contractor conducts all mining at the site and associated civil works, including the ongoing construction of the TSF. All logistics to and from the site are conducted by a logistics contractor with PTAR managing on-site warehousing and stock control. Other key contracts include the purchase of such things as reagents, fuel and spare parts. Where possible, purchases of goods and services from local and domestic suppliers and contractors, supporting PTAR's policy of supporting local businesses.

## Pengolahan

Tambang Emas Martabe memiliki pabrik pengolahan berupa pabrik *carbon-in-leach* (CIL) konvensional dengan kapasitas lebih dari 6 juta ton bijih per tahun. Pabrik pengolahan dioperasikan terus-menerus kecuali pada saat pemeliharaan (*shutdown*).

Proses ekstraksi emas dan perak dari bijih dilakukan melalui langkah-langkah yang relatif sederhana sebagai berikut:

- Peremukan bijih.
- Penggerusan dan konversi bijih menjadi lumpur konsentrat (*slurry*).
- Pelindian (*leaching*) emas dan perak dari *slurry* menggunakan sianida.
- Adsorpsi emas dan perak terlarut ke dalam butiran karbon.
- Pengambilan emas dan perak dari butiran karbon melalui proses elusi.
- Perolehan emas dan perak melalui *electrowinning*.
- Peleburan untuk menghasilkan *dore bullion* (batangan logam bercampur emas dan perak) yang siap dikirimkan. Semua batangan emas yang diproduksi di Tambang Emas Martabe dimurnikan di Jakarta.

Setelah emas dan perak dipisahkan dari *slurry*, material sisa atau *tailings* lanjut menjalani proses detoksifikasi untuk mengurangi kadar sianida hingga ke tingkat yang rendah. *Tailings* kemudian dipompa ke *Tailings Storage Facility* (TSF) untuk ditempatkan secara permanen.

## Rantai Pasokan

Operasional Tambang Emas Martabe banyak dibantu oleh sejumlah kontraktor dan pemasok. Perusahaan kontraktor jasa penambangan mengerjakan seluruh kerjatan penambangan di *site* dan pekerjaan sipil terkait, termasuk pembangunan TSF yang terus berlangsung. Kontraktor juga melakukan kerjatan pemindahan logistic dari dan ke *site*, sementara PTAR mengatur pergudangan dan kontrol stok di *site*. Kontrak penting lainnya yang dimiliki PTAR dengan pihak ketiga adalah pembelian reagen, bahan bakar, dan suku cadang. PTAR memiliki kebijakan untuk mengutamakan membeli barang dan jasa dari pemasok dan kontraktor lokal dan dalam negeri.



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Sri Dahniar (Intertek) is measuring a water sample using Atomic Absorption Spectrometer(AAS).

Sri Dahniar (Intertek) sedang melakukan pengukuran sample air menggunakan Atomic Absorption Spectrometer(AAS).



## Milestones

### ► Jejak Langkah

#### ► 1997

A Contract of Work (CoW) is granted to PT Danau Toba Mining, majority owned by Normandy Mining, for the purposes of mineral exploration and gold mining. The CoW area overlaps the Districts of North Tapanuli, Central Tapanuli, South Tapanuli and Mandailing Natal and the city of Padangsidempuan.

Kontrak Karya diberikan kepada PT Danau Toba Mining, yang sebagian besar dimiliki oleh Normandy Mining, dengan tujuan eksplorasi mineral dan pertambangan emas. Area Kontrak Karya meliputi Kabupaten Tapanuli Utara, Tapanuli Tengah, Tapanuli Selatan, dan Mandailing Natal, serta Kota Padangsidempuan.

#### ► 2001

The Company's name PT Danau Toba Mining is changed to PT Horas Nauli.

Nama Perusahaan PT Danau Toba Mining diubah menjadi PT Horas Nauli.

#### ► 2003

PT Newmont Horas Nauli has changed its name to PT Horas Nauli as the holder of the Martabe CoW, majority owned by Newmont East Asia.

PT Newmont Horas Nauli berubah menjadi PT Horas Nauli sebagai pengelola Kontrak Karya Martabe, yang sebagian besar dimiliki oleh Newmont East Asia.

#### ► 2006

PT Agincourt Resources has changed its name to PT Newmont Horas Nauli to continue the development of the Martabe Project, still majority owned by Newmont East Asia.

PT Agincourt Resources berubah menjadi PT Newmont Horas Nauli untuk melanjutkan pengembangan Proyek Martabe, yang sebagian besar masih dimiliki oleh Newmont East Asia.

#### ► 2007

Oxiana becomes the beneficial owner of the Martabe Project through the acquisition of PT Agincourt Resources. Following a review of a Definitive Feasibility Study, the Board of Oxiana approves development of the Martabe Gold and Silver Mine Project in December 2007.

Oxiana menjadi pemilik manfaat Proyek Martabe melalui akuisisi PT Agincourt Resources. Setelah tinjauan Studi Kelayakan Definitif, Dewan Komisaris Oxiana menyetujui pengembangan Proyek Tambang Emas dan Perak Martabe pada Desember 2007.



## ► 2008

25 environmental studies completed for the project. Key documents and government approvals are obtained, including a Feasibility Study, AMDAL and a construction permit. Construction activities commence, including road access, laydown and camp areas and preparation for plant site construction.

25 studi lingkungan dilakukan untuk proyek. Dokumen-dokumen utama dan persetujuan pemerintah diperoleh, termasuk Studi Kelayakan, AMDAL, dan izin konstruksi. Kegiatan konstruksi dimulai, termasuk untuk akses jalan, area *laydown* dan *camp*, serta persiapan untuk pembangunan *plant site* (pabrik).

## ► 2009

G-Resources, a Hong Kong publicly-listed company, takes over ownership and development of the Martabe Gold Mine Project in July 2009.

G-Resources, sebuah perusahaan terbuka yang terdaftar di Bursa Efek Hong Kong, mengambil alih kepemilikan dan pengembangan Proyek Tambang Emas Martabe pada Juli 2009.

## ► 2011

Construction activity reaches a peak with more than 4,000 workers at the site, 40% of whom were recruited locally. Construction of the Tailing Storage Facility is approved.

Kegiatan konstruksi mencapai puncaknya dengan lebih dari 4.000 pekerja di site, 40% pekerja yang direkrut berasal dari masyarakat lokal. Pembangunan Fasilitas Penyimpanan Tailings disetujui.

## ► 2012

Completion of project construction is followed by plant commissioning and commencement of operations. Commissioning approval for mine discharge is received from the Tapanuli Regency. The first gold is poured on 24 July 2012.

A 5% share transfer agreement between PT Agincourt Resources and the Governments of South Tapanuli Regency and North Sumatra Province is signed on 24 July 2012.

Penyelesaian konstruksi proyek diikuti dengan *commissioning* (uji laik operasi) dan dimulainya operasi pabrik. Persetujuan *commissioning* untuk pembuangan air olahan tambang diperoleh dari Kabupaten Tapanuli. Emas pertama dituang pada tanggal 24 Juli 2012.

Kesepakatan pengalihan 5% saham antara PT Agincourt Resources dan Pemerintah Kabupaten Tapanuli Selatan dan Provinsi Sumatera Utara ditandatangani pada tanggal 24 Juli 2012.

## ► 2016

Following successful completion and submission of appropriate documentation, approval for mining at Barani and Ramba Joring pits is issued by the Indonesian Government in March 2016. Mining at the Barani pit commences.

G-Resources as the main shareholder of PT Agincourt Resources is replaced by a consortium comprising EMR Capital, a specialist mining private equity fund, Farallon Capital, a global financial investor, Martua Sitorus, and Robert Hartono & Michael Bambang Hartono.

Setelah keberhasilan penyelesaian dan penyerahan dokumentasi persetujuan, PTAR menerima persetujuan untuk menambang di *pit* Barani dan Ramba Joring dari Pemerintah Indonesia pada Maret 2016. Selanjutnya, penambangan di *pit* Barani dimulai.

G-Resources sebagai pemegang saham utama PT Agincourt Resources digantikan oleh konsorsium yang terdiri dari EMR Kapital, perusahaan dana ekuitas swasta dengan spesialisasi pertambangan Farallion Capital, perusahaan investor keuangan global, Martua Sitorus, dan Robert Hartono & Michael Bambang Hartono.

## ► 2017

Mining commences at the Ramba Joring pit.

The end of 2017 sees the most successful production and exploration results in PTAR's history. The operation milled a record 5.35 Mt to produce 355,000 ounces of gold. The exploration and resource development program included 120k metres drilled by up to 15 rigs with Mineral Resources increasing to 8.9 million ounces gold and Ore Reserves increasing to 4.8 million ounces gold.

Strong operating cash flows, increased reserves and a longer mine life enabled the Company to refinance its US\$425 million senior debt with a longer tenor, lower interest rates and more favorable terms and conditions.

Penambangan dimulai di *pit* Ramba Joring.

Pada tahun ini, PTAR menghasilkan produksi dan eksplorasi sepanjang sejarah Perusahaan. Operasi berhasil meraih rekor penggilingan sebanyak 5,35 juta ton dengan penuangan 355.000 ounce emas. Program eksplorasi dan pengembangan sumber daya meliputi 120 meter yang dibor oleh 15 rig, kegiatan ini menghasilkan peningkatan sumber daya emas hingga 8,9 juta ounce dan peningkatan cadangan bijih emas hingga 4,8 juta ounce.

Arus kas operasi yang kuat, cadangan yang meningkat, dan umur tambang yang lebih panjang memungkinkan PTAR untuk membayai kembali utang seniornya sebesar US\$425 juta dengan jangka waktu lebih panjang, suku bunga yang lebih rendah, serta persyaratan dan ketentuan yang lebih menguntungkan.

## ► 2018

Production results again exceed key records set in preceding years. A record 5.57 Mt of ore is processed to produce 410,387 ounces of gold, a 15% increase from 2017. An All-in Sustaining Cost (AISC) of US\$367 per ounce supports a Net Profit after Tax of US\$167 million. Strategic growth is supported by a successful exploration program, government approval to mine the Tor Uluala deposit, and ongoing development of sulphide processing projects.

In December 2018, there was a smooth transition in majority ownership of the Company with the acquisition of 95% of shares by PT Danusa Tambang Nusantara, owned by PT United Tractors Tbk (60%) and PT Pamapersada Nusantara (40%).

Hasil produksi pada tahun 2018 melebihi rekor tahun-tahun sebelumnya. PTAR berhasil mengolah 5,57 juta ton bijih mineral untuk menghasilkan 410.387 ounce emas, hasil ini meningkat 15,5% dari tahun 2017. Pencapaian All-in Sustaining Cost (AISC) produksi terendah sampai saat ini, yakni sebesar US\$367,3 per ounce, berkontribusi terhadap catatan Laba Setelah Pajak sebesar US\$167 juta. Pertumbuhan strategis perusahaan turut didukung oleh keberhasilan dalam program eksplorasi, persetujuan Pemerintah untuk penambangan deposit Tor Uluala, dan pengembangan proyek pengolahan sulfida yang sedang berlangsung.

Tahun 2018 juga menjadi saksi atas lancarnya masa transisi kepemilikan saham mayoritas Perusahaan. Kini, 95% saham Perusahaan dimiliki oleh PT Danusa Tambang Nusantara, yakni sebuah perusahaan yang dimiliki oleh PT United Tractors Tbk (60%) dan PT Pamapersada Nusantara (40%).



## ► 2019

Another record breaking year for ore processing, PTAR milled 6.0 Mt of ore to produce 383,493 ounces of gold, while maintaining low unit costs of US\$450/oz.

We have achieved these results without compromising other important operational outcomes such as safety and the protection of the environment. Sustainability has remained our major focus.

PTAR berhasil mencapai rekor pengolahan bijih, yakni sebanyak 6,0 juta ton bijih diolah untuk menghasilkan 383.493 ounce emas, di saat bersamaan tetap mampu mempertahankan biaya unit di tingkat rendah yakni US\$450/ounce.

Kami berhasil mencapai rekor ini tanpa mengabaikan hasil kinerja di bidang kesehatan dan keselamatan kerja serta perlindungan lingkungan. Kami senantiasa memperhatikan aspek keberlanjutan.



# Kaleidoscope 2019

## ► Peristiwa Penting 2019

**21** February/Februari

Martabe Gold Mine welcomed the Deputy Minister for Child Growth and Development, the Ministry of Women's Empowerment and Child Protection.

Tambang Emas Martabe menyambut kedatangan Deputi Menteri Bidang Tumbuh Kembang Anak, Kementerian Pemberdayaan Perempuan dan Perlindungan Anak.

► **8** March/ Maret - **8** April/ April

The 48th North Sumatra Fair (PRSU) was held. Agincourt Resources participated in the event with various activities such as E-Coaching Jam, Acoustic Corner and Photography Contest. The activities were attended by nearly 500 university students.

Pekan Raya Sumatera Utara (PRSU) ke-48 diselenggarakan. Agincourt Resources turut meramaikan PRSU dengan berbagai kegiatan seperti E-Coaching Jam, Acoustic Corner dan Lomba Fotografi. Kegiatan ini dihadiri hampir 500 mahasiswa.

**10-12** March/ Maret

PT Agincourt Resources held a Media Capacity Building 2019, Martabe Gold Mine Six Years of Sharing, which was opened by President Director Muliady Sutio and attended by 32 journalists from South Tapanuli, Central Tapanuli, North Tapanuli and Medan at the Inna Parapat Hotel, Simalungun.

*PT Agincourt Resources mengadakan acara Media Capacity Building 2019 Enam Tahun Tambang Emas Martabe Berbagi, yang dibuka oleh Presiden Direktur Muliady Sutio dan dihadiri oleh 32 jurnalis dari Tapanuli Selatan, Tapanuli Tengah, Tapanuli Utara dan Medan pada 10 - 12 Maret di Hotel Inna Parapat, Simalungun.*



**18** March/ Maret

Commander of the Regional Military Command I/Bukit Barisan, Maj. Gen. M.S. Fadhilah and his entourage made a visit to Martabe Gold Mine.

Pada 18 Maret 2019 Panglima Komando Daerah Militer I/Bukit Barisan, Mayjen TNI M.S. Fadhilah beserta rombongan melaksanakan kunjungan ke Tambang Emas Martabe.

**28** March/ Maret

PT Agincourt Resources won a Gold award in the PR Indonesia Award for the annual report category announced in Bandung.

PT Agincourt Resources meraih penghargaan Emas dalam PR Indonesia Award untuk kategori laporan tahunan yang diumumkan di Bandung.





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## 12 & 25 April/April

The commemoration of Kartini Day at Martabe Gold Mine took place on April 25, 2019. Held on the Front of Sopo Nauli, the event consisted of a talk about Gender Diversity at Martabe, entertainment and announcements of winners of competitions. The commemoration of Kartini Day has been held since April 12 with various activities such as Article Writing Contest, Poster and Video Vlog Creation, Martabe Fun Day, Health Test and Lively Discussion.

Puncak peringatan Hari Kartini di Tambang Emas Martabe berlangsung pada 25 April 2019. Diadakan di Halaman Depan Sopo Nauli, acara terdiri dari bincang seru mengenai Keberagaman Gender di Martabe, hiburan serta pengumuman para pemenang lomba. Peringatan hari Kartini telah berlangsung sejak 12 April dengan berbagai kegiatan seperti Lomba Menulis Artikel, Kreasi Poster dan Video Vlog, Martabe Fun Day, Tes Kesehatan serta Diskusi Seru.



## 17 June/Juni

Martabe Gold Mine received a visit from World Bank's gender study team. The visit was part of a series of research activities in several mineral mines in Indonesia, to explore gender diversity practice in the extractive industry, a cooperation of four ministries, namely Energy & Mineral Resources, Finance, Women's Empowerment & Child Protection, and the Environment & Forestry.

Tambang Emas Martabe menerima kunjungan studi gender Bank Dunia. Kunjungan ini merupakan rangkaian kegiatan penelitian yang dilakukan di beberapa tambang mineral di Indonesia, guna mengeksplorasi praktik keberagaman gender dalam industri ekstraktif, kerja sama empat kementerian, yaitu ESDM, Keuangan, Pemberdayaan Perempuan dan Perlindungan Anak serta Lingkungan dan Kehutanan.



## 10 July/Juli

Martabe Gold Mine planted 60 albizia tree seedlings in Ziah Dump to mark World Environment Day.

Tambang Emas Martabe melakukan penanaman 60 bibit pohon sengon di Ziah Dump sebagai bagian dari peringatan Hari Lingkungan Hidup sedunia.



## 29 July/Juli

PT Agincourt Resources distributed Martabe Prestasi scholarships of Rp596,240,000 for the 2019/2020 school year, increased by 24% from Rp 419,750,000 in the previous year. A total of 221 students received scholarships for the 2019/2020 school year, consisting of Academic Achievement Awards recipients (Elementary School and Junior High School) for 149 students, Sustainable Achievement Awards recipients (Senior High School, Diploma and Bachelor's Degree) for 41 students, and ongoing Scholarships of 31 students from the previous academic year. The awarding was held at Sopo Daganak amphitheater building, Batangtoru District.

PT Agincourt Resources menyalurkan beasiswa Martabe Prestasi tahun ajaran 2019/2020 senilai Rp 596.240.000 atau meningkat 24% dari tahun sebelumnya sebesar Rp 419.750.000. Saat ini total 221 siswa penerima beasiswa tahun ajaran 2019/2020, terdiri dari penerima Penghargaan Prestasi Akademis (SD dan SMP) sebanyak 149 siswa, penerima Penghargaan Prestasi Berkelanjutan (SMA, D3 dan S1) sebanyak 41 orang, serta Penerima Beasiswa lanjutan dari tahun ajaran sebelumnya sebanyak 31 siswa. Penyerahan dilakukan di gedung amfiteater Sopo Daganak, Kecamatan Batangtoru.





## 30-31 July/ Juli

PT Agincourt Resources won two awards at the Indonesia CSR Awards 2019 held in Bali. The awards consisted of a Silver award in the Cipta Guna Sehati category through the Free Eye Screening and Cataract Surgery program and a Bronze award in the Didaktika Pratama Unggul category through e-Coaching Jam program.

PT Agincourt Resources meraih dua penghargaan dalam ajang CSR Indonesia Award 2019 yang digelar di Bali. Kedua penghargaan terdiri dari penghargaan Silver untuk kategori Cipta Guna Sehati melalui program Pemeriksaan Mata dan Operasi Katarak Gratis dan penghargaan Bronze untuk kategori Didaktika Pratama Unggul melalui Program E-Coaching Jam.



## 7-8 August/ Agustus

PT Agincourt Resources participated in the International Metallurgy Conference and Expo (MET CONNEX) 2019, held at JCC Senayan-Jakarta.

PT Agincourt Resources berpartisipasi dalam International Metallurgy Conference and Expo (MET CONNEX) 2019 yang berlangsung di JCC Senayan-Jakarta.



## 8 August/ Agustus

PT Agincourt Resources inaugurated an integrated rice field optimization program in Batuhula Village, Batangtoru District, which included irrigation repair using hydram pumps and solar panels, intensification of rice fields and rice milling units. The inauguration of the program was marked by the flow of water from hydram pumps operation and planting simultaneously by South Tapanuli Regent Syahrul M. Pasaribu and PT Agincourt Resources' Operations Director Ed Cooney along with Martabe Gold Mine management.

PT Agincourt Resources meresmikan program optimalisasi kawasan persawahan terpadu di Desa Batuhula, Kecamatan Batangtoru, yang meliputi perbaikan irigasi menggunakan pompa hidram dan panel surya, intensifikasi persawahan dan unit penggilingan padi. Peresmian program ini ditandai dengan pengaliran air hidram dan tanam serempak oleh Bupati Tapanuli Selatan Syahrul M. Pasaribu dan Direktur Operasional PT Agincourt Resources Ed Cooney beserta jajaran manajemen Tambang Emas Martabe.



## 14-15 August/ Agustus

The Employee Service Recognition Award (ESRA) 2019 held for 100 employees of PT Agincourt Resources. This event was specifically intended for employees who have 5, 10, 15 and 20 years of service as of June 30, 2019. There were 73 employees with 5 years of service, 30 employees with 10 years of service, 2 employees with 15 years of service and 1 employee with 20 years of service.

Employee Service Recognition Award (ESRA) 2019 berlangsung untuk 100 orang karyawan PT Agincourt Resources. Acara ini ditujukan secara khusus bagi karyawan yang memiliki masa kerja 5, 10, 15 dan 20 tahun per 30 Juni 2019. Terdapat 73 karyawan dengan masa kerja 5 tahun, 30 karyawan dengan masa kerja 10 tahun, 2 karyawan dengan masa kerja 15 tahun dan 1 karyawan dengan masa kerja 20 tahun.



## 17 August/ Agustus

Commemorating the 74th Indonesian Independence Day, Martabe Gold Mine held the national flag raising ceremony led by the Director of Mineral and Coal Revenue, Jonson Pakpahan as the ceremony inspector.

Memperingati HUT RI ke -74, Tambang Emas Martabe menggelar upacara pengibaran bendera merah putih dipimpin oleh Direktur Penerimaan Mineral dan Batubara, Jonson Pakpahan sebagai inspektur upacara.





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## 20-22 August/ Agustus

PT Agincourt Resources facilitated the visit of 13 senior editors and chief editors of the national mass media to Martabe Gold Mine.

PT Agincourt Resources memfasilitasi kunjungan 13 senior editor dan chief editor media massa nasional ke Tambang Emas Martabe.

## 28 August/ Agustus

Dissemination and announcement of laboratory test results of effluent from processing of PT Agincourt Resources were attended by hundreds of people and representatives of the government of South Tapanuli Regency and North Sumatra Province, as well as a team of experts from University of North Sumatra.

Diseminasi dan pengumuman hasil laboratorium air sisa proses PT Agincourt Resources dihadiri oleh ratusan masyarakat dan perwakilan pemerintah kabupaten Tapanuli Selatan dan Provinsi Sumatera Utara, juga tim ahli dari Universitas Sumatera Utara.



## 6 September/ September

PT Agincourt Resources held an e-Coaching at Gadjah Mada University, Yogyakarta. The program invited Agus Nur Kasnanto from Exploration and Hari Ananto from OHS as the speakers and drew public interest, and was attended by nearly 400 students, exceeding the target audience.

PT Agincourt Resources mengadakan E-Coaching Jam di Universitas Gadjah Mada, Yogyakarta. Acara yang mendatangkan Agus Nur Kasnanto dari Exploration dan Hari Ananto dari OHS sebagai pembicara ini mengundang antusias publik, sehingga dihadiri oleh hampir 400 mahasiswa, melebihi target peserta.



## 6 September/ September

PT Agincourt Resources won 10 awards for 10 community empowerment programs at the Indonesian Sustainable Development Goals Award (ISDA) 2019.

PT Agincourt Resources memborong 10 penghargaan untuk 10 program pemberdayaan masyarakat di ajang Indonesian Sustainable Development Goals Award (ISDA) 2019

## 18-24 September/ September

Commemorating the 74th Mining and Energy Day, Agincourt Resources held a blood donation event and successfully donated 257 blood bags.

Turut memperingati Hari Pertambangan dan Energi ke-74, Agincourt Resources menggelar kegiatan donor darah dan berhasil menyumbangkan 257 kantong darah.



## 27 September/ September

PT Agincourt Resources won 1st place in the Subroto Award 2019 for Compliance with Mineral and Coal Non-Tax State Revenues (PNBP).

PT Agincourt Resources meraih Juara I Subroto Award 2019 Bidang Kepatuhan Penerimaan Negara Bukan Pajak [PNBP] Mineral dan Batubara.





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## 23 October/ Oktober

Professional development handed over transcripts of grades to eight apprentices of Fix Plant Maintenance training.

Professional Development menyerahkan transkip nilai kepada delapan orang apprentice magang Fix Plant Maintenance.

## 31 October/ Oktober

PT Agincourt Resources held an event in Commemoration of the Global Handwashing Day. The event is an annual agenda which this year was held in Telo Village and involved District Leaders Assembly (Muspika) of Batangtoru.

PT Agincourt Resources menggelar Peringatan Hari Cuci Tangan Pakai Sabun Sedunia. Kegiatan ini merupakan agenda tahunan dimana pada tahun ini diadakan di Desa Telo dan melibatkan Muspika Kecamatan Batangtoru.



## 22 October/ Oktober

## & 11 November/ November

PT Agincourt Resources reaffirmed its commitment in improving the competencies of local employees from 15 villages around the mine, by awarding certificates of competence development to local employees at the gold processing plant, during the Process Operations Operators Certification Ceremony 2019 on October 22 and November 11 at Martabe Gold Mine.

PT Agincourt Resources kembali menunjukkan komitmennya dalam meningkatkan kompetisi karyawan lokal dari 15 desa lingkar tambang, melalui pemberian sertifikat peningkatan keahlian kepada para karyawan lokal di pabrik pengolahan emas, dalam acara Process Operations Operators Certification Ceremony 2019 pada 22 Oktober dan 11 November di Tambang Emas Martabe.

## 4 November/ November

PT Agincourt Resources officially held the Martabe Gold Mine Journalism Awards which was the highlight of the Journalistic Writing Competition across Indonesia. The Martabe Gold Mine Journalism Awards 2019 was presented for two categories, feature news journalism and photo journalism.

PT Agincourt Resources resmi menggelar Penghargaan Jurnalistik 2019 Tambang Emas Martabe yang merupakan puncak rangkaian kegiatan Kompetisi Jurnalistik Karya Tulis 2019 seluruh Indonesia. Penghargaan jurnalistik 2019 Tambang Emas Martabe terbagi ke dalam dua kategori yakni karya jurnalistik feature news dan jurnalistik foto.





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## 16 November/ November

PT Agincourt Resources handed over the construction of Batangtoru District office complex to South Tapanuli Regency government, which was received directly by the Regent and Regional Secretary of South Tapanuli Regency.

PT Agincourt Resources melakukan serah terima pembangunan kompleks perkantoran Kecamatan Batangtoru kepada pemerintah Kabupaten Tapanuli Selatan. Diterima langsung oleh Bupati dan Sekretaris Daerah Tapanuli Selatan.



## 19-23 November/ November

During the celebration of the 69th Anniversary of South Tapanuli, Agincourt Resources participated in the South Tapanuli Development Exhibition in Sayur Matinggi, South Tapanuli. Martabe Gold Mine opened a booth for information and SME products at the exhibition, which was opened by South Tapanuli Regent Syahrul M. Pasaribu.

Dalam rangka HUT Tapsel ke -69, Agincourt Resources berpartisipasi dalam Pameran Pembangunan Tapanuli Selatan di Sayur Matinggi, Tapanuli Selatan. Tambang Emas Martabe membuka stan informasi dan produk UKM dalam pameran yang dibuka oleh Bupati Tapanuli Selatan Syahrul M. Pasaribu.



## 20 November/ November

PT Agincourt Resources was awarded as the Best Payer of Non-Tax State Revenue (PNBP) in the Indonesian Mining Award 2019 at the Ritz-Carlton Hotel Ballroom, Pacific Place Jakarta.

PT Agincourt Resources memperoleh penghargaan sebagai Perusahaan Pembayar Penerimaan Negara Bukan Pajak (PNBP) Terbaik dalam Indonesian Mining Award 2019 di Ballroom Hotel Ritz-Carlton, Pacific Place Jakarta.

## 23 November/ November

PT Agincourt Resources won a Platinum award at the Asia Sustainability Reporting Rating (ASRRAT) 2019 in Nusa Dua, Bali.

PT Agincourt Resources mendapatkan penghargaan Platinum pada ajang Asia Sustainability Reporting Rating (ASRRAT) 2019 di Nusa Dua, Bali.

## 27-29 November/ November

Corporate Communications together with the media winners of the Journalism Awards 2019 conducted a comparative study to the Megawati Soekarnoputri Botanical Garden (ex-Newmont Minahasa Raya mine), to witness the practice of responsible mine closure with orientation to the environment and community independence.

Corporate Communications bersama media pemenang Penghargaan Jurnalistik 2019 studi banding ke Kebun Raya Megawati Soekarnoputri (eks tambang Newmont Minahasa Raya), untuk menyaksikan praktik penutupan tambang yang bertanggung jawab dan berpihak kepada lingkungan dan kemandirian masyarakat.





Operations area of Martabe Gold Mine.  
Wilayah operasional Tambang Emas Martabe.



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# Report from the President Commissioner

## ► Laporan Presiden Komisaris

**In 2019, the Company maintained the successes of preceding years yielding another round of outstanding operational and financial results.**

Pada tahun 2019, Perusahaan berhasil mempertahankan kesuksesan tahun-tahun sebelumnya dan menunjukkan hasil operasional serta keuangan yang membanggakan.



### ► FRANCISCUS KESUMA

President Commissioner  
Presiden Komisaris



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## ZERO LOST TIME INJURIES (LTI)

Tidak ada Kehilangan Waktu Kerja  
(LTI)

**Dear Honorable Shareholders,**

As President Commissioner of PT. Agincourt Resources, I am pleased to report on the Company's 2019 activities.

Overseeing the actions of the Board of Directors in the running of the business in accordance with the interests of its shareholders, are the duties of the Board of Commissioners. In this regard, the Board of Commissioners can report without qualification that PTAR remained well managed throughout 2019 and in supported ongoing improvements in operational and financial performance. The Annual report provides a detailed account of the results achieved in this regard, which I will briefly summarize as follows.

In 2019, the Company maintained the successes of preceding years yielding another round of outstanding operational and financial results. Exploration results were also strong, with programs testing potential sulphide targets at depth. The continued development of the Martabe Gold Mine was made possible by the Company obtaining all required mining approvals.

While achieving outstanding operational and financial results, the Company continued its commitment to the principles of sustainable development, and continued to deliver excellent results in areas from occupational health and safety and the protection of the environment, to community development and the engagement of stakeholders. Two key examples illustrate this. First, the safety performance at the Martabe Gold Mine remained world-class, with zero lost-time injuries for PTAR employees during the year. Second, discharge from the site to the Batangtoru River remained fully-compliant with permit conditions. The Company remained focused on achieving ongoing improvements in its environmental and social performance and meeting stakeholder's expectations.

**Para Pemegang Saham yang Terhormat,**

Sebagai Presiden Komisaris PT Agincourt Resources, dengan senang hati saya melaporkan kegiatan Perusahaan sepanjang tahun 2019.

Tugas Dewan Komisaris mencakup pengawasan kegiatan Direksi dalam menjalankan bisnis sesuai dengan kepentingan para pemegang saham. Dewan Komisaris dapat melaporkan tanpa pengecualian bahwa PTAR tetap dikelola dengan baik sepanjang tahun 2019 dalam rangka mendukung peningkatan kinerja operasional dan keuangan secara berkelanjutan. Pada Laporan Tahunan ini tersedia informasi rinci terkait hasil yang dicapai Perusahaan, yang dapat saya rangkum di bawah ini.

Pada tahun 2019, Perusahaan berhasil mempertahankan capaian hasil operasional dan finansial yang luar biasa sebagaimana tahun-tahun sebelumnya. Hasil eksplorasi juga tetap solid, dengan program pengujian target sulfide potensial di kedalaman. Perusahaan mampu mengembangkan Tambang Emas Martabe secara terus menerus sebab telah memiliki seluruh persetujuan yang diperlukan untuk menambang.

Sejalan dengan pencapaian hasil operasional dan keuangan yang luar biasa, Perusahaan dapat terus mempertahankan komitmennya dalam menerapkan prinsip-prinsip pembangunan keberlanjutan, serta terus menunjukkan kinerja yang sangat baik di bidang kesehatan dan keselamatan kerja, perlindungan lingkungan, pengembangan masyarakat, dan keterlibatan pemangku kepentingan. Sebagai contoh pencapaian tersebut, PTAR berhasil mencapai keselamatan kerja di Tambang Emas Martabe yakni tidak adanya atau nihil kehilangan waktu kerja karyawan sepanjang tahun 2019. Contoh lainnya, Perusahaan tetap mematuhi ketentuan perizinan pembuangan air dari site ke Sungai Batang Toru. Perusahaan tetap fokus pada pencapaian perbaikan yang berkelanjutan, di bidang lingkungan hidup dan sosial, seiring dengan upaya Perusahaan memenuhi harapan para pemangku kepentingan.



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The Board is confident that the strategy for growing the Company continues to be successful, taking into account the operational efficiencies being achieved at the Martabe Gold Mine, the continuing strong exploration results and ongoing success in gaining approvals to mine new deposits. We can be expected to achieve further extensions to mine life, with benefits for all our stakeholders.

In conclusion, I would like to express the sincere appreciation of the Board of Commissioners to all those who contributed to the Company's success in 2019, from the Board of Directors, Company employees, business partners and all stakeholders within our local communities who we would particularly like to thank for their continued support for operations at the Martabe Gold Mine and the trust extended to our Company.

Dewan Komisaris yakin bahwa strategi untuk menumbuhkan Perusahaan akan terus berhasil. Strategi yang selama ini telah berjalan mampu membawa hasil efisiensi operasional pada Tambang Emas Martabe, mempertahankan hasil eksplorasi yang solid, dan Perusahaan dapat terus-menerus dalam memperoleh persetujuan untuk menambang deposit baru. Keberhasilan-keberhasilan tersebut diharapkan dapat mendukung perpanjangan umur tambang yang mampu memberi manfaat bagi setiap pemangku kepentingan.

Akhirnya, saya mewakili Dewan Komisaris menyampaikan penghargaan dan terima kasih yang tulus kepada semua pihak yang turut berkontribusi pada kesuksesan Perusahaan di tahun 2019, termasuk Direksi, karyawan Perusahaan, mitra bisnis, dan semua pemangku kepentingan yang ada pada masyarakat setempat yang telah senantiasa memberi dukungan terhadap pelaksanaan operasi di Tambang Emas Martabe dan atas kepercayaannya terhadap Perusahaan.

Jakarta, February 2020  
Jakarta, Februari 2020

**FRANCISCUS KESUMA**  
President Commissioner  
Presiden Komisaris



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# Board of Commissioner's Profiles

## ► Profil Dewan Komisaris



**Fransciscus Xaverius  
Laksana Kesuma**

President Commissioner  
Presiden Komisaris

**Anwar Nasution**  
Commissioner  
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**Iwan Hadiantoro**  
Commissioner  
Komisaris



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**Ari Sutrisno**  
Commissioner  
Komisaris



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**Edhie Sarwono**  
Commissioner  
Komisaris



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**Bambang Susigit**  
Commissioner  
Komisaris



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## ➤ Fransciscus Xaverius Laksana Kesuma

**President Commissioner**  
Presiden Komisaris



Franciscus Kesuma has been President Commissioner of PT Agincourt Resources since December 2018. He completed his Undergraduate Program from Parahyangan Catholic University, Bandung in 1988 where he majored in Civil Engineering and graduated from Bandung Institute of Technology's Post-Graduate Program majoring in Highway Engineering and Systems in 1991. Franciscus became part of Astra by joining the Engineering Division of PT Pamapersada Nusantara (PAMA) in 1992. Within the Engineering Division, he was appointed as Project Manager for ISO 9001 between 1998 and 1999 and as Chief Engineering & Manager Representative for ISO 9001 from 1999 to 2000.

Subsequently Franciscus was appointed Operations Manager at PAMA between 2000 and 2003 and Operation Division Head at PAMA from 2005 to 2012. He has taken the position of the Operations Director of PAMA since 2007 and as been the President Director of PAMA since 2013, a role he still holds. Concurrently he holds the positions of President Commissioner, Vice President Commissioner, and Commissioner for a number of PAMA subsidiaries. He has also been President Director of United Tractors since April 2019 and serves as President Director of Aspindo (The Indonesian Mining Services Association).

Franciscus Kesuma menjabat sebagai Presiden Komisaris PT Agincourt Resources sejak Desember 2018. Beliau memperoleh gelar Sarjana Teknik Sipil dari Universitas Katolik Parahyangan di Bandung pada tahun 1988. Selanjutnya, beliau memperoleh gelar Master di bidang Teknik dan Sistem Jalan Raya pada tahun 1991 dari Institut Teknologi Bandung. Franciscus memulai kariernya dengan bergabung pada Astra pada Divisi Engineering PT Pamapersada Nusantara (PAMA) pada tahun 1992. Pada pekerjaannya tersebut, beliau ditunjuk sebagai Project Manager ISO 9001 dari tahun 1998-1999 dan selanjutnya menjabat sebagai Chief Engineering & Manager Rep ISO 9001 dari tahun 1999 hingga 2000.

Karier Franciscus di PAMA berlanjut sebagai Operations Manager di tahun 2000-2003 dan selanjutnya menjadi Operation Division Head di PAMA sejak tahun 2005 hingga 2012. Beliau memiliki pengalaman menjadi Direktur Operasional PAMA sejak tahun 2007 sebelum diangkat menjadi Presiden Direktur PAMA pada tahun 2013 hingga saat ini. Pada waktu yang sama, beliau juga menjabat sebagai Presiden Komisaris, Wakil Presiden Komisaris, dan Komisaris pada sejumlah anak perusahaan PAMA. Beliau juga menjabat sebagai ketua Asosiasi Jasa Pertambangan Indonesia (Aspindo).



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## ► Anwar Nasution

Commissioner  
Komisaris



Prof. Dr. Anwar Nasution Anwar has been Commissioner of PT Agincourt Resources since October 2011. He is a Professor of Economics at the University of Indonesia, where he specializes in applied macroeconomic theory, monetary economics, and international economics. Between 1968 and 1975, Anwar worked at the Ministry of Finance, and from 1985 to 1994 served as economic advisor to the Minister for Cooperatives of Indonesia. Between 1982 and 1983, he was an economic consultant for Bank Indonesia, the central bank of Indonesia, and in July 1999 was appointed Senior Deputy Governor of the central bank, a position that he held until 2004. In October 2004, he was appointed chairman of the Audit Board of the Republic of Indonesia.

He has acted as a consultant to UNESCAP, UNECLAC, USAID, ADB, the World Bank, IMF, and MITI of Japan. Prof. Dr. Anwar is a member of the International Advisory Group of Finance Forum of the Pacific Economic Cooperation Council (PECC), the Asian Economic Panel, and the Center for Pacific Basin Monetary and Economic Studies of San Francisco. He is an international associate member of the Ministry of Finance of Japan, the American Economic Association, and American Committee on Asian Economic Studies (ACAES), Vice Chairman of the Indonesian Economists Association and Country Director of East Asia Economic Association.

Anwar Nasution menjabat sebagai Komisaris PT Agincourt Resources sejak Oktober 2011. Beliau merupakan professor bidang ekonomi di Universitas Indonesia, khususnya ahli dalam teori makroekonomi terapan, ekonomi moneter, dan ekonomi internasional. Karier beliau bermula di Departemen Keuangan pada tahun 1968-1975 dan berlanjut sebagai penasihat ekonomi Menteri Koperasi pada tahun 1985-1994. Sebelumnya, beliau juga memiliki pengalaman sebagai konsultan ekonomi untuk Bank Indonesia tahun 1982-1983, hingga akhirnya beliau menjabat sebagai Wakil Gubernur Senior Bank Indonesia tahun 1999-2004. Selanjutnya, beliau diangkat sebagai Ketua Badan Pemeriksa Keuangan pada bulan Oktober 2004.

Beliau juga berkiprah di berbagai organisasi internasional sebagai konsultan antara lain untuk UNESCAP, UNECLAC, USAID, ADB, World Bank, dan IMF, selain itu beliau juga menjadi konsultan bagi Kementerian Industri dan Perdagangan Internasional Jepang. Beliau merupakan anggota aktif pada International Advisory Group of Finance Forum of the Pacific Economic Cooperation Council (PECC), Asian Economic Panel, dan Center for Pacific Basin Monetary and Economic Studies of San Francisco. Anwar juga merupakan *associate member* Kementerian Keuangan Jepang, American Economic Association, dan American Committee on Asian Economic Studies (ACAES). Selain itu, beliau juga menjabat Wakil Ketua Indonesian Economists Association dan Country Director untuk East Asia Economic Association.



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## ► Iwan Hadiantoro

Commissioner  
Komisaris



Iwan Hadiantoro has been Commissioner of PT Agincourt Resources since December 2018. He holds a Bachelor's Degree in Economics, specializing in Financial Management, from the University of Indonesia. He started his career as Chief Accountant at PT Shell Indonesia between 1990 and 1998; subsequently being appointed as Finance Director of PT Astra Sedaya Finance from 2006 to 2008. Subsequently he became Director and Chief Financial Officer of PT GE Finance Indonesia between 2008 and 2010. His career at PT Astra International Tbk began in 2010 as Group Chief of Treasury & Investor Relations, a role he occupied until 2015. He was then appointed Finance Director of PT United Tractors Tbk until the present and served as commissioner in some of its subsidiaries and PT Pamapersada Nusantara.

Iwan Hadiantoro menjabat sebagai Komisaris PT Agincourt Resources sejak Desember 2018. Sebelumnya, beliau memperoleh gelar Sarjana Ekonomi (Manajemen Keuangan) dari Universitas Indonesia. Karier Iwan bermula sebagai Chief Accountant pada PT Shell Indonesia pada tahun 1990 hingga 1998. Beliau menjabat sebagai Direktur Keuangan PT Astra Sedaya Finance dari tahun 2006 hingga 2008 dan lanjut menjabat sebagai Direktur dan Chief Financial Officer pada PT GE Finance Indonesia dari tahun 2008 hingga 2010. Karier beliau pada PT Astra Internasional Tbk dimulai sebagai Group Chief of Treasury & Investor Relation dari tahun 2010 hingga 2015. Saat ini, beliau juga menjabat sebagai Direktur Keuangan PT United Tractors Tbk sekaligus Komisaris di beberapa anak perusahaannya serta di PT Pamapersada Nusantara.



