



Annual Report

2020

**AGILITY
AND ADAPTABILITY**



Rosna Harahap, Field Assistant, Mine Geology conducts supervision and records at the loading point of ore at Purnama Pit.

Rosna Harahap, Field Assistant, Mine Geology melakukan pengawasan dan pencatatan di titik pemuatan bijih (ore) di Pit Purnama.



Activities of unloading from dump trucks to primary crusher on night shift.

Aktivitas pembongkaran muatan dari truk pengangkut buangan ke area penghancur utama yang dilakukan pada shift malam.

CONTINUITY OF THE THEME KESINAMBUNGAN TEMA

»
2020

Agility and Adaptability Kelincahan dan Mampu Beradaptasi

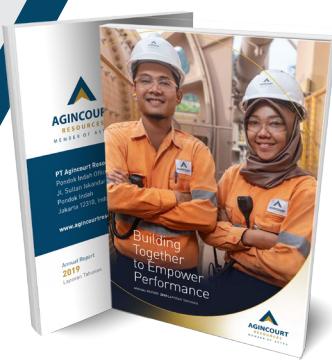
Agility and Adaptability reflects the Company's response to the difficult situation of the COVID-19 pandemic. While the two objectives for 2020 became a) keeping our people safe and healthy, and b) maintaining the operation for the benefit of all stakeholders.

The agility and adaptability demonstrated by PT Agincourt Resources ("PTAR") would not have been possible without the strong unity and collaboration among all the stakeholders. Seeing the benefits of diverse management and workforce in the pandemic, PTAR has continued to strive for inclusiveness and diversity to broaden its stakeholder base.

Kelincahan dan mampu beradaptasi mencerminkan tanggapan Perusahaan terhadap situasi sulit dari pandemi COVID-19. Selama tahun 2020, Perusahaan memiliki dua tujuan yang perlu dicapai yaitu a) menjaga setiap karyawan dengan aman dan sehat, serta b) memantau operasi untuk kepentingan semua pemangku kepentingan.

Namun demikian, kelincahan dan mampu beradaptasi yang ditunjukkan oleh PT Agincourt Resources ("PTAR") tidak akan mungkin terjadi tanpa persatuan dan kolaborasi antar pemangku kepentingan. Adanya kerjasama dari berbagai manajemen dan tenaga kerja selama masa pandemi, PTAR terus berupaya untuk inklusifitas dan hal ini akan berdampak pada perluasan pemangku kepentingan.





<<

2019

Building Together to Empower Performance

Membangun Bersama untuk Memperkokoh Kinerja

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\$443/oz in 2019.

The MIP program has been successful in reducing costs and optimising our assets in the mining 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 with some of the 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 how 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\$443 per ounce.

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

Kami berhasil meraih capaian tersebut tanpa mengabaikan operasional penting lainnya, yakni faktor keselamatan kerja dan perlindungan terhadap lingkungan. Kami sekarang berada dalam posisi yang baik untuk memanfaatkan peluang baru dan pertumbuhan di masa depan sebagai hasil dari *platform* operasi yang lebih efisien. Kami percaya bahwa pertumbuhan usaha Perusahaan dapat dicapai melalui kegiatan eksplorasi dan juga 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 2020 yang memperlihatkan strategi yang telah dilaksanakan Perusahaan. Seluruh capaian yang kami peroleh menunjukkan bahwa PT Agincourt Resources senantiasa membangun bersama untuk memperkokoh kinerja.

» 2018

Continuous Improvement

For Future Growth

Peningkatan BerkelaJutan Demi Pertumbuhan di Masa Depan

Since its establishment 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.



TABLE OF CONTENTS

DAFTAR ISI



CHAPTER 1

Performance Highlights	7
Ikhtisar Kinerja	
Financial Highlights	8
Kinerja Keuangan	
Awards	12
Penghargaan	
Certifications	13
Sertifikasi	

CHAPTER 2

Management Reports	15
Laporan Manajemen	
Report from the Board of Commissioners	16
Laporan Presiden Komisaris	
Report from the Board of Directors	20
Laporan Presiden Direktur	

CHAPTER 3

Company Profile	31
Profil Perusahaan	
Corporate Identity	32
Identitas Perusahaan	
Milestones	38
Jejak Langkah	
Vision, Mission and Values	40
Visi, Misi dan Nilai Perusahaan	

Organisational Structure Of The Company	42
Struktur Organisasi Perusahaan	
Board Of Commissioners' Profile	43
Profil Dewan Komisaris	
Board of Directors' Profile	50
Profil Direksi	
Shareholders	56
Pemegang Saham	
Kaleidoscope 2020	57
Peristiwa Penting 2020	

CHAPTER 4

Management Discussion and Analysis	63
Analisis & Bisnis Manajemen	
Industry Overview	64
Tinjauan Industri	
Operational Review	66
Tinjauan Operasional	
Business Review and Results	71
Tinjauan dan Hasil Bisnis	
Exploration	81
Eksplorasi	
Martabe Project Development	84
Pengembangan Proyek Martabe	



The dump truck is loading the ore from mining activities. Within 1 hour, it is targeted that five times the loading and unloading of ore from the pit to the crusher of the processing plant.

Truk pengangkut buangan tengah memuat bijih hasil kegiatan penambangan. Dalam 1 jam, ditargetkan lima kali pemuatan dan pembongkaran muatan bijih dari pit ke crusher pabrik pengolahan.



CHAPTER 5

Good Corporate Governance Tata Kelola Perusahaan	87
--	-----------



CHAPTER 6

Human Resources Sumber Daya Manusia	101
---	------------



CHAPTER 7

Occupational Health and Safety Keselamatan dan Kesehatan Kerja	115
--	------------



CHAPTER 8

Corporate Social Responsibility Tanggung Jawab Sosial Perusahaan	125
--	------------



CHAPTER 9

Environment Lingkungan	143
----------------------------------	------------



CHAPTER 10

Financial Report Laporan Keuangan	151
Statement of Responsibility of the Board of Commissioners for the 2020 Annual report of PT Agincourt Resources Pernyataan Tanggung Jawab Dewan Komisaris atas Laporan Tahunan 2020 PT Agincourt Resources	152
Statement of Responsibility of the Board of Directors for the 2020 Annual report of PT Agincourt Resources Pernyataan Tanggung Jawab Direksi atas Laporan Tahunan 2020 PT Agincourt Resources	153
Audited Financial Statements Laporan Keuangan Audit	154



Sulaiman Pardede, Haul Truck Operator HD 465 PT Macmahon Mining Services loads ore from Pit Purnama to Processing Plant. Sulaiman Pardede, Haul Truck Operator HD 465 PT Macmahon Mining Service mengangkut bijih dari Pit Purnama menuju Pabrik Pengolahan.

The background of the page features a photograph of a large, rocky mound of earth or mineral waste. In the lower-left foreground, a portion of a yellow mining truck is visible, equipped with a blue light bar and a rearview mirror. The upper half of the image is a clear blue sky.