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## ► Ari Sutrisno

**Commissioner**  
**Komisaris**



Ari Sutrisno has been Commissioner of PT Agincourt Resources since December 2018. He graduated from Bandung Institute of Technology majoring in Chemistry in 1995. He has pursued his career at Astra International Tbk since 1995, starting as a management trainee and progressing to managerial positions. Subsequently he became Corporate Planning & Management Head in 2007 a role he occupied until 2017. He was Safety Health & Environment Division Head of PT Pamapersada Nusantara (PAMA) between 2010 and 2013. He was appointed Operations & Marketing Director at PT Prima Multi Mineral between 2013 and 2014, President Director at PT Kadya Caraka Mulia from 2014 to 2017, Vice President Director of PT Prima Multi Mineral, Marketing & HCGS Director at PT Tuah Turangga Agung, and President Director at PT Duta Nurcahyo & PT Duta Sejahtera between 2015 and 2017. From 2017 to the present day, Ari has been HCGS & SHE Director of PT Pamapersada Nusantara. He has also served as a Vice Chairman of Aspindo (The Indonesian Mining Services Association). Starting 2019, Ari serves as a Commissioner at PT Tuah Turangga Agung, PT Suprabari Mapanindo Mineral, and PT Kalimantan Prima Persada.

Ari Sutrisno menjabat sebagai Komisaris PT Agincourt Resources sejak Desember 2018. Beliau memiliki gelar Sarjana di bidang Kimia dari Institut Teknologi Bandung pada tahun 1995. Beliau memulai kariernya di PT Astra Internasional Tbk pada tahun 1995 sebagai Management Trainee hingga menempati posisi manajerial. Pada tahun 2007 hingga tahun 2017, beliau menjabat sebagai Corporate Planning & Management Head. Beliau juga menjabat sebagai Safety Health & Environment Division Head pada PAMA dari tahun 2010 hingga 2013. Karier beliau berlanjut dengan menjabat sebagai Direktur Operasional & Pemasaran pada PT Prima Multi Mineral tahun 2013-2014, Presiden Direktur PT Kadya Caraka tahun 2014-2017, Wakil Presiden Direktur PT Prima Multi Mineral, Marketing & HCGS Director PT Tuah Turangga Agung, Presiden Direktur PT Duta Nurcahyo, dan Presiden Direktur PAMA pada tahun 2015-2017. Sejak tahun 2017 hingga saat ini, Ari juga menjabat sebagai HCGS & SHE Director di PAMA, sekaligus menjabat sebagai Wakil Ketua Aspindo. Selain itu, pada tahun 2019 beliau juga menjabat sebagai Komisaris di PT Tuah Turangga Agung, PT Suprabari Mapanindo Mineral, dan PT Kalimantan Prima Persada.



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## ► Edhie Sarwono

Commissioner  
Komisaris



Edhie Sarwono has been Commissioner of PT Agincourt Resources since December 2018. He graduated with a bachelor's degree in Mechanical Engineering from the University of Brawijaya, Malang in 1990. Edhie joined Astra in 1991 and became an engineer in the Technology Development Division and Astra Consulting Services. He then became Appointed Team Leader in Efficiency Division between 1993 and 1998. Subsequently he became the Head of Environment, Health & Safety Division between 1998 and 2004, Head of Environment, and Health & Safety and Social Responsibility Division from 2004 to 2007. Edhie has been Director of Human Capital, Environment, Social Responsibility, General Affairs, and Corporate Communication of United Tractors since May 2007. Currently Edhie is serving as the President Commissioner of PT Bina Pertiwi as well as the Commissioner for PT Traktor Nusantara and PT United Tractors Semen Gresik.

Edhie Sarwono menjabat sebagai PT Agincourt Resources sejak Desember 2018. Beliau meraih gelar sarjana di bidang Teknik Mesin dari Universitas Brawijaya pada tahun 1990. Edhie memulai kariernya di Astra pada tahun 1991 sebagai *engineer* di Technology Development Division dan Astra Consulting Services hingga tahun 1993. Selanjutnya, beliau menjadi Team Leader in Efficiency Division dari tahun 1993 hingga 1998. Karier beliau berlanjut sebagai Head of Environment, Health & Safety Division tahun 1998-2004, dan Head of Environment, Health & Safety, and Social Responsibility Division tahun 2004-2007. Edhie memiliki pengalaman sebagai Director of Human Capital, Environment, Social Responsibility, General Affairs, and Corporate Communication di PT United Tractors sejak tahun 2007. Saat ini, beliau juga menjabat sebagai Presiden Komisaris PT Bina Pertiwi serta Komisaris di PT Traktor Nusantara dan PT United Tractors Semen Gresik.



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## ► Bambang Susigit

Commissioner  
Komisaris



Bambang Susigit was appointed Commissioner of PT Agincourt Resources in February 2019. He completed his undergraduate degree at Sriwijaya University, Palembang, majoring in Mining Engineering and obtained a postgraduate degree in Geological Engineering from Padjajaran University. Bambang joined the Ministry of Energy and Mineral Resources (MEMR) as a Mining Inspection Officer in 1992. During his career at MEMR, he also served as Director of Engineering and Environment in the Directorate General of Mineral and Coal between 2014 and 2015. Bambang served as Head of the Center for Geological Education and Training in MEMR's Education and Training Agency during 2015 and 2016, and subsequently held the position of Head of the Mineral and Coal Education and Training Center at the MEMR Education and Training Agency. In 2016, he served as Head of the Center for Geological, Mineral and Coal Human Resource Development in the Human Resources Development Agency of MEMR until 2017. At the end of his career in MEMR, he served as Director of Mineral Business Development in the Directorate General of Mineral and Coal between 2017 and 2018.

Bambang Susigit menjabat sebagai Komisaris PT Agincourt Resources mulai Februari 2019. Beliau mengemban pendidikan sarjana pada bidang Teknik Pertambangan pada Universitas Sriwijaya dan melanjutkan pendidikan magister Teknik Geologi pada Universitas Padjajaran. Kariernya bermula pada tahun 1992 sebagai Pelaksana Inspeksi Pertambangan pada Kementerian Energi dan Sumber Daya Mineral (ESDM), kemudian berlanjut sebagai Direktur Teknik dan Lingkungan di Direktorat Jenderal Mineral dan Batubara tahun 2014-2015. Bambang menjabat sebagai Kepala Pusat Pendidikan dan Pelatihan Geologi di Badan Pendidikan dan Pelatihan ESDM pada tahun 2015-2016 dan berlanjut menjabat sebagai Kepala Pusat Pendidikan dan Pelatihan Mineral dan Batubara. Pada tahun 2016 hingga 2017, beliau menjabat sebagai Kepala Pusat Pengembangan Sumber Daya Manusia Geologi, Mineral, dan Batubara di Badan Pengembangan Sumber Daya Manusia ESDM. Pengabdian beliau di Kementerian ESDM berakhir pada tahun 2018 sebagai Direktur Pengusahaan Mineral di Direktorat Jenderal Mineral dan Batubara.



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# Report from the President Director

## ► Laporan Presiden Direktur

**Although Martabe has been very successful to date, it is in fact a very complex operation to manage to such a high standard. This highlights the need for strong teamwork across so many different technical and production disciplines, which are ably supported by the non-production departments. Martabe is at its best when teamwork is strongest. In my view the teamwork is the glue that holds everything together and enables our success.**

“Meski Tambang Martabe menunjukkan kesuksesan hingga saat ini, namun Martabe membutuhkan pengelolaan operasional kompleks dengan standar yang tinggi. Kondisi ini membutuhkan kerja sama dari berbagai disiplin teknis dan produksi sekaligus dukungan dari departemen non-produksi dalam Perusahaan. Capaian kinerja di Martabe akan menunjukkan hasil terbaik ketika kerja tim juga kokoh. Bagi saya, kerja sama tim adalah perekat berbagai aspek yang mampu mewujudkan kesuksesan Perusahaan.”



## ► MULIADY SUTIO

President Director  
Presiden Direktur



GOOD CORPORATE GOVERNANCE  
Tata Kelola Perusahaan



CORPORATE SOCIAL RESPONSIBILITY  
Tanggung Jawab Sosial Perusahaan



ENVIRONMENT  
Lingkungan



CORPORATE IDENTITY  
Identitas Perusahaan



**▲ 29%**

**INCREASE OF NPAT**  
Peningkatan Laba Tahun Berjalan

### Dear Honorable Shareholders,

On behalf of the PTAR Board of Directors, I am pleased to report on the activities of the Company in 2019.

What follows is a brief summary of the operational and financial performance of the Company during 2019, corporate governance considerations, as well as the strategy to maintain success in the future. The following sections of this report provide more detailed information. Additionally, the Company's performance in implementing the principles of sustainable development will be presented in greater detail in the Company's 2020 Sustainability Report.

### Operational and Financial Highlights

The results for 2019 have set a new benchmark for key operational and financial measures improving on 2018, a year that was recognised as the most successful for the Martabe Gold Mine since it started operations. This remarkable achievement is largely reflecting the success of initiatives implemented under the Company's Martabe Improvement Program (MIP). These results are summarized as follows.

Mining at the three Pits, Purnama, Barani and Ramba Joring pits, recorded a record plant throughput of 6.04 million tonnes of ore, an 8% increase over the 2018 year throughput of 5.57 million tonnes and improved gold recovery of 85.4% (2018: 84.4%). Gold production was 4.71% lower compared to 2018, or 391,031 ounces of gold compared to 410,387 ounces of gold production in 2018. The result was a lower grade of gold 2.35 grams/ton compared to 2.73g/t the previous year. The combination of an increased average gold price during 2019 of US\$1,397 per ounce (2018: US\$1,266) and increased mill throughput offset by lower grade contributed to a Gross Profit of US\$330 million and a Net Profit after Tax of US\$215.8 million.

### Para Pemegang Saham yang Terhormat,

Saya, mewakili Direksi PT Agincourt Resources, dengan senang hati melaporkan kegiatan yang telah dilaksanakan Perusahaan di tahun 2019 pada Laporan Tahunan ini.

Berikut saya sampaikan informasi terkait ringkasan kinerja operasional dan keuangan Perusahaan sepanjang tahun 2019, laporan pelaksanaan tata kelola perusahaan, serta strategi usaha Perusahaan di masa mendatang. Penjelasan yang lebih komprehensif terdapat pada bagian lain dalam Laporan Tahunan ini. Selain itu, kinerja keberlanjutan dan penerapan prinsip-prinsip pembangunan berkelanjutan oleh Perusahaan disampaikan secara komprehensif dalam Laporan Keberlanjutan tahun 2019.

### Fokus Operasional dan Keuangan

Capaian yang diperoleh PTAR pada tahun 2019 telah mengukir tolok ukur baru dalam kesuksesan Tambang Emas Martabe, lebih baik dibandingkan tahun 2018 sebagai tahun terbaik bagi PTAR sejak mulai beroperasi. Kesuksesan yang dicapai PTAR ini merupakan hasil dari penerapan inisiatif-inisiatif dalam Martabe Improvement Program (MIP). Ringkasan capaian operasional dan keuangan PTAR tahun 2019 dijelaskan sebagai berikut.

Penambangan di pit Purnama, Barani, dan Ramba Joring berhasil mencapai rekor *throughput* sebesar 6,04 juta ton bijih, atau meningkat 8% dibandingkan capaian *throughput* tahun 2018 sebesar 5,57 juta ton. Hasil perolehan emas di tahun 2019 juga meningkat menjadi 85,4% dibandingkan tahun 2018 yang hanya mencapai 84,4%. Meski demikian, Perusahaan mencatat penurunan sebesar 4,71% pada produksi emas dibandingkan tahun 2018 sebesar 410.387 ounce emas menjadi 391.031 ounce emas. Penurunan produksi emas berdampak pada kadar emas yang lebih rendah, yakni 2,35 gram/ton dari 2,73 gram/ton pada tahun sebelumnya. Di sisi lain, rata-rata harga jual emas di tahun 2019 mengalami peningkatan menjadi US\$1,397 per ounce dibanding US\$1,266 per ounce pada tahun 2018 dan peningkatan *mill throughput* yang diimbangi dengan kadar yang lebih rendah Kombinasi dari peningkatan harga jual emas mampu menyumbangkan Laba Kotor sebesar US\$330 juta dan Laba Setelah Pajak sebesar US\$215,8 juta.



## Exploration

Involving a fleet of up to 15 drill rigs, the Company's aggressive exploration program was maintained 2019, continuing to yield positive results.

Ore Reserves tonnes increase by 8% in 2019 to 95 million tonnes, net of depletion during the year, while contained gold remained unchanged from previous year at 4.5 million ounces. Mineral Resources increased by 1% to 206 million tonnes net of depletion, with contained gold decreasing by 3% to 7.8 million ounces.

To increase Mineral Resources, the exploration strategy has focused on longer term programs. Targeting studies have identified a number of opportunities which will continue to be the focus in the year ahead. A number of deeper targets have been tested below existing deposits during 2019.

## Eksplorasi

PTAR berhasil memperoleh capaian positif berkat upayanya mempertahankan kinerja eksplorasi secara agresif dengan melibatkan kegiatan sampai dengan lima belas rig pengeboran.

PTAR mencatat cadangan bijih meningkat sebesar 8% di tahun 2019 menjadi 95 juta ton, setelah deplesi selama tahun tersebut, dengan emas terkandung sama seperti tahun lalu, yakni 4,5 juta ounce. Di sisi lain, cadangan mineral menurun sebesar 1% menjadi 206 juta ton setelah deplesi, dengan emas terkandung menurun 3% menjadi 7,8 juta ounce.

Perusahaan menerapkan strategi eksplorasi jangka panjang sebagai upaya untuk meningkatkan jumlah cadangan mineral. Berdasarkan hasil studi yang telah dijalankan, Perusahaan menemukan berbagai peluang yang mampu meningkatkan produksi dan target jumlah cadangan mineral. Pada tahun 2019, PTAR juga telah menguji target lebih dalam di bawah deposit yang sudah ada sebelumnya.

## Strategic Growth

Securing all the required approvals to mine the Tor Uluala deposit and the ongoing development of sulphide processing projects was the focus of strategic growth in 2019. The Company's continued success in gaining approval to mine new deposits has been made possible by high-quality feasibility and environmental impact assessments studies.

## Pertumbuhan Strategis

Fokus PTAR untuk mempertahankan pertumbuhan strategis dalam bisnis Perusahaan pada tahun 2019 adalah dengan memperoleh seluruh persetujuan yang diperlukan untuk menambang deposit Tor Uluala serta terus mengembangkan proyek pengolahan sulfida. PTAR berhasil memperoleh persetujuan untuk menambang deposit baru sebab kinerja Perusahaan yang mampu memenuhi syarat penilaian dampak lingkungan hidup dan studi kelayakan berkualitas tinggi.

## Human Resources

The Company continued to enjoy the support of a high quality and committed workforce in 2019 and it continues to strive to be an employer of choice. Provision of a broad range of training courses targeting safety, environmental management, personal development, equipment operation and role-specific competencies reinforced our commitment to employee development.

## Sumber Daya Manusia

Pada tahun 2019, PTAR berhasil mempertahankan tenaga kerja yang berkualitas tinggi dan berkomitmen. Perusahaan juga terus berupaya untuk menjadi organisasi pilihan bagi pekerja. Komitmen PTAR untuk senantiasa mengembangkan kompetensi karyawan dilakukan melalui berbagai pelatihan terkait keselamatan, lingkungan hidup, pengembangan pribadi, operasi peralatan, dan kompetensi khusus terkait dengan pelaksanaan tugas.

At the end of the year 74% of the total site workforce were local hires, illustrating the Company's commitment to providing employment opportunities for local communities. There were no industrial disputes during the year, highlighting the conducive relationship between the Company and the employee union.

Perusahaan menyediakan lingkungan kerja yang aman dan ramah bagi setiap karyawan, antara lain dengan menjaga hubungan baik dengan serikat pekerja dan menyediakan kesempatan kerja bagi masyarakat lokal. Di akhir tahun 2019, PTAR tidak memiliki masalah hubungan industrial dan mampu mengelola 74% tenaga kerja lokal dari total keseluruhan tenaga kerja yang ada.



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## Gender Diversity

PTAR has actively engaged in its Gender Diversity Program over a number of years, recognising our talented and diverse workforce as a key to our competitive advantage. We value diversity at all levels across our business (both employees and contractors).

Focused on increasing participation rates for women, the program has achieved the following results. As at the end of 2019, a total of 214 women (25% of employees) were employed, with 28% of our management team (superintendent and manager level) being female.

To further enable and support our workforce Gender Diversity Program has established a working culture and environment, promoting dignity and respect, and a discrimination-free workplace, without intimidation, bullying or harassment.

A stronger Company performing more successfully as a result of our diversity is the true measure of our success; not simply the participation rate statistics.

## Safety

An excellent safety performance at the Martabe Gold Mine in 2019, on par with the best results seen across the mining industry, illustrated the Company's continued committed to the elimination of workplace accidents in 2019. This was made possible by the active contribution to this goal by all employees and site contractors. There were zero Lost Time Injuries (LTI), yielding a Lost Time Injury Frequency Rate (LTIFR) of zero also.

## Environment

Our good track record in managing our impact on the environment was maintained in 2019. This is critical to the long-term viability of the Martabe Gold Mine. In this regard, there were no significant environmental incidents reported in the year.

We remained in full compliance with permit conditions relating to discharge of treated water to the Batangtoru River. An independent monitoring team comprising stakeholder representatives continued to assess our performance. As part of a long-running River Health program, the University of North Sumatra continued to monitor the condition of local waterways.

## Keberagaman Gender

PTAR telah menjalankan Program Keberagaman Gender secara aktif selama beberapa tahun. Perusahaan mengakui tenaga kerjanya berdasarkan kemampuan dan keberagaman latar belakang kompetensinya sebagai keuntungan kompetitif utama pada seluruh tingkatan bisnis (karyawan dan kontraktor).

Program Keberagaman Gender ditujukan untuk meningkatkan partisipasi tenaga kerja perempuan dalam Perusahaan. Hingga akhir tahun 2019, PTAR memiliki 214 orang tenaga kerja perempuan atau mewakili 25% dari keseluruhan tenaga kerja PTAR, dengan 28% dari karyawan di level superintendent dan manajerial adalah karyawan perempuan.

PTAR memastikan dukungan Perusahaan kepada karyawan, Program Keberagaman Gender mencakup kegiatan pembentukan budaya kerja dan menciptakan lingkungan yang saling menghargai dan bebas dari diskriminasi, intimidasi, ancaman, maupun pelecehan.

Keberhasilan Program Keberagaman Gender tidak hanya diukur berdasarkan statistik tingkat partisipasi tenaga kerja perempuan, namun juga mengutamakan terwujudnya organisasi yang kuat dengan kinerja lebih baik sebagai hasil dari keberagaman kami.

## Keselamatan

PTAR berhasil menunjukkan kinerja keselamatan kerja yang membanggakan pada Tambang Emas Martabe sepanjang tahun 2019, capaian ini merupakan hasil terbaik di perusahaan industri pertambangan. Seiring dengan dukungan dan kontribusi dari para karyawan dan kontraktor, Perusahaan berhasil mempertahankan prestasinya dalam mengurangi jumlah kecelakaan kerja. Pada tahun 2019, PTAR mencatat tidak adanya Kehilangan Waktu Kerja (LTI), sehingga menghasilkan Kekerapan Kehilangan Waktu Kerja (LTIFR) nihil.

## Lingkungan Hidup

Pada tahun 2019, PTAR berhasil mempertahankan kinerja lingkungan hidupnya yang penting bagi keberlangsungan Tambang Emas Martabe dalam jangka panjang. Kinerja lingkungan hidup Perusahaan yang baik juga ditunjukkan dari tidak adanya laporan insiden lingkungan hidup yang signifikan sepanjang tahun ini.

Sebagai perusahaan tambang, Perusahaan tetap mematuhi ketentuan izin untuk pembuangan air olahan ke Sungai Batang Toru. Kinerja lingkungan hidup Perusahaan terkait hal ini senantiasa dinilai dan ditinjau oleh tim pemantau independen yang terdiri dari perwakilan pemangku kepentingan. PTAR juga dibantu oleh Universitas Sumatera Utara untuk memantau kondisi aliran air sungai sebagai bagian dari Program Kesehatan Sungai Jangka Panjang.



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The safety of the site's Tailings Storage Facility (TSF) is paramount to the Company. A fourth annual independent review of the TSF was conducted by internationally recognised experts in this field in support of minimizing risk in this area. The final rehabilitation area remains extremely limited, because all waste rock is used in the ongoing construction of the TSF embankment.

Perusahaan menyadari bahwa kegiatan tambang yang penuh risiko, sehingga keamanan *Tailings Storage Facility* (TSF) di *site* merupakan prioritas tertinggi bagi Perusahaan. Upaya untuk meminimalkan risiko di area tersebut dilakukan dengan cara melakukan peninjauan independen tahunan oleh pakar yang diakui secara internasional di bidang ini. Area rehabilitasi akhir saat ini masih sangat terbatas, sebab seluruh batu buangan digunakan untuk kelanjutan pembangunan tanggul TSF.

## Community Development

To ensure that all local stakeholders continued to benefit directly from operations at the mine, the Company maintained a very active community development program throughout 2019. The Company provided US\$1.09 million in support of programs targeting the key areas of health, education, local business development and public infrastructure. The Company also purchased US\$4.7 million's worth of goods and services locally.

## Pengembangan Masyarakat

Pengembangan masyarakat merupakan suatu strategi yang selalu dilaksanakan oleh PTAR untuk memastikan bahwa para pemangku kepentingan lokal menerima manfaat dari keberadaan operasional tambang. Pada tahun 2019, Perusahaan mengalokasikan dana sebesar US\$1,09 juta untuk membiayai program-program di bidang kesehatan, pendidikan, pengembangan usaha lokal, dan infrastruktur umum. PTAR juga melakukan pengadaan barang dan jasa secara lokal senilai US\$4,7 juta.

## Corporate Governance

In 2019, the Board of Directors fulfilled its corporate governance duties in the management of the Company.

## Tata Kelola Perusahaan

Sepanjang tahun 2019, Direksi telah memenuhi tugas-tugasnya dalam menjalankan tata kelola perusahaan dalam manajemen Perusahaan.

## Looking Ahead

PT Agincourt Resources intends to continue its successful business strategy, with mechanisms in place to ensure the sustained strong operating performance that we have achieved over recent years. This includes the MIP which is the embodiment of the Company's culture of continuous improvement, ensuring enhancements to mill productivity, which drives asset performance and improvements in both efficiency and productivity at the mine.

## Melihat ke Depan

PT Agincourt Resources berkomitmen untuk melanjutkan strategi usaha sukses, didukung dengan berbagai mekanisme yang memastikan kinerja operasional tetap solid sebagaimana yang berhasil kami capai beberapa tahun terakhir. Rencana kelanjutan strategi usaha ini termasuk pelaksanaan MIP, yang merupakan perwujudan budaya Perusahaan untuk melaksanakan perbaikan terus-menerus, peningkatan produktivitas penggilingan, yang mendorong kinerja aset dan meningkatkan efisiensi dan produktivitas pertambangan.

## Prospects for 2020

Each year becomes harder at Martabe as the pits get deeper, the mining becomes more difficult, the grade and the recovery of the gold are reducing. This means we need to continue to optimise to get the best out of what we have each year in the most efficient and productive way we can. At the same time, we must refocus our exploration efforts on the best targets possible to find more gold, with better grade and recovery. This will help grow the mine life which in turn benefits all of our stakeholders whilst keep maintaining our sustainable performance.

## Prospek Tahun 2020

Tiap tahun operasional dan produksi di *site* Martabe bertambah berat, seiring dengan *pit* yang semakin dalam, penambangan yang kian sulit, serta terdapat penurunan kadar dan perolehan emas. Kondisi ini mendorong kami untuk terus mengoptimalkan hasil yang telah kami capai tiap tahunnya secara efisien dan produktif. Secara bersamaan, kami menempatkan fokus kegiatan eksplorasi pada wilayah sasaran yang paling memungkinkan menghasilkan kadar dan perolehan emas yang tinggi. Upaya ini mampu mendukung pertumbuhan umur tambang yang mampu membawa keuntungan bagi para pemangku kepentingan dan di saat bersamaan tetap menjaga kinerja keberlanjutan.



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## The Bigger Picture

Despite the challenges we face, we remain confident of a bright future for the Martabe Gold Mine. We continue to earn the respect and trust of our local community and stakeholders and we have developed a strong social license through our CSR programs and our commitment to sustainable development. The operational performance remains strong and we can demonstrate year on year improvements, which indicate that we have a team which is strong and capable of taking the business forward. We have our growth strategies clearly identified, and we are implementing various programs to deliver the future growth opportunities.

In terms of the broader market outlook for gold, we believe the immediate 12 months will continue to see some volatility in price as a result of various economic, geopolitical, and global factors. PTAR is well placed both to endure any gold price downside due to our low-cost structure, and to take advantage of gold price upside with our growth strategies.

We look forward with optimism to a bright future that will enable us to go on delivering outstanding results for all our stakeholders.

## Appreciation

Taking into account all significant measures, the performance of the Company in 2019 was outstanding. On behalf of the Board of Directors, I wish to express our deep appreciation to all those that helped us achieve this result. This includes the Company's employees, whose contributions were essential, and also the contractors, suppliers and other business partners that supported every aspect of our business activities. Finally, I wish to thank the Board of Commissioners and the shareholders for the support and trust extended to the Board of Directors during the year. We look forward with anticipation to another exciting and successful year for PT Agincourt Resources in 2020.

## Gambaran Besar

Terlepas dari berbagai potensi tantangan yang ada, kami tetap percaya diri bahwa Tambang Emas Martabe akan memiliki masa depan yang sukses. Kami terus menerima dukungan dan kepercayaan dari masyarakat setempat dan pemangku kepentingan lainnya. Selain itu, kami juga telah melaksanakan kegiatan tanggung jawab sosial untuk mendekatkan hubungan sosial dengan masyarakat, serta kegiatan yang mendukung pembangunan keberlanjutan. Kinerja operasional Perusahaan tetap kokoh dan menunjukkan peningkatan dari tahun ke tahun. Kondisi ini menunjukkan bahwa kami memiliki tim kerja yang solid dan berkompeten untuk menghadapi berbagai tantangan bisnis di masa mendatang. Kami telah menyusun strategi pertumbuhan dan menerapkan berbagai program yang mampu menciptakan kesempatan-kesempatan baru untuk tumbuh.

Terkait dengan pasar penjualan emas yang lebih besar, kami percaya bahwa dalam jangka waktu satu tahun ke depan akan ada gejolak harga karena pengaruh faktor ekonomi, geopolitik, dan isu global lainnya. PTAR senantiasa siap untuk menghadapi penurunan harga emas dengan biaya struktur kami yang rendah, dan siap menghadapi peningkatan harga emas dengan menerapkan strategi pertumbuhan.

Kami optimis bahwa masa depan Perusahaan yang cerah akan membawa manfaat dan hasil yang membanggakan bagi para pemangku kepentingan.

## Penghargaan

Berdasarkan seluruh penilaian kinerja yang telah dilaksanakan Perusahaan pada tahun 2019 yang luar biasa, saya sebagai perwakilan dari seluruh Direksi menyampaikan penghargaan tulus kepada seluruh pihak yang telah berkontribusi mencapai kesuksesan PTAR. Kami sampaikan penghargaan secara khusus kepada karyawan PTAR yang telah berkontribusi penting pada bisnis Perusahaan, kontraktor, pemasok, dan rekanan usaha lainnya yang mendukung berbagai kegiatan usaha PTAR. Akhirnya, saya juga berterima kasih kepada Dewan Komisaris dan para Pemegang Saham atas dukungan dan kepercayaannya kepada Direksi sepanjang tahun ini. Kami siap menghadapi tahun yang akan datang dalam meraih keberhasilan untuk PTAR di tahun 2020.

Jakarta, February 2020

Jakarta, Februari 2020

**MULIADY SUTIO**

**President Director & Managing Director**  
**Presiden Direktur & Managing Director**



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# Board of Director's Profiles

## ► Profil Direksi



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**Muliady Sutio**  
President Director  
Presiden Direksi

**Tim Duffy**

Vice President Director & CEO  
Wakil Presiden Direktur & CEO

2



**Linda Siahaan**

Director External Relations  
Direktur External Relations

3



**Noviandri Hakim**

Director & Chief Financial Officer  
Direktur & Chief Financial Officer

4



**Washington Tambunan**

Director  
Direksi

5



**Ruli Tanio**

Director Engineering  
Direktur Engineering

6



**Darryn McClelland**

Director & General Manager Operations  
Direktur & General Manager Operations

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## ► Muliady Sutio

**President Director**  
Presiden Direktur



Muliady Sutio has been President Director of PT Agincourt Resources since December 2018. He holds a Bachelor's Degree in Industrial Engineering from Trisakti University which he received in 1994. A certified Astra Leadership Performance Coach, he started his career in PT Astra International Tbk in 1994 as Efficiency Division Analyst. In 1997, he became co-project Manager Efficiency Division. In 2000, Muliady was recruited as Team Leader Business Process Management for PT Pamapersada Nusantara (PAMA). He then served as a Corporate Planning and System Development Head in 2004, and as the Head of Supply Management Division in 2007. Since 2013 he has served as Plant & Corporate Information System Director of PAMA. He was appointed President Director of PT Energia Prima Nusantara to develop power plants as well as Director of PT Pama Indo Mining in 2014. He was also appointed as acting President Director of PT Unitra Persada Energia in November 2015 to the present day.

Muliady Sutio menjabat sebagai Presiden Direktur & Managing Director PT Agincourt Resources sejak Desember 2018. Beliau memperoleh gelar sarjana di bidang Teknik Industri pada tahun 1994 dari Universitas Trisakti. Karier beliau dimulai pada tahun 1994 di PT Astra Internasional Tbk dan saat ini beliau menjabat sebagai Astra Leadership Performance Coach. Pada tahun 1997, beliau pernah menjabat sebagai Co-Project Manager Efficiency Division sebelum diangkat menjadi Team Leader Business Process Management di PAMA pada tahun 2000. Selanjutnya, beliau bertugas sebagai Corporate Planning and System Development Head di tahun 2004 dan Head of Supply Management Division pada tahun 2007. Saat ini, selain memangku jabatan di PTAR, beliau juga menjabat sebagai Plant & Corporate Information System Director di PAMA sejak tahun 2013. Muliady juga menjabat sebagai Presiden Direktur PT Energia Prima Nusantara untuk mengembangkan pembangkit listrik sekaligus sebagai Direktur PT Pama Indo Mining sejak tahun 2014. Selain itu, sejak tahun 2015 hingga saat ini beliau juga menjabat sebagai Presiden Direktur PT Unitra Persada Energia.



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## ► Tim Duffy

Vice President Director & CEO  
Wakil Presiden Direktur & CEO



Tim Duffy joined the Company in 2009 and served in the roles of General Manager Operations, Executive General Manager, Director, and President Director for a number of years under previous shareholders. He has recently been appointed Vice President Director and Chief Executive Officer by the current shareholders.

Tim's more than 25 years of experience in the mining industry includes operational experience across a range of commodities including gold, silver, nickel, copper, uranium, and coal. He has been engaged in finance, commercial and operations roles in the resources sector and has strategic capability across the full suite of mining activities in the Asia-Pacific region. Tim has held management roles in companies such as Oxiana Limited, Xstrata Coal, MIM Holdings, and WMC Limited. Prior to joining PT Agincourt Resources, he was General Manager Finance – Asia of OZ Minerals Limited, primarily responsible for providing commercial guidance and strategic direction for the Asian operations of the business. He holds a Bachelor's Degree in Commerce and is a member of the AusIMM and a Fellow of CPA Australia.

Sebelum menjabat sebagai Wakil Presiden Direktur, Tim Duffy pernah menjabat sebagai General Manager Operations, Executive General Manager, Direktur, dan Presiden Direktur selama beberapa tahun sejak bergabung dengan PT Agincourt Resources di tahun 2009. Saat ini, beliau juga diangkat menjadi Chief Executive Officer oleh para Pemegang Saham. Beliau meraih gelar sarjana di bidang Commerce dan merupakan anggota AusIMM dan seorang Fellow CPA Australia.

Sebelum bergabung dengan PT Agincourt Resources, Tim bertugas sebagai General Manager Finance di Asia OZ Minerals Limited, yang bertanggung jawab untuk mempersiapkan panduan komersial dan arah strategis operasi bisnis di Asia. Tim telah memiliki pengalaman selama 25 tahun di bidang industri pertambangan di berbagai komoditas, termasuk emas, perak, nikel, tembaga, uran, dan batubara. Tim berpengalaman dalam menjalankan peran di bidang keuangan, komersial, dan operasi pada proyek-proyek pertambangan serta kemampuan strategis di segala kegiatan pertambangan di wilayah Asia-Pasifik. Beliau pernah bertanggung jawab menjalankan tugas manajemen di berbagai perusahaan termasuk Oxiana Limited, Xstrata Coal, MIM Holdings, dan WMC Limited.



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## ► Linda Siahaan

**Director External Relations**  
Direktur External Relations



Linda Siahaan has worked for PT Agincourt Resources since July 2007 and was appointed Director of External Relations in December 2018. She moved to Director of Government Relations for PT Agincourt Resources in March 2011. Between May 2015 and November 2018, Linda was Deputy President Director.

Linda is responsible for establishing and maintaining relationships with the Company's key stakeholders. Her role includes maintaining harmonious relations with the government of the Republic of Indonesia to ensure that PT Agincourt Resources complies with Indonesian laws and regulations. Linda began her career with Mobil Oil Indonesia. Between 1997 and 2007 she worked in the External Relations department of PT Newmont Nusa Tenggara, one of the largest copper and gold mining companies in the world. She has accounting qualifications from the University of North Sumatra, as well as a diploma in communications from the Ketchum Institute of Public Relations in Fairfax, USA.

Linda Siahaan mulai bekerja di PT Agincourt Resources sejak Juli 2007 dan diangkat sebagai Direktur External Relations pada Desember 2018. Sebelumnya, beliau bertugas sebagai Direktur Hubungan Pemerintahan pada Maret 2011 dan selanjutnya pada Mei 2015 hingga November 2018 Linda pernah menjabat sebagai Wakil Presiden Direktur.

Beliau bertugas untuk membangun dan menjaga hubungan baik dengan seluruh pemangku kepentingan terkait. Tanggung jawabnya mencakup menjaga hubungan dengan Pemerintah untuk menjamin kepatuhan Perusahaan terhadap peraturan perundang-undangan di Indonesia. Beliau memulai kariernya di Mobil Oil Indonesia. Kemudian pada tahun 1997 hingga 2007, Linda bekerja di Departemen External Relations PT Newmont Nusa Tenggara, salah satu perusahaan emas dan tembaga terbesar di dunia. Linda telah menyelesaikan pendidikan Akuntansi di Universitas Sumatera Utara dan diploma bidang Komunikasi di Ketchum Institute of Public Relations di Fairfax, Amerika Serikat.



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## ► Noviandri Hakim

**Director & Chief Financial Officer**  
**Direktur & Chief Financial Officer**



Noviandri Hakim has been Director and Chief Financial Officer of PT Agincourt Resources since December 2018. He holds a Master of Management Degree from Prasetiya Mulya Business School (2007-2009) and a Bachelor of Economics degree from Padjadjaran University.

In 2005, Noviandri joined PT United Tractors Tbk as accountant and held several positions until appointed as General Manager Finance and Accounting in 2014.

Noviandri is responsible for finance and legal activities of the Company.

Noviandri Hakim telah menjabat sebagai Direktur dan Chief Financial Officer PT Agincourt Resources sejak Desember 2018. Beliau memperoleh gelar Sarjana Ekonomi dari Universitas Padjajaran dan gelar *Master of Management* dari Prasetya Mulya Business School pada tahun 2009.

Pada tahun 2005, Noviandri bergabung dengan PT United Tractors Tbk sebagai akuntan dan menjabat beberapa posisi hingga ditunjuk untuk menjabat sebagai General Manager Finance and Accounting di tahun 2014.

Noviandri bertanggung jawab atas bidang keuangan dan hukum pada Perusahaan tersebut.



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## ► Washington Tambunan

Director  
Direktur



Washington Tambunan has been Director of PT Agincourt Resources since 2012. He has many years' experience in roles such as the Head of Mines and Energy Office of North Sumatra Province, North Sulawesi and Central Sulawesi Province, and Maluku Province from 1990 to 2009. Between February 2005 and June 2006, he acted as Temporary Replacement of Sub District Head of Central Tapanuli District, North Sumatra. He was also the recipient of the Satya Lencana Kesetiaan Award (an award for the public servants' loyalty) from the President of the Republic of Indonesia for his 10th, 20th, and 30th years of service.

Washington Tambunan telah menjabat sebagai Direktur PT Agincourt Resources sejak tahun 2012. Beliau memiliki pengalaman beberapa tahun sebagai Kepala Kantor Dinas Pertambangan dan Energi Provinsi Sumatera Utara, Provinsi Sulawesi Utara dan Sulawesi Tengah, serta Provinsi Maluku dari tahun 1990 hingga 2009. Beliau juga pernah bertindak sebagai Pejabat Sementara Bupati Tapanuli Tengah, Sumatera Utara dari Februari 2005-Juni 2006. Beliau pernah dianugerahi Anugerah Satya Lencana Kesetiaan (penghargaan untuk pengabdian pegawai negeri) dari Presiden Republik Indonesia untuk pengabdiannya selama 10 tahun, 20 tahun, dan 30 tahun.



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## ► Ruli Tanio

**Director Engineering**  
Direktur Engineering



Ruli Tanio was appointed Director of PT Agincourt Resources in February 2019. He has more than a decade of experience with mining-related businesses with direct exposure to day-to-day engineering, operational, and finance. Ruli holds degrees in Industrial Engineering as well as Finance and Economics. He held several positions at PT Pamapersada Nusantara (PAMA) before being appointed Operations and Engineering Director at PT Bukit Enim Energy in 2012, a joint venture between PAMA and PT Adaro Indonesia Tbk. Following Astra's acquisitions in the energy sector, Ruli was appointed Engineering and Operations Director in PAMA's PT Energia Prima Nusantara from 2014 until the present day. He was also appointed Director of Bhumi Jepara Services in 2016, a role he still holds. This is a joint venture between PT United Tractors Tbk, Sumitomo Corporation and Kansai Electric Power Co., providing operational and maintenance services to Units 5 and 6 of the 2,000-megawatt Tanjung Jati power station in Central Java.

Ruli Tano mulai bertugas sebagai Direktur PT Agincourt Resources sejak Februari 2019. Ruli memiliki gelar pendidikan di bidang Teknik Industri serta Keuangan dan Ekonomi. Beliau memiliki lebih dari 10 tahun pengalaman dalam bisnis pertambangan, keterlibatan langsung dalam praktik-praktik teknis, operasional, serta keuangan sehari-hari dalam bidang tersebut. Sebelumnya, Ruli pernah bertugas di PT PAMA sebelum tahun 2012 ditunjuk sebagai Direktur Operasi dan Teknik di PT Bukit Enim Energy, yakni perusahaan gabungan antara PAMA dan PT Adaro Indonesia Tbk. Setelah perusahaan tersebut diakuisisi oleh Astra, Ruli ditunjuk sebagai Direktur Teknik dan Operasi di PT Energia Prima Nusantara milik PAMA dari tahun 2014 hingga saat ini. Selain itu, sejak tahun 2016, beliau juga masih menjabat sebagai Direktur Bhumi Jepara Services, yakni perusahaan gabungan antara PT United Tractors Tbk, Sumitomo Corporation, dan Kansai Electric Power Co. Perusahaan tersebut bergerak di bidang penyediaan layanan operasional dan pemeliharaan untuk Unit 5 dan 6 pembangkit listrik Tanjung Jati yang berkapasitas 2.000 megawatt di Jawa Tengah.



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## ► Darryn McClelland

**Director & General Manager Operations (Assigned on Oct 1, 2019)**

**Direktur & General Manager Operations (Diangkat pada tanggal 1 Oktober 2019)**



Darryn McClelland was appointed Deputy General Manager of Operations of PT Agincourt Resources in May 2016 and subsequently appointed Director & General Manager Operations on 1 October 2019 till present. Darryn holds a Bachelor of Engineering Honours (Minerals Process) from the University of Queensland, Masters of Business Administration from the University of Southern Queensland, Graduate Diploma in Mining Engineering from Curtin University/WASM and Graduate Diploma in Occupational Health and Safety from Edith Cowan University. Darryn has 23 years of mine operational experience having spent 7 years working in Australian operations before commencing work overseas for Oxiana/OZ Minerals at the Sepon project in Laos. Since finishing with OZ Minerals Darryn worked in a number of countries for various mining company's including Nui Phao Mining Company - Vietnam, Perseus Mining - Ghana, Bisha Mining Share Company - Eritrea, and prior to joining PT Agincourt Resources was Processing Manager at Phu Kham Copper/Gold Mine - Lao PDR.

Darryn McClelland pernah menjabat sebagai Deputy General Manager of Operations sejak Mei 2016 sebelum ditunjuk menjadi Direktur & General Manager Operations pada 1 Oktober 2019. Darryn menyelesaikan pendidikan sarjana di bidang Teknik (Pengolahan Mineral) dari University of Queensland, bendidikan master bidang Administrasi Bisnis di University of Southern Queensland, pendidikan pascasarjana di bidang Teknik Pertambangan di Curtin University/WASM, dan pascasarjana di bidang Kesehatan dan Keselamatan Kerja di Edith Cowan University. Darryn memiliki pengalaman kerja di bidang operasional tambang selama 23 tahun dan telah bekerja selama tujuh tahun di perusahaan Australia sebelum bekerja di luar negeri untuk Oxiana/OZ Minerals pada proyek Sepon di Laos. Setelah bekerja untuk OZ Minerals, Darryn bekerja di beberapa negara di berbagai bidang pertambangan, termasuk Nui Phao Mining Company - Vietnam, Perseus Mining - Ghana, Bisha Mining Share Company - Eritrea, dan Phu Kham Copper/Gold Mine - Lao PDR sebagai Processing Manager.



Bioter Silalahi, Steve Carty, and Risa Saraswani (Exploration Dept.)  
discuss a geological section in Exploration Office.

Bioter Silalahi, Steve Carty, dan Risa Saraswani (Dept. Eksplorasi)  
berdiskusi mengenai aspek geologis di Kantor Eksplorasi.



➤ ANALISIS BISNIS MANAJEMEN  
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## Industry Overview

### ► Tinjauan Industri

**“ 2019 was an eventful year for global dynamics and financial markets, propelling gold 18.4% higher - its strongest performance since 2010.**

Tahun 2019 merupakan tahun yang penting dengan dinamika global dan pasar keuangan. Sepanjang tahun ini terjadi kenaikan harga emas 18,4% lebih tinggi, sehingga menjadi kinerja terkuat bagi Perusahaan sejak 2010. ☺

Gold benefited from the reversal in monetary policy direction out of the US and more broadly from accommodative interest rate settings by many major central banks in response to economic uncertainty and slowing global growth<sup>1</sup>, with IMF forecasts at their lowest since the financial crisis of 2008-9. Concurrently, risk-based gold demand rose as geo-political risk intensified

Emas diuntungkan oleh kebijakan moneter yang berbalik arah, yang dikeluarkan Amerika Serikat (AS). Situasi ini lebih luas lagi mempengaruhi tingkat suku bunga yang ditetapkan oleh bank sentral dalam merespon ketidakpastian ekonomi dan melambatnya pertumbuhan global<sup>1</sup>, sebagaimana perkiraan terendah IMF sejak krisis keuangan di tahun 2008-2009.

<sup>1</sup> IMF – World Economic Outlook October 2019 and January 20 Update

<sup>1</sup> IMF – World Economic Outlook Oktober 2019 dan Januari 20 Update



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**▲ 18%**

### INCREASE IN THE GOLD PRICE Peningkatan Harga Emas

throughout 2019, with the US-China trade-war escalating into its second year, portentous territorial disputes in motion and with tensions rising in the Middle East.

Starting the year at US\$1,283 per ounce, gold was range-bound for much of the first-half as solid demand from central banks and positive flows into Exchange Traded Funds (ETF's) were offset by recovering stock-markets and a stronger US Dollar. From June, heightened geo-political risk, economic uncertainty, and a negative yield debt-curve combined to drive the precious metal to a multi-year high of US\$1,546 in early September. Gold averaged US\$1,393 over 2019 and ended the year at US\$1,515 per ounce or 18.4% higher in US dollar terms for the 12 months, outperforming many key global assets<sup>2</sup>, including cash, commodities, major global bonds and emerging market stock benchmarks.

Overall annual demand for gold fell by 1% to 4,356 tons as a sharply increasing gold price caused a dramatic slump in consumer demand for jewelry, gold bars and coins. This fall was mostly offset by significant inflows into ETF's and similar investment products. Technology driven demand saw a modest decline and despite central banks' appetite for gold reaching their second highest level since 1970, sovereign-based demand was effectively flat when measured against 2018.

Total annual gold supply was up by 2% to 4,490 with an 11% rise in recycled gold being the main contributing factor, as consumers became sellers and took advantage of higher gold prices in the second half of 2019. Annual mine production was marginally lower at 3,464 tonnes, the first annual decline for more than 10 years.

Bersamaan dengan itu, permintaan emas berbasis risiko terus meningkat pada saat risiko geo-politik yang semakin meningkat sepanjang tahun 2019, yaitu dengan adanya perang dagang AS dan Cina yang memasuki tahun kedua, bergeraknya perselisihan wilayah dan dengan meningkatnya ketegangan di Timur Tengah.

Mulai tahun ini, dengan US\$1.283 per ounce, harga emas terikat sepanjang semester pertama karena permintaan yang kuat dari bank sentral dan aliran yang baik ke Exchange Traded Funds (ETF), diimbangi dengan pulihnya pasar saham dan penguatan Dolar AS. Sejak bulan Juni, meningkatnya risiko geo-politik, ketidakpastian ekonomi, dan kurva utang yang negatif, mendorong logam mulia ke level tertinggi, yaitu pada US\$1.546 di awal September. Rata-rata harga emas US\$1.393 sepanjang 2019 dan ditutup di akhir tahun pada harga US\$1.515 per ounce atau 18,4% lebih tinggi selama 12 bulan terakhir, melebihi banyak investasi pada aset global<sup>2</sup>, termasuk uang tunai, komoditas, obligasi dan harga saham di pasar.

Keseluruhan permintaan tahunan untuk emas turun 1% menjadi 4.356 ton karena kenaikan harga emas yang tajam. Kenaikan harga ini menyebabkan penurunan yang signifikan dalam permintaan konsumen untuk perhiasan, emas batangan dan koin. Penurunan permintaan ini sebagian besar diimbangi oleh arus masuk yang signifikan ke dalam ETF dan produk investasi sejenis. Adanya dorongan teknologi juga menyebabkan turunnya permintaan ini menjadi tidak terlalu besar, dan meskipun profil bank sentral untuk emas mencapai level tertinggi kedua sejak 1970, permintaan emas secara efektif masih relatif datar bila dibandingkan tahun 2018.

Total pasokan emas tahunan naik 2% menjadi 4.490 dengan kenaikan 11% yang terjadi pada emas daur ulang karena banyaknya konsumen yang menjadi penjual dan mengambil keuntungan dari harga emas yang lebih tinggi dibandingkan semester ke dua tahun 2019. Produksi tambang tahunan sedikit lebih rendah, yaitu pada jumlah 3.464 ton, yang merupakan penurunan pertama selama lebih dari 10 tahun.

<sup>2</sup> World Gold Council Gold Outlook 2020, including Bloomberg and ICE Benchmark Administration

<sup>2</sup> World Gold Council Outlook 2020, termasuk Bloomberg dan ICE Benchmark Administration



# Operational Review

## ► Tinjauan Operasional

The Martabe Gold Mine's operational performance in 2019 continued the remarkable trend of recent years, with new production records achieved across a majority of key operating metrics.

A total of 12.4 million tonnes of material was mined in 2019, as mining operations progressed according to plan in the Purnama and Barani pits, and full-scale mining commenced in Ramba Joring.

Total annual mill throughput reached 6 million tonnes at an average rate of 725 tonnes per hour, surpassing both prior year benchmarks by 8% and 4% respectively and eclipsing the original design throughput rate of 563 tonnes per hour by 29%. Record-setting process plant availability of 95.5% and a mill run-time of 95.0% underpinned the effectiveness of a well-executed maintenance strategy. A number of important Martabe Improvement Program (MIP) initiatives also contributed.

Tambang Emas Martabe berhasil mencapai kinerja operasional yang sangat baik di tahun 2019, dengan catatan capaian produksi baru di seluruh mayoritas ukuran operasi utama.

Pada tahun 2019, Tambang Emas Martabe berhasil menambang 12,4 juta ton material, seiring dengan berlanjutnya operasi penambangan sesuai rencana di pit Purnama dan Barani. Selain itu, kegiatan produksi tambang skala penuh juga telah dimulai di Ramba Joring Utara seiring dengan kelanjutan pembangunan area penambangan dan akses ke Ramba Joring Selatan.

Rekor *throughput* tahunan di tahun 2019 berhasil mencapai 6 juta ton yang diolah di fasilitas pengolahan, jumlah ini meningkat 8% dari capaian di tahun 2018. Rata-rata pengolahan *throughput* tercatat mencapai 725 ton/jam, jumlah ini meningkat 4% dari rata-rata tahunan pada 2018 dan 29% lebih tinggi dibanding rancangan awal *throughput* yakni 563 ton/jam. Capaian rekor tingkat ketersediaan pabrik pengolahan yang mencapai 95,5% dan tingkat *mill run time* mencapai 95,0% menunjukkan keberhasilan efektivitas strategi pemeliharaan. Pelaksanaan Martabe Improvement Program (MIP) juga turut mendukung pencapaian tersebut.

## Mining

## Penambangan

	► 2019	2018	
Mined Ore – Purnama (t)	<b>4,926,246</b>	4,833,957	Bijih yang Ditambang – Purnama (t)
Mined Waste – Purnama (t)	<b>2,049,219</b>	1,231,049	Waste yang Ditambang – Purnama (t)
Mined Ore – Barani (t)	<b>839,248</b>	784,576	Bijih yang Ditambang – Barani (t)
Mined Waste – Barani (t)	<b>3,454,603</b>	3,737,292	Waste yang Ditambang – Barani (t)
Mined Ore – Ramba Joring (t)	<b>151,743</b>	46,443	Bijih yang Ditambang – Ramba Joring (t)
Mined Waste – Ramba Joring (t)	<b>944,199</b>	1,091,103	Waste yang Ditambang – Ramba Joring (t)
<b>Total Mined (t)</b>	<b>12,365,258</b>	<b>11,724,421</b>	<b>Total yang Ditambang</b>
Strip Ratio – Purnama	<b>0.42</b>	0.25	Nisbah Kupasan – Purnama
Strip Ratio – Barani	<b>4.12</b>	4.76	Nisbah Kupasan – Barani
Strip Ratio – Ramba Joring	<b>6.22</b>	23.49	Nisbah Kupasan – Ramba Joring



Total material mined in 2019 was 12.4 million tonnes, 5.5% higher than the 11.7 million tonnes mined in 2018. Total ore mined was 5.92 million tonnes and total waste mined was 6.45 million tonnes for the year. Ore delivery matched higher milling throughput rates whilst waste mining matched the TSF development schedule and requirements for other construction projects across the site.

Development of the final outer shell of the TSF embankment progressed well, with the target embankment crest height of RL352 fully achieved in the third quarter of 2019.

Total material yang ditambang di tahun 2019 mencapai 12,4 juta ton, jumlah tersebut lebih tinggi 5,5% dibandingkan capaian tahun 2018 sebesar 11,7 juta ton. Total bijih yang ditambang tahun 2019 mencapai 5,92 juta ton dengan total waste yang ditambang adalah 6,45 juta ton. Kegiatan pengiriman bijih telah sesuai dengan tingkat *milling throughput* yang lebih tinggi, sementara penambangan limbah telah sesuai dengan jadwal pembangunan TSF dan kebutuhan proyek pembangunan lainnya di sekitar *site*.

Pembangunan tangkul final bagian luar TSF telah berjalan dengan baik di tahun 2019, seiring dengan kemajuan yang cukup baik dalam membangun area pembuangan produktif untuk limbah tambang. Target tinggi puncak tangkul RL352 juga telah dicapai pada akhir bulan September 2019.

## Purnama Pit

Total material movement from the Purnama pit during 2019 was 6.98 million tonnes, an increase of 15% over 2018. The strip ratio increased to 0.42:1 from 0.25:1 in 2018, primarily due to increased waste mining from the cut-backs at the southern and northern ends of the pit.

Stage mining continued in 2019, focussed on higher value ore sources. An interim geotechnical buffer wall was established in the Purnama pit, allowing the geotechnical assessment of the known clay breccia material in advance of final wall excavation.

## Pit Purnama

Total pergerakan material dari *pit* Purnama selama tahun 2019 adalah 6,98 juta ton, sebuah peningkatan dari hasil di tahun 2018. Nisbah pengupasan meningkat menjadi 0,42:1 dari 0,25:1 di tahun 2018 akibat meningkatnya limbah tambang dari *cutback* yang direncanakan pada bagian ujung selatan dan utara *pit*.

*Stage mining* berlanjut di tahun 2019 dengan fokus untuk menemukan sumber bijih bernilai tinggi. Dinding geoteknis sementara telah dibangun di *pit* Purnama, untuk dapat melaksanakan studi geoteknis terhadap bahan breksi tanah liat sebelum melaksanakan penggalian dinding akhir.



## Barani Pit

Routine mining continued in the Barani pit during 2019 with 4.3 million tonnes of material produced at a strip ratio of 4.12:1, compared to 4.5 million tonnes at a strip ratio of 4.76:1 in 2018. Barani Pit continued to deliver the majority of waste for TSF construction in 2019. Ore mined at Barani Pit increased by 7% to 0.84 million tonnes and was delivered at a higher average grade than planned due to the early development of quartz vein zones consistent with the 'stage-mining' plan for the pit.

The final cutback of the southern end commenced in 2019, with handover of development works for mining operations in the third quarter. Mining activity in the south was halted as focus shifted to Barani North to allow TSF development according to plan.

## Ramba Joring Pit

Activities continued in two distinct areas of the Ramba Joring pit during 2019. Full scale load and haul operations progressed in the northern area of the deposit, whilst access development continued in the south allowing normal mining to commence.

Total material mined was 1.1 million tonnes at a strip ratio of 6.22 delivering 0.15 million tonnes ore. Ore production and delivery from Ramba Joring will increase significantly in 2021 consistent with the 'stage-mining' plan.

## Processing

	> 2019	2018	
Milled (t)	6,036,044	5,572,308	Jumlah yang Digiling (t)
Run Time	95.0%	91.1%	Run Time
Availability	95.5%	91.6%	Ketersediaan
Milling Rate (t/h)	725	698	Tingkat Penggilingan (t/j)
Processed Grade – Gold (g/t)	2.35	2.73	Kadar Pengolahan – Emas (g/t)
Processed Grade – Silver (g/t)	17.50	23.05	Kadar Pengolahan – Perak (g/t)
Gold Recovery	85.4%	84.4%	Perolehan Emas
Silver Recovery	68.8%	70.2%	Perolehan Perak (%)
Gold Poured (ozs)	391,031	410,387	Emas yang Dituangkan (ounce)
Silver Poured (ozs)	2,340,707	2,895,380	Perak yang Dituangkan (ounce)

## Pit Barani

Penambangan rutin terus dilakukan di *pit* Barani sepanjang tahun 2019 dan menghasilkan 4,3 juta ton material pada nisbah pengupasan 4,12:1, dibandingkan produksi di tahun 2018 yang mencapai 4,5 juta ton pada nisbah pengupasan 4,76:1. *Pit* Barani tetap menjadi sumber terbesar batu buangan untuk konstruksi TSF di tahun 2019. Bijih tertambang dari *pit* Barani meningkat 7% menjadi 0,84 juta ton bijih yang berkadar lebih tinggi. Jumlah tersebut berhasil melebihi target yang direncanakan, akibat perkembangan zona urat kuarsa berkadar lebih tinggi sebelumnya telah dilakukan sejalan dengan rencana pengembangan *stage-mining* di *pit* Barani.

Cutback final di ujung selatan *pit* Barani mulai dilaksanakan pada tahun 2019 dengan penyerahan tanggung jawab pembangunan kepada bagian operasional tambang pada kuartal 3. Penambangan lebih lanjut telah dihentikan karena fokus kegiatan telah beralih pada penyelesaian penambangan di wilayah *pit* Barani bagian Utara.

## Pit Ramba Joring

*Pit* Ramba Joring beroperasi di dua area berbeda selama tahun 2019. Area Utara deposit terus digunakan untuk kegiatan pemuatan dan pengangkutan dengan skala penuh, sementara pembangunan akses di area Selatan dan kegiatan penambangan normal tetap berlangsung.

Total material tertambang dari deposit tersebut mencapai 1,1 juta ton pada nisbah pengupasan 6,22 yang menghasilkan 0,15 juta ton bijih. Pada tahun 2021, pengiriman dari Ramba Joring akan meningkat secara konsisten seiring dengan diterapkannya rencana *stage mining*.

## Pengolahan



Processing plant performance was exceptional in 2019 with 6.04 million tonnes of ore processed, 8.3% ahead of the prior-year record of 5.57 million tonnes. This result was the outcome of multiple supporting performance achievements during the year.

Record average mill throughput of 725 tonnes per hour was the culmination of a number of Martabe Improvement Programme (MIP) initiatives, coupled with continued operational focus and improvement to the secondary crushing circuit (commissioned in 2017).

Processing plant availability was 95.5% and mill run-time was 95.0%, overshadowing prior-year records and both 2018 results by 4.3%. These remarkable percentages were achieved through a 50% reduction in unplanned downtime and supported by well-planned and executed preventative maintenance activities.

Gold recovery increased by 1% to 85.4% from 84.4% (2018), with more ore sourced from Barani (low sulphidation epithermal ore), where recovery is significantly higher than from high sulphidation epithermal ore sources. The higher recovery rate was influential and important when considering the lower average head grade processed during 2019. Silver recovery decreased slightly to 68.8% from 70.2% due to the lower overall silver grade and some high copper ore.

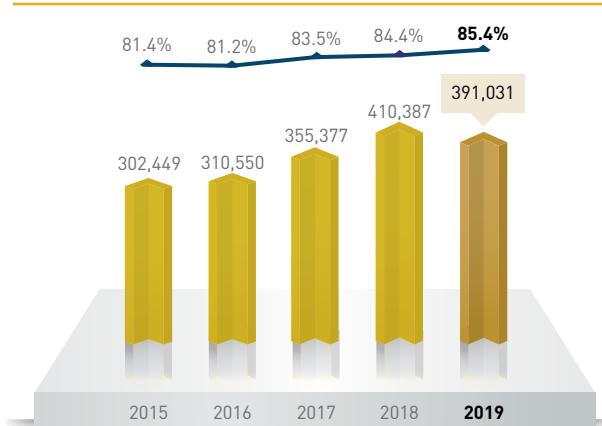
Pabrik pengolahan mengukir tolak ukur kinerja baru dengan 6,04 juta ton bijih yang diolah di tahun 2019, jumlah ini meningkat 8,3% dari catatan sebelumnya di tahun 2018, yakni sebesar 5,57 juta ton bijih diolah. Hasil tersebut mampu dicapai dengan berbagai dukungan dari capaian kinerja yang baik di tahun 2019.

Rekor rata-rata *throughput* sebanyak 725 ton per jam merupakan puncak capaian dari inisiatif-inisiatif Martabe Improvement Program (MIP) digabung dengan perbaikan dan operasional terus menerus pada *secondary crushing circuit* (yang dimulai pada tahun 2017).

Capaian tingkat ketersediaan pabrik pengolahan sebesar 95,5% dan *mill run-time* sebesar 95,0% mampu melebihi rekor tahun 2018, atau meningkat sebesar 4,3%. Hasil yang membanggakan ini dapat dicapai melalui pengurangan *downtime* tidak terencana sebesar 50% dan didukung oleh kegiatan-kegiatan pemeliharaan preventif yang terencana dengan baik.

Perolehan emas meningkat 1% menjadi 85,4% dari 84,4% di tahun 2018, dengan bijih diperoleh lebih banyak dari pit Barani (bijih epitermal sulfidasi rendah), yang mampu menghasilkan perolehan lebih banyak dibandingkan sumber bijih dengan epitermal sulfidasi tinggi. Tingkat perolehan yang lebih tinggi mampu mempengaruhi dan penting bagi penurunan rata-rata *head grade* yang diolah sepanjang tahun 2019. Di sisi lain, perolehan perak menurun menjadi 68,8% dari 70,2% akibat penurunan *silver grade* secara keseluruhan dan kandungan bijih tembaga yang tinggi.

**Gold Poured and % Recovery**  
Emas yang Dituangkan dan % Perolehan



	2015	2016	2017	2018	> 2019
Gold Poured/ Emas yang Dituangkan	302,449	310,550	355,377	410,387	391,031
Gold Recovery/ Perolehan Emas	81.4%	81.2%	83.5%	84.4%	85.4%



COMPANY PROFILE  
Profil Perusahaan



BOARD REPORTS  
Laporan Manajemen



MANAGEMENT DISCUSSION & ANALYSIS  
Analisis & Bisnis Manajemen



HUMAN RESOURCES  
Sumber Daya Manusia



OCCUPATIONAL HEALTH AND SAFETY  
Kesehatan dan Keselamatan Kerja

### Milled and Milling Rate Jumlah yang Digiling dan Tingkat Penggilingan



	2015	2016	2017	2018	► 2019
Milled/ Jumlah yang Digiling (t)	4,220	4,840	5,353	5,572	<b>6,036</b>
Milling Rate/ Tingkat Penggilingan (t/h)	531	603	665	698	<b>725</b>

## Refining

All dore bars produced by the Company were refined through PT ANTAM (Persero) Tbk at the Logam Mulia refinery in Jakarta, with refined gold and silver granules exported to Singapore. Gold and silver refined and sold in 2019 was 383,493 ounces and 2.24 million ounces respectively. Both gold and silver sold during 2019 were lower than 2018 due to the lower feed grade of ore processed.

## Pemurnian

Semua batang emas dan perak setengah murni yang diproduksi PTAR dimurnikan melalui PT ANTAM (Persero) Tbk di pemurnian Logam Mulia di Jakarta, lalu butiran emas dan perak murni diekspor ke Singapura. Jumlah emas yang telah dimurnikan dan dijual sepanjang tahun 2019 mencapai 383.493 ounce, sementara jumlah perak mencapai 2,24 juta ounce. Jumlah ini lebih rendah dibandingkan capaian pada tahun 2018 akibat feed grade yang lebih rendah pada bijih terolah.



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## Business Review and Results

### ► Tinjauan dan Hasil Bisnis

“ The Company posted outstanding financial results for the 2019 financial year.

Perusahaan mencatat hasil keuangan yang sangat baik untuk laporan keuangan 2019. ♪♪

#### Profit & Loss

#### Rugi & Laba

In US\$'000, unless otherwise stated	► 2019	2018	Dalam US\$'000, kecuali dinyatakan lain
Sales	560,887	574,197	Pendapatan
Cost of Goods Sold	(230,496)	(226,822)	Biaya Penjualan
Gross Profit	330,391	347,375	Laba Kotor
EBITDA*	371,464	373,830	EBITDA*
Net Profit Before Tax (NPBT)	295,099	270,708	Laba Sebelum Pajak Penghasilan



In US\$'000, unless otherwise stated	>2019	2018	Dalam US\$'000, kecuali dinyatakan lain
Income Tax	79,307	103,911	Pajak Penghasilan
Net Profit After Tax (NPAT)	215,792	166,797	Laba Tahun Berjalan
AISC (\$/OZ)	443	367	AISC (\$/ounce)
Gold Sold (oz)	383,493	412,298	Penjualan Emas (ounce)
Silver Sold (oz)	2,238,107	3,314,673	Penjualan Perak (ounce)
Gold Average Selling Price (US\$/oz)	1,397	1,267	Harga Jual Rata-rata Emas (US\$/ounce)
Silver Average Selling Price (US\$/oz)	16	16	Harga Jual Rata-rata Perak (US\$/ounce)
Gross Profit Margin	59%	60%	Marjin Laba Bruto
EBITDA margin	66%	65%	Marjin EBITDA
Profit After Tax Margin	38%	29%	Marjin Laba Setelah Pajak

\*Earnings before interest, taxes, depreciation and amortization

\*Laba sebelum beban bunga, pajak, depresiasi dan amortisasi

Net Profit After Tax (NPAT) reached US\$215.8 million, an excellent result for the Company, reflecting exceptional operational performance, significantly lower financing costs and higher gold prices. The result was 29% ahead of the previous NPAT benchmark of US\$166.8 million<sup>3</sup> and contributed to a NPAT Margin of 39%, eclipsing prior historical net profitability measures.

Gold sales were strong totalling 383,493 ounces, achieved by setting new volume benchmarks for both ore mined and processed, and despite the lower average ore grade of 2.35 grams per tonne compared to 2.73 grams per tonne in 2018. The gold price rose sharply mid-year before stabilizing above US\$1,450, resulting in an average gold selling price of US\$1,397 over the 12 months. Total Sales of US\$560.9 million fell marginally short of the US\$574.2 million achieved in 2018, as the lower sales volume was mostly offset by the higher gold price.

Silver sales totalled 2.2 million ounces, down by 33% compared to 3.3 million ounces sold in 2018, mainly due to the lower average ore grade processed of 17.5 grams per tonne, compared with 23.0 grams per tonne in 2018. The average price realised for silver was US\$16 per ounce in 2019, similar to 2018. Consequently, silver sales were US\$35.9 million or 31% below the US\$52.0 million record set in 2018.

Cost of sales was US\$230.5 million or 2% higher than 2018. This is an exceptional outcome when considering an additional 460,000 tonnes of ore were processed in 2019 as compared to the prior year. The result underscores the long-term value realized through the Martabe Improvement Program, which drives asset performance and improvements in both efficiency

Laba Bersih Setelah Pajak (NPAT) mencapai US\$215,8 juta, merupakan hasil yang sangat baik bagi Perusahaan, dan menjadi cerminan kinerja operasional yang luar biasa, karena adanya penurunan signifikan terhadap pembiayaan, dan harga emas yang tinggi. Hasil NPAT ini 29% di atas target yang sebelumnya diperkirakan sebesar US\$166,8 juta<sup>3</sup>. Hasil ini berkontribusi terhadap margin NPAT sebesar 39%, melampaui capaian laba bersih di tahun-tahun sebelumnya.

Penjualan emas menguat sebesar 383,493 ounce, yang dicapai dengan penetapan perbandingan volume baru untuk bijih yang ditambang dan diproses, dan meskipun kadar bijih rata-rata lebih rendah 2,35 gram per ton dibandingkan dengan 2,73 gram per ton pada 2018. Harga emas naik tajam di pertengahan tahun sebelum stabil di atas US\$1.450, menghasilkan harga jual emas rata-rata US\$1.397 selama 12 bulan. Total Penjualan US\$560,9 juta, turun sedikit dari US\$574,2 juta yang dicapai pada tahun 2018, dimana volume penjualan yang lebih rendah karena diimbangi oleh harga emas yang lebih tinggi.

Penjualan perak mencapai 2,2 juta ounce, turun 33% dibandingkan dengan 3,3 juta ounce yang dijual pada tahun 2018. Penyebab utama penurunan ini karena kadar bijih yang diolah rata-rata lebih rendah 17,5 gram per ton, dibandingkan dengan 23,0 gram per ton pada 2018. Harga rata-rata aktual untuk perak adalah US\$16 per ounce pada 2019, mirip dengan harga pada tahun 2018. Akibatnya, penjualan perak menjadi US\$35,9 juta atau 31% lebih rendah dibanding capaian US\$52,0 juta pada tahun 2018.

Biaya penjualan sebesar US\$230,5 juta atau 2% lebih tinggi dari 2018. Ini adalah hasil yang memuaskan dengan mempertimbangkan tambahan 460.000 ton bijih diproses pada 2019 dibandingkan dengan jumlah yang diproses pada tahun sebelumnya. Hasil ini menjadi dasar bagi penciptaan nilai jangka panjang yang direalisasikan melalui Martabe

<sup>3</sup> 2018 financial results included US\$34.2M in transactional charges related to the change in major shareholders. Charges included US\$16.1M in Finance Costs and US\$18.1M in General and Administrative Expenses. Adjusting for these non-recurring costs, the NPAT increase was US\$14.8M or 7% over 2018.

<sup>3</sup> Hasil keuangan tahun 2018 mencakup US\$34,2 juta biaya transaksional terkait perubahan pemegang saham utama. Biaya tersebut meliputi US\$16,1 juta untuk Biaya Keuangan dan US\$18,1 juta untuk Biaya Umum dan Administratif. Akibat penyesuaian dari pengeluaran biaya tidak berulang ini, NPAT meningkat sebesar US\$14,8 juta atau 7% dibanding tahun 2018.



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and productivity. Accordingly, an annual Gross Profit Margin of 59% reflects improved productivity and a stronger gold price offset by lower ounces sold.

General and administrative overheads of US\$28.6 million were significantly lower than 2018, helping to produce an EBITDA of US\$371.4 million, repeating the excellent result of 2018. The Company's EBITDA margin was 66.2%; more than two and a half times the Global Top 40 Mining Industry average of 24%.<sup>4</sup>

Net Finance Costs were 78.1% lower owing to the repayment of US\$77.4 million in long-term debt, enabled by the extraordinary operational and financial performance delivered over the past two years, and led to a Net Profit Before Tax (NPBT) of US\$295.1 million for 2019.

Income Tax Expense of US\$79.3 million (27% of NPBT) was US\$24.6 million lower than US\$103.9 million (38% of NPBT) reported in 2018. This reflects unfavorable tax court rulings settled in the prior year.

Improvement Program, yang mendorong kinerja aset dan peningkatan efisiensi dan produktivitas. Hasilnya, marjin laba kotor tahunan meningkat sebesar 59%, yang mencerminkan peningkatan produktivitas dan harga emas yang lebih tinggi, diimbangi dengan berat emas terjual yang lebih rendah.

Di sisi lain, pengeluaran biaya administrasi umum turun secara signifikan, yaitu sebesar US\$28,6 juta dibandingkan tahun 2018, sehingga membantu menghasilkan EBITDA US\$371,4 juta. Hasil ini sangat menggembirakan, dibandingkan tahun 2018. Marjin EBITDA adalah 66,2%, lebih dari dua setengah kali dari rata-rata industri pertambangan di Top 40 Global yaitu 24%.<sup>4</sup>

Biaya bersih finansial 78,1% lebih rendah dikarenakan adanya pelunasan utang jangka panjang sebesar US\$77,4 juta. Hal ini dimungkinkan karena adanya kinerja operasional dan keuangan yang memuaskan selama dua tahun terakhir, sehingga menyebabkan Laba Bersih Sebelum Pajak (NPBT) menjadi US\$295,1 juta di tahun 2019.

Pajak Penghasilan sebesar US\$79,3 juta (27% dari NPBT), adalah US\$24,6 juta lebih rendah dari US\$103,9 juta (38% dari NPBT) yang disampaikan pada tahun 2018. Angka ini mencerminkan putusan pengadilan pajak yang kurang menguntungkan, yang diselesaikan pada tahun sebelumnya.

## AISC

All-in Sustaining Cost (AISC) has been widely adopted by the gold mining industry as a key performance metric for intra-industry benchmarking and performance comparison purposes.

AISC per ounce for 2019 was excellent at US\$443 per ounce, and while this result is 21% above the 2018 record-low of US\$367 per ounce, it must be viewed in the context of the overall mine plan and performance. Lower average ore grades of both gold and silver were mined and processed during 2019, inhibiting sales volumes and by-product revenue respectively. Remarkably, this was mostly compensated by the strong operational performance, evident from lower total direct AISC mining and processing costs despite record volumes of ore being mined and processed.

The Company's 2019 AISC per ounce was less than half the industry average and places the PT Agincourt Resources well inside the top quartile globally, amongst companies with a production base of more than 200,000 ounces.<sup>5</sup>

## AISC

All-in Sustaining Cost (AISC) telah banyak diadopsi oleh industri pertambangan emas sebagai metrik untuk membandingkan kinerja utama dengan kinerja pada industri sejenis.

Capaian AISC untuk 2019 sangat baik, yaitu di angka US\$443 per ounce, sementara hasil ini 21% di atas pencapaian terendah di tahun 2018, yaitu US\$367 per ounce. Kinerja ini harus dilihat dalam konteks keseluruhan dari rencana dan kinerja tambang. Nilai rata-rata bijih emas dan perak yang diproses dan ditambang selama 2019, yang lebih rendah, mengakibatkan terhambatnya volume penjualan dan tambahan pendapatan. Namun demikian, penurunan ini sebagian besar dikompensasi oleh kinerja operasional yang kuat, terbukti dari total biaya langsung penambangan dan pengolahan AISC yang lebih rendah, di samping volume bijih yang sedang ditambang dan diproses.

Di tahun 2019, nilai AISC Perusahaan per ounce kurang dari setengah rata-rata industri<sup>5</sup>. Hasil ini menempatkan posisi PT Agincourt Resources dalam kuartil teratas secara global, di antara perusahaan dengan basis produksi lebih dari 200.000 ounce.

<sup>4</sup> 2019 Mine Price Waterhouse Coopers - annual review of global trends in the mining industry as represented by the Global Top 40 mining companies by market capitalisation.

<sup>5</sup> World Gold Council - Gold Hub data AISC Industry average Q3 2019.

<sup>4</sup> Mine Price Waterhouse Coopers 2019 - merupakan tinjauan tahunan atas tren global industri pertambangan yang diwakili oleh perusahaan tambang yang termasuk kategori Global Top 40 berdasarkan kapitalisasi pasar.

<sup>5</sup> World Gold Council - Gold Hub data AISC Industry rata-rata pada kuarter ketiga tahun 2019.



## MIP

The Margin Improvement Program (MIP) is the embodiment of the Company's culture of continuous improvement. The program reflects a focus on seeking improvements across all aspects of the business. Furthermore, the Company believes that key mitigations to address risks of gold price volatility are optimising asset productivity and shrinking our cost structure, in addition to increasing Reserves and Resources and consequently extending mine life.

Since inception in 2013, the MIP has consistently resulted in further optimisation of our assets and reduction in costs. During 2019, 27 projects were either completed or active and contributed US\$26.0 million in value across all key business units. The main drivers of value were cost reductions thorough contract renegotiations and (most influentially) enhancements to mill productivity, underpinning the excellent current year financial results.

Mill productivity was boosted with an 8.3% increase in ore processed, a 4.3% improvement in operating time and a 3.9% increase in the milling rate; all new benchmarks for mill performance and resulting in US\$14.8 million in MIP value. Influential MIP projects generating these synergies included mill liner re-design efforts that decreased the frequency of major mill relines, projects reducing mill downtime such as eliminating the mill re-torque process, a continued focus on the secondary crusher operation, screening improvements throughout the milling circuit, upgrades to the SAG Mill pebble crusher circuit control and improving control over cyanide detoxification.

## MIP

Program Margin Improvement (MIP) adalah implementasi dari budaya peningkatan berkelanjutan Perusahaan. Program ini fokus pada upaya perbaikan di semua aspek bisnis. Selain itu, Perusahaan percaya bahwa mitigasi utama untuk mengatasi risiko ketidakstabilan harga emas adalah dengan cara mengoptimalkan produktivitas aset dan menyusutkan struktur biaya, di samping meningkatkan cadangan dan sumber daya yang dapat membantu memperpanjang usia tambang.

Sekjak awal tahun 2013, MIP secara konsisten menghasilkan optimalisasi dari aset dan mengurangi biaya. Selama 2019, sebanyak 27 proyek telah selesai dan aktif menyumbangkan nilai sebesar US\$26,0 juta di semua unit bisnis utama. Pendukung utama dari nilai ini adalah pengurangan biaya melalui negosiasi ulang kontrak dan (paling berpengaruh) adalah peningkatan produktivitas pabrik, yang berkontribusi dengan sangat baik pada hasil keuangan tahun berjalan.

Produktivitas pabrik didukung dengan peningkatan 8,3% pada bijih olahan, peningkatan 4,3% untuk waktu operasi dan peningkatan 3,9% dalam penggilingan; serta semua tolok ukur baru untuk kinerja pabrik yang dapat menghasilkan US\$14,8 juta pada nilai MIP. Proyek MIP yang berpengaruh dalam menghasilkan sinergi ini, termasuk upaya desain ulang *mill liner* yang mampu mengurangi frekuensi *mill relines* utama, dan proyek-proyek yang mengurangi *downtime* pabrik seperti menghilangkan proses *re-torque*, meningkatkan fokus pada operasi *crusher* sekunder, menyarang perbaikan di seluruh penggilingan sirkuit, meningkatkan kontrol sirkuit *crusher* kerikil SAG Mill, serta meningkatkan kontrol atas detoksifikasi sianida.

## Review of Financial Position

## Telaah Posisi Keuangan

in US\$'000, unless otherwise stated	> 2019	2018	dalam US\$'000, kecuali dinyatakan lain
Current Assets	<b>115,836</b>	71,793	Aset Lancar
Non-current Assets	<b>651,578</b>	638,008	Aset Tidak Lancar
Total Assets	<b>767,414</b>	709,801	Total Aset
Total Liabilities	<b>234,529</b>	278,433	Total Liabilitas
Net Assets	<b>532,886</b>	431,368	Aset Bersih
Net Debt to EBITDA (Rate)	<b>0.08</b>	0.31	Utang Bersih terhadap EBITDA (Rasio)
Fixed Asset Turnover (Rate)	<b>0.97</b>	0.98	Perputaran Aktiva Tetap (Rasio)
Return on total assets (Rate)	<b>28.1</b>	23.5	Tingkat Pengembalian Total Aset (Rasio)



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Continuing the trend of recent prior years, the Company has further strengthened its balance sheet during 2019 with a focus on sustainable performance and future growth. This was achieved through careful justification of selected capital expenditures, the establishment of the Martabe Project Development department, further investment in an expanded exploration program to develop a long-term pipeline of targets, and reducing financial dependency on related parties though the reduction of long-term loans.

Net assets have increased significantly by US\$101.5 million or 24% from US\$431.4 million in 2018 to US\$532.9 million in 2019. Total assets have also substantially increased, from US\$709.8 in 2018 to US\$767.4 million in 2019.

Fixed Assets Turnover is a key measure of asset utilisation and performance. In 2019 the Company's fixed assets turnover remained at 0.98, reflecting the Company's continued success in utilising fixed assets productively.

Gross Debt to EBITDA improved from 0.40 to 0.20 in 2019, Net Debt to EBITDA progressed from 0.31 to 0.08, and Gross Debt to Equity more than halved to 0.16, displaying the effects of the Company's de-leveraging activities and underscoring the balance sheet impact of excellent operational performance.

Return on Assets (ROA) for the year again improved from 23.5% in 2018 to 28.1% in 2019, mainly due to the increase in net profit exceeding the increase in the total asset base.

Melanjutkan tren pada tahun-tahun sebelumnya, selama tahun 2019, Perusahaan semakin memperkuat neraca dengan fokus pada kinerja berkelanjutan dan pertumbuhan di masa depan. Hal ini dicapai melalui justifikasi yang cermat atas pilihan pada belanja modal, pendirian Departemen Pengembangan Proyek Martabe, investasi lebih lanjut dalam program eksplorasi yang diperluas untuk mengembangkan jaringan target jangka panjang, dan mengurangi ketergantungan finansial pada pihak-pihak terkait melalui pengurangan pinjaman jangka panjang.

Aset bersih telah meningkat secara signifikan sebesar US\$101,5 juta atau 24% dari US\$431,4 juta pada 2018 menjadi US\$532,9 juta pada 2019. Total aset juga meningkat secara substansial, dari US\$709,8 pada 2018 menjadi US\$767,4 juta pada 2019.

Rasio Perputaran Aktiva Tetap adalah ukuran utama dari pemanfaatan dan kinerja aset. Pada tahun 2019, perputaran aktiva tetap Perusahaan berada di 0,98 yang mencerminkan keberhasilan Perusahaan yang berkelanjutan dalam menggunakan aktiva tetap secara produktif.

Rasio Utang Kotor pada EBITDA meningkat dari 0,40 menjadi 0,20 pada tahun 2019, Rasio Utang Bersih pada EBITDA meningkat dari 0,31 menjadi 0,08, dan Rasio Utang Kotor terhadap Ekuitas lebih dari setengahnya, menjadi 0,16. Angka ini menampilkan hasil dari aktivitas *de-leveraging* dan memperlihatkan hasil neraca dari kinerja operasional yang sangat baik.

Pengembalian Aset (ROA) di tahun ini kembali membaik dari 23,5% pada 2018 menjadi 28,1% pada 2019. Peningkatan terjadi, terutama karena naiknya laba bersih yang melebihi peningkatan total dasar aset.

## Cash Flow & Liquidity

## Likuiditas dan Arus Kas

in US\$'000, unless otherwise stated	► 2019	2018	dalam US\$'000, kecuali dinyatakan lain
Income before tax	295,099	270,708	Laba sebelum pajak penghasilan
Operating Cash Flow before changes in WC	333,179	373,569	Arus kas operasi sebelum perubahan modal kerja
Cash generated from operations	344,925	404,363	Kas dihasilkan dari operasi
Net Cash from Operating Activities	245,951	322,201	Kas bersih dari Kegiatan Operasional
Net cash used in investing	(70,289)	64,818	Kas bersih untuk kegiatan investasi
Net cash used in financing	(165,960)	(385,022)	Kas bersih untuk kegiatan pendanaan
Net change in cash and cash equivalents	9,702	1,998	Kenaikan/(penurunan) kas dan setara kas
Cash and cash equivalents - start year	32,678	30,680	Kas dan setara kas pada awal tahun
Cash and cash equivalents - end year	42,380	32,678	Kas dan setara kas pada akhir tahun



COMPANY PROFILE  
Profil Perusahaan



BOARD REPORTS  
Laporan Manajemen



MANAGEMENT DISCUSSION & ANALYSIS  
Analisis & Bisnis Manajemen



HUMAN RESOURCES  
Sumber Daya Manusia



OCCUPATIONAL HEALTH AND SAFETY  
Kesehatan dan Keselamatan Kerja

The 2019 statement of cash flows remains very positive, flowing from the exceptional operating performance in 2019. Operating cash flow before changes in working capital was very strong at US\$333 million after adjusting for amortization, depreciation and hedging activities.

Net Cash from Operations was US\$246 million and was used to purchase property plant and equipment, further invest in the exploration pipeline, pay interest and principal on related party long-term loans, and for the payment of a substantial interim dividend; after which cash on hand had increased by US\$9.7 million to US\$42.4 million at the close of the financial year.

Laporan arus kas 2019 tetap sangat positif, mengalir dari kinerja operasi yang luar biasa di 2019. Arus kas operasi dari sebelum perubahan modal kerja sangat kuat, yaitu sebesar US\$333 juta setelah disesuaikan untuk alokasi amortisasi, depresiasi, dan aktivitas yang mengikat.