CHAPTER 1 2020 **PERFORMANCE HIGHLIGHTS** IKHTISAR KINERJA

FINANCIAL HIGHLIGHTS

KINERJA EKONOMI



Statement of Profit or Loss and Other Comprehensive Income

Laporan Laba Rugi dan Penghasilan Komprehensif Lain

US\$ '000 Unless Otherwise Stated	2020	2019	US\$ '000 Kecuali Dinyatakan Lain
Sales	481,420	560,887	Penjualan
Cost of Goods Sold	(199,940)	(230,496)	Beban Pokok penjualan
Gross Profit	281,480	330,391	Laba Kotor
Income Before Tax	233,120	295,099	Laba sebelum Pajak Penghasilan
Net Income for the Year	187,246	215,792	Laba Bersih setelah Pajak
Earnings per Share (US\$)	2.20	2.54	Laba Bersih per Saham (US\$)



Financial Statement

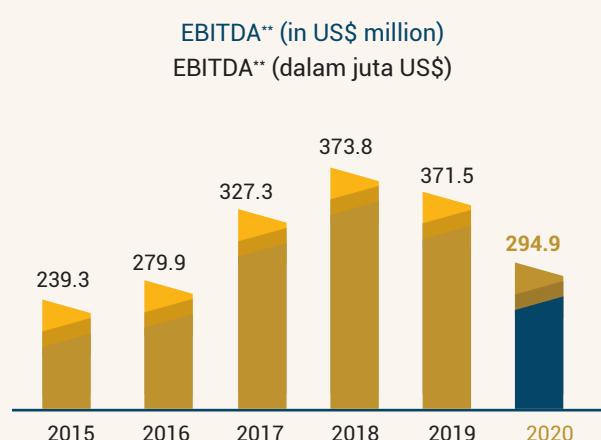
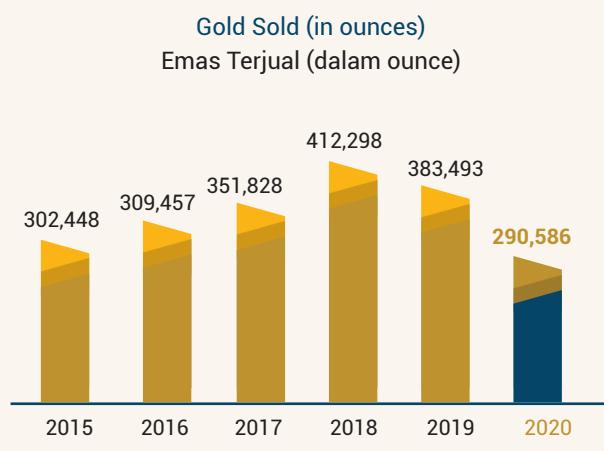
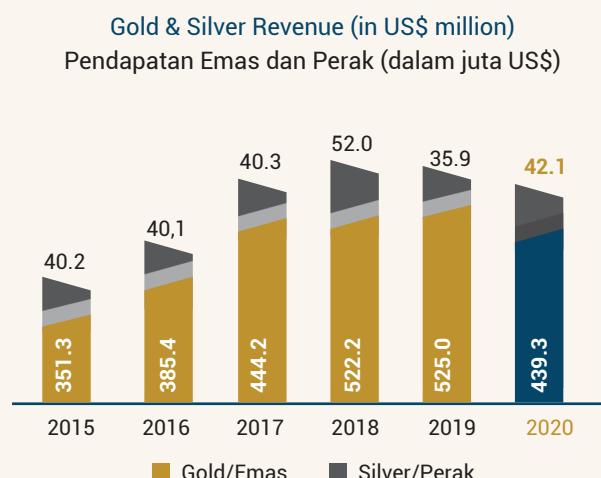
Laporan Posisi Keuangan

US\$ '000 Unless Otherwise Stated	2020	2019	US\$ '000 Kecuali Dinyatakan Lain
Total Assets	805,236	767,414	Jumlah Aset
Current Assets	172,135	115,836	Aset Lancar
Non-Current Assets	633,102	651,578	Aset Tidak Lancar
Total Liabilities	145,910	234,529	Jumlah Liabilitas
Current Liabilities	71,934	157,626	Liabilitas Jangka Pendek
Non-Current Liabilities	73,976	76,902	Liabilitas Jangka Panjang
Equity	659,326	532,886	Ekuitas
Capital Stock			Modal Saham
Authorised 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)



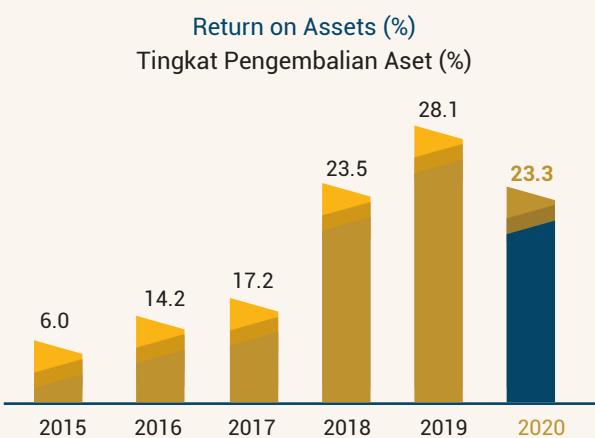
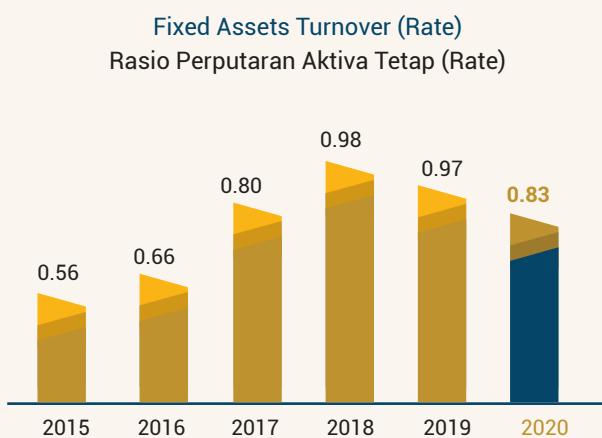
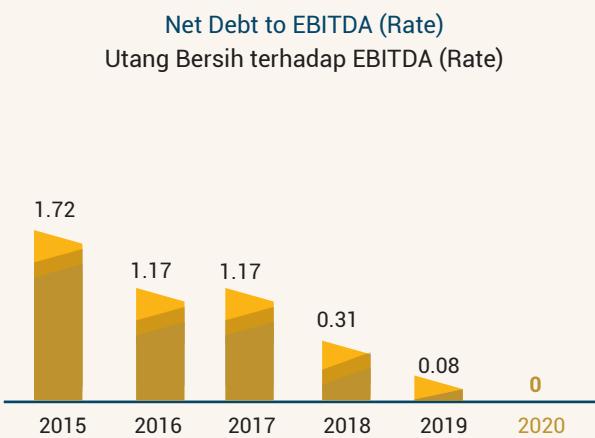
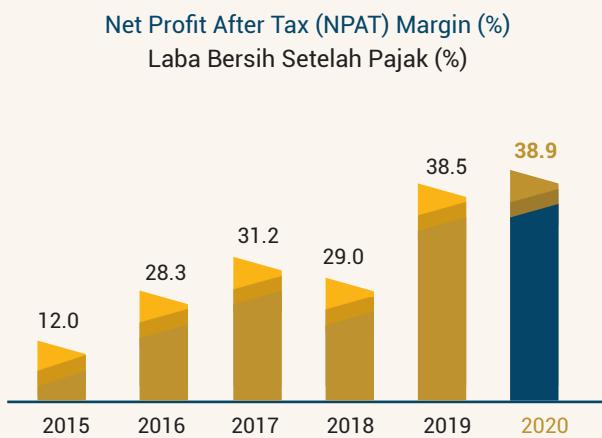
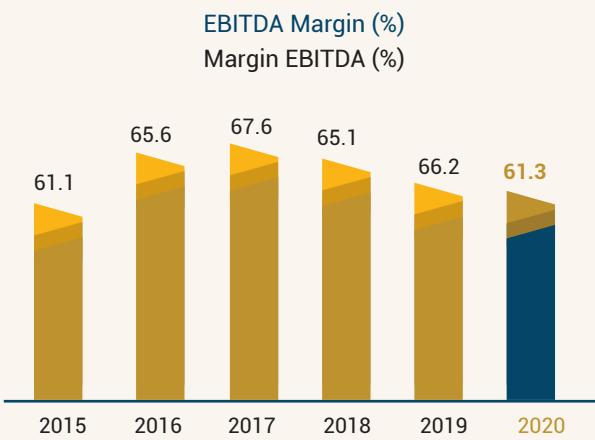
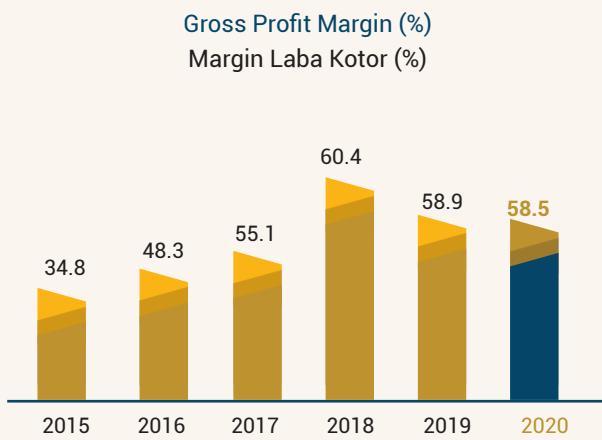
Results for the Years 2015-2020