Kas Bersih dari Operasi sebesar US\$246 juta dan digunakan untuk bangunan pabrik dan peralatan, investasi lebih lanjut pada kegiatan eksplorasi, membayar bunga dan pokok pinjaman jangka panjang dari berbagai pihak, dan untuk membayar dividen interim yang substansial. Selanjutnya, saldo kas juga meningkat, dari sebesar US\$9,7 juta menjadi US\$42,4 juta pada akhir tahun posisi keuangan.

## Dividends

The Company continues to pay a regular dividend to deliver a consistent return for the shareholders. For the year 2019 the Company distributed dividends totalling US\$82.4 million, a 10.3% or US\$7.7 million increase from the prior year.

## Dividen

Perusahaan terus membayar dividen secara teratur untuk memberikan pengembalian yang konsisten bagi para pemegang saham. Untuk tahun 2019, Perusahaan membagikan dividen sebesar US\$82,4 juta, naik 10,3% atau US\$7,7 juta dibandingkan tahun sebelumnya.

## Taxes Paid

The Company ensures full compliance with all laws and regulations with the relevant authorities with respect to state revenue and taxes.

## Pembayaran Pajak

Perusahaan memastikan kepatuhan penuh atas semua hukum dan peraturan, termasuk pada otoritas terkait, sehubungan dengan pendapatan dan pajak negara.

Payments to Government (in US\$'000)	> 2019	2018	Pembayaran ke Pemerintah (dalam US\$'000)
Corporate income tax	81,481	87,365	Pajak penghasilan badan usaha
Withholding income tax	30,926	15,050	Pemungutan pajak
Royalties	21,356	21,300	Royalti
Deadrent	521	521	Iuran Pertambangan
Land and building tax	6,145	1,004	Pajak bumi dan bangunan
Other taxes	1,432	1,680	Pajak lainnya
<b>Total</b>	<b>141,861</b>	<b>126,399</b>	<b>Total</b>



## Exploration

### ► Eksplorasi

Exploration activity at Martabe reached new levels in 2019, building on the intensive drilling campaigns of recent years. Peaking with fifteen diamond drill rigs in operation, the 2019 programme delivered a record 89,682 meters of drill-core at a total exploration cost of US\$21.7 million or US\$242 per meter, the lowest average unit-cost on record. A number of Martabe Improvement Program (MIP) productivity initiatives were behind these operational results.

Tahun 2019 merupakan tahun yang luar biasa bagi pencapaian kegiatan eksplorasi di Tambang Martabe, seiring dengan kelanjutan pelaksanaan kegiatan pengeboran secara intensif yang telah dilakukan selama beberapa tahun terakhir. PTAR mengoperasikan hingga lima belas *diamond drill rigs* sepanjang tahun 2019, melakukan pengeboran 89.682 meter dengan total biaya eksplorasi mencapai US\$21,7 juta atau setara dengan US\$242 per meter tanah yang dibor. Pengeluaran biaya pengeboran ini merupakan yang terendah sepanjang sejarah operasional PTAR. Keberhasilan capaian operasional ini didukung oleh beberapa pelaksanaan inisiatif MIP.



### Exploration Spending Efficiency (in US\$) Efisiensi Biaya Eksplorasi (dalam US\$)



The majority of drilling in 2019 was conducted at Purnama and Tor Uluala, where the main Resource and Reserve updates were completed. Significantly, for the first time, an underground Resource has been defined at Purnama. Furthermore, deep drilling targeting underground sulphide potential has also identified mineralisation at Tor Uluala which will be further targeted in the 2020 drilling program.

Resource estimation efforts in 2019 have resulted in considerable upgrades to the classification of the known Mineral Resources at Purnama and Tor Uluala, including conversion of Resources from Inferred to Indicated and from Indicated to Measured categories.

Net of current year mining depletion, Ore Reserves increased by 8% in 2019 to 95 million tonnes. Contained Gold remained unchanged from the previous year at 4.5 million ounces and Contained Silver decreased by 4% or 1.3 million ounces net of depletion to 32 million ounces.

Net of current year mining depletion, Mineral Resources tonnes increased by 1% in 2019 to 206 million tonnes. Contained Gold decreased by 4% or 0.3 million ounces net of depletion to 7.8 million ounces and Contained Silver decreased by 7% or 5.1 million ounces net of depletion to 64 million ounces.

Mayoritas kegiatan pengeboran pada tahun 2019 meliputi kegiatan pembaruan Cadangan dan Sumber Daya utama dari pit Purnama dan Tor Uluala. Secara signifikan, untuk pertama kalinya, Sumber Daya Bawah Tanah telah ditemukan pada pit Purnama. Selain itu, pengeboran dalam yang telah dilakukan sebagai bagian dari Studi Sulfida Bawah Tanah menemukan beberapa mineralisasi berkadar tinggi di pit Tor Uluala. Temuan ini lebih lanjut akan ditindaklanjuti sebagai target dalam program pengeboran di tahun 2020.

Upaya-upaya estimasi Sumber Daya yang dilakukan pada tahun 2019 telah menghasilkan peningkatan cukup signifikan pada Sumber Daya Mineral di pit Purnama dan Tor Uluala, termasuk konversi Sumber Daya dari kategori Terkira ke Terunjuk dan dari kategori Terunjuk menjadi Terukur.

Pada tahun 2019, setelah deplesi penambangan di tahun berjalan, Cadangan Bijih mengalami peningkatan sebesar 8% menjadi 95 juta ton. Jumlah Emas Terkandung tidak berubah dibandingkan tahun sebelumnya, yakni 4,5 juta ounce, sedangkan jumlah Perak Terkandung menurun sebanyak 4% atau 1,3 juta ounce setelah deplesi menjadi 32 juta ounce.

Selain itu, pada tahun 2019 setelah deplesi penambangan di tahun berjalan, jumlah Sumber Daya Mineral meningkat 1% menjadi 206 juta ton. Jumlah Emas Terkandung didalamnya menurun 3% atau sebesar 0,3 juta ounce setelah deplesi, menjadi 7,8 juta ounce. Jumlah Perak Terkandung juga mengalami penurunan 7% atau sebesar 5,1 juta ounce setelah deplesi menjadi 64 juta ounce.



	Ore Reserve Cadangan Bijih	Resource Sumber Daya Mineral
	Statement as at 31 December 2019 Status per 31 Desember 2019	
<b>Reserve Tonnes (Mt)</b> Jumlah Cadangan (juta ton)	95	206
<b>Contained Gold (Moz)</b> Emas Terkandung (juta ounce)	4.5	7.8
<b>Contained Silver (Moz)</b> Perak terkandung (juta ounce)	32	64
<b>Gold Grade</b> Kandungan Emas	1.5	1.2
<b>Silver Grade</b> Kandungan Perak	11	9.7

## Geophysical Survey Project

In 2019, Exploration initiated a first-in-country geophysical survey project, employing a 3-dimensional Induced Polarisation technology to identify deep-lying potential mineral deposits. The survey has provided a new insight into the Martabe mineral system and supports the long-term exploration plan and pipeline of targets. By year's-end the Martabe District area had been surveyed with a number of targets identified for further investigation. The program will continue in 2020, focused on prospective regional areas within the Company's Contract of Works.

## Proyek Survei Geofisikal

Pada tahun 2019, Eksplorasi memulai proyek survei geofisika pertama di Indonesia dengan menggunakan teknologi Polarisasi Terinduksi 3-dimensi untuk mengidentifikasi potensi deposit mineral yang ada. Hasil survei ini memberikan pengetahuan baru terkait sistem mineral di Martabe yang membantu rencana eksplorasi jangka panjang serta pipa target. Pada akhir tahun, wilayah Distrik Martabe telah disurvei dengan sejumlah target yang telah diidentifikasi untuk investigasi lebih lanjut. Kegiatan ini akan dilanjutkan pada tahun 2020, dengan fokus pada area regional prospektif dalam Kontrak Karya Perusahaan.

**Mineral Resources oz Au**  
Sumber Daya Mineral oz Au



Mineral Resources  
Sumber Daya Mineral



Ore Reserves  
Cadangan Bijih



## Martabe Project Development (MPD)

### ► Martabe Project Development (MPD)

The MPD group was established in early 2019 to address the key business challenges of declining, waste and tailings storage requirements, and the changing nature of the ore (increasing sulphur levels). Key activities for the group in 2019 included the Mill Capacity Expansion Pre-Feasibility Study (PFS), Tailings Management Facility PFS, Martabe Sulphide PFS, Intermediate Sulphide Recovery PFS, and a preliminary study on the underground mining potential of Purnama.

Starting with a relatively modest team, MPD has slowly been building the group's capability modelled on a small core of internal technical experts supported by suitable external resources as required by the study/project.

Grup MPD didirikan pada awal 2019 untuk mengatasi tantangan utama pada bisnis, yaitu menurunnya kualitas, limbah dan penyimpanan *tailing*, serta sifat bijih yang berubah (meningkatnya kadar sulfur). Di tahun 2019, grup melakukan kegiatan utamanya yang meliputi Studi Pra-Kelayakan (PFS) Pengembangan Kapasitas Mill, PFS Fasilitas Pengelolaan *Tailing*, PFS Sulfida Martabe, PFS *Intermediate Sulphide Recovery*, dan studi awal tentang potensi penambangan bawah tanah Purnama.

Dimulai dengan tim yang relatif sederhana, MPD perlahan membangun model kapasitas kelompok yang terdiri dari sejumlah pakar teknis utama internal yang sedikit namun didukung oleh sumber daya eksternal, sebagaimana diperlukan untuk studi/proyek.



GOOD CORPORATE GOVERNANCE  
Tata Kelola Perusahaan



CORPORATE SOCIAL RESPONSIBILITY  
Tanggung Jawab Sosial Perusahaan



ENVIRONMENT  
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CORPORATE IDENTITY  
Identitas Perusahaan

## Studies

**Mill Capacity Expansion PFS.** This study was conducted to evaluate expanding the mill capacity from 5.9 million tonnes per annum (Mtpa) to 6.5 Mtpa through the installation of an additional mill (Vertimill) in the grinding circuit. The study was completed in November 2019 and approved to move to the Front End Engineering Design (FEED) phase in December 2019.

**Tailings Management Facility PFS.** This study commenced in May 2019 to evaluate the establishment of a second tailings management facility to contain Life-of-Mine (LOM) waste and process tailings. The approach being considered entails deposition of filtered "dry" tailings into an engineered structure made from mine waste. The PFS is currently at its conclusive stage of evaluation.

**Martabe Sulphide PFS.** The study seeks to evaluate two process options for the Martabe sulphide ores – Roaster and Albion Leach. This follows on from studies carried out in previous years and a recent PTAR Preliminary Economic Analysis. The PFS was completed in December 2019 but more confirmation work is currently being carried out before selecting a preferred route to take to the Feasibility Study (FS) phase in 2020.

**Intermediate Sulphide Recovery PFS.** Martabe ores will gradually and progressively show increased sulphur levels over time as the pits deepen, lowering gold recovery if PTAR continues to process ores through the current CIL plant. This study has been evaluating low complexity (and modest investment) options to improve gold recovery using a combination of physical and chemical processes and conditions for Martabe ore exhibiting 'middle' levels of sulphur. This study is critical for two reasons. It underpins our understanding of the processing characteristics of mid and high sulphur level ore ores and defers the larger investment required for Martabe Sulphide Project.

## Future Steps

As the work on the PFS stage is completed, then pending compelling outcomes of further studies, metallurgical testwork, and engineering design will move into Feasibility Study phase or project execution phase in 2020.

## Studi

**PFS Pengembangan Kapasitas Mill.** Studi ini dilakukan untuk mengevaluasi perluasan kapasitas *mill* dari 5,9 juta ton per tahun (Mtpa) menjadi 6,5 Mtpa melalui pemasangan *mill* tambahan (Vertimill) di sirkuit penggilingan. Studi ini telah selesai pada November 2019 dan disetujui untuk dilanjutkan ke fase *Front End Engineering Design* (FEED) pada Desember 2019.

**PFS Pengelolaan Fasilitas Tailing.** Studi ini dimulai pada bulan Mei 2019 untuk mengevaluasi pendirian fasilitas pengelolaan *tailing* kedua yang ditujukan untuk menampung batu buangan Life-Of-Mine (LOM) dan proses *tailing*. Pendekatan yang dipertimbangkan mencakup pengendapan *tailing* "kering" yang disaring ke dalam struktur rekayasa yang terbuat dari batu buangan tambang. Saat ini, PFS sedang dalam tahap evaluasi yang konklusif.

**PFS Sulfida Martabe.** Studi ini berupaya mengevaluasi dua opsi proses untuk bijih sulfida Martabe - Roaster dan Albion Leach. Pelaksanaan studi ini mengikuti studi yang sudah dilakukan pada tahun-tahun sebelumnya dan hasil Analisis Ekonomi Awal PTAR baru-baru ini. PFS selesai pada Desember 2019, tetapi konfirmasi pekerjaan lebih lanjut sedang dilakukan sebelum memilih rute untuk dibawa ke fase Studi Kelayakan (FS) pada tahun 2020.

**PFS Intermediate Sulphide Recovery.** Bijih Martabe secara bertahap dan progresif menunjukkan peningkatan kadar sulfur dari waktu ke waktu seiring lubang yang semakin dalam, kondisi ini mengurangi perolehan emas jika PTAR terus memproses bijih melalui Pabrik CIL. Studi ini mengevaluasi opsi kompleksitas yang lebih rendah (dan investasi yang menengah) untuk meningkatkan perolehan emas menggunakan kombinasi proses secara fisik dan kimiawi serta kondisi-kondisi dimana bijih Martabe yang menunjukkan tingkat sulfur 'sedang'. Penelitian penting ini dilakukan karena dua alasan, yaitu mendukung pemahaman tentang karakteristik pemrosesan bijih dengan tingkat sulfur sedang dan tinggi, serta menunda investasi yang lebih besar yang diperlukan untuk Proyek Sulfida Martabe.

## Langkah Selanjutnya

Setelah pekerjaan pada tahap PFS selesai, kemudian hasil studi lebih lanjut yang masih tertunda, uji coba metallurgi, dan *engineering design* akan diteruskan ke fase Studi Kelayakan atau fase pelaksanaan proyek pada tahun 2020.



Daily briefing in the Mining Dept.  
(Roy Ginting, Fidelis Sidauruk, Slamet Riyanto, Tarida Nasution, Bonni Simanjuntak).

Briefing harian pada Dept. Mining.  
(Roy Ginting, Fidelis Sidauruk, Slamet Riyanto, Tarida Nasution, Bonni Simanjuntak).



► SUMBER DAYA MANUSIA  
**HUMAN  
RESOURCES**



## Human Resources

### ► Sumber Daya Manusia

“ PTAR’s excellent performance during 2019 is in no small part due to the continued improvement of its Human Resources, particularly employee training and development. The aim is to create a conducive and productive work environment for employees in accordance with their position and expertise.

Sumber daya manusia berperan signifikan dalam kinerja PT Agincourt Resources yang baik dan berkesinambungan di tahun 2019. Perusahaan senantiasa mengembangkan kapasitas para karyawan melalui berbagai pelatihan dan memastikan tersedianya lingkungan kerja yang kondusif dan produktif bagi para karyawan sesuai dengan posisi dan keahliannya. ♫♪



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CORPORATE SOCIAL RESPONSIBILITY  
Tanggung Jawab Sosial Perusahaan



ENVIRONMENT  
Lingkungan



CORPORATE IDENTITY  
Identitas Perusahaan

PTAR complies with all applicable laws and regulations relating to Manpower, as befits its role as one of Indonesia's national gold mining companies. PTAR has managed to foster good industrial relations with employment-related stakeholders, at regency, provincial and national levels. Through establishing good manpower communications, the Company has been able to develop its employees to represent its values of Excellence and Action through training and capacity-building programs.

Employee development is reflected in Company policy, with its commitment to developing its local workforce, referred to as the Marsipature Program, as well as a focus on Gender Diversity.

Sebagai perusahaan tambang emas nasional, PTAR memastikan untuk bertindak dan beroperasi dalam jalur perundang-undangan yang berlaku, termasuk Undang-Undang Ketenagakerjaan. PTAR berhasil membina hubungan industrial yang baik dengan para pemangku kepentingan di bidang ketenagakerjaan, baik di tingkat kabupaten, provinsi, maupun nasional. Komunikasi yang terjalin dengan baik mampu membantu Perusahaan dalam menjalankan program pelatihan dan pembangunan kapasitas bagi para karyawan, sehingga mampu menjadikan sumber daya manusia yang unggul dan dapat bekerja dibidangnya.

Komitmen Perusahaan dalam pengembangan karyawan ini tercermin dalam kebijakan Perusahaan, khususnya dalam Program Marsipature. Selain itu, Perusahaan juga memiliki kebijakan khusus bagi karyawan yang fokus pada keberagaman gender.

## Overview of Human Resources

At the end of 2019, PTAR employed 858 permanent employees and 2,448 contractors. Exceeding the target set in the Amdal which required minimum 70% or minimum 700 employees from local residents, PTAR has a total of 74% or 2,443 employees from local residents.

## Gambaran Umum Sumber Daya Manusia

Di akhir tahun 2019, PTAR mempekerjakan 858 karyawan permanen dan kontrak serta 2.448 karyawan kontraktor. Sebesar 74% atau 2.443 orang berasal dari masyarakat setempat, angka ini melebihi dari target yang sudah ditetapkan dalam Adendum Amdal yang mengatur Perusahaan untuk memiliki minimal 70% atau minimal 700 pekerja dari masyarakat setempat.

## Recruitment and Promotion

The needs of each user department is foremost in the recruitment process and employees are promoted based on their performance and achievements, taking into account job competencies and the potential for further development. Importantly, job vacancies are first posted internally and transparently to all employees.

## Rekrutmen dan Promosi

Rekrutmen karyawan dilakukan berdasarkan kebutuhan masing-masing departemen pengguna, sedangkan promosi dijalankan sesuai dengan kinerja dan prestasi setiap karyawan, serta pertimbangan kompetensi kerja dan potensi pengembangan selanjutnya. Perusahaan memberikan informasi lowongan kerja yang diperlukan pertama kali secara internal dan transparan kepada seluruh karyawan.

As a means of ensuring that the local community benefits directly from economic benefits from the operation of Martabe Gold Mine and supporting social license to operate, the Company is committed to providing job opportunities for local communities. The result is that at the end of 2019, almost three-quarters (74%) of the workforce at the site were local people, exceeding the target of 70% set in the Amdal. A further 24% of the workforce are fly-in fly-out employees from other cities in Indonesia, and 2% are foreign workers.

Di sisi lain, Perusahaan juga berkomitmen untuk menyediakan peluang kerja bagi masyarakat setempat, sebagai suatu sarana untuk memastikan bahwa masyarakat setempat menerima manfaat ekonomi langsung dari operasi Tambang Emas Martabe. Di akhir tahun 2019, 74% tenaga kerja merupakan masyarakat setempat, angka ini melampaui target 70% yang telah ditetapkan dalam Adendum Amdal. Selain itu, 24% tenaga kerja PTAR merupakan warga negara Indonesia yang berasal dari daerah lain, sementara 2% lainnya merupakan tenaga kerja asing.



## Employee Remuneration and Benefits

The Company's employees are remunerated by wages, salaries and bonuses, as well as benefits in kind or employee benefits. The latter includes health insurance for all employees, educational assistance for employees' children, payment of premiums under the social security program of BPJS Ketenagakerjaan.

The following principles are used by the Company to determine employee remuneration:

- Remuneration will be in compliance with applicable Indonesian laws and regulations, especially its minimum wage provision.
- A competency-based remuneration system based on job grade and individual performance is applied to all employees regardless of gender.
- The remuneration provided by the Company continues to be competitive in the region and in the Indonesian mining industry.
- After an annual performance assessment is carried out, remuneration is reviewed and adjusted on an annual basis.

## Performance Management

An annual performance assessment of the performance of employees at Martabe Gold Mine has been undertaken, in which their performance in meeting the requirements of job positions during the year is evaluated and personal targets are agreed for the coming year. In 2019, all employees underwent assessment by this program. In addition, rewards for performance are also given in order to boost employees' productivity.

## Employee Training and Development

Employee development and training are crucial in improving workforce competencies to support PTAR's success and achievements. The Training and Development Department provides comprehensive broad scale training on-site whereas training on work-specific topics is provided by the relevant department. An online training management system is used to monitor employee competencies.

## Remuneration and Tunjangan Karyawan

Remunerasi karyawan Perusahaan meliputi upah, gaji dan bonus, serta manfaat non tunai atau tunjangan karyawan termasuk asuransi kesehatan untuk seluruh karyawan, bantuan pendidikan bagi anak karyawan, pembayaran premi di bawah program jaminan sosial BPJS Ketenagakerjaan, dan santunan duka cita.

Perusahaan menerapkan prinsip-prinsip berikut dalam penetapan remunerasi karyawan:

- Remunerasi senantiasa memenuhi peraturan dan perundang-undangan Indonesia yang berlaku, terutama ketentuan upah minimum.
- Seluruh karyawan diberikan remunerasi di bawah sistem remunerasi berbasis kompetensi berdasarkan *job grade* dan kinerja perorangan, tanpa membedakan gender.
- Remunerasi tetap bersaing secara daerah dan industri pertambangan Indonesia.
- Remunerasi ditinjau dan disesuaikan setiap tahunnya setelah dilakukan proses penilaian kinerja tahunan.

## Manajemen Kinerja

Kinerja para karyawan di Tambang Emas Martabe selalu dipantau dan dinilai melalui proses penilaian kinerja tahunan. Proses penilaian kinerja mencakup evaluasi pemenuhan persyaratan posisi kerja selama tahun tersebut dan penetapan target pribadi untuk tahun berikutnya. Pada tahun 2019, seluruh karyawan telah menjalani penilaian di bawah program ini. Tidak hanya itu, PTAR juga memberikan penghargaan kepada karyawan atas kinerja yang telah dilakukan sepanjang tahun untuk terus mendorong produktivitas karyawan.

## Pelatihan dan Pengembangan Karyawan

Pelatihan dan pengembangan kapasitas karyawan merupakan hal penting untuk menunjang kinerja karyawan sebagai salah satu aset penting Tambang Emas Martabe demi mencapai keberhasilan Perusahaan. Pelatihan karyawan secara menyeluruh di *site* dilakukan di bawah tanggung jawab Departemen Training and Development, sedangkan pelatihan khusus terkait dengan pekerjaan spesifik diberikan oleh departemen terkait. Perusahaan senantiasa memantau dan mengelola kompetensi karyawan melalui sistem manajemen pelatihan daring.



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There are five categories of training provided to employees of the Company and site contractors:

- Health, safety and the environment.
- Personal development.
- Language skills.
- Technical skills.
- Training for obtaining operating permits for vehicles and equipment.

The continuous improvement of employees' competencies remained a focus throughout 2019. The result is that a total of 208 training programs have been provided by PTAR. Total training provided for employees was 11,316 hours. The training placed particular emphasized on safety, being one of the Company's main priorities.

As an important requirement for employee competence in the mining sector, PTAR successfully held POP (Primary Operational Supervisor) and POM (Intermediate Operational Madya) training during 2019. The result was that as many as 50 people were declared POP-competent and 17 people were declared POM-competent.

## Marsipature Program

The Marsipature Program was launched in 2017 with the aim of increasing absorption and career opportunities for local workers. The name originated from the Batak Language meaning "Let's Build". The naming process was an integral part of Martabe; "Marsipature Huta Nabe".

This Marsipature program is specifically designed to provide capacity building, training and development for the workforce. The focus is on trade and non-trade positions which are anticipated to enhance career opportunities for local employees. The Marsipature program consists of:

1. Professional Development
2. Technical Development:
  - Non-Trades Training
  - Soft Skill Training
  - Trades (Apprentice)

Following the signing of the Cooperation Agreement between PTAR and PPNS (Surabaya State Polytechnic of Shipbuilding) the Trades Program was launched in January 2019. The training module concept consists of 25% theory and 75% practice. This apprenticeship program covers Mechanical, Electrical &

Pelatihan yang diberikan kepada para karyawan Perusahaan dan kontraktor site terdiri dari lima jenis:

- Kesehatan, keselamatan, dan lingkungan hidup.
- Pengembangan pribadi.
- Keahlian bahasa.
- Keahlian teknis.
- Pelatihan untuk mendapatkan izin pengoperasian kendaraan dan peralatan.

Fokus kegiatan pengembangan kompetensi karyawan yang dilakukan Perusahaan pada tahun 2019 adalah untuk selalu meningkatkan keahlian karyawan. Sepanjang tahun 2019, PTAR telah melaksanakan 208 pelatihan, dengan total waktu pelatihan karyawan sebanyak 11.316 jam. Tema pelatihan karyawan pada tahun 2019 telah disesuaikan dengan isu terkini yang utama bagi Perusahaan, yakni keselamatan kerja.

PTAR telah memenuhi syarat penting kompetensi pekerja di sektor tambang, yakni dengan mengadakan Pengawas Operasional Pratama (POP) dan Pengawas Operasional Madya (POM). Pada tahun 2019, sebanyak 50 orang dinyatakan kompeten sebagai POP dan 17 orang kompeten sebagai POM.

## Program Marsipature

Program Marsipature diluncurkan sejak tahun 2017 yang bertujuan untuk meningkatkan penyerapan dan peluang karir bagi tenaga kerja lokal. Program ini dinamai berdasarkan Bahasa Batak yang memiliki arti "Mari Membangun". Penamaan ini merupakan bagian tak terpisahkan dari Martabe, "Marsipature Huta Nabe".

Progarm Marsipature secara khusus menyediakan pembangunan kapasitas, pelatihan, dan pengembangan karyawan. Fokus yang dikembangkan pada pelaksanaan program ini adalah posisi *trades* dan *non-trades* yang diharapkan dapat meningkatkan peluang karir bagi para karyawan lokal. Program Marsipature terdiri dari:

1. Pengembangan Profesional
2. Pengembangan Teknis:
  - *Non-Trades Training*.
  - *Soft Skill Training*.
  - *Trades (Apprentice)*.

PTAR telah melaksanakan program *trades*, sebagai bagian dari Program Marsipature, sejak bulan Januari 2019 saat ditandatanganinya Perjanjian Kerjasama antara PTAR dan Politeknik Perkapalan Negeri Surabaya (PPNS). Konsep modul pelatihan ini terdiri dari 25% teori dan 75% praktik. Pelaksanaan



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Instrumentation, and Welding Systems; taking three-years. In 2019 the first intakes of apprenticeship students consisted of:

- Mechanical: 4 people
- Electrical & Instrumentation: 4 people

The Company expects this program to grow progressively in future years in terms of additional apprentices in a range of trades.

## Gender Diversity

PTAR offers competitive benefits for the business by providing numerous opportunities for employees to actively contribute to the company's growth through the Gender Diversity Program. This underlines the Company's commitment to eliminating gender restrictions in recruitment and promotion as well as removing the "gender pay gap" in remuneration bias.

Increasing the participation rate of women at all levels of the workforce at PTAR and among site contractors is the initial goal of the Gender Diversity Program. By the end of 2019, 214 female (25%) employees had been hired, with 28% of these occupying management roles (Superintendent and Manager Levels). In terms of total workforce including contractors, there were 674 female workers representing 27% of the gender neutral roles in the workforce.

Being able to provide protection for pregnant employees from the hazards of the workplace while still allowing them to work until delivery is imminent allows the Company to retain valuable female employees and is the purpose of the PTAR Code of Practice on Managing Pregnancy-Related Work Restrictions.

program ini mencakup *Mechanical, Electrical & Welding System*, dengan periode pelatihan selama tiga tahun. Para siswa yang mengikuti program ini disebut sebagai *Magang* atau *Apprentice* yang hingga akhir 2019 terdiri dari:

- *Mechanical*: 4 orang.
- *Electrical & Instrumentation*: 4 orang.

PTAR berharap kegiatan pelatihan ini dapat tumbuh secara progresif di tahun-tahun mendatang dan memiliki *apprentice* lebih banyak dari berbagai bidang pekerjaan.

## Keberagaman Gender

PTAR memiliki Program Keberagaman Gender yang memberikan kesempatan luas bagi para karyawan untuk dapat berkontribusi secara aktif dalam kemajuan Perusahaan. PTAR percaya bahwa keberagaman tenaga kerja dapat memberikan manfaat yang kompetitif bagi Perusahaan. Perusahaan berkomitmen untuk menghilangkan batasan gender dalam perekrutan dan promosi serta kesenjangan remunerasi bagi tenaga kerja PTAR dan kontraktor.

Sasaran awal Program Keberagaman Gender adalah meningkatnya angka partisipasi perempuan di semua tingkatan tenaga kerja PTAR dan kontraktor *site*. Hingga akhir tahun 2019, sebanyak 25% atau 214 karyawan perempuan telah dipekerjakan, dengan 28% karyawan perempuan berada di tingkatan Superintendent dan Manajer. Jumlah total seluruh karyawan perempuan, termasuk karyawan kontraktor, adalah 674 karyawan yang mewakili 27% pekerjaan *gender-neutral* di angkatan kerja.

Program Keberagaman Gender telah diatur dalam Kode Praktik PTAR tentang Mengelola Batasan Kerja Terkait Kehamilan. Kebijakan ini berhasil mempertahankan para pekerja perempuan yang dalam masa dan sesudah kehamilan, karena mampu memberikan perlindungan bagi karyawan yang sedang hamil dari bahaya di tempat kerja namun tetap memungkinkan mereka untuk bekerja hingga sebelum mendekati masa melahirkan.



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In addition, the Company has a Lactation Policy providing nursing facilities for breastfeeding mothers during work hours to take home for their infant. The Paternity & Maternity leave police provides father 14 days and mothers 4 months leave. Meanwhile, the ongoing Anti-Harassment policy is an effort to eliminate discrimination, intimidation, threats or harassment in the workplace.

## Industrial Relations

PTAR operates its employment policy under the laws of the Republic of Indonesia as well as regional regulations on manpower and wages. The company also supports good relations with the Manpower Agency as well as harmonious cooperation with the labor union. This is evidenced by the absence of any significant problems in industrial or employee relations in 2019. The policy dissemination and changes in employment regulations are always actively communicated internally and reported on a regular basis.

Selain itu, Kebijakan Laktasi memberikan fasilitas bagi ibu untuk kegiatan laktasi di waktu kerja untuk dibawa pulang. Kebijakan cuti melahirkan juga menyediakan fasilitas cuti bagi Bapak 14 hari dan ibu 4 bulan. PTAR juga terus menjalankan Kebijakan Anti Pelecehan sebagai upaya menghilangkan diskriminasi, intimidasi, ancaman atau pelecehan di tempat kerja.

## Hubungan Industrial

PTAR menjalankan norma-norma ketenagakerjaan sesuai dengan peraturan perundang-undangan Indonesia serta peraturan daerah terkait dengan ketenagakerjaan dan penetapan upah minimal. Selain itu, Perusahaan mendukung hubungan yang baik dengan Dinas Tenaga Kerja serta kerja sama yang harmonis dengan Serikat Pekerja. Keberhasilan hubungan baik ini dibuktikan dengan tidak adanya pemasalahan signifikan terkait dengan hubungan industrial atau hubungan karyawan di tahun 2019. Sosialisasi kebijakan dan perubahan regulasi terkait ketenagakerjaan senantiasa berjalan secara aktif secara internal dan dilaporkan secara rutin.

Martabe ERT members are practising vertical rescue at ERT Ground Training.

Anggota Martabe ERT sedang berlatih penyelamatan vertikal di ERT Ground Training.



KESEHATAN DAN KESELAMATAN KERJA ▶

# OCCUPATIONAL HEALTH AND SAFETY





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Sumiadi, Dewi Hafsa Siregar, and Erman Riatno (ERT members) are preparing for vertical rescue at ERT Ground Training.

Sumiadi, Dewi Hafsa Siregar, dan Erman Riatno (anggota ERT) sedang berlatih penyelamatan vertikal di ERT Ground Training.



## Occupational Health and Safety

### ► Kesehatan dan Keselamatan Kerja

**“ Occupational health and safety are the most important operational outcomes at the Martabe Gold Mine. In 2019, we maintained our focus on the continued reduction of safety risks, maintaining our leading safety performance within our industry.**

Kesehatan dan keselamatan kerja merupakan hasil operasional yang paling penting di Tambang Emas Martabe. Pada tahun 2019, kami berhasil mempertahankan fokus kinerja untuk menurunkan risiko keamanan kerja, mempertahankan kinerja keselamatan terdepan di industri kami. ♡ ♡



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OCCUPATIONAL HEALTH AND SAFETY  
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## Introduction

We believe that the health and safety of every individual associated with our operational activities is the foundation of our long-term success as a mining company.

In an innately hazardous environment, minimising the risk of accidents at the Martabe Gold Mine is an ongoing endeavour requiring a disciplined and consistent approach across all areas of operations. We never lose sight of the fact that all accidents are preventable.

The Company has consistently recorded industry-leading safety performance since the project started.

## PTAR Occupational Health and Safety Management System

Minimising the risk of accidents requires consistent attention to three related factors; workplace conditions, worker competency and worker behaviour. That is the basis upon which this system has been developed. An integrated set of elements comprises this system that include:

- OHS Policy.
- OHS Key Performance Indicators (KPIs) and targets.
- Codes of Practice.
- Standard Operating Procedures.
- Managing incidents using an on-line system for, undertaking investigations and taking corrective action.
- Training programs on risk-based safety (discussed under Human Resources).
- Audits and inspections.
- Industrial hygiene monitoring.
- Safety committees at the departmental and senior management levels.
- Involving both PTAR and all site contractors in a monthly Health and Safety Education (HSE) Forum.
- The main Occupational Safety program and control.
- Safe Work Methods.

To control Mining Safety risks, PTAR also implements the Mineral and Coal Mining Safety Management System, hereinafter referred to as *SMKP Minerba*, which is part of the overall company management system. This consists of Mining Occupational Safety and Health and Mining Operational Safety in accordance with appropriate government regulations including Government Regulations No 26 of 2018, Minister of Energy and Mineral Resources Decree No. 1827 of 2018 and Decree

## Pendahuluan

PTAR percaya bahwa kesehatan dan keselamatan tiap individu dalam setiap kegiatan operasional Perusahaan merupakan faktor utama yang menentukan kesuksesan jangka panjang perusahaan tambang.

PTAR terus berupaya untuk meminimalkan risiko kecelakaan kerja pada Tambang Emas Martabe melalui berbagai pendekatan yang dilaksanakan secara konsisten dan disiplin di seluruh area operasional, mengingat bahwa kondisi *site* pertambangan merupakan lingkungan yang berbahaya. Meski demikian, kami percaya bahwa setiap potensi kecelakaan kerja dapat dicegah.

Hingga saat ini, PTAR berhasil mempertahankan capaian sebagai perusahaan tambang emas yang memiliki kinerja keselamatan di tingkat terbaik industri sejak proyek dijalankan.

## Sistem Manajemen Kesehatan dan Keselamatan PTAR

PTAR memiliki sistem manajemen kesehatan dan keselamatan kerja sebagai upaya untuk meminimalkan risiko kecelakaan kerja di PTAR. Upaya manajemen kesehatan dan keselamatan kerja dilaksanakan dengan fokus pada tiga hal, yakni kondisi tempat kerja, kompetensi pekerja, dan perilaku pekerja. Sistem ini terdiri dari serangkaian unsur terpadu yang meliputi:

- Kebijakan K3.
- Indikator Kinerja Utama atau KPI K3 beserta targetnya.
- Kode Praktik.
- Standar Operasional Prosedur.
- Sistem daring untuk mengelola insiden, investigasi, dan tindakan perbaikan.
- Program pelatihan keselamatan kerja berbasis risiko (dibahas di bagian Sumber Daya Manusia).
- Audit dan inspeksi.
- Pemantauan kebersihan industri.
- Komite keselamatan kerja departemen dan manajemen senior.
- Forum *Health and Safety Education* (HSE) bulanan yang melibatkan PTAR dan seluruh kontraktor *site*.
- Program dan kontrol utama Keselamatan Kerja.
- Metode Kerja Aman.

Untuk mengendalikan risiko keselamatan tambang, PTAR juga menerapkan Sistem Manajemen Keselamatan Tambang Mineral dan Batubara (*SMKP Minerba*), yang merupakan bagian tak terpisahkan dari sistem manajemen Perusahaan secara keseluruhan. *SMKP Minerba* mencakup Kesehatan dan Keselamatan Kerja Tambang dan Keselamatan Operasional Tambang yang mengacu pada UU No. 26 tahun 2018, Surat Keputusan Menteri ESDM No. 1827 Tahun 2018 tentang



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of the Director General of Energy and Mineral Resources No. 185 of 2019 concerned with the Implementation of good Mining Principles and the application and assessment of the Mineral and Coal Mining Safety Management System.

Internal audits undertaken throughout 2019 indicated an achievement level of the application of *SMKP Minerba* at 80.65%.

## Key Safety Programs and Controls

The Safe Work Methods at the Martabe Gold Mine are designed to systematically address the known mechanisms of accident causation and all significant safety hazards at the site. Key amongst these are:

**Golden Rules.** Protecting workers from the most common causes of serious accidents in the mining industry is what the Mandatory safety rules are designed to achieve. Everyone working at the Martabe Gold Mine receive Golden Rules training before being assigned to work.

**Take 5.** This is the simplest safety procedure in use at the Martabe Gold Mine. Designed to assist workers in identifying both the hazards and the required controls for a job to be done safely, it consists of a checklist.

**Job Safety and Environmental Analysis (JSEA).** Identifying the tasks required to complete the job, the hazards associated with each task, and the required controls for each hazard requires that a JSEA is conducted by a work crew before commencing a job.

**Permit to Work System.** The safety of workers involved in the repair or modification of machinery and equipment is ensured by the Permit to Work (PTW) system. A PTW is an agreement signed by both the work crew and the area supervisor, that documents their commitment to implement a range of specified safety controls.

**Workplace Inspection.** Standard checklists and team-based approaches are used in periodic inspections to monitor workplace conditions throughout the site to ensure a safe workplace.

**ASA Program.** The Active Safety Agreement (ASA) is a technique designed to address unsafe behaviour by motivating the workforce to work safely. It requires Superintendents &

Pedoman Pelaksanaan Kaidah Teknik Pertambangan yang Baik, dan Surat Keputusan Direktur Jenderal Mineral dan Batubara No. 185 Tahun 2019 tentang Petunjuk Teknis Pelaksanaan Keselamatan Pertambangan dan Sistem Manajemen Keselamatan Pertambangan Mineral dan Batubara.

Dari hasil penilaian audit internal PTAR di tahun 2019, tingkat penerapan SMKP oleh PTAR mencapai 80,65%.

## Program dan Kontrol Keselamatan Kerja Utama

Metode Kerja Aman di Tambang Emas Martabe dirancang untuk mengatasi semua bahaya keselamatan kerja yang signifikan di *site* dan sebagai mekanisme untuk mengetahui penyebab kecelakaan. Metode Kerja Aman meliputi:

**Golden Rules.** Peraturan keselamatan yang dirancang Perusahaan untuk melindungi pekerja dari penyebab paling umum kecelakaan serius di industri pertambangan. *Golden Rules* wajib dipahami oleh tiap individu yang bekerja di Tambang Emas Martabe dan selalu disosialisasikan dalam pelatihan karyawan baru sebelum ditugaskan untuk bekerja.

**Take 5.** Prosedur keselamatan paling sederhana yang digunakan di Tambang Emas Martabe. Prosedur ini terdiri dari daftar periksa yang dirancang untuk membantu pekerja dalam mengidentifikasi bahaya dan kendali yang diperlukan agar pekerjaan dapat diselesaikan secara aman.

**Job Safety Environmental Analysis (JSEA).** JSEA dilakukan oleh setiap pekerja sebelum mulai suatu pekerjaan, meliputi identifikasi tugas-tugas yang harus dilakukan demi menyelesaikan pekerjaan, bahaya dari masing-masing tugas, dan kontrol yang diperlukan untuk setiap bahaya yang ada.

**Permit to Work System.** Keselamatan pekerja yang terlibat dalam kegiatan perbaikan atau modifikasi mesin dan peralatan dijamin oleh Permit to Work System (PTW). PTW adalah kerja sama yang ditandatangi oleh kru kerja dan pengawas lapangan yang berisi tentang komitmen mereka untuk menerapkan berbagai jenis pengawasan terhadap keselamatan.

**Inspeksi Lokasi Kerja.** Inspeksi kerja dilaksanakan secara berkala menggunakan *checklist* terstandar dan pendekatan berbasis tim kerja. Inspeksi dilaksanakan untuk mengawasi kondisi lokasi kerja di seluruh area *site* dan memastikan keamanannya.

**Program ASA.** Kesepakatan Perilaku Keja Aktif (ASA) merupakan teknik yang dirancang untuk mencegah perilaku tidak aman dan memberi motivasi tenaga kerja untuk senantiasa



Managers to actively engage in conversations with workers about their personal safety.

**Critical Control Checklist** is a checklist to ensure the implementation of critical work controls used by supervisors before work begins.

## Safety Management Improvements in 2019

PTAR's Safety Management System continued to be improved in 2019 with the quality improvement of the two company initiatives from 2018.

**Safety Refresher Training.** A requirement for safety refresher training was introduced for all PTAR and contractor employees it was recognized that skills and knowledge can fade over time, and that safety procedures from time to time need to be updated and improved. Employees who undergo HSE induction annually will receive OHS materials which are regularly updated and critical safety competencies, such as Work at Height and Basic Permit to Work that at three-yearly intervals are currently refreshed and assessed.

**Critical Control Safety Program.** This critical control program is developed and improved upon using input from the field and management reviews, including the addition of checklists and the quality of findings or non-conformances with verification from the area Superintendent or Manager.

## 2019 Safety Management Performance

For two years in a row since 2018 there were no accidents that caused Lost Time Injury (LTI). In 2019 the safety performance at the Martabe Gold Mine was excellent, with the mine achieving 16 million working hours without LTI.

We continue to work closely with our workforce by providing effective training and supervision in the workplace, as employees further develop their technical and safety competencies.

bekerja secara aman. Program ini mewajibkan manajer untuk meluangkan waktu di tempat kerja dan terlibat aktif dalam percakapan dengan para pekerja terkait keselamatan kerja pribadi mereka.

**Critical Control Checklist.** Daftar pemeriksaan yang berfungsi untuk memastikan bahwa pengawas senantiasa melakukan kontrol atas pekerjaan-pekerjaan kritis sebelum pekerjaan tersebut dilaksanakan.

## Peningkatan Manajemen Keselamatan Kerja Tahun 2019

Upaya PTAR untuk meningkatkan manajemen keselamatan kerja di tahun 2019 tetap melanjutkan dua inisiatif upaya manajemen yang telah dilaksanakan pada tahun 2018, yakni:

**Safety Refresher Training.** Pelatihan ini diperkenalkan kepada seluruh karyawan PTAR dan kontraktor sebagai upaya untuk memperkuat keahlian dan pengetahuan karyawan agar tidak pudar serta memberi informasi terkini mengenai prosedur keselamatan kerja yang telah diperbarui dan ditingkatkan dari waktu ke waktu. Seluruh karyawan wajib mengikuti induksi HSE tahunan dan kompetensi keselamatan kerja kritis, seperti Bekerja di Ketinggian dan Izin Kerja Dasar, yang kini harus diberi penyegaran dan dinilai setiap tiga tahun.

**Critical Control Safety Program.** Program kontrol kritis ini senantiasa dikembangkan dan diperbaiki berdasarkan saran dari hasil tinjauan lapangan dan manajemen, termasuk temuan-temuan dari daftar periksa kontrol kritis atau ketidak sesuaian yang menjadi tanggung jawab Superintendent atau Manajer.

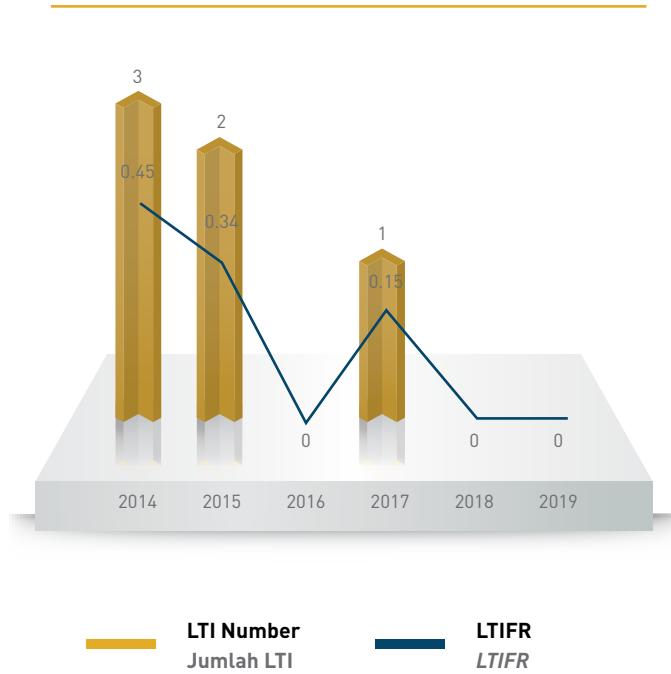
## Kinerja Manajemen Keselamatan Kerja Tahun 2019

Selama dua tahun berturut-turut sejak 2018, PTAR tidak memiliki kecelakaan kerja yang menyebabkan Kehilangan Waktu Kerja (LTI). Kinerja keselamatan di Tambang Emas Martabe sepanjang tahun 2019 menunjukkan hasil yang luar biasa. Tambang Emas Martabe berhasil mencapai 16 juta jam kerja tanpa LTI.

PTAR senantiasa membina hubungan dekat dengan para karyawan melalui pelaksanaan pelatihan yang efektif dan pengawasan lingkungan kerja, sehingga para karyawan dapat senantiasa mengembangkan kompetensi teknis dan keamanannya.



**Total Lost Time Injuries (LTI) & Lost Time Injury Frequency Rate (LTIFR)**  
**Total Kehilangan Waktu Kerja (LTI) & Kekerapan Kehilangan Waktu Kerja (LTIFR)**



Safety management performance at the Martabe Gold Mine is measured by means of a balanced set of ten key performance indicators (KPIs) in recognition of the fact that lost time accident rate is not a complete measure of safety risk, particularly with regard to very serious accidents that only occur rarely. These KPIs measure both incident rates and safety management effort. This year, a site aggregate safety KPI score of 97% was achieved. It reflects a high level of compliance with controls designed to minimise the risk of incidents, including:

- Minimising the risk of incident reoccurrence by timely implementation of incident investigations and associated corrective actions.
- Reporting of unsafe acts and conditions.
- Departmental HSE Committee meetings on a monthly basis.
- Workplace Inspections.
- Mandatory safety training.
- The Active Safety Agreement (ASA) program includes the participation of site management.
- Participation of Site Operational Supervisors in the Critical Control program.

While the results for site safety in 2019 were excellent, the Company will continue to work diligently to reduce safety risk at the Martabe Gold Mine in 2020. The Company's annual Sustainability Reports provide more details about management of safety at the Martabe Gold Mine.

Tingkat kehilangan waktu kerja akibat kecelakaan bukan merupakan faktor penilaian kinerja keselamatan PTAR satuan, terlebih jika Perusahaan jarang mengalami potensi kecelakaan kerja serius. PTAR memiliki sepuluh indikator kinerja utama (KPI) untuk mengukur tingkat kecelakaan dan kinerja manajemen keselamatan di Tambang Emas Martabe. Tahun ini, KPI dari keseluruhan *site* Perusahaan berhasil mencapai 97%. Capaian ini menunjukkan bahwa Perusahaan telah mematuhi sistem pengawasan yang dirancang untuk meminimalkan kecelakaan, yang meliputi :

- Upaya meminimalkan risiko berulangnya insiden dengan melaksanakan investigasi insiden dan tindakan perbaikannya secara tepat waktu.
- Pelaporan tindakan dan kondisi tidak aman.
- Pertemuan Departemen HSE bulanan.
- Inspeksi di lokasi kerja.
- Pelatihan keselamatan wajib.
- Partisipasi manajemen *site* dalam program Active Safety Agreement (ASA).
- Partisipasi Pengawas Operasional di *site* dalam Critical Control Program.

Meski capaian kinerja keamanan di tahun 2019 sangat memuaskan, namun Perusahaan tetap terus berupaya dengan gigih untuk meminimalkan risiko keselamatan di Tambang Emas Martabe pada tahun 2020. Informasi mengenai manajemen keselamatan Tambang Emas Martabe secara lebih lanjut dapat dilihat pada Laporan Keberlanjutan PTAR.



Dore bullion bars casting.  
Penuangan emas batangan.



► TATA KELOLA PERUSAHAAN  
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**Renanda Sevirajati, Ardiansyah Marbun, and Salma Masti (Exploration Dept.)  
are discussing the prospect map in a daily meeting.**

**Renada Sevirajati, Ardiansyah Marbun, dan Salma Masti (Dept. Eksplorasi)  
sedang berdiskusi terkait *prospect map* pada pertemuan harian.**



## Good Corporate Governance

### ► Tata Kelola Perusahaan

In order to serve the best interests of its owners and other stakeholders, PT Agincourt Resources is committed to the implementation of the highest standards of corporate governance.

### Introduction

The system of rules, procedures and processes by which the activities of a Company are directed and controlled is referred to as corporate governance. "Good Corporate Governance" (GCG) is the key to ensuring the integrity, efficiency and long-term business continuity of any company.

An overview of the PTAR corporate governance framework, operational controls for GCG, and the key activities and outcomes recorded for 2019 is provided in this section.

PT Agincourt berkomitmen untuk menerapkan standar tertinggi tata kelola Perusahaan dalam rangka memenuhi kepentingan pemilik Perusahaan dan pemangku kepentingan lainnya.

### Pendahuluan

Tata kelola perusahaan adalah suatu sistem aturan, prosedur, dan proses yang mengarahkan dan mengendalikan kegiatan-kegiatan Perusahaan. Tata kelola perusahaan yang baik (GCG) merupakan kunci bagi perusahaan untuk memastikan penerapan integritas, efisiensi, dan keberhasilan usaha dalam jangka panjang.

Rangkuman terkait kerangka kerja tata kelola perusahaan, kendali operasional untuk GCG, serta kegiatan utama GCG dan hasilnya di tahun 2019 disampaikan lebih lanjut dalam bagian ini.



## Company Goals and Objectives

The Company's corporate governance framework, takes into account all relevant legal references, including Indonesian Law number 40/2007 on Limited Liability Companies, the regulations of the Indonesian Financial Services Authority, the Company's own Articles of Association, and obligations under the PTAR Contract of Work.

The Company aims to conduct its business activities in accordance with its core values: *Growth, Respect, Excellence, Action and Transparency*, as well as meeting all its legal requirements. These core values are expressed by applying the following principles of good corporate governance:

**Transparency** – so that stakeholders remain properly informed, the Company ensures accurate, balanced and timely communication of Company information is provided.

**Accountability** – ensuring that the roles and accountability of all employees are clearly defined and communicated and that these are met in practice.

**Responsibility** – ensuring that relevant laws and regulations are complied with by the Company as it aspires to industry-best practices.

**Independence** – preventing conflicts of interests and pressure from internal or external parties to encourage improper decision-making.

**Fairness** – ensuring the fair treatment of all stakeholders and the protection of their rights.

## PTAR Corporate Governance Framework

Implementation of corporate governance is the task of the PTAR corporate governance framework that comprises a hierarchy of governance entities with clearly-defined functions and accountability. The highest level of control of the Company is implemented through the General Meeting of Shareholders. The Board of Directors has responsibility for operational control, with oversight being provided by a separate Board of Commissioners. A management team led by the President Director is delegated the task of running the Company, with divisional heads responsible for different aspects of the business, and managers responsible for operations in each of the Departments.

Achievement of the following key outcomes is what the operation of these governance bodies is directed towards:

- Maximising return to shareholders and corporate value.

## Sasaran dan Tujuan Perusahaan

PTAR menyusun kerangka kerja tata kelola perusahaan berdasarkan peraturan-peraturan yang relevan dan berlaku di Indonesia, termasuk UU No. 40 Tahun 2007 tentang Perseroan Terbatas, peraturan Otoritas Jasa Keuangan (OJK), Anggaran Dasar Perusahaan, dan kewajiban-kewajiban yang berada di bawah Kontrak Karya PTAR.

Selain itu, PTAR juga melaksanakan kegiatan usahanya dengan mengacu pada nilai-nilai utama Perusahaan yang meliputi *Growth* (Pertumbuhan), *Respect* (Penghargaan), *Excellence* (Keunggulan), *Action* (Aksi Nyata), dan *Transparency* (Transparansi). Nilai-nilai tersebut diwujudkan melalui penerapan prinsip-prinsip tata kelola perusahaan yang baik sebagai berikut:

**Transparansi** – memastikan informasi Perusahaan tersedia untuk pemangku kepentingan secara akurat, seimbang, dan tepat waktu, sehingga pihak-pihak tersebut senantiasa mendapatkan informasi yang mereka butuhkan.

**Akuntabilitas** – memastikan bahwa peran dan tanggung jawab seluruh karyawan ditetapkan dan dikomunikasikan secara jelas, serta dilaksanakan dengan baik.

**Tanggung Jawab** – memastikan bahwa Perusahaan telah mematuhi peraturan perundang-undangan dan praktik industri terbaik yang relevan.

**Independensi** – mencegah benturan kepentingan dan pengambilan keputusan yang tidak sesuai akibat adanya tekanan dari pihak internal maupun eksternal.

**Kewajaran** – memastikan perlindungan dan perlakuan adil dan setara atas hak-hak pemangku kepentingan.

## Kerangka Kerja Tata Kelola Perusahaan PTAR

Pelaksanaan tata kelola perusahaan diatur dalam kerangka kerja tata kelola perusahaan PTAR yang meliputi suatu hierarki badan tata kelola dengan fungsi dan tanggung jawab masing-masing. Pengendalian tertinggi di Perusahaan dilaksanakan melalui Rapat Umum Pemegang Saham (RUPS). Di sisi lain, Direksi memiliki tanggung jawab memegang kendali operasional Perusahaan yang diawasi oleh Dewan Komisaris. Operasional Perusahaan dijalankan oleh tim manajemen yang dipimpin oleh Presiden Direktur dengan para kepala divisi yang bertanggung jawab pada berbagai aspek bisnis serta para manajer yang bertanggung jawab atas operasi di berbagai departemen.

Beberapa hasil utama yang menjadi tujuan pelaksanaan badan tata kelola perusahaan adalah sebagai berikut:

- Memaksimalkan nilai Perusahaan dan imbal hasil kepada para pemegang saham.



- Protecting the assets of the Company.
- Maximising business growth opportunities.
- Enterprise risk management.
- Ongoing operational performance improvement.
- Compliance with legal requirements.
- Agreed industry standards and codes alignment.
- Economic, social and environmental performance is implemented on the principles of sustainable development.
- Employee welfare and safety protection.
- Perpetuating positive and open relationships with stakeholders with an emphasis on local communities.
- All aspects of the business follow the principles of ethical conduct.

- Melindungi aset Perusahaan.
- Memaksimalkan peluang untuk pertumbuhan bisnis.
- Manajemen risiko Perusahaan.
- Memperbaiki kinerja operasional secara terus-menerus.
- Mematuhi aturan hukum.
- Menyelaraskan kegiatan dengan standar dan peraturan industri yang telah disepakati.
- Melaksanakan prinsip pembangunan berkelanjutan berkenaan dengan kinerja ekonomi, sosial, dan lingkungan hidup.
- Melindungi kesejahteraan dan keselamatan karyawan.
- Mempertahankan hubungan positif dan terbuka dengan para pemangku kepentingan, terutama masyarakat setempat.
- Menerapkan perilaku etis di seluruh aspek bisnis.

## General Meeting of Shareholders

With rights to appoint and dismiss Board members, declare dividends and make changes to the Company Articles of Association, the General Meeting of Shareholders is the highest decision-making body of the Company. An Annual General Meeting of Shareholders is convened annually. An Extraordinary General Meeting of Shareholders may be held at any time as a result of a request by one or more shareholders representing at least 10% of the Company's subscribed capital, or on request by the Board of Commissioners themselves.

During 2019, there was one Annual General Meeting of Shareholders. In addition, the shareholders adopted valid resolutions with 4 (four) Circular Resolutions of the Shareholders in lieu of an EGMS. Key resolutions of the EGMS and the Circular Resolutions were related to: (a) amendment of the Articles of Association of the Company, and (b) the appointment of new members of the Board of Directors and Board of Commissioners. The detailed resolutions of the AGMS and the Circular Resolutions are explained on the list of Notarial Deeds regarding Meeting Resolution below.

## Board of Commissioners

The General Meeting of Shareholder appoints commissioners for a term of office. The Board of Commissioners responsibilities' are: to oversee the actions of the Board of Directors and offer advice to them, to give approval for certain actions, to approve the business plan for the year, and to represent shareholders' interests. The members of the Board of Commissioners are invited to attend all meetings of the Board of Directors and receive regular reports from the Board.

## Rapat Umum Pemegang Saham

Rapat Umum Pemegang Saham (RUPS) merupakan badan pengambil keputusan tertinggi di Perusahaan. RUPS memiliki hak untuk menunjuk dan memberhentikan anggota Dewan Komisaris dan Direksi, menentukan dividen, serta mengubah Anggaran Dasar Perusahaan. PTAR memiliki dua jenis RUPS, yakni RUPS Tahunan yang diselenggarakan satu kali setiap tahunnya dan RUPS Luar Biasa yang diselenggarakan sesuai dengan kebutuhan satu atau lebih pemegang saham yang mewakili 10% dari modal yang ditempatkan Perusahaan, atau berdasarkan permintaan Dewan Komisaris.

Pada tahun 2019, PTAR melaksanakan satu RUPS Tahunan. RUPS Luar Biasa menghasilkan empat kunci Keputusan Sirkuler yang telah disetujui oleh para pemegang saham, meliputi hal-hal sebagai berikut: a. Amandemen Anggaran Dasar Perusahaan; dan b. Pengangkatan anggota Direksi dan Dewan Komisaris baru. Informasi mengenai keputusan dari RUPS Tahunan, RUPS Luar Biasa, dan Keputusan Sirkuler secara lebih lanjut dijelaskan pada bagian Akta Notaris terkait Keputusan Rapat di Laporan Tahunan ini.

## Dewan Komisaris

Anggota Dewan Komisaris diangkat oleh RUPS selama satu periode masa jabatan. Dewan Komisaris memiliki tanggung jawab untuk mengawasi segala tindakan yang dilaksanakan oleh Direksi, memberikan saran terhadap tindakan-tindakan tersebut, memberi persetujuan untuk tindakan tertentu, menyetujui rencana bisnis tahunan, dan mewakili kepentingan para pemegang saham. Komposisi anggota Dewan Komisaris telah sesuai dengan ketentuan yang ada dalam Undang-Undang Perseroan Terbatas dan Anggaran Dasar PTAR.



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Company Law and the PT. Agincourt Resources' Articles of Association is conformed to by the composition of the Board of Commissioners. During 2019, the Board of Commissioners participated in the Annual General Meeting of Shareholders.

Total remuneration Commissioners is as approved by the Remuneration Committee.

Para anggota Dewan Komisaris diundang untuk menghadiri semua rapat Direksi dan menerima laporan rutin dari Direksi. Pada tahun 2019, Dewan Komisaris menghadiri RUPS Tahunan.

Agenda RUPS telah menyetujui total remunerasi untuk anggota Dewan Komisaris yang juga telah disetujui oleh Komite Remunerasi.

## Board of Directors

The General Meeting of Shareholders appoints members of the Board of Directors for a term of office. The Board of Directors' core duties are:

- To lead and manage the Company's business in line with the agreed goals and policies.
- To maximise its return on investment for shareholders by improving the efficiency and effectiveness of the Company.
- To manage and protect the assets of the Company.
- Prior to the start of the next financial year, to set out the annual business objectives and annual budget for the Board of Commissioners' approval.
- Legal compliance is assured relating to all business activities.
- Agreed corporate social responsibility programs are implemented.
- Enterprise risk is managed.

Company Law and the Company's Articles of Association are complied with based on the composition of the Board of Directors. Total remuneration for all members of the Board of Directors is as approved by the Remuneration Committee. The Board of Directors participated in the Annual General Meeting of Shareholders.

## Audit Committee

Professional opinion to the Board of Commissioners on matters of relevance to the Company's operations is provided by the Audit Committee. Matters that warrant the attention of the Board of Commissioners are identified. It also has a duty to carry out other tasks assigned to it by the Board. Its specific tasks include; reviewing interim and year-end financial reports, monitoring the internal audit function of the Company and the management of enterprise risk as well as conducting reviews of operational functions within the Company.

Throughout 2019 there were two meetings of the Audit Committee.

## Direksi

Anggota Direksi diangkat oleh RUPS untuk satu periode masa jabatan. Peran dan tanggung jawab utama anggota Direksi meliputi:

- Memimpin dan mengelola bisnis Perusahaan sesuai dengan tujuan dan kebijakan yang ditetapkan.
- Meningkatkan efisiensi serta efektivitas Perusahaan dan memaksimalkan imbal hasil investasi para pemegang saham.
- Melindungi dan mengelola aset Perusahaan.
- Mengatur tujuan bisnis tahunan, termasuk anggaran tahunan, untuk mendapatkan persetujuan Dewan Komisaris sebelum tahun keuangan berikutnya dimulai.
- Memastikan kepatuhan hukum di seluruh kegiatan bisnis.
- Melaksanakan tanggung jawab sosial Perusahaan yang telah disetujui.
- Mengelola risiko Perusahaan.

Selain menjalankan peran dan tanggung jawabnya tersebut, anggota Direksi juga turut menghadiri RUPS setiap tahunnya. Komposisi anggota Direksi PTAR telah sesuai dengan ketentuan yang ada dalam Anggaran Dasar Perusahaan dan peraturan perundang-undangan yang berlaku. Sementara total remunerasi bagi anggota Direksi telah diatur dan disetujui oleh Komite Remunerasi.

## Komite Audit

Komite Audit bertugas untuk memberikan pendapat profesional kepada Dewan Komisaris terkait hal-hal yang berkaitan dengan operasi Perusahaan, mengidentifikasi hal-hal yang membutuhkan perhatian Dewan Komisaris, dan melaksanakan tugas lain yang telah ditentukan oleh Dewan Komisaris. Selain tugas-tugas tersebut, secara spesifik Komite Audit juga meninjau laporan keuangan interim dan akhir tahun, mengawasi Fungsi Audit Internal dan Fungsi Manajemen Risiko Perusahaan, serta meninjau Fungsi Operasional Perusahaan sesuai arahan.

Pada tahun 2019, Komite Audit telah melaksanakan dua kali rapat.



## Remuneration Committee

Approving the remuneration of the Board of Directors, and the direct reports of the President Director is the role of the Remuneration Committee. It also reviews and approves the recommendations for the Company's annual remuneration review.

During 2019, there was one meeting of the Remuneration Committee.

## Internal Audit Function

Coordinating the Company's internal audit program and facilitating related external audits is the responsibility of the Internal Audit Function. The Head of the Internal Audit Function implements a risk-based annual internal audit plan as approved by the Committee. The internal audit plan's scope includes the Company's business processes, enterprise risk management and the implementation of good corporate governance. Eight audits were completed in 2019.

## Resources and Reserves Governance Committee

Satisfying the Board of Directors and Board of Commissioners that Resources and Reserves have been developed in line with the JORC code and the Company Resources and Reserves Policy is the purpose of the governance committee. Its role is to ensure that all Resources and Reserves activities are completed thoroughly, and to the highest technical standards. One meeting was held in 2019.

## Operational Controls for Good Corporate Governance

The Company's business decisions and activities are regulated in accordance with good corporate governance by means of a system of operational controls, generally approved at the shareholder and board level in addition to the aforementioned governance bodies and appointments. This system includes:

- The Company's Articles of Association.
- General Meetings of Shareholder's Resolutions.
- The Policies and Codes of Practice of the Company.
- Ethics and Business Conduct Code.

## Komite Remunerasi

Komite Remunerasi bertugas untuk menyetujui remunerasi Direksi dan bertanggung jawab langsung kepada Presiden Direktur. Tugas lain Komite Remunerasi adalah meninjau dan menyetujui rekomendasi untuk melakukan tinjauan remunerasi tahunan Perusahaan.

Sepanjang tahun 2019, Komite Remunerasi mengadakan satu kali rapat.

## Fungsi Audit Internal

Fungsi Audit Internal bertanggung jawab untuk mengawasi dan mengoordinasi program audit internal Perusahaan serta memfasilitasi audit eksternal terkait. Kegiatan audit internal tahunan dilaksanakan berbasis risiko sebagaimana disetujui oleh Komite Audit. Ruang lingkup rencana audit internal mencakup proses bisnis Perusahaan, manajemen risiko Perusahaan, dan pelaksanaan tata kelola perusahaan yang baik. Fungsi Audit Internal telah melaksanakan delapan kegiatan audit sepanjang tahun 2019.

## Komite Tata Kelola Sumber Daya dan Cadangan

Komite Tata Kelola Sumber Daya dan Cadangan berfungsi untuk meyakinkan Direksi dan Dewan Komisaris bahwa Perusahaan telah mengembangkan Sumber Daya dan Cadangan sesuai dengan aturan JORC dan Kebijakan Sumber Daya dan Cadangan Perusahaan. Selain itu, Komite ini turut mengawasi seluruh kegiatan Sumber Daya dan Cadangan agar dilaksanakan secara konsisten, teliti, dan sesuai dengan standar teknis tinggi. Sepanjang tahun 2019, Komite Tata Kelola Sumber Daya dan Cadangan mengadakan satu pertemuan.

## Kontrol Operasional untuk Tata Kelola Perusahaan Yang Baik

Selain badan dan jabatan tata kelola yang telah disebutkan sebelumnya, pelaksanaan keputusan dan kegiatan Perusahaan yang sesuai dengan prinsip GCG juga diterapkan melalui suatu sistem kontrol operasional. Sistem kontrol operasional untuk tata kelola perusahaan yang baik telah disetujui pada tingkat pemegang saham dan dewan Perusahaan. Sistem ini meliputi:

- Anggaran Dasar Perusahaan.
- Keputusan RUPS.
- Kebijakan Perusahaan dan Kode Praktik.
- Kode Etik dan Perilaku Usaha.



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- A Delegation of Authority Manual.
- Annual Business Plans.
- Job Descriptions

- Panduan Delegasi Kewenangan.
- Rencana Bisnis Tahunan.
- Deskripsi Jabatan.

## Other Corporate Governance Aspects

### Public Accountant

The accounting firm Tanudiredja, Wibisana, Rintis & Rekan (in association with Pricewaterhouse Coopers) audited the Company's financial statements for the year ended 31 December 2019. The fee for the audit this year was US\$100,712 (excluding tax and expenses).

### Legal Cases

The Company had some legal cases related to tax payments (2016 regional tax assessment and underpaid 2017 withholding tax for dividend payment to a former non-resident shareholder) in 2019.

### Enterprise Risk Management

Since 2014, PTAR has implemented an enterprise risk management program. In order to identify and rank risks that are material to the achievement of business outcomes, annual enterprise risk assessment workshops are held. Risks are assessed against their consequences to: safety, environmental, community, government, reputational, financial and compliance-related matters. Risk management plans with progress reported to the management team in the form of risk management scorecards are the way that the most significant risks identified by this process are addressed. The Enterprise Risk Workshop was held annually by Board of Directors.

## Aspek Tata Kelola Perusahaan Lainnya

### Akuntan Publik

PTAR menunjuk kantor akuntan Tanudiredja, Wibisana, Rintis & Rekan (bekerja sama dengan Pricewaterhouse Coopers) untuk melaksanakan audit terhadap laporan keuangan Perusahaan untuk tahun buku yang berakhir pada 31 Desember 2019. Biaya audit yang telah dibayarkan kepada kantor akuntan untuk tahun tersebut adalah US\$100.712 (tidak termasuk pajak dan pengeluaran).

### Kasus Hukum

Sepanjang tahun 2019, PTAR memiliki beberapa kasus hukum terkait pembayaran pajak (asesmen pajak daerah 2016 dan pajak pemotongan 2017 untuk pembayaran dividen kepada mantan pemegang saham non-residen).

### Manajemen Risiko Perusahaan

Sejak tahun 2014, PTAR telah melaksanakan program manajemen risiko perusahaan. PTAR melaksanakan upaya untuk mengidentifikasi dan menyusun tingkatan risiko yang bersifat material terhadap pencapaian hasil bisnis melalui lokakarya penilaian risiko tahunan. Risiko dinilai berdasarkan akibat-akibat yang ditimbulkannya, yakni terkait keselamatan, lingkungan, masyarakat, pemerintah, reputasi, finansial, dan kepuatan. Risiko tertinggi yang telah teridentifikasi kemudian ditangani melalui rencana manajemen risiko. Perkembangan yang terjadi dalam penanganan risiko ini senantiasa dilaporkan kepada tim manajemen dalam bentuk *risk management scorecard*. Pada tahun 2019, jajaran anggota Direksi PTAR melaksanakan Lokakarya Risiko Perusahaan tahunan.

## External Communications

Company information is available on the website: [www.agincourtresources.com](http://www.agincourtresources.com). You can also reach the Company at:

PT. Agincourt Resources  
Pondok Indah Office Tower, 12th floor, Suite 1201  
Jl. Sultan Iskandar Muda Kav V-TA Pondok Indah Jakarta 12310,  
Indonesia  
Phone: +62-21 8067 2000

## Komunikasi Eksternal

Informasi mengenai Perusahaan dapat ditemukan pada situs website Perusahaan: [www.agincourtresources.com](http://www.agincourtresources.com). Selain itu, Perusahaan juga dapat dihubungi melalui alamat dan nomor telepon sebagai berikut:

PT. Agincourt Resources  
Pondok Indah Office Tower, lantai 12, Suite 1201  
Jl. Sultan Iskandar Muda Kav V-TA Pondok Indah Jakarta 12310,  
Indonesia  
Phone: +62-21 8067 2000



## Composition of PTAR Boards and Executive Committees 2018-2019

## Susunan Dewan Komisaris, Direksi, dan Komite Eksekutif PTAR Tahun 2018-2019

Body Organ	2018	> 2019
Board of Commissioners: Dewan Komisaris:	Franciscus Kesuma Anwar Nasution Iwan Hadiantoro Ari Sutrisno Edhie Sarwono Bambang Susigit	Franciscus Kesuma Anwar Nasution Iwan Hadiantoro Ari Sutrisno Edhie Sarwono Bambang Susigit
Board of Directors: Direksi:	Muliady Sutio Timothy John Vincent Duffy Washington Tambunan Linda Helena Darmalina Noviandri Hakim	Muliady Sutio Timothy John Vincent Duffy Washington Tambunan Linda Helena Darmalina Noviandri Hakim Ruli Tanio* Darryn McClelland** Edward John Cooney***
Executive Committee: Komite Eksekutif:	Franciscus Kesuma Muliady Sutio Tim Duffy Noviandri Hakim Ruli Tanio	Franciscus Kesuma Muliady Sutio Tim Duffy Noviandri Hakim Ruli Tanio
Audit Committee: Komite Audit:	Franciscus Kesuma Muliady Sutio Tim Duffy Noviandri Hakim	Franciscus Kesuma Muliady Sutio Tim Duffy Noviandri Hakim
Resources & Reserves Governance Committee: Komite Tata Kelola Sumber Daya & Cadangan:	Franciscus Kesuma Muliady Sutio Tim Duffy Ed Cooney Ruli Tanio Steve Carty	Franciscus Kesuma Muliady Sutio Tim Duffy Darryn McClelland** Ruli Tanio Steve Carty
Remuneration Committee: Komite Remunerasi:	Franciscus Kesuma Muliady Sutio Tim Duffy	Franciscus Kesuma Muliady Sutio Tim Duffy

\*]) Appointed in February 2019.

\*\*) Appointed in October 2019.

\*\*\*) Resigned in September 2019

\*]) Diangkat pada Februari 2019

\*\*) Diangkat pada Oktober 2019

\*\*\*) Resigned in September 2019



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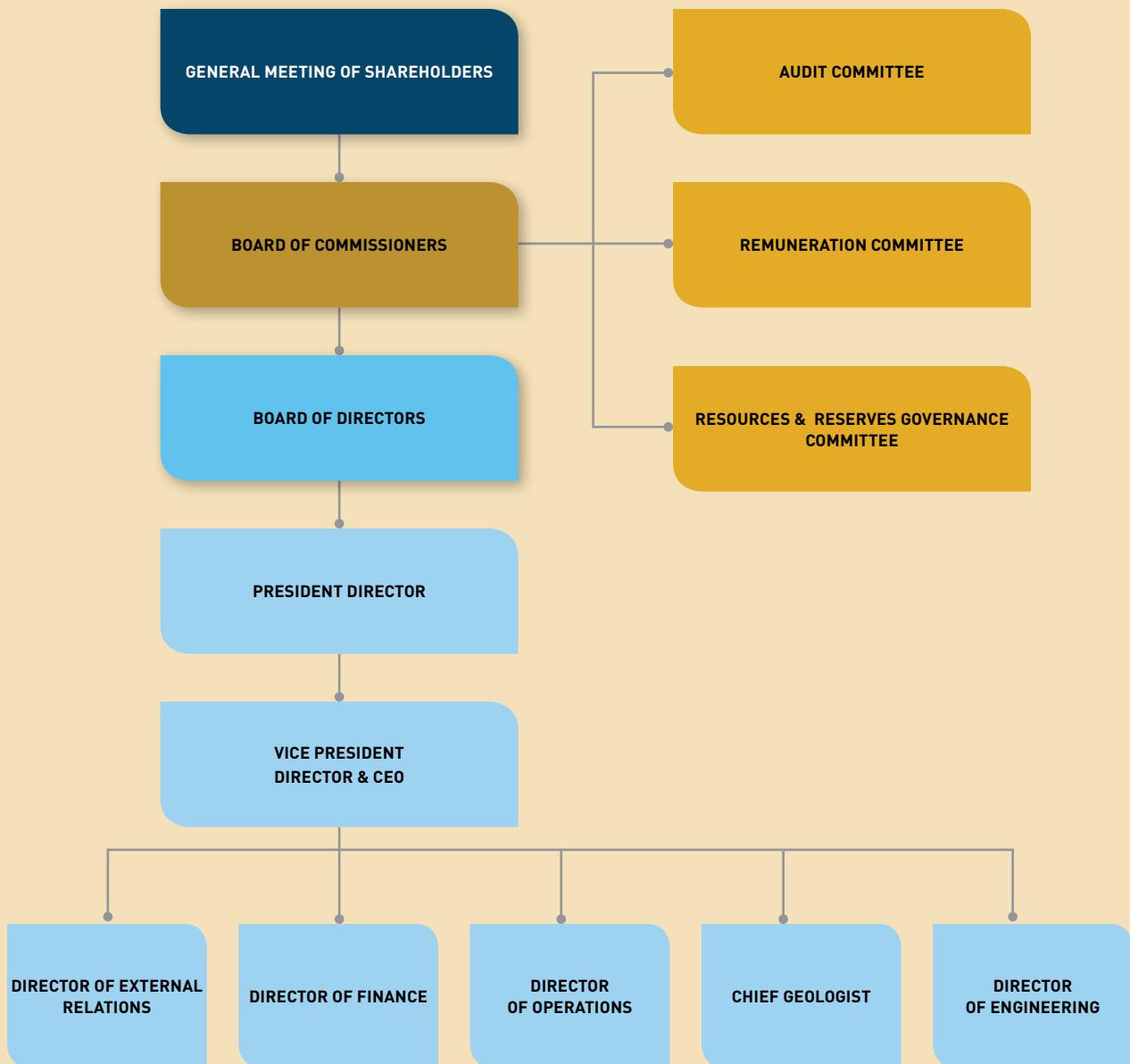


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## Key Elements of PTAR Corporate Governance Framework Elemen Utama Kerangka Tata Kelola





Dedi Sianturi (Agriculture Development Officer) is helping Meita Sagala, a farmer member of Kelompok Wanita Tani (KWT) Bina Persada, harvesting turmeric.

Dedi Sianturi (Agriculture Development Officer) membantu hasil panen petani kunyit yang tergabung dengan Kelompok Wanita Tani (KWT) Bina Persada, Ibu Meita Sagala.



► TANGGUNG JAWAB SOSIAL  
PERUSAHAAN

# CORPORATE SOCIAL RESPONSIBILITY



COMPANY PROFILE  
Profil Perusahaan



BOARD REPORTS  
Laporan Manajemen



MANAGEMENT DISCUSSION & ANALYSIS  
Analisis & Bisnis Manajemen



HUMAN RESOURCES  
Sumber Daya Manusia



OCCUPATIONAL HEALTH AND SAFETY  
Kesehatan dan Keselamatan Kerja

**Yusuf Siregar, one of local farmers who is trained by PTAR in developing organic rice paddy field at Aek Pahu Village.**

**Yusuf Siregar, salah satu petani lokal binaan PTAR untuk membudidayakan beras padi organik di Desa Aek Pahu.**



**“ Since the project began, PT Agincourt Resources has conducted its activities in keeping with the principles of corporate social responsibility; a recognition that our social license to operate is key to our ongoing business success.**

Sejak awal mula beroperasi, PTAR senantiasa berkomitmen untuk melaksanakan kegiatan yang mewujudkan prinsip-prinsip tanggung jawab sosial perusahaan. Kami menyadari bahwa izin sosial merupakan faktor penting bagi kami untuk dapat terus beroperasi dan memperoleh berbagai kesuksesan bisnis.

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# Overview

## ► Gambaran Umum

The long-term viability of PT Agincourt Resources will depend on the support and trust of the communities in which it operates. How well the Company manages a range of issues of importance to its local stakeholders will decide whether or not it receives this acceptance. These issues include; employee safety, the protection of the environment and the provision of social benefits.

How the Company manages employee safety and provides employment opportunities for local communities have been documented in preceding sections of this report. In following sections we provide a summary of the Company's progress made this year in managing the environmental and community relations dimensions of its activities. Corporate social responsibility and sustainable development implementation by the Company can be found in greater detail in the Company's 2019 Sustainability Report.

Keberlangsungan usaha PTAR dalam jangka panjang bergantung pada dukungan dan kepercayaan masyarakat yang berada di sekitar wilayah operasional. Penerimaan masyarakat atas keberadaan PTAR ditentukan dari seberapa baik Perusahaan mampu mengelola isu-isu penting bagi pemangku kepentingan lokal. Isu-isu penting tersebut meliputi keselamatan karyawan, perlindungan lingkungan, dan penyediaan manfaat sosial.

Informasi mengenai manajemen Perusahaan terkait keselamatan karyawan dan penyediaan kesempatan kerja bagi masyarakat setempat telah disajikan pada bagian awal Laporan Tahunan ini. Selanjutnya, pada bagian ini kami menyajikan rangkuman kemajuan kinerja Perusahaan pada aspek lingkungan hidup dan hubungan masyarakat sepanjang tahun 2019. Selainnya, informasi mengenai pelaksanaan tanggung jawab sosial perusahaan dan upaya mendukung pembangunan berkelanjutan disajikan secara lebih komprehensif pada Laporan Berkelanjutan PTAR tahun 2019.

# Community Development

## ► Pemberdayaan Masyarakat

PT Agincourt Resources is actively committed to ensuring that our presence delivers benefits to the communities that surround us. This includes support for the sustainable development of the community and to improving their economic and social well-being.

PTAR senantiasa berkomitmen untuk memastikan bahwa kehadiran Perusahaan memberikan manfaat kepada masyarakat sekitar. Perusahaan senantiasa berupaya mendukung pembangunan berkelanjutan yang bermanfaat bagi masyarakat dan mampu meningkatkan kesejahteraan ekonomi dan sosial masyarakat.

## Community Development Overview

Increasing the strength and wellbeing of communities, improving people's quality of life and allowing people to achieve greater long-term control over their lives are the roles of community development. To ensure a fairer distribution of the costs, benefits, risks and responsibilities associated with mining

## Gambaran Umum Pemberdayaan Masyarakat

Pemberdayaan masyarakat merupakan suatu upaya untuk meningkatkan kekuatan dan kesejahteraan masyarakat serta mendorong perbaikan kualitas hidup masyarakat. Upaya tersebut dilakukan untuk mendorong masyarakat untuk berpartisipasi dalam mengambil keputusan dan



activities, sustainable community development programs must contribute to the community's long-term development needs and priorities.

To ensure local communities benefit socially, economically, and environmentally as a result of the presence of PT Agincourt Resources, the Company supports and implements various sustainable community development programs in the area around the Martabe Gold Mine. The focus of this support are 15 Directly Affected Villages (DAVs) close to the mine, although some programs provide benefit on a wider, regional basis.

Released in 2016, the PTAR Community Management Plan (CMP) offers a framework for the provision of community development programs by PTAR up to 2022. Local community needs, infrastructure assessments, risk assessments and local government development plans are taken into account by the CMP. It also references a range of international guidelines such as the United Nations' Sustainable Development Goals. Based on a distillation of this information, the CMP targets five key areas for community development support over its five-year timescale: health, education, local business and economic development, public infrastructure, and community relations.

## 2019 Program Outcomes

A total of US\$1.09 million was spent by PTAR on programs in support of the CMP in 2019. This was in addition to dividends paid to the regency and provincial governments. This assistance concentrated on perpetuating existing programs and are summarised under key headings below:

### Health

PTAR has undertaken several activities on health issues:

- A free village medical service program covering; infant health checks, pregnancy examinations, and treatment of commonly occurring diseases was provided with a focus on those in remote areas.
- An elderly health program named Elderly Gymnastics plus additional nutritional support through the provision of high-calcium milk and health checks was provided.
- Staff made monthly visits to village Health Care Clinics (Posyandu) to provide supplies and assist in delivering services.

mengambil kendali yang lebih besar atas kehidupannya dalam jangka panjang. Perusahaan melaksanakan pemberdayaan masyarakat secara berkelanjutan agar mampu berkontribusi terhadap kebutuhan pengembangan masyarakat dalam jangka panjang, serta memastikan pembagian biaya, manfaat, risiko, dan tanggung jawab yang lebih adil terkait kegiatan tambang.

PTAR memperhatikan masyarakat sekitar Tambang Emas Martabe yang berpotensi terkena dampak operasi tambang dengan melaksanakan kegiatan pemberdayaan masyarakat secara berkelanjutan. Program pemberdayaan masyarakat ini dilaksanakan secara fokus pada 15 desa setempat yang tergolong kategori Desa Lingkar Tambang, namun tidak menutup kemungkinan melaksanakan program-program lain yang memberi manfaat lebih luas kepada daerah lainnya.

PTAR memiliki kerangka kerja pelaksanaan pemberdayaan masyarakat untuk jangka waktu tahun 2016-2022, yakni Community Management Plan (CMP). Perumusan CMP telah mempertimbangkan berbagai sumber informasi terkait kebutuhan masyarakat setempat, penilaian infrastruktur, penilaian risiko, dan rencana pengembangan pemerintah daerah, serta menyesuaikan Tujuan Pembangunan Berkelanjutan (SDGs) PBB. Di dalam CMP, PTAR telah merumuskan target-target yang ingin dicapai pada lima bidang pemberdayaan masyarakat dalam jangka waktu lima tahun, yakni kesehatan, pendidikan, usaha lokal dan pembangunan ekonomi, infrastruktur umum, dan hubungan masyarakat.