Hasil Tahun 2015 Hingga 2020



* All In sustaining cost (AISC) is a non-GAAP (Generally Accepted Accounting Principles) financial performance measure for gold producers. It does not have a standardised definition under the Indonesian Financial Accounting Standard (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 amortisation.
Pendapatan sebelum bunga, pajak, depresiasi dan amortisasi.





Widya Tampubolon, Trainee Condition Monitoring, Processing Maintenance is measuring motor vibration in Primary Screen Secondary Crusher, for maintenance.

Widya Tampubolon, Trainee Condition Monitoring, Processing Maintenance sedang mengukur vibrasi motor di Primary Screen Secondary Crusher, untuk pemeliharaan.

AWARDS PENGHARGAAN

21

February 2020
Februari 2020

Indonesia's Sustainable Business Award 2019 for Category Land Use & Biodiversity

Penghargaan Bisnis yang Berkelanjutan di Indonesia Untuk Kategori Penggunaan lahan dan Keanekaragaman Hayati tahun 2019

Global Initiatives and PwC Singapore and Indonesia
Global Initiatives dan PwC Singapura dan Indonesia

14

March 2020
Maret 2020

The Most Consistent Partner Award
Penghargaan Mitra Paling Konsisten

Indonesian Journalist Association (PWI) of Southern Tapanuli
Persatuan Wartawan Indonesia (PWI) Tapanuli bagian Selatan

29

September 2020
September 2020

Silver Award for the category of Mineral Mining Environmental Management (for the contract of work permit holders)

Silver Award kategori Pengelolaan Lingkungan Pertambangan Mineral (untuk pemegang izin kontrak karya)

Direktorat General of Mineral and Coal, Ministry of Energy and Mineral Resources
Direktorat Jenderal Mineral dan Batubara, Kementerian Energi dan Sumber Daya Mineral

29

September 2020
September 2020

Bronze awards for the category of Mineral Mining Safety Management & Mining Standardisation

Penghargaan perunggu untuk kategori Manajemen Keselamatan Pertambangan Mineral & Standardisasi Pertambangan

Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources
Direktorat Jenderal Mineral dan Batubara, Kementerian Energi dan Sumber Daya Mineral

29

September 2020
September 2020

Bronze award for the category of Mineral Mining Service Business Management

Penghargaan perunggu untuk kategori Manajemen Bisnis Jasa Pertambangan Mineral

Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources
Direktorat Jenderal Mineral dan Batubara, Kementerian Energi dan Sumber Daya Mineral

29

September 2020
September 2020

The Best Exploration Commitment Award

Penghargaan Komitmen Eksplorasi Terbaik

Ikatan Ahli Geologi Indonesia (IAGI) Exploration Awards 2020
Ikatan Ahli Geologi Indonesia (IAGI) Penghargaan Eksplorasi 2020

8

October 2020
Oktober 2020

Occupational Health and Safety (OHS) Award (for zero accidents in 2020)

Penghargaan Keselamatan dan Kesehatan Kerja (K3) (untuk kecelakaan nihil pada tahun 2020)

Directorate General of Fostering of Supervision of Manpower and Occupational Health and Safety
Direktorat Jenderal Pembinaan Pengawasan Ketenagakerjaan dan Kesehatan dan Keselamatan Kerja

7

December 2020
Desember 2020

Award for the Release of the Sumatran Tiger 'Sri Nabilla'

Penghargaan Pelepasan Harimau Sumatera 'Sri Nabilla'

Director-General of Conservation of Natural Resource and Ecosystem (DJKSDAE) for the support in releasing Sri Nabilla

Direktur Jenderal Konservasi Sumber Daya Alam dan Ekosistem (DJKSDAE) atas dukungan pelepasan Sri Nabilla

31

January 2021
Januari 2021

Contribution to the state on payment of land and building tax of mining areas for the year 2020 on time.

Kontribusi kepada negara melalui pembayaran Pajak Bumi dan Bangunan area pertambangan tahun pajak 2020 secara tepat waktu.

Directorate General of Tax through the Padangsidimpuan
Direktorat Jenderal Pajak melalui Kantor Pelayanan Pajak Padangsidimpuan

CERTIFICATIONS

SERTIFIKASI



Australian National Committee on Large Dams (ANCOLD) and International Committee on Large Dams (ICOLD) guidelines (various)

Pedoman Komite Nasional Bendungan Besar Australia (ANCOLD) dan Komite Internasional Bendungan Besar (ICOLD) (beragam)

Applicable ICOLD and ANCOLD dam safety guidelines are referenced as minimum requirements by PTAR Code of Practice Safe Tailings Disposal and also, design reports produced by the Tailings Storage Facilities (TSF) design consultancy engaged by PTAR.

Panduan keamanan bendungan ICOLD dan ANCOLD yang berlaku dirujuk sebagai persyaratan minimum oleh Kode Praktik Pembuangan Tailing Aman PTAR dan juga laporan desain yang dihasilkan oleh konsultan desain *Tailing Storage Facilities* (TSF) yang dilibatkan oleh PTAR.