## Hasil Pelaksanaan Program Tahun 2019

PTAR merealisasikan alokasi dana sebesar US\$1,09 juta untuk mendukung pelaksanaan kegiatan CMP di tahun 2019. Jumlah biaya CMP merupakan alokasi dana tersendiri yang terpisah dari dividen yang diberikan Perusahaan kepada pemerintah kabupaten dan provinsi. Dana dukungan tersebut digunakan untuk melaksanakan lanjutan program pemberdayaan masyarakat yang sudah berjalan sebelumnya, yang dapat dirangkum sebagai berikut:

### Kesehatan

PTAR telah melaksanakan berbagai kegiatan di bidang kesehatan sebagai berikut:

- Pelayanan kesehatan gratis, meliputi pemeriksaan kesehatan bayi dan ibu hamil serta pengobatan penyakit yang banyak diderita masyarakat setempat. Kegiatan ini fokus dilaksanakan pada daerah-daerah terpencil.
- Program kesehatan lansia yang meliputi kegiatan senam lansia, layanan pemeriksaan kesehatan, serta membagikan minuman susu tinggi kalsium untuk mendukung kebutuhan nutrisi penduduk lansia setempat.
- Kunjungan bulanan perwakilan PTAR ke Posyandu untuk menyalurkan kebutuhan persediaan layanan kesehatan.



- Assistance for the Tuberculosis Program using Community Volunteers to support the recovery of low-income tuberculosis patients.
- Support for infants and toddlers recovering from malnutrition.
- Pharmaceutical Management Training for *Puskesmas* staff.
- Promoting the enhancement of *Puskesmas* services and providing Obstetrics, Gynecology and Pediatrician expertise through *Puskesmas*.
- The delivery of coaching in clean and healthy living at selected schools and the provision of handwashing facilities to support Global Handwashing Day.
- In collaboration with the District Health Office of South Tapanuli, the commemoration of World AIDS Day
- The Healthy Teenagers Development Program continued.
- Support for ODF (Open Defecation Free) villages.

## Education

PTAR has undertaken several activities on education:

- Support for Children's Reading Gardens in a total of 14 Villages, which included training and comparative studies to strengthen the capacity and creativity of those who operate TBAs.
- Reinforcing children's creativity and character-building by organizing talent shows, children's art performances and dancing classes.
- A series of training activities and coaching for teachers as part of a school improvement program.
- The Martabe Prestasi scholarship program awarded 221 scholarships for local students.
- Construction and renovation of school facilities.
- Several schools received donations of computers.
- Improvement of Sopo Daganak facilities as a culture and arts centre.
- Support for the preservation of cultural and traditional music.
- Members of the Martabe Consultative Committee (LKMM) received capacity-building training.

## Local Business Development

PTAR has undertaken several activities to support local business development:

- US\$4.67 million worth of local goods and services purchased.
- Local suppliers and contractors received financial management training.
- The boards of five local cooperatives receive capacity strengthening.
- Crops and fruit production as well as horticulture in general was supported. This included: post-harvest activities, product diversification, and marketing.

- Mendukung upaya pengobatan pasien penderita *tuberculosis* (TBC) yang kurang mampu dengan menyediakan relawan-relawan.
- Mendukung pengobatan bayi dan balita yang menderita malnutrisi.
- Menyediakan Pelatihan Manajemen Farmasi bagi pegawai-pegawai *Puskesmas*.
- Membantu memperbaiki pelayanan *Puskesmas* dengan mengirimkan Dokter *Obgyn* dan Dokter Anak untuk bertugas di *Puskesmas*.
- Sosialisasi Perilaku Hidup Bersih dan Sehat (PHBS) pada sekolah-sekolah terpilih dalam rangka mendukung peringatan Hari Cuci Tangan Dunia.
- Memperingati Hari AIDS Sedunia bersama dengan Dinas Kesehatan Kabupaten Tapanuli Selatan.
- Melanjutkan Program Remaja Sehat.
- Mendukung kegiatan kesadaran sanitasi di desa-desa.

## Pendidikan

PTAR telah melaksanakan berbagai kegiatan di bidang pendidikan sebagai berikut:

- Mendukung operasional Taman Baca Anak (TBA) di empat belas desa, termasuk memberikan pelatihan dan studi banding untuk memperkuat kapasitas dan kreativitas pengelola TBA.
- Mendukung kreativitas dan pembangunan karakter anak-anak melalui kegiatan ajang unjuk bakat, pertunjukan seni, dan kelas menari.
- Melaksanakan rangkaian kegiatan pelatihan dan bimbingan bagi tenaga pengajar sebagai bagian dari program peningkatan kualitas sekolah.
- Memberikan 221 Beasiswa Martabe Prestasi untuk peserta didik lokal.
- Melaksanakan pembangunan dan renovasi fasilitas-fasilitas sekolah.
- Memberikan bantuan komputer untuk beberapa sekolah.
- Memperbaiki fasilitas pusat budaya dan kesenian Sopo Daganak.
- Mendukung pelestarian kebudayaan dan music tradisional setempat.
- Melaksanakan pelatihan pembangunan kapasitas bagi anggota Lembaga Konsultasi Masyarakat Martabe (LKMM).

## Pengembangan Usaha Lokal

PTAR telah melaksanakan berbagai kegiatan untuk mendukung pengembangan usaha lokal sebagai berikut:

- Pengadaan barang dan jasa lokal senilai US\$4,67 juta.
- Pelaksanaan pelatihan manajemen keuangan untuk pemasok dan kontraktor lokal.
- Pelaksanaan kegiatan untuk memperkuat kapasitas pengurus-pengurus dari lima koperasi lokal.
- Pemberian dukungan terhadap hasil panen bahan pangan dan buah-buahan, termasuk kegiatan pasca-panen, upaya diversifikasi produk, dan pemasaran.



- Both organic and conventional paddy breeding and cultivation projects were provided support.
- Improvements to organic rice products and assistance in achieving certification.
- Support for fish farming in a number of local villages.
- Improving the capacity of the local community by providing Motorcycle Mechanic Training.
- Providing capacity-building and supporting facilities and equipment to provide assistance to local businesses.

## Public Infrastructure

PTAR supported a total of 28 public infrastructure projects in 2019. These include:

- Construction and renovation of public bathrooms, water purification facilities and communal septic tanks in selected villages.
- Renovation of *Puskesmas* (public health clinics).
- Several villages received clean water facilities.
- Two villages received the Hydram Pumps and Solar Panels.
- Road improvements in three villages
- A corn processing facility.
- Renovations of mosques and churches.
- Construction of local government offices as well as with other supporting facilities.
- Gabion installation in the Garoga River
- Construction of a hanging bridge at Desa Sumuran
- Army Hospital received a Sewage Treatment Plan.
- Construction of irrigation channels
- Electricity installation for 500 low-income households.

## Community Relations

PTAR has done various community relations activities:

- 1,094 community members receive a site tour to explain the Martabe Gold Mine's operational activities and its approach to environmental management.
- Surrounding communities receive emergency assistance in fire extinguishing.
- Donations to 545 orphans during Ramadhan.
- Active participation in a range of religious activities and the celebration and commemoration of other national days
- Sponsorship of sport and youth activities.
- Members of the Martabe Consultative Committee (LKMM) receive capacity-building training.
- 1500 *Waru* trees planted with the community on the banks of the Batangtoru River, initiating Disaster Risk Reduction activities.
- Achieving self-reliant villages by promoting the Village Good Governance program.

- Pemberian dukungan terhadap budidaya tanaman padi organik maupun padi biasa.
- Peningkatan kualitas beras organik dan pengupayaan perolehan sertifikasi organik.
- Pemberian dukungan di bidang perikanan pada beberapa desa.
- Peningkatan kapasitas masyarakat setempat dengan melaksanakan pelatihan mekanik sepeda motor.
- Pemberian dukungan pembangunan kapasitas dan sarana prasarana yang dibutuhkan usaha lokal.

## Infrastruktur Umum

PTAR telah mendukung proyek pembangunan 28 infrastruktur publik di tahun 2019, antara lain meliputi:

- Pembangunan dan renovasi MCK umum, fasilitas pemurnian air, dan *septic-tanks* bersama di desa-desa tertentu.
- Pelaksanaan renovasi Puskesmas.
- Pemberian bantuan air bersih di beberapa desa.
- Pemberian bantuan pompa air dan panel surya di dua desa.
- Perbaikan jalan di tiga desa.
- Pembangunan fasilitas pengolahan jagung.
- Pelaksanaan renovasi masjid dan gereja.
- Pembangunan kantor-kantor pemerintah daerah dan fasilitas pendukung lainnya.
- Pemasangan gabion/bronjong di Sungai Garoga.
- Pembangunan jembatan gantung di Desa Sumuran.
- Pemasangan fasilitas pengolahan limbah pada Rumah Sakit Tentara.
- Pembangunan saluran irigasi.
- Pemasangan aliran listrik untuk 500 Kepala Keluarga yang kurang mampu.

## Hubungan Masyarakat

PTAR telah melaksanakan kegiatan terkait hubungan masyarakat, meliputi:

- Memperkenalkan kegiatan operasional Tambang Emas Martabe dan kinerja manajemen lingkungan hidup Perusahaan kepada 1.094 anggota masyarakat melalui kunjungan ke lokasi tambang.
- Memberi bantuan alat pemadam kebakaran kepada masyarakat setempat.
- Memberi sumbangan kepada 545 yatim pada Bulan Ramadhan.
- Turut aktif memperingati hari raya keagamaan maupun hari-hari besar nasional lainnya.
- Mendukung kegiatan pemuda dan olah raga.
- Melaksanakan pelatihan pembangunan kapasitas kepada anggota LKMM.
- Menanam 1.500 pohon Waru di bantaran Sungai Batangtoru bersama dengan masyarakat setempat.
- Memperoleh capaian Desa Mandiri dengan mempromosikan program Tata Kelola Desa.



## ► LINGKUNGAN **ENVIRONMENT**



## Environment

### ► Lingkungan

“ The Martabe Gold Mine sits within a natural environment that includes: forests, waterways, agriculture and human settlements. This means that the environmental management at the site has to be exceptionally stringent in order to protect these natural surroundings as well as ensuring the social acceptance that allows the mine to continue its operations.

Tambang Emas Martabe terletak di wilayah yang dikelilingi oleh hutan, perairan, pertanian, dan pemukiman. Kondisi ini membuat PTAR harus benar-benar memerhatikan dan melaksanakan manajemen lingkungan hidup di site dengan ketat agar alam sekitar dapat tetap terlindungi dan memastikan bahwa PTAR diterima dengan baik oleh komunitas sekitar dan dapat melanjutkan operasional Perusahaan tanpa hambatan. »



## Introduction

A fundamental focus of the site management team is the protection of the environment around the site from the operational impact of the Martabe Gold Mine and the exploration activities associated with it.

The objectives of the site's environmental management team can be summed-up in the following way:

- Downstream waters are protected from contamination.
- Tailings and waste rock are disposed of safely.
- Hazardous waste materials are disposed of safely.
- Chemical spills are avoided.
- Unnecessary clearing is avoided. Rehabilitation of disturbed areas is conducted progressively.
- Biodiversity is carefully preserved.
- Compliance with the requirements of all environmental legislation and operating permits that apply to the mine.

In 2019, Martabe Gold Mine matched the high standards established in previous years. Notably, a BLUE rating in Ministry of Environmental and Forestry assessment (PROPER) was achieved by the mine this year. We now provide a summary of the significant environmental activities at the site and the results achieved in managing these during the year.

## Protection of Downstream Waters

With an average rainfall of 4,553 mm per year at the Martabe site, the management of surface water is essential. The result of this significant rainfall is that the site has a net positive water balance so that rainwater accumulates in the Tailings Storage Facility (TSF) and associated water management structures. To maintain adequate freeboard at the TSF, excess water is released into the Batang Toru River close to the mine. Before being released, this water is treated in a Water Polishing Plant (WPP) so that all potential contaminants are removed. This activity is monitored carefully by the Company to prevent any impact on downstream water quality.

Under Indonesian law, discharge from the site to the Batangtoru River is permissible provided it meets regulated compliance limits. 2019 saw continued compliance with discharge limits ensuring an unbroken record of permit compliance since the mine opened.

## Pendahuluan

Tim manajemen *site* PTAR fokus untuk melaksanakan perlindungan lingkungan hidup di sekitar *site* agar tetap terjaga dari dampak operasional Tambang Emas Martabe dan kegiatan eksplorasi lainnya yang terkait.

Tujuan pengelolaan lingkungan hidup di *site* yang perlu dicapai meliputi:

- Perlindungan perairan hilir dari kontaminasi.
- Penempatan *tailings* dan batu buangan secara aman.
- Pembuangan limbah berbahaya secara aman.
- Pencegahan tumpahan bahan kimia.
- Menghindari pembukaan lahan yang tidak perlu. Melakukan rehabilitasi pada area yang terganggu secara progresif.
- Perlindungan keanekaragaman hayati.
- Mematuhi seluruh peraturan perundang-undangan dan perizinan lingkungan hidup yang berlaku.

Pada tahun 2019, kinerja lingkungan hidup di Tambang Emas Martabe tetap bertahan pada standar yang tinggi. Kinerja lingkungan hidup yang baik ini ditandai dengan capaian PROPER Biru dari Kementerian Lingkungan Hidup dan Kehutanan. Penjelasan mengenai kegiatan-kegiatan bidang lingkungan hidup di *site* serta hasil pengelolaan lingkungan sepanjang tahun 2019 disampaikan sebagai berikut.

## Perlindungan Perairan Hilir

Curah hujan di *site* Martabe cukup tinggi, yakni sekitar 4.553 mm per tahun, oleh karena itu PTAR perlu memerhatikan pengelolaan air permukaan di *site*. Berkat curah hujan yang tinggi, *site* Martabe memiliki neraca air positif yang berarti bahwa air hujan terakumulasi di TSF dan fasilitas pengelolaan air terkait. Kelebihan air di TSF harus dibuang ke Sungai Batang Toru untuk mempertahankan *freeboard* (area bebas) yang memadai di TSF. Sebelum dibuang dari *site*, air terlebih dahulu diolah di Instalasi Pemurnian Air atau *Water Polishing Plant* (WPP) untuk menghilangkan semua potensi kontaminan. PTAR benar-benar mengawasi kegiatan pengolahan air ini untuk mencegah dampak buruk terhadap kualitas air hilir.

Pembuangan air dari *site* ke Sungai Batang Toru sepenuhnya diizinkan berdasarkan Undang-Undang yang berlaku di Indonesia. Pada tahun 2019, PTAR tetap mematuhi batasan kapasitas pembuangan air untuk menjaga rekor kepatuhan terhadap izin yang tidak terpecahkan sejak dimulainya operasi tambang.



**Yenny Marpaung and Jekson Manullang are monitoring a TSF structure.**  
**Yenny Marpaung dan Jekson Manullang sedang melakukan *monitoring* terhadap struktur TSF.**

Independent verification of the results was ensured for a sixth year by the monitoring team set up by the Governor of North Sumatra. Monitoring the condition of streams and rivers surrounding the site was the responsibility of the University of North Sumatra as part of the River Health Monitoring Program, established in 2014. The monitoring confirmed that there was no significant environmental impact on the river due to discharges from the mine.

Selama enam tahun berturut-turut, kegiatan pembuangan air ke Sungai Batang Toru diawasi oleh tim pemantau yang dibentuk berdasarkan Surat Keputusan Gubernur Sumatera Utara. Tim pemantau tersebut kemudian menetapkan verifikasi independen atas hasil pemantauan. Selain itu, Universitas Sumatera Utara bertanggung jawab untuk melaksanakan pengawasan terhadap kondisi arus dan sungai yang ada di sekitar *site*, sebagai bagian dari Program Pemantauan Kesehatan Sungai yang dibentuk di tahun 2014. Hasil pengawasan menemukan bahwa tidak ada dampak buruk yang signifikan terhadap lingkungan di sekitar sungai akibat pembuangan olahan dari tambang.

## Safe Storage of Tailings

The Tailings Storage Facility (TSF) is where all tailings at the Martabe Gold Mine are stored. The Company sees the safety of the TSF as its highest priority. Extensive measures have been applied in accordance with industry best-practice so that any risk from the TSF is kept to an absolute minimum. These measures be summarized as follows:

## Pembuangan Tailings Secara Aman

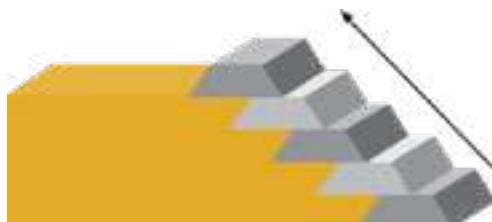
Seluruh *tailings* di Tambang Emas Martabe ditempatkan di TSF. PTAR menganggap bahwa keamanan TSF merupakan prioritas utama yang perlu diperhatikan. Berbagai upaya terkait praktik terbaik telah dilakukan oleh Perusahaan untuk meminimalkan potensi risiko di TSF, antara lain sebagai berikut:



- Internationally-recognised geotechnical experts with extensive knowledge of TSF design and construction designed the site's TSF.
- The "downstream lifting" method is used to construct the embankment comprising carefully crafted areas of compacted rock, clay and sand. It is worth noting that this approach is recognized as fundamentally safer than the "upstream lifting" mode of construction used at some sites (see below).
- The design meets the International Committee on Large Dams' (ICOLD) safety criteria and has been approved by the Indonesian Dam Safety Committee.
- Construction of the embankment is undertaken with high levels of scrutiny; supported by a continuous quality assurance and quality control (QA/QC) program.
- The TSF's excess water is quickly removed by pumping it to the WPP.
- Tailings beach consolidation and strength are maximised by discharging in an appropriate manner.
- Merancang TSF dengan menggunakan jasa konsultan geoteknis yang diakui secara internasional dengan pengalaman luas dalam desain dan pembangunan TSF.
- Membangun tanggul dengan metode "pengangkatan hilir" yakni merancang zona tanggul dengan cermat menggunakan batuan yang dipadatkan, lempung, dan pasir. Metode ini lebih aman dibandingkan metode "pengangkatan hulu" yang digunakan di beberapa site (lihat gambar di bawah).
- Mematuhi kriteria keamanan desain TSF yang ditentukan oleh International Committee on Large Dams (ICOLD) serta telah ditinjau dan disetujui oleh Komite Keamanan Bendungan Indonesia.
- Memperhatikan proses pembangunan tanggul dengan menerapkan program penilaian kualitas dan kontrol kualitas (QA/QC).
- Mengalihkan kelebihan air di TSF secepatnya melalui pemompaan ke WPP.
- Membuang tailings dengan cara memaksimalkan konsolidasi dan kekuatan pantai tailings.



### Upstream lifting Method of TSF Embankment Construction Metode Upstream Lifting untuk Konstruksi Tanggul TSF



Upstream lifting using dried tailings to extend the wall.  
*Upstream Lifting* menggunakan *dried tailings* untuk memperluas dinding.

### Martabe Gold Mine TSF TSF Tambang Emas Martabe



Downstream lifting using engineered compacted zones of rock, clay and sand.  
*Downstream lifting* menggunakan rekayasa batu, tanah liat dan pasir yang dipadatkan.

- A comprehensive condition monitoring program is in place recording all relevant data: operating, engineering, stability, and environmental.
- Regular reviews of the TSF safety status and direction of ongoing risk reduction initiatives are ensured by the TSF Safety Steering Committee chaired by the PTAR CEO.
- An independent review of the facility's safety is conducted annually by highly qualified and experienced TSF specialist.

A total of 6,04 million tonnes of tailings was placed in the TSF during 2019, meeting the requirements set-out in PTAR Code of Practice *Safe Tailings Placement*. There were no incidents. Water held in the decant pond was consistently held to a minimum despite almost 4.1 meters of rainfall throughout the year. This, together with judicious practices of deposition, maintained exemplary tailings beach conditions.

TSF risk reduction initiatives implemented in 2019 can be summarized as:

- A fourth annual independent TSF safety review was successfully undertaken.
- Implementation of the recommendations of the 2018 TSF safety review continued throughout the year.
- Additional instrumentation installed to monitor embankment conditions including: an inclinometer to monitor embankment displacement, a piezometer to monitor pore water pressure level and a prism for monitoring the movement of the surface.
- Investigating basement conditions by drilling and sampling from borehole for laboratory testing so that the placed material properties can be fully understood.
- Starting the rehabilitation of the final surface at the base of the embankment.

- Melaksanakan program pemantauan kondisi secara luas dengan mencatat data pengoperasian, rekayasa, stabilitas, dan lingkungan hidup yang relevan.
- Meninjau secara rutin status TSF dan mengarahkan inisiatif pengurangan risiko secara terus-menerus oleh Komite Pengendali Keamanan TSF yang dipimpin oleh CEO PTAR.
- Meninjau secara independen setiap tahunnya mengenai keamanan fasilitas yang dilakukan oleh pakar TSF yang berpengalaman.

Pada tahun 2019, sebanyak 6,04 juta ton *tailings* ditempatkan di TSF tanpa adanya insiden, sesuai dengan ketentuan yang ditetapkan dalam Kode Praktik Penempatan Aman *Tailings*. Air yang ditampung di kolam tuang secara konsisten dijaga pada batas minimum meski curah hujan sepanjang tahun mencapai 4,1 meter. Hasil ini, bersamaan dengan praktik pengendapan yang cermat, turut mempertahankan kondisi pinggir *tailings* yang sangat baik.

Inisiatif pengurangan risiko TSF yang telah dilaksanakan sepanjang tahun 2019 meliputi:

- Pelaksanaan tinjauan keamanan TSF independen tahunan yang keempat.
- Pelaksanaan rekomendasi dari hasil tinjauan keamanan TSF tahun 2018.
- Pemasangan alat tambahan untuk mengawasi kondisi tanggul, termasuk alat “*inclinometer*” atau alat pengukur sudut lereng untuk memantau perpindahan tanggul, alat “*piezometer*” untuk memantau tingkat tekanan air pori, serta alat prisma untuk memantau pergerakan permukaan.
- Penyelidikan kondisi bawah tanah melalui kegiatan pengeboran dan pengambilan sampel dari lubang bor untuk pengujian laboratorium, sehingga sifat material yang ditempatkan dapat sepenuhnya dipahami.
- Pelaksanaan rehabilitasi permukaan akhir di dasar tanggul.



GOOD CORPORATE GOVERNANCE  
Tata Kelola Perusahaan



CORPORATE SOCIAL RESPONSIBILITY  
Tanggung Jawab Sosial Perusahaan



ENVIRONMENT  
Lingkungan



CORPORATE IDENTITY  
Identitas Perusahaan

Throughout 2019, planning for safe tailings placement capacity over the life of the mine continued. This included completing a detailed design to raise the current TSF embankment to a final elevation of RL377. Preparations for a second TSF at the site included investigation and primary design work. This is needed to meet life-of-mine tailings production based on current ore reserves.

Since the project started, the safety of the Martabe TSF has been of paramount importance to PTAR. Management of tailings disposal was therefore placed under great scrutiny by the Company. It is committed to TSF risk minimization through the meticulous adherence to best-practice in its practices of; design, construction, operational management and closure.

TSF failures causes are well known. An analysis of tailings dam failures worldwide found that elementary engineering mistakes or poor operational practices were the cause of all significant TSF failures. Correct engineering and operational controls are able to minimise the possibility of TSFs failing.

Mismanagement of levels of water held within the decant pond or within the embankment itself are the most common causes of TSF failure. Risks from such causes at the Martabe Gold Mine are managed by immediately removing excess water resulting from rainfall by pumping it to the WPP. A meticulous focus on this simple requirement dramatically reduces TSF failure risk.

## Safe Storage of Waste Rock

Martabe Gold Mine's TSF embankment construction utilises all of the waste rock produced by mining. This means that, unlike most mines, there is no need to dispose of waste rock in separate waste rock dumps. In common with most metalliferous mines, sulphide minerals which will oxidise to produce acid when exposed to the atmosphere can be found in some of the waste rock types. This can result in acid metal-rich leachate seeping from the placed waste rock as a result of rainfall, a process called acid mine drainage (AMD).

Sepanjang tahun 2019, perencanaan kapasitas penempatan *tailings* secara aman sepanjang umur tambang terus dilaksanakan. Kegiatan ini juga termasuk menyelesaikan rencana untuk menambah ketinggian tanggul TSF sampai ke puncak tertingginya di RL377. Persiapan untuk membangun TSF kedua di *site* telah dilaksanakan, termasuk kegiatan penyelidikan *site* dan pekerjaan desain primer. Kegiatan tersebut diperlukan untuk memenuhi kebutuhan tumpungan *tailings* yang dihasilkan selama umur tambang berdasarkan cadangan bijih saat ini.

PTAR menempatkan keamanan TSF di Tambang Emas Martabe sebagai prioritas tertinggi sejak dimulainya proyek. Pengelolaan penempatan *tailings* PTAR dipastikan diawasi secara ketat. PTAR berkomitmen tinggi untuk mengurangi risiko TSF melalui kepatuhan dan penerapan yang cermat akan desain praktik terbaik, pembangunan, manajemen operasional, dan praktik penutupan.

Penyebab kegagalan TSF secara umum telah dapat dipahami dengan baik. Kejadian gagalnya tanggul *tailings* di seluruh belahan dunia dapat dinilai bahwa kegagalan TSF yang signifikan terjadi akibat kesalahan rekayasa dasar atau praktik operasional yang buruk. Potensi kegagalan TSF dapat dicegah hingga tingkat yang sangat rendah melalui rekayasa yang benar dan kontrol operasional.

Penyebab kegagalan TSF yang umum terjadi adalah akibat kesalahan dalam pengelolaan air di kolam tuang maupun di dalam tanggul itu sendiri. Risiko-risiko yang timbul akibat dari kesalahan tersebut di Tambang Emas Martabe segera diatasi dengan memindahkan kelebihan air curah hujan melalui pemompaan ke WPP. Pelaksanaan langkah cermat yang dibutuhkan tersebut berhasil mengurangi risiko kegagalan TSF.

## Penempatan Batu Buangan Secara Aman

Pembangunan tanggul TSF di Tambang Emas Martabe menggunakan batu buangan sisa dari kegiatan penambangan. Strategi pembangunan ini yang membedakan PTAR dari perusahaan tambang lainnya. PTAR tidak perlu menempatkan batu buangan di tempat penimbunan batu buangan terpisah. Seperti kebanyakan tambang mineral logam lainnya, beberapa jenis batu buangan di *site* mengandung mineral sulfide, yang akan beroksidasi sehingga menghasilkan asam saat terpapar dengan atmosfer. Kondisi ini dapat mengakibatkan air lindi asam yang kaya akan logam keluar dari batu buangan setelah terjadinya hujan, proses ini dikenal dengan air asam tambang (AMD).



The risk of AMD is effectively managed at the Martabe Gold Mine, by sealing all potentially acid forming materials within the TSF embankment by engineered bands of compacted rock and clay. The result is the minimizing of levels of oxygen entry into these materials, keeping sulphide oxidation rates at the lowest levels possible. AMD management at the Martabe Gold Mine is in line with industry best-practice and has been internationally recognised as a result of the publication of three papers at leading mining conferences.

Site progress regarding the management of waste rock in 2019 can be summarised as follows:

- The Ramba Joring deposit assessment of waste rock geochemistry was completed, confirming large amounts of material suitable for use as growth media.
- Implementation of a standardised and consolidated monthly reporting of AMD management was significantly improved. This addresses activities and data collection across the areas such as; Mine Geology, TSF, Mine Planning and Environment Departments.
- Achieving the reconciliation of waste rock modelling and scheduling the results of in-pit waste classification based on blast sampling, was a result of an AMD management quality assurance and quality control (QA/QC) program was operational in all pits in 2019.
- Better management of waste rock delivery against the embankment build plan was achieved with a three-month rolling waste schedule. The mine planning process sets as a priority waste rock delivery.
- Very low oxygen levels within the sealed waste rock with no evidence of oxidation at depth was recorded by the monitoring instrumentation within the embankment. This confirms that the sealing strategy is performing as intended, successfully controlling AMD.
- The start of final rehabilitation at the toe of the TSF embankment by placing growth media and revegetation with rapidly growing cover crops.

#### Minimisation of Impacts on Biodiversity

Located near the boundary of the Batangtoru Forest, The Martabe Gold Mine borders an ecosystem known to have high levels of biodiversity. It is also the habitat of a number of endangered species, including the Tapanuli Orangutan (*Pongo tapanuliensis*) and the Sumatran Tiger (*Panthera tigris sondaica*).

Risiko AMD di Tambang Emas Martabe telah dikelola dengan baik melalui penutupan semua material yang berpotensi membentuk asam di tanggul TSF melalui rekayasa lapisan batuan yang dipadatkan dan lempung. Hasil ini mampu meminimalkan masuknya oksigen dan menjaga tingkat oksidasi sulfida tetap berada di angka yang rendah. Pengelolaan AMD di Tambang Emas Martabe mencerminkan praktik industri terkini dan telah diakui melalui publikasi tiga makalah di konferensi tambang tingkat internasional.

Perkembangan dalam pengelolaan batu buangan di site pada tahun 2019 mencakup kegiatan-kegiatan berikut:

- Penyelesaian penilaian terhadap geokimia batu buangan di deposit Ramba Joring. Hasil penilaian menunjukkan bahwa terdapat sejumlah besar material yang dapat digunakan sebagai media pertumbuhan.
- Pelaporan bulanan terkait pengelolaan AMD meningkat secara signifikan. Laporan yang disampaikan berupa informasi terkonsolidasi terkait kegiatan dan pengumpulan data di Departemen Geologi Tambang, TSF, Perencanaan Tambang, dan Lingkungan Hidup.
- Pelaksanaan program penilaian kualitas dan kontrol kualitas (QA/QC) pengelolaan AMD di seluruh pit untuk rekonsiliasi pemodelan batu buangan dan penjadwalan terhadap hasil klasifikasi *in-pit-waste* yang sesuai dengan pengambilan sampel peledakan.
- Pencapaian pengelolaan pengiriman batu buangan yang lebih baik sesuai rencana pembangunan tanggul melalui pelaksanaan jadwal *waste* tiga bulan bergulir. Pengiriman batu buangan saat ini menjadi prioritas dalam proses perencanaan tambang.
- Pencatatan tingkat oksigen yang sangat rendah dalam batuan buatan yang tertutup melalui alat pemantauan di tanggul tanpa adanya bukti oksidasi di kedalaman. Temuan ini menunjukkan bahwa strategi penutupan berfungsi dengan baik seperti yang diinginkan dan berhasil mengendalikan AMD.
- Pelaksanaan rehabilitasi akhir di bagian kaki tanggul TSF dengan menggunakan tanaman penutup yang cepat tumbuh sebagai media pertumbuhan dan revegetasi.

#### Meminimalkan Dampak Keanekaragaman Hayati

Tambang Emas Martabe terletak di wilayah yang berbatasan dengan Hutan Batangtoru, tempat suatu ekosistem yang memiliki nilai keanekaragaman hayati yang tinggi. Hutan Batangtoru dikenal menjadi habitat bagi sejumlah spesies fauna yang terancam punah, terutama Orangutan Tapanuli (*Pongo tapanuliensis*) dan Harimau Sumatera (*Panthera tigris sondaica*).



GOOD CORPORATE GOVERNANCE  
Tata Kelola Perusahaan



CORPORATE SOCIAL RESPONSIBILITY  
Tanggung Jawab Sosial Perusahaan



ENVIRONMENT  
Lingkungan



CORPORATE IDENTITY  
Identitas Perusahaan

Compared to the total area of this ecosystem, the active footprint of the Martabe Gold Mine is insignificant. Despite this, the impact on biodiversity at the site as a result of forest clearing and other activities, are acknowledged by the Company as requiring intensive management throughout the life of the mine.

The PTAR Code of Practice Biodiversity Management, lays out mandatory operational requirements for Biodiversity protection. This includes the minimisation of unnecessary clearing and the restoration of forest habitat on areas rehabilitated once mining is completed.

Outcomes that support biodiversity protection in 2019 can be summarised as follows:

- There was no unauthorised clearing at the site.
- The total area rehabilitated at the site was brought to 20.84 hectares with an additional 2.5 hectares of disturbed area being rehabilitated in 2019.
- Site rehabilitation works included a total of 2,886 tree seedlings being planted.
- The Company provided financial support for Scorpion Foundation for a third year running; a non-government organisation (NGO) based in Medan that addresses the illegal trapping and trade of endangered forest species.
- The Company cooperated with NGOs involved in mitigating tiger- human conflict around the Batangtoru Forest, with the purpose of supporting tiger conservation.

Meski ukuran tapak aktif Tambang Emas Martabe tidak terlalu luas dibandingkan dengan total area ekosistem, PTAR tetap memperhatikan potensi dampak kegiatan penambangan terhadap keanekaragaman hayati di sekitarnya, khususnya akibat dari kegiatan pembukaan hutan dan lainnya. PTAR berkomitmen untuk melaksanakan pengelolaan keanekaragaman hayati secara intensif sepanjang umur tambang.

PTAR memiliki Kode Praktik Pengelolaan Keanekaragaman Hayati yang mengatur kewajiban Perusahaan untuk turut serta dalam upaya perlindungan keanekaragaman hayati. Kewajiban ini termasuk upaya meminimalkan pembukaan lahan yang tidak perlu dan restorasi habitat hutan pada area rehabilitasi setelah penambangan selesai.

Hasil kegiatan dukungan Perusahaan terhadap keanekaragaman hayati di tahun 2019 adalah sebagai berikut:

- Tidak adanya pembukaan lahan tanpa izin di site.
- PTAR berhasil melakukan rehabilitasi area yang rusak seluas 2,5 hektar di tahun 2019, menjadikan total area rehabilitasi di site menjadi seluas 20,84 hektar.
- Pelaksanaan kegiatan rehabilitasi melalui penanaman 2.886 bibit pohon.
- Pemberian bantuan kepada lembaga swadaya masyarakat (LSM) Scorpion Foundation untuk tahun ketiga. Scorpion Foundation merupakan LSM berbasis di Medan yang bergerak melawan penangkapan dan perdagangan ilegal spesies hutan yang terancam punah.
- Pelaksanaan kerja sama dengan LSM untuk mencegah timbulnya masalah terkait manusia dan harimau di sekitar wilayah Hutan Batangtoru sekaligus mendukung konservasi harimau.



A dump truck is transporting ores  
from Ramba Joring pit to crusher.  
Truk pengangkut buangan membawa bijih  
dari pit Ramba Joring ke crusher.



► IDENTITAS PERUSAHAAN  
**CORPORATE  
IDENTITY**



# Corporate Identity

## ► Identitas Perusahaan

<b>Name of Company</b> Nama Perusahaan	<b>PT Agincourt Resources</b>
<b>Address and Contact Details</b> Alamat dan Detil Kontak	<b>Corporate Office / Kantor Pusat</b> Pondok Indah Office Tower, Suite 1201 Jl. Sultan Iskandar Muda Kav. V-TA Pondok Indah, Jakarta 12310 Indonesia. [t] +6221 8067 2000 [f] +6221 7592 2818
	<b>Mining Location / Lokasi Tambang</b> <b>Martabe Gold Mine / Tambang Emas Martabe</b> Jl. Merdeka Barat Km 2,5 Desa Aek Pining Kecamatan Batangtoru, Kabupaten Tapanuli Selatan, Sumatera Utara 22738 <b>Website / Situs Web</b> <a href="http://www.agincourtresources.com">www.agincourtresources.com</a>
<b>Date of Incorporation</b> Tanggal Pendirian	14 April 1997
<b>Legal Basis of Incorporation</b> Dasar Hukum Pendirian	Deed No. 281 dated 14 April 1997, made before Notary H.M Afdal Gazali, SH. This Deed has been amended several times, the last being Deed No. 19, dated 26 November 2019, made before Moeliana Santoso, S.H., M.Kn., Notary at Tangerang Regency. Akta Pendirian No. 281 tanggal 14 April 1997, dibuat di hadapan Notaris H.M. Afdal Gazali, SH. Akta ini telah mengalami beberapa kali perubahan, dan yang terakhir diubah dengan Akta No. 19, tertanggal 26 November 2019 dibuat di hadapan Moeliana Santoso, S.H.,M.Kn., Notaris di Kabupaten Tangerang.
<b>Shareholders</b> Pemegang Saham	PT Danusa Tambang Nusantara (95%) PT Artha Nugraha Agung (5%)
<b>Business Activities and Products</b> Kegiatan Usaha dan Produk yang Dihasilkan	Mining, Gold, and Silver Pertambangan serta Emas dan Perak
<b>Authorised Capital</b> Modal Dasar	\$85,000,000 or equal to IDR 692,115,000,000, consisting of 5,000,000 A Series shares and 80,000,000 B Series shares. \$85.000.000 atau setara dengan Rp 692.115.000.000, terdiri dari 5.000.000 saham seri A dan 80.000.000 saham seri B.
<b>Subscribed and Paid Up Capital</b> Modal Ditempatkan dan Disetor Penuh	\$85,000,000 or equal to IDR 692,115,000,000, consisting of 5,000,000 A Series shares and 80,000,000 B Series shares. \$85.000.000 atau setara dengan Rp 692.115.000.000 terdiri dari 5.000.000 saham seri A dan 80.000.000 saham seri B.
<b>Number of Employees</b> Jumlah Karyawan	858 permanent and contract employees as of 31 December 2019. 858 karyawan tetap dan tidak tetap per tanggal 31 Desember 2019.

## Statement of Responsibility of Board of Commissioners for the 2019 Annual Report of PT Agincourt Resources

### ► Pernyataan Tanggung Jawab Dewan Komisaris atas Laporan Tahunan 2019 PT Agincourt Resources

I, the undersigned, hereby declare that all information in the 2019 Annual Report of PT Agincourt Resources has been presented in its entirety and that I am fully accountable for the accuracy of the contents of this report. This statement is duly made in all integrity.

Saya yang bertandatangan di bawah ini, dengan ini menyatakan bahwa semua informasi dalam Laporan Tahunan 2019 PT Agincourt Resources telah disajikan secara menyeluruh dan saya bertanggung jawab sepenuhnya atas keakuratan isi laporan ini. Demikian pernyataan ini dibuat dengan sebenar-benarnya.

Jakarta, February 2020  
Jakarta, Februari 2020



**FRANCISCUS X.L.KESUMA**  
President Commissioner  
Presiden Komisaris

## Statement of Responsibility of the Board of Directors for the 2019 Annual Report of PT Agincourt Resources

### ► Pernyataan Tanggung Jawab Direksi atas Laporan Tahunan 2019 PT Agincourt Resources

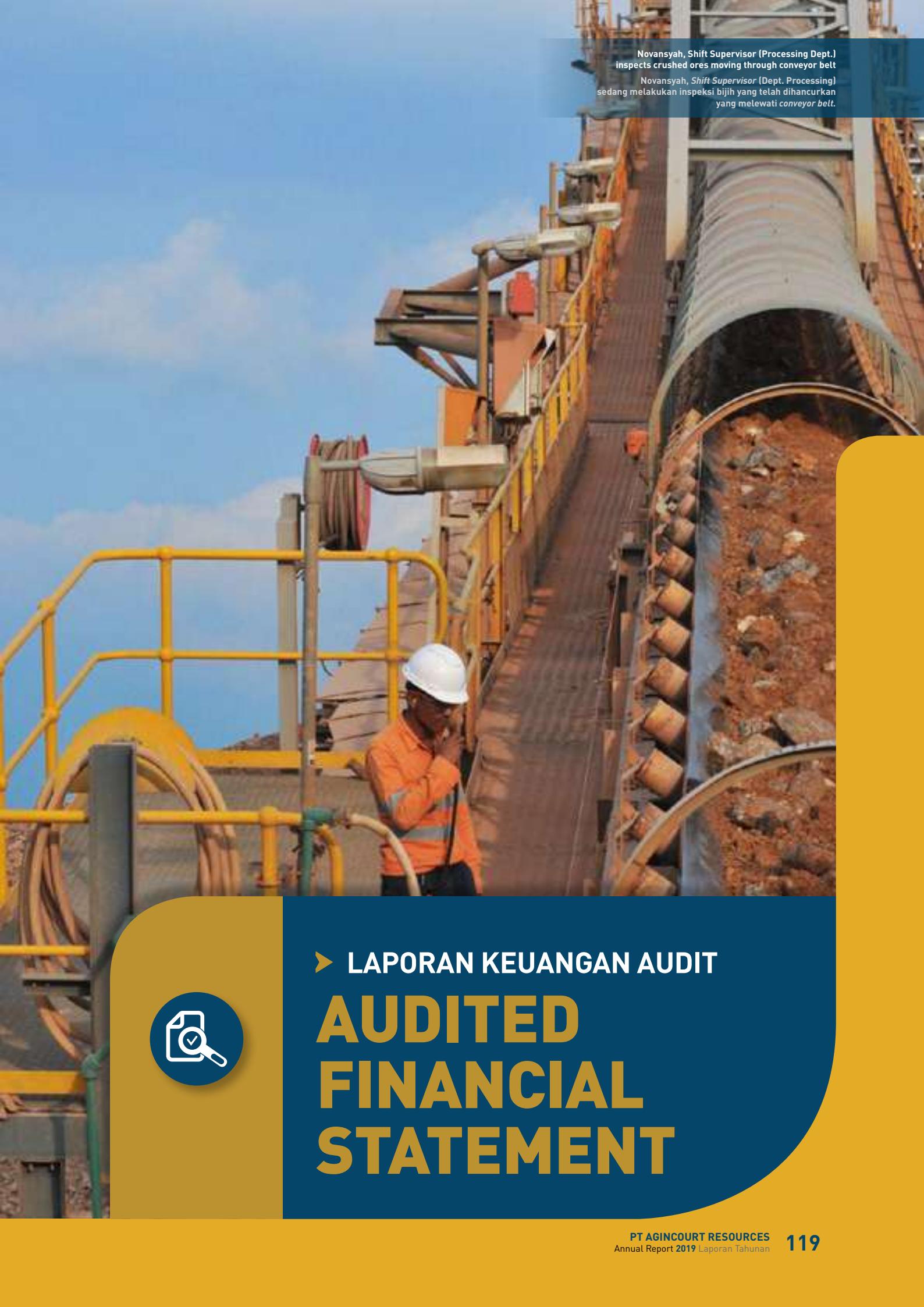
I, the undersigned, hereby declare that all information in the 2019 Annual Report of PT Agincourt Resources has been presented in its entirety and that I am fully accountable for the accuracy of the contents of this report. This statement is duly made in all integrity.

Saya yang bertandatangan di bawah ini, dengan ini menyatakan bahwa semua informasi dalam Laporan Tahunan 2019 PT Agincourt Resources telah disajikan secara menyeluruh dan saya bertanggung jawab sepenuhnya atas keakuratan isi laporan ini. Demikian pernyataan ini dibuat dengan sebenar-benarnya.

Jakarta, February 2020  
Jakarta, Februari 2020



**MULIADY SUTIO**  
President Director  
Presiden Direktur



Novansyah, Shift Supervisor (Processing Dept.) inspects crushed ores moving through conveyor belt

Novansyah, Shift Supervisor (Dept. Processing) sedang melakukan inspeksi bijih yang telah dihancurkan yang melewati conveyor belt.

► LAPORAN KEUANGAN AUDIT  
**AUDITED  
FINANCIAL  
STATEMENT**



**PT AGINCOURT RESOURCES  
FINANCIAL STATEMENTS  
31 DECEMBER 2019**



**BOARD OF DIRECTORS' STATEMENT LETTER  
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2019**

**PT AGINCOURT RESOURCES**

We, the undersigned:

- |                |   |  |
|----------------|---|--|
| 1. Name        | : | Muliady Sutio  |
| Office address | : | Level 12 Suite 1201, Wisma Pondok Indah 2,<br>Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah,<br>Jakarta Selatan 12310 |
| Phone Number   | : | 021-80672000   |
| Position       | : | President Director   |
| 2. Name        | : | Noviandri  |
| Office address | : | Level 12 Suite 1201, Wisma Pondok Indah 2,<br>Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah,<br>Jakarta Selatan 12310 |
| Phone Number   | : | 021-80672000   |
| Position       | : | Director   |

Declare that:

1. The Board of Directors is responsible for the preparation and presentation of PT Agincourt Resources (the "Company") financial statements;
2. The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.
3. a. All information in the Company's financial statements have been presented in a complete and truthful manner;  
b. The Company's financial statements do not contain any incorrect information or material facts, nor do they omit information and material facts; and
4. We are responsible for the Company's internal control system.

This statement letter is made truthfully.  
For and on behalf of the Board of Directors

Jakarta, 10 February 2020

Muliady Sutio  
President Director



Noviandri  
Director



**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
PT AGINCOURT RESOURCES**

We have audited the accompanying financial statements of PT Agincourt Resources, which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Agincourt Resources as at 31 December 2019, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA  
10 February 2020

**Toto Harsono, S.E.**  
License of Public Accountant No. AP.1122

**Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan**  
WTC 3, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920 – Indonesia  
T: +62 21 50992901 / 31192901, F: +62 21 52905555 / 52905050, [www.pwc.com/id](http://www.pwc.com/id)

**PT AGINCOURT RESOURCES**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**  
(Expressed in US Dollars, unless otherwise stated)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4a	42,379,831	32,677,850
Inventories	5	38,789,894	33,374,419
Other receivables - third parties		1,815,264	605,670
Prepayments		3,776,178	3,556,746
Claims for tax refund - current portion	8a	28,908,557	-
Derivative assets	12	166,471	239,559
Other assets		<u>-</u>	1,338,836
<b>Total Current Assets</b>		<b><u>115,836,195</u></b>	<b><u>71,793,080</u></b>
<b>NON-CURRENT ASSETS</b>			
Restricted time deposits	4b	23,724,374	23,612,552
Inventories - non-current portion	5	12,608,727	11,340,300
Property, plant and equipment	6	147,600,798	145,441,368
Mining properties	7	332,186,474	355,634,190
Development properties	7	1,873,069	-
Exploration and evaluation assets	7	93,581,996	74,229,311
Claims for tax refund - non-current portion	8a	38,648,075	27,750,698
Other assets - non-current portion		<u>1,354,669</u>	<u>-</u>
<b>Total Non-current Assets</b>		<b><u>651,578,182</u></b>	<b><u>638,008,419</u></b>
<b>TOTAL ASSETS</b>		<b><u>767,414,377</u></b>	<b><u>709,801,499</u></b>

*The accompanying notes form an integral part of the financial statements.*

**PT AGINCOURT RESOURCES**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**  
(Expressed in US Dollars, unless otherwise stated)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables - third parties	9	2,804,899	1,083,106
Other payables - third parties		2,012,758	-
Accrued expenses	10	37,743,527	20,658,257
Short-term employee benefit liabilities	10	2,721,419	1,913,163
Taxes payable:			
- Corporate income tax payable	8b	3,551,886	29,954,862
- Other taxes payable	8b	995,167	390,511
Current portion of loans from related parties	11	70,830,505	29,648,527
Derivative liabilities - current portion	12	36,965,980	-
<b>Total Current Liabilities</b>		<b>157,626,141</b>	<b>83,648,426</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans from related parties, net of current portion	11	-	118,594,110
Derivative liabilities - non-current portion	12	3,397,414	-
Employee benefit liabilities	13	8,603,520	7,670,856
Provision for mine rehabilitation and closure	14	25,803,753	24,891,753
Deferred tax liabilities	8d	39,097,753	43,628,104
<b>Total Non-current Liabilities</b>		<b>76,902,440</b>	<b>194,784,823</b>
<b>TOTAL LIABILITIES</b>		<b>234,528,581</b>	<b>278,433,249</b>
<b>EQUITY</b>			
Share capital - authorised capital 85,000,000 shares, issued and fully paid 85,000,000 shares with par value US\$1 per share	15a	85,000,000	85,000,000
Other reserves	15c	(60,088,551)	(28,275,726)
Retained earnings		507,974,347	374,643,976
<b>TOTAL EQUITY</b>		<b>532,885,796</b>	<b>431,368,250</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>767,414,377</b>	<b>709,801,499</b>

*The accompanying notes form an integral part of the financial statements.*

**PT AGINCOURT RESOURCES**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>SALES</b>	16	560,886,744	574,197,309
<b>COST OF GOODS SOLD</b>	17	(230,496,236)	(226,821,639)
<b>GROSS PROFIT</b>		<b>330,390,508</b>	<b>347,375,670</b>
General and administrative expenses	18	(28,566,426)	(45,656,507)
Finance costs	19	(8,353,821)	(44,911,133)
Finance income	19	1,292,822	12,656,617
Other income - net		336,392	1,243,595
<b>INCOME BEFORE TAX</b>		<b>295,099,475</b>	<b>270,708,242</b>
<b>INCOME TAX EXPENSE</b>	8c	<u>79,307,104</u>	<u>103,911,280</u>
<b>NET INCOME FOR THE YEAR</b>		<b>215,792,371</b>	<b>166,796,962</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME - NET OF TAX</b>			
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gain on employee benefit liabilities	13	285,692	524,536
Related income tax	8d	(71,423)	(131,134)
Items that will be subsequently reclassified to profit or loss:			
Fair value loss on hedging instruments designated in cash flow hedges	12	(42,702,792)	-
Related income tax	8d	<u>10,675,698</u>	<u>-</u>
Total other comprehensive (loss)/income, net of tax		<u>(31,812,825)</u>	<u>393,402</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>183,979,546</u></b>	<b><u>167,190,364</u></b>

*The accompanying notes form an integral part of the financial statements.*

**PT AGINCOURT RESOURCES**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**  
(Expressed in US Dollars, unless otherwise stated)

	<b>Notes</b>	<b>Share capital</b>	<b>Other reserves</b>			<b>Retained earnings</b>	<b>Total</b>
			<b>Shareholder costs</b>	<b>Actuarial (loss)/gain</b>	<b>Cash flow hedges</b>		
<b>Balance as of 1 January 2018</b>		<b>85,000,000</b>	<b>(28,050,828)</b>	<b>(618,300)</b>	-	<b>282,511,389</b>	<b>338,842,261</b>
Dividends	20d	-	-	-	-	(74,664,375)	(74,664,375)
Income for the year		-	-	-	-	166,796,962	166,796,962
Remeasurement of post-employment benefit liabilities, net of tax		-	-	393,402	-	-	393,402
<b>Balance as of 31 December 2018</b>		<b>85,000,000</b>	<b>(28,050,828)</b>	<b>(224,898)</b>	-	<b>374,643,976</b>	<b>431,368,250</b>
Dividends	20d	-	-	-	-	(82,462,000)	(82,462,000)
Income for the year		-	-	-	-	215,792,371	215,792,371
Remeasurement of post-employment benefit liabilities, net of tax		-	-	214,269	-	-	214,269
Fair value loss on hedging instruments designated in cash flow hedges, net of tax		-	-	-	(32,027,094)	-	(32,027,094)
<b>Balance as of 31 December 2019</b>		<b>85,000,000</b>	<b>(28,050,828)</b>	<b>(10,629)</b>	<b>(32,027,094)</b>	<b>507,974,347</b>	<b>532,885,796</b>

*The accompanying notes form an integral part of the financial statements.*

**PT AGINCOURT RESOURCES**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
(Expressed in US Dollars, unless otherwise stated)

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before tax	295,099,475	270,708,242
Adjustments to reconcile income before tax to net cash provided from operating activities:		
Amortisation of mining properties	49,911,491	51,666,216
Depreciation of property, plant and equipment	19,727,021	20,445,990
Amortisation of put options	1,675,530	-
Interest expense on loans	5,766,291	23,867,565
Unrealised foreign currency exchange loss	-	1,366,652
Unrealised fair value adjustments on derivative instruments	(42,702,793)	(4,243,917)
Unwinding of discount	912,000	912,000
Provision for employee benefit liabilities	1,639,550	1,225,659
Loss on disposal of property, plant and equipment	713,177	-
Amortisation of loan transaction costs	-	15,550,536
Interest income from loan	-	(7,930,293)
Operating cash flows before changes in working capital	<u>332,741,742</u>	<u>373,568,650</u>
Changes in working capital:		
Restricted cash	-	20,555,529
Trade receivables	-	20,322,003
Inventories	(6,683,902)	3,719,188
Other receivables	(1,209,594)	1,702,337
Prepayments	(219,432)	2,538,618
Claims for tax refund	(39,805,934)	(2,040,554)
Restricted time deposits and other assets	(127,655)	(10,284,294)
Derivative assets	(1,602,442)	1,863,809
Loan receivables - third party	-	938,951
Trade payables - third parties	1,721,793	(1,534,266)
Other payables - third parties	2,012,758	(875,374)
Accrued expenses and short-term employee benefit liabilities	16,331,514	(1,442,399)
Derivative liabilities	40,363,394	1,661,729
Deferred tax	881,597	-
Other taxes payable	604,656	(6,330,921)
Cash generated from operations	<u>345,008,495</u>	<u>404,363,006</u>
Payment of income tax	(98,636,171)	(82,000,385)
Payment of post-employment benefits	(421,194)	(161,706)
<b>Net cash flows provided from operating activities</b>	<b><u>245,951,130</u></b>	<b><u>322,200,915</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipt of loan to related party	-	118,620,369
Additions to property, plant and equipment	(40,982,074)	(19,365,201)
Additions to exploration and evaluation assets	(21,716,102)	(23,419,369)
Additions to mining properties	(7,590,981)	(11,017,310)
<b>Net cash flows provided (used in)/from investing activities</b>	<b><u>(70,289,157)</u></b>	<b><u>64,818,489</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of interest on loans	(6,085,860)	(23,599,783)
Payment of loan from related parties	(77,412,132)	-
Payment of dividends	(82,462,000)	(74,664,375)
Proceed of loans from related party	-	148,242,637
Receipt of bank loans	-	10,000,000
Payment of bank loans	-	(445,000,000)
<b>Net cash flows used in financing activities</b>	<b><u>(165,959,992)</u></b>	<b><u>(385,021,521)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b><u>9,701,981</u></b>	<b><u>1,997,883</u></b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>32,677,850</u>	<u>30,679,967</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>42,379,831</u></b>	<b><u>32,677,850</u></b>

*The accompanying notes form an integral part of the financial statements.*

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### **1. GENERAL**

PT Agincourt Resources (the “Company”), formerly PT Danau Toba Mining, was established under the laws of the Republic of Indonesia, by Notarial Deed No. 281 dated 14 April 1997, of Notary Haji Muhammad Afdal Gazali, S.H., Jakarta. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No. C2-3010.HT.01.01.TH.1997 dated 24 April 1997 and published in Supplement No. 3232, State Gazette of the Republic of Indonesia No. 63 dated 8 August 1997. The Company’s Articles of Association have been amended several times, most recently by Notarial Deed No. 19 dated 26 November 2019 of Notary Moeliana Santoso, S.H., M.Kn., Tangerang. The amendment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree Number AHU-0098316.AH.01.02.TAHUN 2019 dated 26 November 2019 and also notified to the Minister of Law and Human Rights of the Republic of Indonesia as stated in the Receipt of Notification Number AHU-AH.01.03-0364734 dated 26 November 2019.

#### **Contract of Work**

On 28 April 1997, the Company entered into a Contract of Work (“CoW”) with the Government of the Republic of Indonesia (the “Government”) to explore, develop and mine gold and silver, with the exception of hydrocarbon compounds, coal and radioactive minerals, in areas within Sibolga, North Sumatera, subject to certain requirements including Government approvals and payment of royalties to the Government. Under the terms of the CoW, the Company acts as a contractor to the Government. The Company commenced its 30-year operating period in 2012 with mineral produced in the CoW area.

On 14 March 2018, the Company and the Government reached an agreement to sign and amend to CoW (“Amendment”). Notwithstanding the Amendment, the CoW is still valid until 2042. After this period, the operations under the CoW can be extended in the form of a special mining business license (IUPK) in accordance with prevailing laws and regulations which currently allow for an extension of 10 years which can be extended further by another 10 years. The key changes incorporated in the Amendment include reduction in CoW area from 163,927 hectares to 130,252 hectares, adoption of prevailing rates for taxes and royalties and obligation to increase ownership of Indonesian participants in the Company to at least 51% by 24 April 2022.

The Company’s head office is located at Level 12, Suite 1201, Pondok Indah Office Tower 2, Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah, Jakarta Selatan 12310. The project office of the Company’s mine is located at Jl. Merdeka Barat KM 2, Desa Aek Pining, Kecamatan Batangtoru, Tapanuli Selatan, North Sumatera 22738. The Company had 780 and 751 employees (unaudited) as of 31 December 2019 and 2018, respectively.

On 4 December 2018, PT Danusa Tambang Nusantara (“DTN”), a subsidiary of PT United Tractors Tbk (“UT Group”), entered into a Share Sale Agreement (“SSA”) with Agincourt Resources (Singapore) Pte. Ltd. (“ARS”) to acquire 95% ownership of the Company. The condition precedents in SSA were fulfilled on 4 December 2018. DTN had appointed a new Board of Directors and Commissioners on 4 December 2018, and as such, DTN has effectively had control over the Company as the majority shareholder since then.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### **1. GENERAL (continued)**

The composition of the Company's Board of Commissioners and Board of Directors as at 31 December 2019 and 2018 were as follows:

	<b>2019</b>	<b>2018</b>
President Commissioner Commissioners	: FX Laksana Kesuma Anwar Nasution Iwan Hadiantoro Ari Sutrisno Edhie Sarwono Bambang Susigit	: FX Laksana Kesuma Anwar Nasution Iwan Hadiantoro Ari Sutrisno Edhie Sarwono
President Director Vice President Director Directors	: Muliady Sutio Timothy John Vincent Duffy Noviandri Lukman Hakim Darryn Michael McClelland Linda Helena Darmalina Washington Tambunan Ruli Tanio	: Muliady Sutio Timothy John Vincent Duffy Noviandri Edward John Cooney Linda Helena Darmalina Washington Tambunan

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company's financial statements were prepared and finalised by the Board of Directors and authorised for issuance on 10 February 2020.

Presented below are the significant accounting policies adopted in preparing the financial statements of the Company, which are in conformity with Indonesian Financial Accounting Standards. These policies have been consistently applied in all periods presented, unless otherwise stated.

##### **a. Basis of preparation of the financial statements**

The financial statements have been prepared on the basis of historical costs, except for financial assets and financial liabilities, which are measured at fair value through profit or loss, and using the accrual basis except for the statement of cash flows.

The statement of cash flows is prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities.

The financial statements are presented in US Dollars ("US\$"), which is the Company's functional and presentation currency.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **a. Basis of preparation of the financial statements (continued)**

###### **Changes to Statements of Financial Accounting Standards (“SFAS”) and Interpretations of Statements of Financial Accounting Standards (“IFAS”)**

The adoption of the following new interpretations, amendment and annual improvements to accounting standards which are effective from 1 January 2019 did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported in the financial statements for the current period:

- IFAS No. 33, “Foreign Currency Transactions and Advance Consideration”
- IFAS No. 34, “Uncertainty over Income Tax Treatments”
- Amendment to SFAS No. 24, “Employee Benefits - Plan Amendment, Curtailment or Settlement”
- Annual improvement to SFAS No. 22, “Business Combinations”
- Annual improvement to SFAS No. 26, “Borrowing Costs”
- Annual improvement to SFAS No. 46, “Income Taxes”
- Annual improvement to SFAS No. 66, “Joint Arrangements”

New standards, amendments, annual improvements and interpretations issued but not yet effective for the financial year beginning 1 January 2019 are as follows:

- SFAS No. 71, “Financial Instruments”
- SFAS No. 72, “Revenue from Contracts with Customers”
- SFAS No. 73, “Leases”
- SFAS No. 112, “Accounting for Endowments”
- Amendment to SFAS No. 1, “Presentation of Financial Statements concerning the Title of Financial Statements”
- Amendment to SFAS No. 15, “Investments in Associates and Joint Ventures”
- Amendment to SFAS No. 22, “Business Combinations”
- Amendment to SFAS No. 25, “Accounting Policies, Changes in Accounting Estimates and Errors”
- Amendment to SFAS No. 62, “Insurance Contracts”
- Amendment to SFAS No. 71, “Financial Instruments - Prepayment Features with Negative Compensation”
- Annual improvement to SFAS No. 1, “Presentation of Financial Statements”
- IFAS No. 35, “Presentation of Non-profit Oriented Entity Financial Statements”

The above new standards, amendments, annual improvements and interpretations are effective beginning 1 January 2020, except for SFAS No. 112 and Amendment to SFAS No. 22 which are effective from 1 January 2021.

Early adoption of the above standards is permitted except for IFAS No. 35, Amendment to SFAS No. 1 and Annual improvement to SFAS No. 1, while early adoption of SFAS No. 73 is permitted only upon the early adoption of SFAS No. 72.

As at the issuance date of these financial statements, the Company is evaluating the potential impact of these new standards and amendments, annual improvements and interpretations on the Company's financial statements.

##### **b. Foreign currency translation**

###### **(i) Functional and presentation currency**

Items presented in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency).

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **b. Foreign currency translation (continued)**

#### **(ii) Transactions and balances**

Foreign currency transactions are translated into US Dollars at the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the transactions and from the translation at year-end exchange rates of monetary assets and liabilities in currencies other than US Dollars are recognised in profit or loss.

### **c. Related party transactions**

Related party terms used are in accordance with SFAS No. 7 (Revised 2015) "Related Party Disclosures".

All significant transactions and balances with related parties are disclosed in the notes to the financial statements.

### **d. Cash and cash equivalents**

Cash and cash equivalents are cash on hand, cash in banks and time deposits with maturity periods of three months or less from the date of placement and which are not used as collateral or otherwise restricted.

### **e. Trade and other receivables**

Trade receivables are amounts due from customers for gold and silver sold in the ordinary course of business. Other receivables are amounts due from third or related parties for transactions outside the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **f. Financial assets**

#### **(i) Classifications, recognition and measurement**

The Company classifies its financial assets into the following categories of: (i) fair value through profit or loss; (ii) held-to-maturity; (iii) loans and receivables; and (iv) available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

As at 31 December 2019, the Company has financial assets classified in the categories of fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified into this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **f. Financial assets (continued)**

#### **(ii) Derecognition**

Financial assets are derecognised when the rights to receive cash flow have expired or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership.

#### **(iii) Offsetting financial instruments**

Financial assets and liabilities are offset and their net amounts are reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### **(iv) Impairment of financial assets carried at amortised cost**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recorded only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indication that the customer or a group of customers is experiencing significant financial difficulty, default or delinquency in billings, the probability that they will enter bankruptcy or other financial restructuring, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in the sum of arrears or economic conditions that correlate with defaults.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised the previously recognised impairment loss will be reversed by adjusting an allowance account. The reversal will not result in the carrying amount of a financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date at which the impairment was reversed. The reversal amount will be recognised in profit or loss.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **g. Derivative financial instruments and hedging activities**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair values. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the item being hedged. The Company designates certain derivatives as either (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

At the inception of the transaction, the Company documents the relationship between hedging instruments and hedging items, as well as its risk management objectives and the strategy for undertaking hedging transactions. The Company also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in the fair value of or the cash flow from hedged items.

The full value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months from the reporting date.

#### **(i) Fair value hedge**

Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of such a fair value hedge is recognised in profit or loss in the same line as the changes in fair value of the hedged item to which it relates. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

#### **(ii) Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in other comprehensive income within equity are reclassified to profit or loss in the period when the hedged item affects profit or loss. The gain or loss relating to the realised portion of the cash flow hedge is recognised in profit or loss in the same line as the hedged item to which it relates. However, when the forecast transaction that is being hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in the cost of revenue in the case of inventory or in depreciation expense in the case of fixed assets.

When a hedging instrument expires or sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

Changes in the fair value of any derivative instruments that are not designated as, or do not qualify for, hedge accounting are recognised immediately in profit or loss.

As at 31 December 2019, the Company has hedging instruments designated as cash flow hedges.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **h. Inventories**

Inventories comprise raw materials, work-in-progress and finished goods. Work-in progress inventories mainly comprise ore stockpiles and other partly processed materials.

Inventories are stated at the lower of cost and net realisable value, primarily on a moving average cost basis.

Cost of inventories comprises labour costs, material costs and contractor expenses which are directly attributable to the extraction and processing of ore; and a systematic allocation of the amortisation and depreciation of mining properties and of property, plant and equipment used in the extraction and processing of ore; and production overheads. Cost for purchased materials is determined after deducting discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stockpiles represent ore that has been extracted and is awaiting further processing. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as incurred. Where the future processing of this ore can be predicted with reasonable certainty, it is valued at the lower of cost and net realisable value.

Warehouse inventories are valued at the lower of average cost or net realisable value. Cost includes applicable taxes. A provision for obsolete materials and supplies is determined on the basis of estimated future usage or sale proceeds of individual inventory items.

The current portion of stockpiles and inventories is determined based on the expected amounts to be processed within the next 12 months. Stockpiles and inventories not expected to be processed within the next 12 months are classified as long-term.

### **i. Property, plant and equipment**

Property, plant and equipment held for use in the production of goods or for administrative purposes, are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Except for the majority of plant equipment assets which are depreciated using the units-of-production method, depreciation is computed using the straight-line method based on the lesser of the estimated useful lives of the assets, the life-of-mine or term of the CoW. The estimated useful lives of the fixed assets are as follows:

	<u>Years</u>
Buildings	10
Plant equipment	5 - 8
Motor vehicles	4
Office equipment	4 - 5
Information technology	4

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **i. Property, plant and equipment (continued)**

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis.

Land is stated at cost and is not depreciated.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying amount is removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Construction in-progress is stated at cost which includes borrowing costs during construction on debts incurred to finance the construction. Construction in-progress is transferred to the respective property, plant and equipment account when completed and ready for use.

Property, plant and equipment are tested for impairment in accordance with the policy in Note 2n.

### **j. Exploration and evaluation assets**

Exploration and evaluation activities involve the search for mineral resources, determination of the technical feasibility and assessment of the commercial viability of the mineral resource.

Exploration and evaluation assets comprise costs that are directly attributable to:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploratory drilling;
- trenching and sampling; and
- activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

Exploration and evaluation expenditure is written off as incurred, unless they are capitalised and carried forward, on an area of interest basis, provided one of the following conditions is met:

- (i) the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- (ii) exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area of interest are continuing.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Exploration and evaluation assets are recorded at cost less impairment charges. As the asset is not available for use, it is not depreciated.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **j. Exploration and evaluation assets (continued)**

Exploration and evaluation assets are assessed for impairment if facts and circumstances indicate that impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

Exploration and evaluation assets are tested for impairment in accordance with the policy in Note 2n.

### **k. Development properties**

Development expenditure incurred by the Company is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and the related infrastructure.

The development phase begins after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Once a development decision has been taken, the carrying amount of the exploration and evaluation assets relating to the area of interest is aggregated with the development expenditure and classified under non-current assets as "development properties".

A development property is reclassified as a "mining property" at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

No depreciation or amortisation is recognised for development properties until they are reclassified as "mining properties".

Development properties are tested for impairment in accordance with the policy in Note 2n.

### **l. Mining properties**

When further development expenditure is incurred on a mining property after the commencement of production, the expenditure is carried forward as part of the mining properties when it is probable that additional future economic benefits associated with the expenditure will flow to the Company. Otherwise this expenditure is classified as a cost of production.

Mining properties (including reclassified exploration, evaluation and development expenditure, and payments to acquire mineral rights and leases) are amortised using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the depletion of the proved and probable reserves.

Mining properties are tested for impairment in accordance with the policy described in Note 2n.

### **m. Stripping activity assets**

In open pit mining operations, overburden and other waste materials must be removed to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as stripping.

During the development of a mine (or pit), before production commences, stripping costs are capitalised as part of the cost of construction of the mine (or pit) and are subsequently amortised over the life of the mine (or pit) on a units-of-production basis.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **m. Stripping activity assets (continued)**

During the production phase the following three criteria must be met in order for stripping costs to qualify for capitalisation as a stripping activity asset:

- it must be probable that there will be an economic benefit in a future accounting period because the stripping activity has improved access to the ore body;
- it must be possible to identify the “component” of the ore body for which access has been improved; and
- it must be possible to reliably measure the costs that relate to the stripping activity.

A “component” is a specific section of the ore body that is made more accessible by the stripping activity. It will typically be a subset of the larger ore body that is distinguished by a separate useful economic life.

Production phase stripping can give rise to two benefits: the extraction of ore in the current period and improved access to ore which will be extracted in future periods. When the cost of stripping which has a future benefit is not distinguishable from the cost of producing current inventories, the stripping cost is allocated to each of these activities based on a relevant production measure using a life of component strip ratio. The ratio divides the tonnage of waste mined for the component for the period either by the quantity of ore mined for the component or by the quantity of minerals contained in the ore mined for the component. In some operations, the quantity of ore is a more appropriate basis for allocating costs, particularly where there are significant by-products. Stripping costs for the component are deferred to the extent that the current period ratio exceeds the life of component ratio. The stripping activity asset is depreciated on a “units-of-production” basis based on the expected production of either ore or contained minerals over the life of the component unless another method is more appropriate.

The life of component ratios are based on the ore reserves of the mine (and for some mines, other mineral resources) and the annual mine plan; they are a function of the mine design and therefore changes to that design will generally result in changes to the ratios. Changes in other technical or economic parameters that impact the ore reserves (and for some mines, other mineral resources) may also have an impact on the life of component ratios even if they do not affect the mine design. Changes to the ratios are accounted for prospectively.

Stripping activity assets are included in “mining properties”. Amortisation of deferred stripping costs is included in “amortisation” within “costs of goods sold”.

### **n. Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and if the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognised immediately against earnings.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **o. Employee benefits**

#### Post-employment benefits

In accordance with Labour Law No. 13/2003 ("Law No. 13/2003"), the Company is required to provide a minimum amount of pension benefits as stipulated in Law No. 13/2003, which represents a defined benefit pension plan. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. No funding of benefits has been made to date.

The liability recognised in the statements of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates at the reporting date of government bonds (considering that currently there is no deep market for high quality corporate bonds) that are denominated in the currency, in which the benefits will be paid and that have terms to maturity similar to the related pension obligation.

Past service costs are recognised immediately in the statements of profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

#### Other long-term employee benefits

The Company provides other long-term benefit programs in the form of compensation for long service leave and awards. The benefit program is not funded. The benefit is granted based on the Company's policy and calculated using the projected unit credit method and discounted to present value.

The entitlement to these benefits is usually based on the employee remaining in service up to retirement age or the completion of a qualifying service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that used for the defined benefit pension plan.

### **p. Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are amounts due to third or related parties for transactions outside the ordinary course of business. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **q. Provision for mine closure**

Provision for mine closure provides for the legal obligations associated with the retirement of property, plant and equipment and other long-lived assets that result from the acquisition, construction or development and/or the normal operation of such assets. The retirement of an asset is its other-than-temporary removal from service including its sale, abandonment, recycling or disposal in some other manner.

These obligations are recognised as liabilities when a legal or constructive obligation with respect to the retirement of an asset is incurred, with the initial measurement of the obligation at present value.

An asset retirement cost equivalent to these liabilities is capitalised as part of the related asset's carrying value and is subsequently depreciated or depleted over the asset's useful life. These obligations are measured at the present value of the expenditure expected to be required to settle the obligation using a long-term, pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in these obligations due to the passage of time is recognised as a finance cost.

The changes in the measurement of these obligations that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate will be added to or deducted from, the cost of the related asset in the current period. The amount deducted from the cost of the asset should not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the profit or loss. If the adjustment results in an addition to the cost of an asset, the Company will consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the Company estimates its recoverable amount, and will account for any impairment loss incurred.

The costs for decommissioning and site rehabilitation, which arise during production, are provided at their net present values and charged as operating costs as extraction progresses when the obligation has arisen from activities which have already been performed. Changes in the measurement of a liability which arise during production are charged against operating profit.

Provision for environmental issues that may not involve the retirement of an asset, where the Company is a responsible party are recognised when:

- The Company has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **r. Revenue and expense recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sale of goods is recognised when all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Expenses are recognised as incurred on an accrual basis.

### **s. Current and deferred income tax**

The tax expense comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date and in accordance with the CoW. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Company establishes a provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

### **3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company has identified the following matters under which significant judgments, estimates and assumptions are made and where actual results may differ and may materially affect the financial results or the financial position of the Company reported in future years.

#### Reserve estimates

Mineral reserves are estimates of the amounts of minerals that can be economically and legally extracted from the Company's properties. The Company determines and reports its gold and silver reserves under the principles incorporated in the Joint Ore Reserves Committee for the Reporting of Mineral Resources and Ore Reserves (the "JORC"). In order to estimate the reserves, assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, stripping ratios, production costs, transport costs, commodity demand, commodity prices, future capital expenditure, mine closure obligations and exchange rates.

Estimating the quantity and/or grade of the reserves requires the size, shape and depth of the body of the reserve or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgments to interpret the data.

Because the economic assumptions used to estimate reserves change from year to year and because additional geological data is generated during the course of operations, estimates of reserves may change from year to year. Changes in reported reserves may affect the Company's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in the estimated future cash flows;
- Depreciation, depletion and amortisation charged to profit or loss may change where such charges are determined based on a unit-of-production method or where the economic useful lives of assets change;
- Provision for mine closure may change where changes in estimated reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likelihood of the recoverability of the tax benefits.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

### **3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (continued)**

#### Estimated useful lives of property, plant and equipment

The useful life of each of the items of the Company's property, plant and equipment are estimated based on the period over which the asset is expected to be available for use, limited by the life-of-mine or the CoW term. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of property, plant and equipment would affect the recorded depreciation expense and change in the carrying values of property, plant and equipment.

The aggregate carrying value of property, plant and equipment is disclosed in Note 6 to the financial statements.

#### Amortisation of mining properties

The amounts recorded for amortisation as well as the recovery of the carrying value of mining properties depends on the estimates of ore reserves and the economic lives of future cash flows from related assets. The primary factors affecting these estimates are technical assessments of quantities of ore reserves in places which are probable of production and economic constraints such as the assumptions related to anticipated commodity prices and the costs of development and production of the reserves. The carrying amount of mining properties is disclosed in Note 7 to the financial statements.

#### Capitalisation of exploration and evaluation assets

The Company's accounting policy for exploration and evaluation assets results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not yet reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of comprehensive income.

#### Provision for mine rehabilitation and closure

The Company's accounting policy for the recognition of closure, rehabilitation and decommissioning provisions requires significant estimates and assumptions such as: requirements of the relevant legal and regulatory framework; the magnitude of possible land disturbance and the timing, extent and costs of required closure and rehabilitation activity. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

### **3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (continued)**

#### Impairment of non-financial assets

In accordance with the Company's accounting policy, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of the recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount.

The recoverable amount of an asset or a cash generating group of assets is measured at the higher of its fair value less costs to sell and value in use. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves (see 'Reserve estimates' above), operating costs, closure and rehabilitation costs and future capital expenditure. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may affect the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the profit or loss.

#### Income taxes

Judgments and assumptions are required to determine the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes for the Company. In particular, the calculation of the Company's income tax expense involves the interpretation of applicable tax laws and regulations, and the CoW.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The resolution of tax positions taken by the Company can take several years to complete and in some cases it is difficult to predict the ultimate outcome. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will have an impact on the income tax and deferred income tax provision in the period in which this determination is made.

#### Fair value estimation

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including Discounted Cash Flow ("DCF") models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**PT AGINCOURT RESOURCES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

**4. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED TIME DEPOSITS**

**a. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
Cash on hand	20,448	24,622
Cash in banks		
US Dollars	27,351,427	28,541,871
Rupiah	4,423,616	3,584,083
Australian Dollars	584,340	527,274
Time deposit		
US Dollars	10,000,000	-
<b>Total</b>	<b><u>42,379,831</u></b>	<b><u>32,677,850</u></b>

The above time deposit earned interest at average annual rates as follows:

	<b>2019</b>	<b>2018</b>
US Dollars	2.6% - 2.95%	-

**b. Restricted time deposits**

	<b>2019</b>	<b>2018</b>
Restricted time deposits in relation to mine closure	23,456,541	23,456,541
Restricted time deposits in relation to reclamation guarantee	267,833	156,011
<b>Total</b>	<b><u>23,724,374</u></b>	<b><u>23,612,552</u></b>

As at 31 December 2019 and 2018, the Company has placed time deposits in favour of the Directorate General of Minerals and Coal ("DGMC") amounting to US\$23,456,541 for mine closure guarantees.

The placement of time deposits for mine closure is required under DGMC letter No. 2111/30/DJB/2014 dated 1 December 2014. The time deposits for mine closure shall not be withdrawn until a written notification is received from DGMC.

## PT AGINCOURT RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### 5. INVENTORIES

	<b>2019</b>	<b>2018</b>
<b>Current:</b>		
Warehouse inventories	23,770,713	21,996,109
Gold in-transit	11,512,923	7,648,750
Gold in-circuit	2,849,384	3,008,171
Gold in-safe	1,161,856	1,057,171
Ore inventories	1,175,018	864,218
Provision for obsolescence in warehouse inventories	<u>(1,680,000)</u>	<u>(1,200,000)</u>
Total current inventories	<u>38,789,894</u>	<u>33,374,419</u>
<b>Non-current:</b>		
Ore inventories	<u>12,608,727</u>	<u>11,340,300</u>

Warehouse inventories comprise spare parts, chemicals, oil and lubricants.

As of 31 December 2019 and 2018, inventories of gold, silver, spare parts and supplies were covered by insurance against material damage and business interruption risks (Refer to Note 6). Management believes the insurance coverage is adequate to cover possible losses arising from such risks.

Management believes that the provision for warehouse inventories is adequate to cover losses from obsolescence in warehouse inventories.

#### 6. PROPERTY, PLANT AND EQUIPMENT

	<b>1 January 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassifications</b>	<b>Transferred to mining properties (Note 7)</b>	<b>31 December 2019</b>
<b>Cost</b>						
Land	285,489	-	-	-	-	285,489
Buildings	21,564,876	-	-	169,209	-	21,734,085
Plant equipment	286,055,529	513,451	-	2,230,934	-	288,799,914
Motor vehicles	716,201	142,096	-	116,028	-	974,325
Office equipment	1,440,125	-	-	32,080	-	1,472,205
Information technology	9,375,797	-	-	40,749	-	9,416,546
Construction in-progress	6,973,541	40,326,527	(713,177)	(2,589,000)	(18,382,446)	25,615,445
<b>Total</b>	<b>326,411,558</b>	<b>40,982,074</b>	<b>(713,177)</b>	<b>-</b>	<b>(18,382,446)</b>	<b>348,298,009</b>
<b>Accumulated depreciation</b>						
Buildings	(13,092,249)	(2,156,662)	-	-	-	(15,248,911)
Plant equipment	(157,521,157)	(17,101,791)	-	-	-	(174,622,948)
Motor vehicles	(550,543)	(82,427)	-	-	-	(632,970)
Office equipment	(1,361,636)	(35,303)	-	-	-	(1,396,939)
Information technology	(8,444,605)	(350,838)	-	-	-	(8,795,443)
<b>Total</b>	<b>(180,970,190)</b>	<b>(19,727,021)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(200,697,211)</b>
<b>Net book value</b>	<b>145,441,368</b>					<b>147,600,798</b>

## PT AGINCOURT RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### 6. PROPERTY, PLANT AND EQUIPMENT (continued)

	<b>1 January 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassifications</b>	<b>Transferred to mining properties (Note 7)</b>	<b>31 December 2018</b>
<b>Cost</b>						
Land	285,489	-	-	-	-	285,489
Buildings	21,407,649	67,278	-	89,949	-	21,564,876
Plant equipment	280,578,587	587,047	-	4,889,895	-	286,055,529
Motor vehicles	865,577	-	(149,376)	-	-	716,201
Office equipment	1,440,125	-	-	-	-	1,440,125
Information technology	9,344,087	31,710	-	-	-	9,375,797
Construction in-progress	10,292,296	18,679,166	-	(4,979,844)	(17,018,077)	6,973,541
<b>Total</b>	<b>324,213,810</b>	<b>19,365,201</b>	<b>(149,376)</b>	<b>-</b>	<b>(17,018,077)</b>	<b>326,411,558</b>
<b>Accumulated depreciation</b>						
Buildings	(10,955,516)	(2,136,733)	-	-	-	(13,092,249)
Plant equipment	(139,868,551)	(17,652,606)	-	-	-	(157,521,157)
Motor vehicles	(623,048)	(76,871)	149,376	-	-	(550,543)
Office equipment	(1,324,021)	(37,615)	-	-	-	(1,361,636)
Information technology	(7,902,440)	(542,165)	-	-	-	(8,444,605)
<b>Total</b>	<b>(160,673,576)</b>	<b>(20,445,990)</b>	<b>149,376</b>	<b>-</b>	<b>-</b>	<b>(180,970,190)</b>
<b>Net book value</b>	<b><u>163,540,234</u></b>					<b><u>145,441,368</u></b>

The Company owns a parcel of land measuring 41,445 square metres with *Hak Guna Bangunan* ("Building Right Title") for a period of 30 years. Management believes that there will be no difficulty in the extension of the land rights as they were legally acquired and are supported by proper evidence of ownership.

Property, plant and equipment, inventories, mining properties, development properties and exploration and evaluation assets were insured against material damage and business interruption risks for a value of US\$758,077,877 and US\$697,912,044 as at 31 December 2019 and 2018, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Depreciation of property, plant and equipment for the years ended 31 December 2019 and 2018, were allocated as follows:

	<b>2019</b>	<b>2018</b>
Cost of goods sold (Note 17)	18,864,639	19,444,673
General and administrative expenses (Note 18)	862,382	1,001,317
<b>Total</b>	<b><u>19,727,021</u></b>	<b><u>20,445,990</u></b>

The management is of the opinion that there are no facts or circumstances during the year that indicate the property, plant and equipment may be impaired. As such, there has been no impairment charge recognised against the carrying amounts of property, plant and equipment.