United Nations Sustainable Development Goals (2015) and ICMM Community Development Toolkit (2015)

Tujuan Pembangunan Berkelanjutan Perserikatan Bangsa-Bangsa (2015) dan Perangkat Pengembangan Komunitas ICMM (2015)

These sources and others were referenced in the development of the current PTAR Community Development Plan.

Sumber-sumber ini dan lainnya menjadi acuan dalam pengembangan Rencana Pengembangan Masyarakat PTAR saat ini.

International Financial Corporation(IFC) IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012)

International Financial Corporation (IFC) Standar Kinerja IFC 6: Konservasi Keanekaragaman Hayati dan Pengelolaan Sumber Daya Alam Hayati yang Berkelanjutan (2012)

IFC Performance Standard No 6 was referenced in the development of PTAR Code of Practice Biodiversity Protection and environmental risk assessments.

Standar Kinerja IFC No 6 dirujuk dalam pengembangan Kode Praktik Perlindungan Keanekaragaman Hayati PTAR dan penilaian risiko lingkungan.

Global Reporting Initiative (GRI) Standards (2017)

Standar Global Reporting Initiative (GRI) (2017)

The GRI Standards and the GRI-G4 Reporting Guidelines have been applied in the Company's Sustainability Reports.

Standar GRI dan Pedoman Pelaporan GRI-G4 telah diterapkan dalam Laporan Keberlanjutan Perusahaan.

International Council on Mining and Metals (ICMM) Position Statement on Preventing Catastrophic Failure of Tailings Storage Facilities (2016)

Pernyataan Posisi International Council on Mining and Metals (ICMM) dalam Mencegah Kegagalan Bencana Fasilitas Penyimpanan Tailing (2016)

The critical controls documented in this position paper were referenced in a revision of PTAR Code of Practice Safe Tailings Disposal.

Kontrol kritis yang didokumentasikan dalam makalah posisi ini direferensikan dalam revisi Pedoman Praktik Pembuangan Tailing Aman PTAR.

Equator Principles (2013)

Equator Principles (2013)

Implementation of the Equator Principles at the Martabe Gold Mine has been audited several times as a due diligence measure for the benefit of third parties.

Penerapan Equator Principles di Tambang Emas Martabe telah diaudit beberapa kali sebagai langkah uji tuntas untuk kepentingan pihak ketiga.

Business and Biodiversity Offsets Program (BBOP) Standard on Biodiversity Offsets (2012)

Program Keseimbangan Standar Bisnis dan Keanekaragaman Hayati (BBOP) tentang Keseimbangan Keanekaragaman Hayati (2012)

The BBOP Standard was referenced in biodiversity offset studies implemented by PTAR.

Standar BBOP dirujuk dalam studi penggantian kerugian keanekaragaman hayati yang dilaksanakan oleh PTAR.

ISO 14001 (2004) and ISO 18001 (2007)

ISO 14001 (2004) dan ISO 18001 (2007)

The PTAR Health, Safety, and Environment (HSE) Management System was developed with reference to these international standards for environmental and safety management systems.

Sistem Manajemen *Health, Safety, and Environment* (HSE) PTAR dikembangkan dengan mengacu pada standar internasional untuk sistem manajemen lingkungan dan keselamatan.

ICMM 10 Principles for sustainable development (2003)

10 Prinsip ICMM untuk pembangunan berkelanjutan (2003)

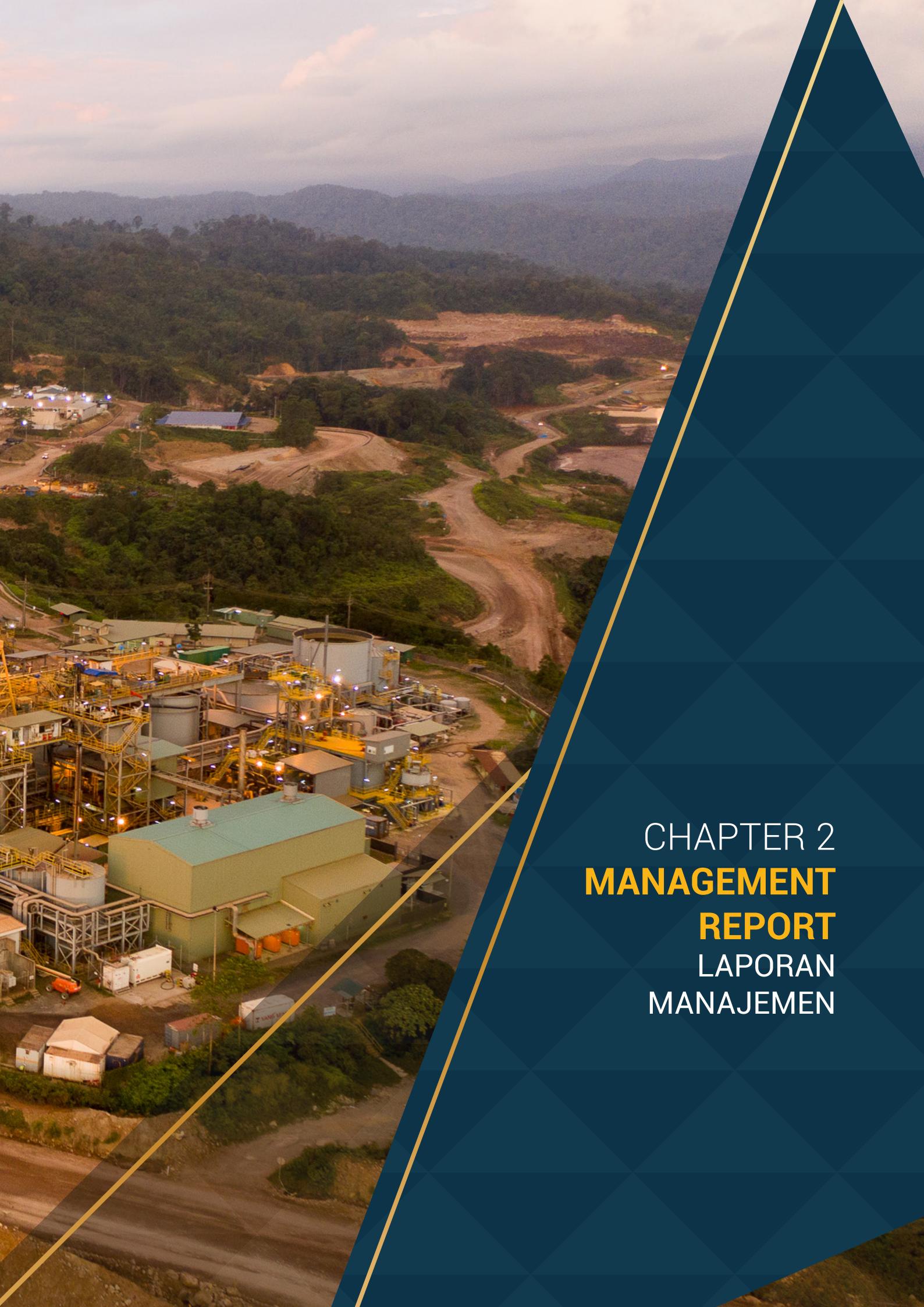
The ICMM 10 Principles for sustainable development were referenced in the development of the PTAR Sustainability Policy.

10 Prinsip ICMM untuk pembangunan berkelanjutan direferensikan dalam pengembangan Kebijakan Keberlanjutan PTAR.



Aerial West view of the Processing Plant at night
Aerial Sisi Barat kegiatan Pabrik Pengolahan di malam hari





CHAPTER 2
**MANAGEMENT
REPORT**
LAPORAN
MANAJEMEN

REPORT FROM THE PRESIDENT COMMISSIONERS

Laporan Presiden Komisaris



From the financial aspect, the Company recorded a Net Profit after Tax (NPAT) of US\$187.2 million in 2020. This achievement is considerable, taking into account the difficult challenges the COVID-19 pandemic had on PTAR's operations, especially in the 2nd quarter of this year.

Dari aspek finansial, Perusahaan membukukan Laba Bersih Setelah Pajak (NPAT) sebesar US\$187,2 juta pada tahun 2020. Pencapaian ini cukup besar mengingat tantangan pandemi COVID-19 terhadap operasional PTAR, khususnya pada triwulan II tahun ini.

**FRANCISCUS XAVERIUS
LAKSANA KESUMA**
President Commissioner
Presiden Komisaris

Dear distinguished Shareholders and Stakeholders,

Para Pemegang Saham dan Pemangku Kepentingan yang terhormat

On behalf of the Board of Commissioners, allow me to report on the achievements of the Company this year. This report serves as a document of the Company's journey and accomplishments during 2020, including our accountability as a Board of Commissioners in monitoring the course of the Company.

INDUSTRY OVERVIEW

The Board of Commissioners is very grateful for the overall performance of the Company in 2020. In general, we view that PTAR remained well-managed throughout 2020 which has resulted in success in several aspects: 1) Three years of no Lost Time Injuries (LTI); 2) Continued Corporate Social Responsibility (CSR) programs, including COVID-19 programs; 3) 6.1 million record tonnes milled; 4) Continued exploration program; 5) Continued technical studies, and 6) Favourable financial results. Thus, we can confirm that the Board of Directors followed the adapted 2020 working program and evaluated the adjusted target for 2020.

The working atmosphere between the Board of Commissioners and the Board of Directors have been well established by promoting the principles of mutual respect for each party's authority. The Board of Commissioners kept to their supervisory role by meeting with the Board of Directors, and monitoring the findings/ recommendations from the Audit Committee and their follow-up by the Board of Directors.

As part of their responsibilities during 2020, the Board of Commissioners, considering inputs from the Audit Committee and the Remuneration Committee, provided the following advice and recommendations to PTAR:

- To follow up on recommendations from the Audit Committee by taking necessary corrective measures;
- To always give priority to the Human Resources' safety and health protocols of the Company;
- The Board of Directors acknowledged advice and suggestions from the Board of Commissioners as valuable inputs for preparing strategies to be implemented to achieve the Company's mission, which is sustainable business growth.

Atas nama Dewan Komisaris, perkenankan saya untuk melaporkan pencapaian Perusahaan tahun ini. Laporan ini merupakan dokumen perjalanan dan pencapaian Perusahaan selama tahun 2020, termasuk pertanggungjawaban kami sebagai Dewan Komisaris dalam memantau jalannya Perusahaan.

TINJAUAN INDUSTRI

Dewan Komisaris sangat berterima kasih atas kinerja Perusahaan secara keseluruhan di tahun 2020. Secara umum, kami memandang bahwa PTAR tetap terkelola dengan baik, terbukti dengan keberhasilan dalam beberapa aspek: 1) Tiga tahun tidak ada *Lost Time Injuries* (LTI); 2) Program Corporate Social Responsibility (CSR) lanjutan, termasuk program COVID-19; 3) Rekor 6,1 juta ton material yang digiling; 4) Program eksplorasi lanjutan; 5) Studi teknis lanjutan, dan 6) Kinerja keuangan yang baik. Dengan demikian, kami berpendapat bahwa Dewan Direksi telah mengikuti program kerja tahun 2020 yang telah dievaluasi dan disesuaikan dengan target tahun 2020.

Hubungan kerja Dewan Komisaris dan Dewan Direksi telah terjalin dengan baik dengan mengedepankan prinsip saling menghormati kewenangan masing-masing pihak. Dewan Komisaris tetap menjalankan peran pengawasannya melalui rapat dengan Dewan Direksi, serta memantau temuan/merekomendasikan dari Komite Audit dan tindak lanjutnya oleh Dewan Direksi.

Sebagai bagian dari tanggung jawab mereka selama tahun 2020, Dewan Komisaris memberikan saran dan rekomendasi dengan mempertimbangkan masukan dari Komite Audit dan Remunerasi untuk PTAR, sebagai berikut:

- Menindaklanjuti rekomendasi dari Komite Audit dengan mengambil tindakan korektif yang diperlukan;
- Selalu mengutamakan protokol keselamatan dan kesehatan kerja Sumber Daya Manusia Perusahaan;
- Dewan Direksi menerima nasihat dan saran dari Dewan Komisaris sebagai masukan yang berharga dalam mempersiapkan strategi yang akan diterapkan untuk mencapai misi Perusahaan, yaitu pertumbuhan bisnis yang berkelanjutan.

The Board of Commissioners assessed that the Board of Directors had reacted strategically and effectively to the COVID-19 pandemic and adjusted the Company's management accordingly in full transparency. Actions of the Board of Directors included demobilising the staff initially to focus on key business activities and subsequently remobilising the workforce in safer conditions, putting strict safety measures in place, while at the same time still fulfilling compensation and benefits, implementing online training, and avoiding employee layoffs. Production costs were maintained and reduced through efficiency measures.

From the financial aspect, the Company recorded a Net Profit after Tax (NPAT) of US\$187.2 million in 2020. This achievement is considerable, taking into account the difficult challenges the COVID-19 pandemic had on PTAR's operations, especially in the 2nd quarter of this year.

The Operations also succeeded in achieving favourable results regarding efficiency, with a record in mill throughput in the processing plant in 2020. Furthermore, the continuation of the MIP (Martabe Improvement Program) resulted in efficiencies and costs reductions in production.

From the Human Resources perspective, 2020 has been a year full of challenges due to the COVID-19 pandemic. However, we are grateful for the solid management of the Board of Directors, which has meant operations have continued to run, employees have been kept healthy; and the Company, governments, and employees have remained in synergy.

Regarding CSR activities, even though some programs had to be postponed or adjusted due to the pandemic, some of the allocated budgets could be assigned to much-needed COVID-19 relief packages in the region.

In 2020, the composition of the Board of Commissioners experienced the following changes. Putut Eko Bayu Seno joined the Board of Commissioners. Also, Linda Siahaan joined the Board of Commissioners has previously been on the Board of Directors.

Dewan Komisaris menilai bahwa Dewan Direksi telah bekerja dengan strategis dan efektif dalam menghadapi pandemi COVID-19, serta telah menyesuaikan manajemen Perusahaan secara transparan. Kebijakan Dewan Direksi yang dilakukan antara lain membatasi mobilisasi karyawan dengan memprioritaskan kegiatan bisnis utama, kemudian membuka kembali mobilisasi karyawan dalam kondisi yang lebih aman dan menerapkan langkah-langkah keamanan yang ketat. Di sisi lain, pada saat yang sama Perusahaan tetap memenuhi kompensasi dan tunjangan, melaksanakan pelatihan daring, dan menghindari Pemutusan Hubungan Kerja (PHK) karyawan. Biaya produksi dapat dipertahankan dan dikurangi melalui berbagai cara efisiensi.