**PT AGINCOURT RESOURCES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

**7. MINING PROPERTIES, DEVELOPMENT PROPERTIES, AND EXPLORATION AND EVALUATION ASSETS**

	<b>1 January 2019</b>	<b>Additions</b>	<b>Reclassifications</b>	<b>Transferred from property, plant and equipment (Note 6)</b>	<b>31 December 2019</b>
Mining properties					
Cost	789,674,865	7,590,981	490,348	18,382,446	816,138,640
Accumulated amortisation	(434,040,675)	(49,911,491)	-	-	(483,952,166)
<b>Net book value</b>	<b><u>355,634,190</u></b>				<b><u>332,186,474</u></b>
Development properties	-	-	1,873,069	-	1,873,069
Exploration and evaluation assets	<u>74,229,311</u>	<u>21,716,102</u>	<u>(2,363,417)</u>	-	<u>93,581,996</u>

	<b>1 January 2018</b>	<b>Additions</b>	<b>Reclassifications</b>	<b>Transferred from property, plant and equipment (Note 6)</b>	<b>31 December 2018</b>
Mining properties					
Cost	758,613,550	11,017,310	3,025,928	17,018,077	789,674,865
Accumulated amortisation	(382,374,459)	(51,666,216)	-	-	(434,040,675)
<b>Net book value</b>	<b><u>376,239,091</u></b>				<b><u>355,634,190</u></b>
Development properties	<u>3,025,928</u>	<u>-</u>	<u>(3,025,928)</u>	-	<u>-</u>
Exploration and evaluation assets	<u>50,809,942</u>	<u>23,419,369</u>	<u>-</u>	-	<u>74,229,311</u>

Amortisation of mining properties for the years ended 31 December 2019 and 2018 were allocated as follows:

	<b>2019</b>	<b>2018</b>
Cost of goods sold (Note 17)	<u>47,872,792</u>	<u>49,104,331</u>
General and administrative expenses (Note 18)	<u>2,038,699</u>	<u>2,561,885</u>
<b>Total</b>	<b><u>49,911,491</u></b>	<b><u>51,666,216</u></b>

The management is of the opinion that there are no facts or circumstances during the year that indicate the mining properties, development properties and exploration and evaluation assets may be impaired. As such, there has been no impairment charge recognised against the carrying amounts of mining properties, development properties and exploration and evaluation assets.

As of 31 December 2019, mining properties, development properties and exploration and evaluation assets were covered by insurance against material damage and business interruption risks (Note 6).

**PT AGINCOURT RESOURCES**

**NOTES TO THE FINANCIAL STATEMENTS**

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(Expressed in US Dollars, unless otherwise stated)

**8. TAXATION**

**a. Claims for tax refund**

	<b>2019</b>	<b>2018</b>
Withholding tax ("WHT")		
- Article 26	23,719,395	-
Value added tax ("VAT")		
- 2019	14,928,680	-
- 2018	14,569,961	13,986,398
- 2017	<u>14,338,596</u>	<u>13,764,300</u>
<b>Total</b>	<b><u>67,556,632</u></b>	<b><u>27,750,698</u></b>
Current portion	<u>(28,908,557)</u>	-
<b>Claims for tax refund - net of current portion</b>	<b><u>38,648,075</u></b>	<b><u>27,750,698</u></b>

Claims for tax refund represents VAT receivable from the Government of Indonesia. Amounts are refundable in Indonesian Rupiah ("Rp") and hence are subject to movements in exchange rates.

In 2020, the Company is expecting to receive the refund for 2017 and 2018 VAT claims.

As of 31 December 2019, the VAT claimable for 2019 has not been claimed to the Tax Office.

**b. Taxes payable**

	<b>2019</b>	<b>2018</b>
Corporate income tax payable		
- 2019	3,551,886	-
- 2018	-	17,154,754
- 2017	<u>-</u>	<u>12,800,108</u>
	<u>3,551,886</u>	<u>29,954,862</u>
Other taxes payable		
- Article 21	65,861	192,145
- Article 15	3,028	61,270
- Article 23	203,591	53,524
- Article 26	26	36,880
- Article 4(2)	2,891	10,728
VAT	92,794	35,964
Other taxes	<u>626,976</u>	-
	<u>995,167</u>	<u>390,511</u>
<b>Total</b>	<b><u>4,547,053</u></b>	<b><u>30,345,373</u></b>

Corporate income tax payable for 2019 is based on preliminary calculations, as the Company's income tax return has not yet been submitted to the Tax Office.

**PT AGINCOURT RESOURCES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

**8. TAXATION (continued)**

**c. Income tax expense**

	<b>2019</b>	<b>2018</b>
Current	74,114,776	69,774,523
Prior year adjustments	-	29,887,364
Deferred	<u>5,192,328</u>	<u>4,249,393</u>
<b>Total</b>	<b><u>79,307,104</u></b>	<b><u>103,911,280</u></b>

The reconciliation between income before tax for the Company and current income tax expense is as follows:

	<b>2019</b>	<b>2018</b>
Income before tax	295,099,475	270,708,242
Fiscal adjustments:		
- Differences in depreciation and amortisation between commercial and tax	(23,576,858)	(1,270,501)
- Employee benefit liabilities, mine closure and other provisions	2,130,355	(8,274,555)
- Unrealised gain from fair value of derivative instruments	-	(4,243,917)
- Non-deductible expenses	<u>22,806,130</u>	<u>22,178,821</u>
<b>Taxable income</b>	<b><u>296,459,102</u></b>	<b><u>279,098,090</u></b>
Current income tax expense calculated at 25%	74,114,776	69,774,523
Less prepaid taxes:		
- Article 25	(69,957,098)	(52,141,910)
- Article 23	(132,944)	(5,844)
- Article 22	<u>(472,848)</u>	<u>(472,015)</u>
<b>Corporate income tax payable</b>	<b><u>3,551,886</u></b>	<b><u>17,154,754</u></b>

The reconciliation between income tax expense and the theoretical tax amount on the Company's profit before income tax calculated at 25% is as follows:

	<b>2019</b>	<b>2018</b>
Income before tax	<u>295,099,475</u>	<u>270,708,242</u>
Tax expense calculated at 25%	73,774,869	67,677,061
Tax expense effect of:		
- Non-deductible expenses	5,701,532	5,544,705
- Adjustment in respect of prior years	-	29,887,364
- Other adjustments	<u>(169,297)</u>	<u>802,150</u>
<b>Income tax expense</b>	<b><u>79,307,104</u></b>	<b><u>103,911,280</u></b>

**PT AGINCOURT RESOURCES**

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**8. TAXATION (continued)**

**d. Deferred tax liabilities**

	<u>1 January 2019</u>	<u>Credited/ (charged) to income for the year</u>	<u>(Credited)/ charged to other comprehensive (loss)/income for the year</u>	<u>31 December 2019</u>
Differences in depreciation and amortisation between commercial and tax	(46,616,920)	(5,894,214)	-	(52,511,134)
Employee benefit liabilities, mine closure and other provisions	2,276,517	532,589	(71,423)	2,737,683
Unrealised loss/(gain) from fair value of derivative instruments	712,299	(712,299) <sup>*)</sup>	10,675,698	10,675,698
<b>Total</b>	<b>(43,628,104)</b>	<b>(6,073,924)</b>	<b>10,604,275</b>	<b>(39,097,753)</b>
	<u>1 January 2018</u>	<u>Credited/ (charged) to income for the year</u>	<u>(Credited)/ charged to other comprehensive (loss)/income for the year</u>	<u>31 December 2018</u>
Differences in depreciation and amortisation between commercial and tax	(45,497,145)	(1,119,775) <sup>*)</sup>	-	(46,616,920)
Employee benefit liabilities, mine closure and other provisions	4,476,290	(2,068,639)	(131,134)	2,276,517
Unrealised loss/(gain) from fair value of derivative instruments	1,773,278	(1,060,979)	-	712,299
<b>Total</b>	<b>(39,247,577)</b>	<b>(4,249,393)</b>	<b>(131,134)</b>	<b>(43,628,104)</b>

Legend:

(\*) Include other adjustments for unrealised loss/(gain) from fair value of derivative instruments amounting to US\$881,596 in 2019 (2018: difference in depreciation and amortisation between commercial and tax amounting to US\$802,150).

**e. Tax assessment letters**

**Regional tax assessment letter on the Company's activity for the extraction of non-metal minerals and rocks for the purpose of building the tailing storage facility**

On 31 August 2018, the South Tapanuli District Government issued regional tax assessment letter stating that the Company had to pay the 2016 regional tax amounting to Rp16.5 billion (equivalent to US\$1.2 million) (the "underpayment 2016 regional tax assessment letter"). The regional tax assessment letter relates to the Company's activities for the extraction of non-metal minerals and rocks for the purpose of building the tailing storage facility. The Company has paid the amount and submitted a lawsuit to the Tax Court on 19 July 2019. As at the date of these financial statements, the Company is awaiting the verdict.

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### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **8. TAXATION (continued)**

##### **e. Tax assessment letters (continued)**

###### **Underpayment tax assessment letters on the dividend payments made to a former non-resident shareholder, Agincourt Resources (Singapore) Pte. Ltd.**

On 29 May 2019, the tax office issued underpayment tax assessment letters stating that the Company had underpaid the 2017 WHT amounting to Rp342.9 billion (equivalent to US\$23.6 million), the amounts include the corresponding tax penalties of Rp94.8 billion (equivalent to US\$6.5 million).

The underpayment tax assessment letters are related to the dividend payments made to a former non-resident shareholder, ARS in April, September and December 2017. The Tax Office has assessed the WHT rate on the dividends payment as the Tax Office states that the Company should use 20% WHT rate, instead of 7.5% WHT rate. Management believes that they had properly used the withholding tax rate of 7.5% on the dividend payments to a former non-resident founder shareholder as the WHT rate is based on the provision of CoW. In addition, the Company has the Certificate of Domicile ("CoD") for ARS which only requires the Company to withhold 10% tax on dividends paid to ARS (under the tax treaty) if the CoW provision is not recognised by the tax authority.

The Company has paid the underpayment tax assessment letters, including its penalties, on 26 June 2019 and recorded as claim for tax refund – non-current portion. On 21 August 2019, the Company has submitted the tax objection letters to the Tax Office regarding to this matter. As of the date of these financial statements, the Company has not received any decision letter from Tax Office related to the objection letter. However, based on management's assessment on the tax dispute, management believes that the tax assessments are without merit, no significant provision should be made for the WHT rate on the dividend payments, and therefore, significant portion of the tax underpayment made by the Company is recorded as prepaid taxes (WHT Art. 26) as of 31 December 2019.

The financial statements as at 31 December 2019 did not include any adjustments that might ultimately result from the settlement or resolution of this matter.

##### **f. Administration**

Under the taxation laws of Indonesia, the Company calculates, submits and pays tax returns on the basis of self-assessment. The Directorate General of Taxation may assess or amend taxes within five years of the time the tax becomes due.

#### **9. TRADE PAYABLES - THIRD PARTIES**

Details of trade payables based on currency are as follows:

	<b>2019</b>	<b>2018</b>
- Indonesian Rupiah	1,988,340	621,268
- US Dollars	556,820	454,364
- Others	259,739	7,474
<b>Total</b>	<b><u>2,804,899</u></b>	<b><u>1,083,106</u></b>

The trade payables arose from the purchase of goods and services.

## PT AGINCOURT RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

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#### 10. ACCRUED EXPENSES AND SHORT-TERM EMPLOYEE BENEFIT LIABILITIES

	<b>2019</b>	<b>2018</b>
<b>Accrued expenses</b>		
Consultants and contractors	23,324,452	18,030,498
Others	<u>14,419,075</u>	<u>2,627,759</u>
	37,743,527	20,658,257
Short-term employee benefit liabilities	<u>2,721,419</u>	<u>1,913,163</u>
<b>Total</b>	<b><u>40,464,946</u></b>	<b><u>22,571,420</u></b>

Accrued expenses mainly represent accruals of contractor costs for equipment rental, repairs and maintenance activities, government royalty and other costs related to activities in the mine site.

Short-term employee benefit liabilities represent accruals for short-term employee benefits, such as bonuses, annual leave payments, etc.

#### 11. LOANS FROM RELATED PARTIES

	<b>2019</b>	<b>2018</b>
UT Group	18,498,303	88,945,582
PT Pamapersada Nusantara ("Pama")	<u>52,332,202</u>	<u>59,297,055</u>
<b>Total</b>	<b><u>70,830,505</u></b>	<b><u>148,242,637</u></b>
Less:		
Portion due within one year	<u>(70,830,505)</u>	<u>(29,648,527)</u>
<b>Non-current portion</b>	<b><u>-</u></b>	<b><u>118,594,110</u></b>

On 4 December 2018, the Company entered into loan agreements with UT Group and Pama, under which each agreed to provide loans with a maximum facility amounting to US\$195,000,000 and US\$130,000,000, respectively. These loans bear annual interest at the three-month LIBOR interest rate plus 2% margin, payable quarterly. The loans from UT Group and Pama had a final maturity date of 4 December 2023 and 27 November 2023, respectively. On 19 August 2019, the repayment schedule of loans from UT Group and Pama have been amended with final maturity date become 4 March 2020 and 4 December 2020, respectively. Management is of the opinion that the modification of these loans terms are not substantially different, and therefore, the amendment are not accounted for as an extinguishment of financial instruments. Total principal repayments on these loans from related parties was US\$77,412,132 during 2019 (2018: US\$nil). Total interest expense on these loans from related parties was US\$5,766,291 during 2019 (2018: US\$526,756).

**PT AGINCOURT RESOURCES**

**NOTES TO THE FINANCIAL STATEMENTS**

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**12. DERIVATIVE ASSETS AND LIABILITIES**

	<b>2019</b>	<b>2018</b>
<b>Derivative assets</b>		
Not designated as hedge accounting:		
- Gold put options	-	239,559
Designated as hedge accounting:		
- Gold put options	166,471	-
<b>Total</b>	<b>166,471</b>	<b>239,559</b>
<b>Derivative liabilities</b>		
Designated as hedge accounting:		
- Gold forwards	33,936,750	-
- Gold collars	6,426,644	-
	40,363,394	-
<b>Total current portion</b>	<b>(36,965,980)</b>	-
<b>Total non-current portion</b>	<b>3,397,414</b>	-

The Company has entered into gold put options, gold forwards and gold collars to hedge the volatility of cash flows from sales of gold arising from its highly probable forecast sales. The derivatives are designated to qualify for hedge accounting. The balances represent the fair value of the instruments at 31 December 2019. During 2019, total realised loss, net on the hedges is amounting to US\$10,783,686 and presented as part of "Sales - Gold, net" in profit or loss.

**a. Gold put options**

The Company's gold put options as at 31 December 2019 were as follows:

<b>Counterparties</b>	<b>Contract date</b>	<b>Period start*</b>	<b>Period end*</b>	<b>Strike price per ounce (US Dollars)</b>	<b>Quantity (ounces)</b>
Morgan Stanley	20 February 2019	1 March 2019	29 January 2021	1,300	34,500
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	20 February 2019	1 March 2019	29 January 2021	1,300	34,500
Goldman Sachs	20 February 2019	1 March 2019	29 January 2021	1,300	34,500
Macquarie Bank Limited	20 February 2019	1 March 2019	29 January 2021	1,300	34,500

In 2019, loss from changes in fair value of gold put options (unrealised portion) amounting to US\$2,339,398 was charged to other comprehensive (loss)/income.

(\*) Represents range of hedging periods from the earliest to the latest hedging dates as the gold put option agreements have various hedging periods.

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### NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in US Dollars, unless otherwise stated)

#### 12. DERIVATIVE ASSETS AND LIABILITIES (continued)

##### b. Gold forwards

The Company's gold forwards as at 31 December 2019 were as follows:

Counterparties	Contract date	Period start*	Period end*	Strike price per ounce (US Dollars)	Quantity (ounces)
HSBC	11 January 2019	1 February 2019	29 January 2021	1,325	96,000
HSBC	11 January 2019	1 February 2019	29 January 2021	1,325	48,000
Morgan Stanley	11 January 2019	1 February 2019	29 January 2021	1,325	144,000

In 2019, loss from changes in fair value of gold forwards (unrealised portion) amounting to US\$33,936,750 was charged to other comprehensive (loss)/income.

(\*) Represents range of hedging periods from the earliest to the latest hedging dates as the gold forward agreements have various hedging periods.

##### c. Collar options

The Company's collar options as at 31 December 2019 were as follows:

Counterparties	Contract date	Period start*	Period end*	Strike price per ounce (US Dollars)	Quantity (ounces)
Macquarie Bank Limited	6 June 2019	1 July 2019	29 January 2021	1,330 - 1,443	19,000
Macquarie Bank Limited	18 June 2019	1 July 2019	29 January 2021	1,300 - 1,480	15,000
HSBC	6 June 2019	1 July 2019	29 January 2021	1,300 - 1,445	19,000
HSBC	6 June 2019	1 July 2019	29 January 2021	1,300 - 1,443	19,000
HSBC	20 June 2019	1 July 2019	29 January 2021	1,325 - 1,505	15,000
Morgan Stanley	18 June 2019	1 July 2019	31 January 2020	1,300 - 1,480	7,000
Morgan Stanley	18 June 2019	1 April 2020	29 May 2020	1,300 - 1,480	2,000
Morgan Stanley	18 June 2019	3 August 2020	29 January 2021	1,300 - 1,480	6,000

In 2019, loss from changes in fair value of gold collar options (unrealised portion) amounting to US\$6,426,644 was charged to other comprehensive (loss)/income.

(\*) Represents range of hedging periods from the earliest to the latest hedging dates as the collar option agreements have various hedging periods.

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**13. EMPLOYEE BENEFIT LIABILITIES**

The Company provides employee benefits for its qualifying employees in accordance with Labour Law No. 13/2003 and the Company's collective labour agreement. The number of employees entitled to the benefits on 31 December 2019 and 2018 were 780 and 751, respectively (unaudited). The employee benefit program is unfunded.

	<b>2019</b>	<b>2018</b>
Post-employment benefits	7,327,796	6,886,865
Long service leave and awards	1,275,724	783,991
<b>Total</b>	<b><u>8,603,520</u></b>	<b><u>7,670,856</u></b>

The amounts recognised in the statements of profit or loss and other comprehensive income with respect to these post-employment benefits are as follows:

	<b>2019</b>	<b>2018</b>
Current service cost	437,000	1,160,583
Interest cost	568,534	452,075
Past service cost	(156,980)	-
Loss/(gain) on foreign exchange	299,263	(472,523)
<b>Total charged to profit or loss</b>	<b><u>1,147,817</u></b>	<b><u>1,140,135</u></b>
 Remeasurement (gains)/losses:		
- Actuarial (gains)/losses arising from changes in financial assumptions	(1,656,517)	167,356
- Actuarial losses arising from changes in demographic assumptions	1,843,517	-
- Actuarial gains arising from changes in experience adjustments	(472,692)	(691,892)
<b>Total charged to other comprehensive gain</b>	<b><u>(285,692)</u></b>	<b><u>(524,536)</u></b>

The amounts recognised in the statement of financial position arising from the Company's obligations with respect to these post-employment benefits and their movements are as follows:

	<b>2019</b>	<b>2018</b>
Opening balance of present value of unfunded obligations	6,886,865	6,432,972
Current service cost	437,000	1,160,583
Interest cost	568,534	452,075
 Remeasurement (gains)/losses:		
- Actuarial (gains)/losses arising from changes in financial assumptions	(1,656,517)	167,356
- Actuarial losses arising from changes in demographic assumptions	1,843,517	-
- Actuarial gains arising from changes in experience adjustments	(472,692)	(691,892)
Benefits paid	(421,194)	(161,706)
Past service cost	(156,980)	-
Loss/(Gain) on foreign exchange	299,263	(472,523)
 <b>Closing balance of present value of unfunded obligations</b>	<b><u>7,327,796</u></b>	<b><u>6,886,865</u></b>

## PT AGINCOURT RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

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#### 13. EMPLOYEE BENEFIT LIABILITIES (continued)

The cost of providing employee benefit liabilities was calculated by PT Milliman Indonesia, an independent actuary, on 16 January 2020, using the projected unit credit method. The actuarial valuation was carried out using the following key assumptions:

	<b>2019</b>	<b>2018</b>
Discount rate	7.50% per annum	8.25% per annum
Future salary incremental rate	7% per annum	10% per annum
Mortality rate	100% (TMI3)	100% (TMI3)
Disability rate	5% (TMI3)	5% (TMI3)
Resignation rate	2% for employees below the age of 25 and will linearly decrease until 0.5% at the age of 45	10% for employees below the age of 35 and will linearly decrease until 0% at the age of 55
Proportion of normal retirement	100% per annum	100% per annum
Normal retirement age	57	56

The significant actuarial assumptions for the determination of post-employment benefits are the discount rate and expected salary increase rate. The sensitivity analysis below has been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate was 1% higher, the post-employment benefits would decrease by US\$783,871, while a decrease of 1% in the discount rate would increase the post-employment benefits by US\$636,316.
- If the expected salary increment rate was 1% higher, the post-employment benefits would increase by US\$710,411, while a decrease of 1% in the salary increment rate would decrease the post-employment benefits by US\$856,089.
- If the expected life increment rate was 1 year higher, the post-employment benefits would increase by US\$139,943, while a decrease of 1 year in the life increment rate would increase the post-employment benefits by US\$113,717.

The sensitivity analysis presented above may not be representative of the actual change in the post-employment benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the post-employment benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method applied in calculating the post-employment benefit obligation liability recognised in the statement of financial position.

The average duration of the benefit obligation at 31 December 2019 and 2018 are 14.16 and 13.12 years, respectively.

The expected maturity analysis of undiscounted post-employment benefits is as follows:

	<u>Less than a year</u>	<u>Between 1-5 years</u>	<u>Between 5-10 years</u>	<u>Over 10 years</u>
Post-employment benefits obligation	380,948	2,418,188	6,859,850	59,990,555

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **14. PROVISION FOR MINE REHABILITATION AND CLOSURE**

The Company's mining and exploration activities are subject to various Indonesian laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditure to comply with such laws and regulations, but cannot predict the amount of such future expenditure. Estimated future reclamation costs are based principally on legal and regulatory requirements.

The following is a reconciliation of the reclamation and closure liabilities:

	<b>2019</b>	<b>2018</b>
Beginning balance	24,891,753	23,979,753
Addition	-	-
Unwinding of discount (Note 19)	912,000	912,000
<b>Ending balance</b>	<b>25,803,753</b>	<b>24,891,753</b>

#### **15. SHARE CAPITAL AND RESERVES**

##### **a. Share capital**

The composition of the Company's shareholders as at 31 December 2019 and 2018 was as follows:

<b>Shareholders</b>	<b>31 December 2019 and 2018</b>		
	<b>Number of Shares</b>	<b>Percentage of Ownership</b>	<b>Total Paid-up Capital</b>
DTN	80,750,000	95%	80,750,000
PT Artha Nugraha Agung ("ANA")	4,250,000	5%	4,250,000
<b>Total</b>	<b>85,000,000</b>	<b>100%</b>	<b>85,000,000</b>

##### **b. General reserve**

The Limited Liability Company Law of the Republic of Indonesia No. 1/1995 introduced in March 1995, and amended by Law No. 40/2007, issued in August 2007, requires the establishment of a general reserve from net income amounting to at least 20% of a company's issued and paid-up-capital. As of the date of these financial statements, the Company has not yet established the reserve. There is no time limit on the establishment of the reserve.

##### **c. Other reserves**

	<b>2019</b>	<b>2018</b>
Derivative costs and interest expenses incurred by shareholder	(28,050,828)	(28,050,828)
Fair value loss on hedging instruments designated in cash flow hedges	(32,027,094)	-
Actuarial loss on employee benefit liabilities	(10,629)	(224,898)
<b>Total</b>	<b>(60,088,551)</b>	<b>(28,275,726)</b>

**PT AGINCOURT RESOURCES**

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**16. SALES**

	<b>2019</b>	<b>2018</b>
Gold	525,026,350	522,231,592
Silver	35,860,394	51,965,717
<b>Total</b>	<b><u>560,886,744</u></b>	<b><u>574,197,309</u></b>

**17. COST OF GOODS SOLD**

	<b>2019</b>	<b>2018</b>
Spare parts and consumables	56,081,607	55,201,828
Amortisation (Note 7)	47,872,792	49,104,331
Contractors	36,090,108	29,295,688
Royalty	21,356,218	21,300,837
Depreciation (Note 6)	18,864,639	19,444,673
Salaries and wages	14,926,721	15,484,203
Rental	7,815,018	7,444,893
Transportation	7,180,061	6,567,393
Drilling and assays	5,577,827	5,227,158
Housing allowance	3,641,653	3,726,846
Refining charges	2,750,993	3,135,802
Travel	1,727,445	1,536,566
Consultants	1,116,756	1,193,857
Others	10,883,696	5,179,350
<b>Total production costs</b>	<b><u>235,885,534</u></b>	<b><u>223,843,425</u></b>
Inventory at beginning of the year	23,918,610	26,896,824
Less: inventories at end of the year (Note 5)		
Ore inventories	(13,783,745)	(12,204,518)
Gold in-transit	(11,512,923)	(7,648,750)
Gold in-circuit	(2,849,384)	(3,008,171)
Gold in-safe	(1,161,856)	(1,057,171)
<b>Cost of goods sold</b>	<b><u>230,496,236</u></b>	<b><u>226,821,639</u></b>

**18. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2019</b>	<b>2018</b>
Land and building tax	6,665,960	1,680,736
Salaries and wages	4,693,395	5,800,587
Amortisation (Note 7)	2,038,699	2,561,885
Insurance cost	1,845,479	1,649,206
Depreciation (Note 6)	862,382	1,001,317
Professional fees	647,714	515,522
Travel	635,779	3,851,235
Tax penalties	-	9,706,939
Others	11,177,018	18,889,080
<b>Total</b>	<b><u>28,566,426</u></b>	<b><u>45,656,507</u></b>

## PT AGINCOURT RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

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#### 19. FINANCE INCOME AND COSTS

	<b>2019</b>	<b>2018</b>
<b>Finance costs</b>		
Interest expense on loans (Note 11)	5,766,291	23,867,565
Unwinding of discount (Note 14)	912,000	912,000
Loan transaction costs	-	15,550,536
Realised loss on derivative instruments, net	-	4,029,584
Other expenses	1,675,530	551,448
<b>Total finance costs</b>	<b><u>8,353,821</u></b>	<b><u>44,911,133</u></b>
<b>Finance income</b>		
Interest income	1,292,822	8,412,700
Unrealised gain from changes in fair value of derivative instruments, net	-	4,243,917
<b>Total finance income</b>	<b><u>1,292,822</u></b>	<b><u>12,656,617</u></b>

#### 20. RELATED PARTY INFORMATION

##### a. Nature of relationships

The nature of relationships with related parties as at 31 December 2019 and 2018 was as follows:

<b>Related parties</b>	<b>Nature of relationships</b>	<b>Nature of transactions</b>
DTN	Parent entity	Share capital
UT Group	Intermediate holding company	Loan and interest payable
Pama	Intermediate holding company	Loan and interest payable
Commissioners and Directors	Key management personnel	Remuneration

##### b. Balances with related parties

	<b>2019</b>	<b>2018</b>
<b>Loan from related parties</b>		
UT Group	18,498,303	88,945,582
Pama	<u>52,332,202</u>	<u>59,297,055</u>
<b>Total loan from related parties</b>	<b><u>70,830,505</u></b>	<b><u>148,242,637</u></b>

##### c. Key management compensation

Key management personnel includes the Board of Commissioners and Board of Directors. Total remuneration and benefits provided by the Company to the key management personnel was as follows:

	<b>2019</b>	<b>2018</b>
Salaries and other emoluments	1,702,764	2,235,003
Discretionary bonus	512,187	1,060,012
<b>Total</b>	<b><u>2,214,951</u></b>	<b><u>3,295,015</u></b>

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### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **20. RELATED PARTY INFORMATION (continued)**

##### **d. Dividends**

###### 2018 Interim Dividends

Based on a Circular Resolution of the Board of Directors and Board of Commissioners, the Company declared and paid an interim dividend in the amount of US\$40,764,375, US\$10,900,000, and US\$23,000,000 in March 2018, June 2018, and September 2018, respectively.

###### 2018 Final Dividends

Based on the Annual General Meeting of Shareholders held on 2 April 2019, the Company declared a final dividend for financial year 2018 in the amount of US\$83,064,375. The Company paid the remaining 2018 dividends in the amount of US\$8,400,000 in April 2019.

###### 2019 Interim Dividends

Based on a Circular Resolution of the Board of Directors and Board of Commissioners, the Company declared and paid an interim dividend in the amount of US\$74,062,000 in October 2019.

Similar to third parties, the Company's pricing policies in relation to transactions (mainly loans and interest) with related parties are determined based on negotiation.

#### **21. SIGNIFICANT AGREEMENTS AND COMMITMENTS**

##### **a. Sales contract**

In April 2015, the Company entered into a sale and purchase agreement for gold and silver with ICBC Standard Bank PLC for a 12 month period which will automatically be renewed for successive 12 month periods unless one of the parties terminates the agreement. As of the date of these financial statements, there has been no notice of termination from either party.

##### **b. Mining Law No. 4/2009**

On 16 December 2008, the Indonesian Parliament passed a new Law on Mineral and Coal Mining (the "Law"), which received the assent of the President on 12 January 2009, becoming Law No. 4/2009.

In February 2010, the Government released two implementing regulations for the Law No. 4/2009, i.e. Government Regulation ("GR") No. 22/2010 and GR No. 23/2010. GR No. 22/2010 deals with the establishment of the mining areas under the new IUP. GR No. 23/2010 provides clarifications surrounding the procedures to obtain the new IUP.

The Government further amended GR No. 23/2010 by issuing, among others, Government Regulation No. 24/2012 ("GR No. 24/2012") on 21 February 2012 and later by issuing Government Regulation No. 1/2014 ("GR No. 1/2014") on 11 January 2014, Government Regulation No. 77/2014 on 14 October 2014 and GR No. 1/2017 on 11 January 2017 which regulates the mechanism of extension of IUPs, transfer of IUPs, divestments and mining areas.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### **21. SIGNIFICANT AGREEMENTS AND COMMITMENTS** (continued)

##### **b. Mining Law No. 4/2009** (continued)

As of the date of these financial statements, the Company is closely monitoring the progress of the implementing regulations for the Law. The Company will consider the impact on its operations, if any, as the regulations are issued.

##### **c. Reclamation and post-mining guarantee**

On 20 December 2010, the Indonesian government issued GR No. 78/2010 that deals with the obligations to provide a reclamation plan, post-mining plan and reclamation and post-mine guarantees, for IUP-Exploration, IUP-Production Operation, and CoW holders (as relevant).

With respect to GR No. 78/2010, the Ministry of Energy and Mineral Resources ("MoEMR") issued regulation No. 7/2014 outlining the implementation of reclamation and mine closure requirements for mineral and coal business activity on 28 February 2014. This regulation provides specific guidance on preparation of reclamation and mine closure, evaluation and approval, guarantees required, execution and reporting of reclamation and mine closure activities.

Under MoEMR Regulation No. 7/2014, effective as of 28 February 2015, the Company is required to provide mine reclamation guarantees in the form of either a joint account in a government bank with the relevant government authority, a time deposit and/or a bank guarantee with a duration corresponding to the reclamation schedule.

On 1 December 2014, the DGMC approved the Company's post-mining plan document with mine closure costs amounting to US\$23,456,541. The Company is required to place this amount in the form of a time deposit to be funded over the period 2015 to 2018. As of 31 December 2019, the Company has placed US\$23,456,541 in time deposits (refer to Note 4b).

##### **d. Benchmark price and royalty**

In September 2010, the MoEMR issued Ministerial Regulation No. 17/2010 on the Procedures for the Setting of Benchmark Prices for Mineral and Coal Sales, which regulates that the sale of coal shall be conducted with reference to the benchmark price issued by the Government. As of the date of these financial statements, the benchmark price for minerals which is applicable to the Company has not been issued by the MoEMR.

On 6 January 2012, the Indonesian government issued GR No. 9/2012 regarding Type and Tariff for Non-Tax State Revenue applicable to MoEMR which amended GR No. 45/2003. The Company's CoW fixes the applicable royalty rates for the duration of the CoW.

In early May 2018, the MoEMR issued Ministerial Regulation No. 25/2018 ("MoEMR No. 25/2018"), which provides ultimate guidelines for upstream and downstream mineral and coal-mining business activities. The implementation of MoEMR No. 25/2018 outlines several key elements e.g. tariff for Non-Tax State Revenue, royalty and dead rent payment terms.

Management believes that the Company has complied with the relevant requirements of the regulations mentioned above.

##### **e. Other legal proceedings**

From time to time, the Company is involved in other legal proceedings as a normal incident to its business. The Company is of the opinion that adverse decisions in any pending or threatened proceedings or any amounts that it may be required to pay by reason thereof will not have a material adverse effect on its financial condition or the results of its operations.

## PT AGINCOURT RESOURCES

### NOTES TO THE FINANCIAL STATEMENTS

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

### 21. SIGNIFICANT AGREEMENTS AND COMMITMENTS (continued)

#### f. Other significant agreements

No.	Contractor/Supplier	Project Period		Description
		Start of project	End of Project	
1	PT PLN (Persero)	31-Oct-17	30-Oct-26	Electricity supply. Charged based on electricity consumption.
2	PT Bima Golden Powerindo	1-Jan-12	29-Feb-20	Supply, install and operate temporary power plant services. Total contract value is US\$63.3 million.
3	PT Promincon Indonesia	1-May-16	31-Oct-21	Exploration diamond drilling services. Charged mainly based on metres drilled.
4	PT Trans Continent	15-Dec-16	14-Dec-22	Transportation and logistics services. Total contract value is Rp92.7 billion.
5	PT Sodexo Indonesia	1-Aug-18	31-Jul-21	Camp services. Total contract value is Rp148 billion.
6	PT Macmahon Mining Services (JV with PT Nusa Konstruksi Enjiniring)	1-Jan-16	31-Dec-20	Extraction of ore and other mining services. Total contract value is Rp2.3 trillion.
7	PT Indodrill Indonesia	1-May-16	31-Oct-21	Drilling services. Charged mainly based on metres drilled.
8	Knight Piesold Pty Ltd	1-Jun-13	30-Jun-22	Tailing storage facility design, construction supervision and technical review. Total contract value is Australian Dollar 12.2 million.
9	PT Aneka Tambang (Persero) Tbk	1-Jul-16	31-Oct-21	Refine dore bullion. Charged based on gold and silver refined.
10	Orica Singapore Pte Ltd	1-Oct-11	30-Nov-24	Supply of sodium cyanide. Charged based on quarterly rates per ton.

On 1 July 2016, the Company entered into a Heavy Fuel Oil ("HFO") Power Plant Rental Contract with PT Sumberdaya Sewatama ("PTSS") for PTSS to construct a HFO-fired power station to supply power to the Company. PTSS has been unsuccessful in constructing the plant and has abandoned the project. The Company and PTSS are negotiating to resolve the settlement of the HFO Power Plant Rental Contract. On 22 February 2019 and 25 November 2019, the Company and PTSS have amended the agreement which stated that the Company partially absorbs the loss from the commercial settlement of the HFO Power Plant Rental Contract. As at 31 December 2019, the Company has recorded the provision for the estimated loss as part of its settlement with PTSS amounting to US\$6.9 million.

**PT AGINCOURT RESOURCES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

**22. FINANCIAL ASSETS AND LIABILITIES**

	<b>Fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Liabilities at amortised cost</b>	<b>Total</b>
<b>31 December 2019</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	42,379,831	-	42,379,831
Other receivables - third parties	-	1,815,264	-	1,815,264
Restricted time deposits	-	23,724,374	-	23,724,374
Other assets	-	1,354,669	-	1,354,669
Derivative assets	166,471	-	-	166,471
<b>Total financial assets</b>	<b>166,471</b>	<b>69,274,138</b>	<b>-</b>	<b>69,440,609</b>
<b>Financial liabilities</b>				
Trade payables - third parties	-	-	2,804,899	2,804,899
Other payables - third parties	-	-	2,012,758	2,012,758
Accrued expenses	-	-	37,743,527	37,743,527
Loans from related parties	-	-	70,830,505	70,830,505
Derivative liabilities	40,363,394	-	-	40,363,394
<b>Total financial liabilities</b>	<b>40,363,394</b>	<b>-</b>	<b>113,391,689</b>	<b>153,755,083</b>
	<b>Fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Liabilities at amortised cost</b>	<b>Total</b>
<b>31 December 2018</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	32,677,850	-	32,677,850
Other receivables - third parties	-	605,670	-	605,670
Restricted time deposits	-	23,612,552	-	23,612,552
Other assets	-	1,338,836	-	1,338,836
Derivative assets	239,559	-	-	239,559
<b>Total financial assets</b>	<b>239,559</b>	<b>58,234,908</b>	<b>-</b>	<b>58,474,467</b>
<b>Financial liabilities</b>				
Trade payables - third parties	-	-	1,083,106	1,083,106
Accrued expenses	-	-	20,658,257	20,658,257
Loans from related parties	-	-	148,242,637	148,242,637
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>169,984,000</b>	<b>169,984,000</b>

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### **23. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: market risk (including the effects of foreign currency exchange rates risk, commodity price risk and interest rates risk), credit risk and liquidity risk. The objectives of the Company's risk management are to identify, measure, monitor and manage basic risks in order to safeguard the Company's long-term business continuity and to minimise potential adverse effects on the financial performance of the Company.

##### **a. Market risk**

###### **(i) Foreign exchange risk**

The Company's financing and the majority of its revenue and operating expenditure is denominated in US Dollars, which indirectly represents a natural hedge on exposure to fluctuations in foreign exchange rates. However, the Company is exposed to foreign exchange risk arising from other expenditure payments, primarily in Rupiah. Management regularly monitors the exchange risk against the Company's functional currency.

###### **(ii) Price risk**

The Company faces commodity price risk because gold and silver are commodity products traded in the international gold and silver markets. Prices for gold and silver are generally based on international gold and silver indices as benchmarks, which tend to be cyclical and subject to fluctuations. As a commodity product, global gold and silver prices are principally dependent on the supply and demand dynamics of gold and silver in the international market. To manage the price risk exposure on the fluctuations of gold and silver prices in the international market, the Company reviews the fluctuations in gold and silver prices to enable management to take appropriate measure, such as the Company would enter into financial derivatives to help manage the exposures as discussed above, as necessary. Management also regularly monitors the gold and silver price trends and fluctuation.

###### **(iii) Interest rate risk**

The interest rate risk exposure relates to the amount of assets or liabilities which are subject to a risk that a movement in the interest rate will adversely affect the Company's income. To manage the interest rate exposure on their borrowings, the Company reviews the interest rate movements to enable management to take appropriate measures such as maintaining a reasonable mix of fixed and variable rate borrowings, and where necessary, the Company would enter into financial derivatives to help manage the exposures as discussed above.

As at 31 December 2019, if the interest rates on loans from related parties had been 10 basis points higher/lower with all other variables held constant, pre-tax profit for the year would have been US\$5,766 lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### **23. FINANCIAL RISK MANAGEMENT** (continued)

##### **b. Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

As at 31 December 2019, total maximum exposure from credit risk is US\$69,420,161. Credit risk arises from cash in banks, other receivables, restricted time deposits, other assets and derivative assets.

Management is confident in its ability to continue to control and maintain minimum exposure to credit risk, since the Company has clear policies on the selection of customers, legally binding agreements in place for gold and silver sales transactions and historically low levels of bad debts. The Company's general policies for gold and silver sales and rendering services to new and existing customers are as follows:

- Selecting customers with a strong financial condition and good reputation.
- Acceptance of new customers and sales of gold and silver are approved in line with the Company's delegation of authority policy.

##### **c. Liquidity risk**

Liquidity risk is defined as the risk that arises in situations where the cash inflow from short-term revenue is not enough to cover the cash outflow for short-term expenditure. To manage its liquidity risk, the Company monitors its level of cash and cash equivalents and maintains these at a level deemed adequate to finance the Company's operational activities and to mitigate the effect of fluctuations in cash flow. The Company's management also regularly monitors forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below describes the Company's financial liabilities based on their maturities. The amounts disclosed in the table are the contractual undiscounted cash flows:

	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>Total</b>
<b>31 December 2019</b>			
Trade payables - third parties	2,804,899	-	2,804,899
Other payables - third parties	2,012,758	-	2,012,758
Accrued expenses	37,743,527	-	37,743,527
Derivative payables	36,965,980	3,397,414	40,363,394
Loans from related parties	71,732,583	-	71,732,583
<b>Total</b>	<b>151,259,747</b>	<b>3,397,414</b>	<b>154,657,161</b>

##### **d. Fair value**

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

SFAS No. 68, "Fair Value Measurement", requires the disclosure of fair value measurement based on their level in the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The carrying amount of the financial assets and liabilities approximates their fair value.

## **PT AGINCOURT RESOURCES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

(Expressed in US Dollars, unless otherwise stated)

#### **23. FINANCIAL RISK MANAGEMENT** (continued)

##### **e. Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

#### **24. NET DEBT RECONCILIATION**

	<b>Loans from related parties due within 1 year</b>	<b>Loans from related parties due after 1 year</b>	<b>Accrued interest</b>	<b>Total</b>
<b>Balance as at 31 December 2018</b>	<b>29,648,527</b>	<b>118,594,110</b>	<b>526,756</b>	<b>148,769,393</b>
Payments of loans from related parties	(29,648,527)	(47,763,605)	-	(77,412,132)
Interest expenses on loans from related parties	-	-	5,766,291	5,766,291
Payments of interests on loans from related parties	-	-	(6,085,860)	(6,085,860)
Reclassification of loans from related parties	70,830,505	(70,830,505)	-	-
<b>Balance as at 31 December 2019</b>	<b>70,830,505</b>	<b>-</b>	<b>207,187</b>	<b>71,037,692</b>

#### **25. ACCOUNTS RECLASSIFICATION**

To conform to the presentation of the financial statements as at and for the year ended 31 December 2019, accounts in the statement of profit or loss and other comprehensive income for the year ended 31 December 2018 have been reclassified as follows:

	<b>Before Reclassification</b>	<b>After Reclassification</b>	<b>After reclassification</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>			
<b>COST OF GOODS SOLD</b>			
Royalty	-	21,300,837	21,300,837
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Royalty	21,300,837	(21,300,837)	-

The reclassification above does not have a material effect on the prior year financial statements and therefore management believes that the presentation of a third statement of financial position is not required.



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MEMBER OF ASTRA

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Annual Report

**2019**

Laporan Tahunan