Dari aspek finansial, Perusahaan membukukan Laba Bersih Setelah Pajak (NPAT) sebesar US\$187,2 juta pada tahun 2020. Pencapaian ini cukup besar mengingat tantangan pandemi COVID-19 terhadap operasional PTAR, khususnya pada triwulan II tahun ini.

Bagian operasional juga berhasil mencapai hasil yang baik terkait efisiensi, dengan rekord pada hasil pabrik di bagian pengolahan pada tahun 2020. Selanjutnya, kelanjutan MIP (Martabe Improvement Program) menghasilkan efisiensi dan pengurangan biaya dalam produksi.

Dari sisi Sumber Daya Manusia, tahun 2020 menjadi tahun yang penuh tantangan akibat pandemi COVID-19. Namun demikian, kami bersyukur atas pengelolaan Dewan Direksi yang kuat sehingga operasional tetap berjalan, karyawan tetap sehat; dan Perusahaan, pemerintah, serta karyawan tetap bersinergi.

Terkait kegiatan CSR, meskipun beberapa program harus ditunda atau disesuaikan karena pandemi, sebagian anggaran yang dialokasikan dialihkan untuk bantuan COVID-19 yang sangat dibutuhkan di wilayah sekitar.

Pada tahun 2020, komposisi Dewan Komisaris mengalami perubahan. Putut Eko Bayu Seno bergabung dengan Dewan Komisaris. Selain itu, Linda Siahaan bergabung dengan Dewan Komisaris setelah sebelumnya menjabat sebagai Dewan Direksi.

Given the challenging circumstances of 2020, the Board of Commissioners is very appreciative to the Board of Directors, the management, and all employees for their dedication and hard work that contributed to the Company's good performance. The Board of Commissioners also encourages the Board of Directors and management to maintain and improve the Company's performance in the upcoming years.

We would also like to thank all shareholders and stakeholders for their trust and support for the Board of Commissioners in carrying out their duties and responsibilities well.

Furthermore, the Board of Commissioners expresses its highest gratitude to all of the Company's business partners. We believe that the cooperation that has been well established can be even further improved in the future. We look forward to the coming years full of opportunities

Mengingat keadaan yang penuh tantangan di tahun 2020, Dewan Komisaris sangat mengapresiasi Dewan Direksi, jajaran manajemen, dan seluruh karyawan atas dedikasi dan kerja kerasnya yang telah berkontribusi pada kinerja Perusahaan dengan baik. Dewan Komisaris juga mendorong Dewan Direksi dan manajemen untuk menjaga dan meningkatkan kinerja Perusahaan di tahun-tahun mendatang.

Kami juga mengucapkan terima kasih kepada seluruh pemegang saham dan pemangku kepentingan atas kepercayaan dan dukungannya kepada Dewan Komisaris dalam menjalankan tugas dan tanggung jawabnya dengan baik.

Selanjutnya, Dewan Komisaris mengucapkan terima kasih yang setinggi-tingginya kepada seluruh mitra bisnis Perusahaan. Kami yakin kerjasama yang telah terjalin dengan baik dapat semakin ditingkatkan ke depannya. Kami menantikan tahun-tahun mendatang yang penuh dengan peluang

Jakarta, March 2021



FRANCISCUS XAVERIUS LAKSANA KESUMA

President Commissioner
Presiden Komisaris

REPORT FROM THE PRESIDENT DIRECTOR

Laporan Presiden Direktur



The Net Profit after Tax (NPAT) reached US\$187.2 million, a strong result has given the challenges of operating during the pandemic. The NPAT Margin of 2020 was 39%, surpassing the record NPAT Margin of 38% reported in 2019.

Laba Bersih Setelah Pajak (NPAT) mencapai US\$187,2 juta, hasil yang baik mengingat tantangan operasi selama pandemi. Margin NPAT tahun 2020 adalah 39%, melampaui rekor Margin NPAT sebesar 38% yang dilaporkan pada tahun 2019.

MULIADY SUTIO
President Director
Presiden Direktur

Dear distinguished Shareholders and Stakeholders,

Para Pemegang Saham dan Pemangku Kepentingan yang terhormat

Representing the Board of Directors, I am pleased to deliver the 2020 Annual Report of PT Agincourt Resources. In general, we are confident that the Company has succeeded in meeting several of its objectives for 2020 keeping people safe and healthy and continuing operation of Martabe Gold Mine for the benefit of all stakeholders. This achievement can be mainly attributed to the management team's agile decision making processes, the full support of employees and contractors and adaptability of the Company to new 'COVID-19 safe' production procedures.

Below, I will briefly outline a summary of the operational and financial performance of the Company during 2020 and outline important corporate governance issues. We will also briefly outline PTAR's environmental efforts. A more detailed discussion on environmental protection efforts and social performance can be found in the Company's 2020 Sustainability Report, which complements this report.

STRATEGIC GROWTH

Despite the COVID-19 pandemic which affected PTAR's operation significantly, the strategic developments planned for 2020 were mostly continued, especially regarding the mining plans. Full mining in Ramba Joring commenced and mining in Purnama and Barani pits continued. Given the unprecedented COVID-19 pandemic, the strategies prepared and implemented were a result of the excellent collaboration of the whole management team from various departments.

Mewakili Dewan Direksi, dengan senang hati saya menyampaikan Laporan Tahunan PT Agincourt Resources 2020. Secara umum, kami yakin bahwa Perusahaan telah berhasil memenuhi beberapa tujuan di tahun 2020 yakni menjaga keselamatan dan kesehatan karyawan dan melanjutkan pengoperasian Tambang Emas Martabe untuk memberikan manfaat kepada semua pemangku kepentingan. Pencapaian ini terutama dikaitkan dengan proses pengambilan keputusan yang cepat dari tim manajemen dan kemampuan adaptasi Perusahaan terhadap prosedur produksi baru yang aman terhadap COVID-19.

Saya akan menguraikan secara singkat kinerja operasional dan keuangan Perusahaan selama tahun 2020 dan menguraikan mengenai isu penting tata kelola Perusahaan. Kami juga akan menjelaskan secara singkat upaya lingkungan PTAR. Pembahasan lebih rinci tentang upaya perlindungan lingkungan dan kinerja sosial dapat dibaca di Laporan Keberlanjutan 2020 Perusahaan, yang melengkapi laporan ini.

PERTUMBUHAN STRATEGIS

Terlepas dari pandemi COVID-19 yang memengaruhi operasional PTAR secara signifikan, pengembangan strategis yang direncanakan untuk tahun 2020 sebagian besar tetap dilanjutkan, terutama terkait rencana penambangan. Penambangan penuh di Ramba Joring telah dimulai dan penambangan di Pit Purnama dan Barani dilanjutkan. Mengingat pandemi COVID-19 belum pernah terjadi sebelumnya, strategi yang disiapkan dan diterapkan merupakan hasil kolaborasi yang sangat baik dari seluruh tim manajemen dari berbagai departemen.



Financial and Operational Highlights

Fokus Keuangan dan Operasi

FINANCIAL HIGHLIGHTS

Despite the COVID-19 pandemic, gold and silver metal production and sales were in line with the plan approved by PTAR's parent company. Average gold price after hedging in 2020 was recorded at US\$1,467 per ounce, an increase from 2019 of US\$1,397 per ounce and silver was recorded at US\$20 per ounce.

Sales reached US\$481.4 million in 2020, which is lower than in 2019 by US\$79 million. Total ounces sold of 290,586 was lower compared with 2019 ounces sold of 383,492 due to lower grade and lower recovery.

The Net Profit after Tax (NPAT) reached US\$187.2 million, a strong result has given the challenges of operating during the pandemic. The NPAT Margin of 2020 was 39%, surpassing the record NPAT Margin of 38% reported in 2019.

Given the strong financial performance, PTAR distributed dividends to shareholders totalling US\$82.9 Million in 2020.

PTAR is committed to compliance with all laws and regulations of state revenues and taxes. In 2020, the overall tax payment reached US\$96.4 Million.

OPERATIONAL

Martabe's operational performance in 2020 was very strong notwithstanding the serious challenges faced. Mine production volumes were in line with a revised plan due to reduced operational activity in Quarter 2. Several key operational projects, which are part of the Martabe Improvement Program (MIP), progressed during the year, with the commissioning of the new ReCYN cyanide recovery circuit commencing and the first groundbreaking at the Martabe mill capacity expansion project. Both of these projects are key enablers in continuing to improve Martabe's operational performance.

FOCUS KEUANGAN

Meskipun adanya pandemi COVID-19, produksi dan penjualan logam emas dan perak sejalan dengan rencana yang disetujui oleh perusahaan induk PTAR. Rata-rata harga emas setelah *hedging* pada tahun 2020 tercatat US\$1.465 per ounce, meningkat dari 2019 sebesar US\$1.397 per ounce dan perak tercatat US\$20 per ounce.

Penjualan mencapai US\$481,4 juta pada tahun 2020, lebih rendah US\$79 juta dibandingkan tahun 2019. Total ounces terjual mencapai 290.586 ounces, lebih rendah dibandingkan dengan tahun 2019 sebesar 383.492 ounces karena kadar yang lebih rendah dan tingkat pemulihan yang lebih rendah.

Laba Bersih Setelah Pajak (NPAT) mencapai US\$187,2 juta, hasil yang baik mengingat tantangan operasi selama pandemi. Margin NPAT tahun 2020 adalah 39%, melampaui rekor Margin NPAT sebesar 38% yang dilaporkan pada tahun 2019.

Mengingat kinerja keuangan yang kuat, PTAR membagikan deviden kepada pemegang saham sebesar US\$82,9 Juta pada tahun 2020.

PTAR berkomitmen untuk mematuhi semua peraturan perundang-undangan pendapatan negara dan pajak. Pada tahun 2020, beban pajak secara keseluruhan mencapai US\$96,4 Juta.

OPERASIONAL

Kinerja operasional Martabe pada tahun 2020 sangat kuat di tengah tantangan berat yang dihadapi. Volume produksi tambang sejalan dengan rencana revisi terkait berkurangnya aktivitas operasional pada triwulan kedua. Beberapa proyek operasional utama, yang merupakan bagian dari Program Peningkatan Martabe (MIP) berkembang selama tahun ini, dengan pelaksanaan proyek *ReCYN Cyanide Recovery Circuit* yang baru dimulai serta peletakan batu pertama di proyek perluasan kapasitas pabrik Martabe. Kedua proyek ini merupakan kunci utama untuk terus meningkatkan kinerja operasional Martabe.

MINING & PROCESSING

In 2020, mining operations continued according to the plans for the Purnama and Barani pits. Full-scale mining commenced in Ramba Joring North and there was further development of the Ramba Joring South access and mining area. In 2020, 10.6 million tonnes of material was mined, which is 15% lower than the achievement in 2019 with 12.4 million tonnes. The amount of ore mined during 2020 was 6.1 million tonnes (compared to 6.0 in 2019), with 4.4 million tonnes of waste rock. Processing plant performance exceeded last years' record milling performance with more than 6.1 million tonnes milled in 2020. In terms of metal production, 306,594 ounces of gold and 2.4 million ounces of silver were poured.

EXPLORATION

In 2020, we also continued the investment in the Exploration Program. PTAR spent US\$19.6 million, operated 15 diamond drill rigs and drilled 84,897 meters. The main aim of the exploration activities was to identify further resources and reserves. The 'high sulphidation' deposits such as Purnama, Purnama Underground, Tor Uluala, and Tor Uluala Underground were evaluated in pre-feasibility studies aimed at utilising alternative process technology to enhance metal recovery. Exploration outside of the Martabe Gold Mine was impacted by delays in obtaining permits.

Ore Reserves decreased by 5% from 95 million tonnes in 2019 to 91 million tonnes in 2020. Gold contained resources decreased from 7.8 to 7.6 million ounces and silver increased to 66 million ounces.

WAY FORWARD

There are several key areas of focus for Martabe in 2021:

- Commissioning and ramping up of the ReCYN cyanide and copper recovery plants to their full capacity;
- Commissioning of the new mill capacity expansion project increasing Martabe's processing capacity to 10% or circa 6.7 million tonnes per year;
- Commencing development of a new mine waste rock and tailings management facility.

Furthermore, PTAR will update and improve management systems relating to occupational health, safety, hygiene, and the environment. We believe that following these strategies will ensure good results in the future.

PENAMBANGAN DAN PENGOLAHAN

Pada tahun 2020, operasi penambangan dilanjutkan sesuai rencana di Pit Purnama dan Barani. Penambangan skala penuh dimulai di Ramba Joring Utara, serta ada pengembangan lebih lanjut dari akses dan area penambangan Ramba Joring Selatan. Pada tahun 2020 10,6 juta ton material telah ditambang, lebih rendah 15% dibandingkan pencapaian tahun 2019 sebesar 12,4 juta ton. Jumlah bijih yang ditambang selama tahun 2020 adalah 6,1 juta ton (dibandingkan dengan 6,0 pada tahun 2019), dengan 4,4 juta ton batuan sisa. Kinerja pabrik pengolahan melampaui rekor kinerja penggilingan tahun lalu dengan lebih dari 6,1 juta ton penggilingan pada tahun 2020. Dalam hal produksi logam, 306.594 ounces emas dan 2,4 juta ounces perak dituangkan.

EKSPLORASI

Pada tahun 2020, kami melanjutkan investasi di Program Eksplorasi. PTAR mengeluarkan dana US\$19,6 juta, mengoperasikan 15 *diamond drill rigs* dan mengebor 84.897 meter. Tujuan utama dari kegiatan eksplorasi adalah mengidentifikasi sumber daya dan cadangan lebih lanjut. Endapan 'sulfidasi tinggi' seperti Purnama, Bawah Tanah Purnama, Tor Uluala, dan Bawah Tanah Tor Uluala dievaluasi dalam studi prakelayakan yang bertujuan untuk memanfaatkan teknologi proses alternatif untuk meningkatkan perolehan logam. Eksplorasi di luar Tambang Emas Martabe sempat terdampak oleh penundaan dalam perolehan izin.

Cadangan Bijih turun 5% dari 95 juta ton pada 2019 menjadi 91 juta ton pada 2020. Sumber daya yang mengandung emas turun dari 7,8 menjadi 7,6 juta ounces, dan perak meningkat menjadi 66 juta ounces.

RENCANA KE DEPAN

Ada beberapa area fokus utama Martabe di tahun 2021:

- Melanjutkan dan meningkatkan ReCYN cyanide dan pabrik pemulihan tembaga hingga tercapai kapasitas penuh;
- Melanjutkan proyek perluasan kapasitas pabrik baru dengan meningkatkan kapasitas pemrosesan Martabe menjadi sebesar 10% atau sekitar 6,7 juta ton per tahun;
- Memulai pembangunan fasilitas pengelolaan batu buangan dan fasilitas pengolahan *tailing*.

Selanjutnya, PTAR akan memperbarui dan meningkatkan sistem manajemen yang berkaitan dengan kesehatan, keselamatan, kebersihan, dan lingkungan kerja. Kami percaya strategi-strategi ini akan membawa hasil yang baik di masa depan.

HUMAN RESOURCES

Human resource development, namely to create a lean and agile organisation, is one of PTAR's focuses, especially in the COVID-19 pandemic. Thus, in 2020, the Company's management continued operations by demobilising significant numbers of our workforce in favour of a work from home (WFH) program. When it was safe to do so, a carefully staged return to work was implemented. All the while, the Company continued to fulfil all compensation and benefits for employees.

PTAR's Staff Development Program continued and focused on soft skills development, technical skills development, development to obtain certification (SNI/Indonesian National Standard). The Marsipature Program was focused on Apprentice Development, Trade and Non-Trade, and the Supervisory Training Program. The training was carried out in the house but also, due to the pandemic, externally via online training modules. The efforts to develop rather than exchange are reflected in the 2.3% employee turnover rate in 2020, which is low compared to other mining companies.

The Company cooperates with the Surabaya State Polytechnic of Shipbuilding (PPNS). Apprentices in 2020 continue to include mechanics, electricians, and boilermakers (welding).

The Gender Diversity Program was also continued, but in a limited scope, due to the COVID-19 pandemic. In terms of the overall workforce (including employees and contractors) by the end of 2020, 628 women or 26% of the overall workforce were employed. Sixty women occupied management positions with Superintendent and Manager roles. At the Board level, two women are appointed as Commissioner and Director.

Human resources development focus on local staff was continued, especially regarding employees who have been identified to be prepared to fill Fly In Fly Out (FIFO) positions in several departments. They received special competence training. In 2020, 73% of the people recruited were local.

SUMBER DAYA MANUSIA

Pengembangan sumber daya manusia yang bertujuan mewujudkan organisasi yang cekatan dan gesit menjadi salah satu fokus PTAR, khususnya dalam pandemi COVID-19. Pada tahun 2020, manajemen Perusahaan melanjutkan operasi dengan memindahkan sebagian besar tenaga kerja kami untuk mendukung program bekerja dari rumah (*work from home/WFH*). Perusahaan membuat rencana bekerja kembali ke kantor secara bertahap, dan dilaksanakan dengan kehati-hatian tinggi dan hanya ketika dianggap cukup aman. Dalam waktu yang bersamaan, Perusahaan tetap memenuhi segala kompensasi dan tunjangan bagi karyawan.

Program pengembangan Staf PTAR berlanjut dan berfokus pada pengembangan *soft skill*, pengembangan keterampilan teknis, pengembangan untuk mendapatkan sertifikasi (SNI/Standar Nasional Indonesia). Program Marsipature berfokus pada Pengembangan Magang, *Trade and Non-Trade*, dan Program Pelatihan Pengawas. Beberapa pelatihan dilakukan di Perusahaan, namun selama pandemi, pelatihan dilaksanakan secara eksternal melalui modul pelatihan daring. Upaya yang berfokus pada pengembangan sumber daya manusia tercermin dari tingkat perputaran karyawan 2,3% pada tahun 2020 yang lebih rendah dibandingkan dengan perusahaan pertambangan lainnya.

Perusahaan bekerja sama dengan Politeknik Perkapalan Negeri Surabaya (PPNS). Peserta magang pada tahun 2020 melibatkan mekanik, teknisi listrik, dan pengelasan.

Program Keberagaman Gender juga dilanjutkan, namun dalam ruang lingkup terbatas karena pandemi COVID-19. Dalam hal angkatan kerja secara keseluruhan (termasuk karyawan dan kontraktor) pada akhir tahun 2020, terdapat 628 perempuan atau 26% dari keseluruhan angkatan kerja. Enam puluh perempuan menduduki posisi manajemen dengan jabatan Pengawas dan Manajer. Di tingkat yang lebih tinggi, dua orang perempuan menjabat sebagai Komisaris dan Direktur.

Fokus pengembangan sumber daya manusia pada staf lokal terus berlanjut, terutama terkait karyawan yang telah siap mengisi posisi Fly In Fly Out (FIFO) di beberapa departemen. Mereka telah menerima pelatihan kompetensi khusus. Pada tahun 2020, 73% karyawan yang direkrut adalah orang lokal.

OCCUPATIONAL HEALTH AND SAFETY

PTAR is committed to creating a safe, comfortable, and accident-free work environment. Especially due to COVID-19, safe work plans for our workforce were implemented including personal hygiene, social distancing, testing and medical advice. Other Occupational Health and Safety (OHS) policies such as monthly held Health Safety and Environment (HSE) Forum, Active Safety Agreements (ASA), online monitoring incidents system, and regular audits and inspections were continued in parallel.

One of the core OHS developments in 2020 was the focus on safety due to the COVID-19 pandemic. Enhancing the Industrial Hygiene Program, developing a COVID-19 Program, as well as temporary work from home (WFH) policies ensured that a healthy workforce could be maintained. In 2020, exemplary results were achieved concerning safety at the Martabe Gold Mine.

Both total Lost Time Injury (LTI) and Loss of Working Time (LTIFR) were kept to zero. Furthermore, the performance indicator (KPIs) related to accident rates and safety management performance scored 96% in 2020. This shows the Company's strong commitment to reduce safety risks and adapt to new challenges in an agile, conducive manner. These results would not be possible without the strong commitment of employees and contractors to create healthy and safe work environments.

CORPORATE GOVERNANCE

The Company emphasises the importance of implementing good corporate governance at all levels, from the Board of Commissioners, Board of Directors, management level to all employees. The coordinated efforts of the whole management team ensured the successful crisis management of PTAR during the COVID-19 pandemic. PTAR management formed a Crisis Management Team (CMT), which specifically managed the Company's response to the ever-changing conditions of the COVID-19 pandemic. The good relations between management and staff resulted in no incidences reported between the union and the Company, as well as no conflict of interest or violation report that reached the management level.

KESELAMATAN DAN KESEHATAN KERJA

PTAR berkomitmen untuk menciptakan lingkungan kerja yang aman, nyaman, dan bebas kecelakaan. Terutama dengan adanya COVID-19, rencana kerja yang aman untuk karyawan diterapkan, di antaranya terkait kebersihan pribadi, menjaga jarak, pengetesan, dan saran medis. Kebijakan Keselamatan dan Kesehatan Kerja (K3) lainnya juga diadakan, seperti mengadakan forum Kesehatan, Keselamatan dan Lingkungan yang diadakan setiap bulan, Perjanjian Keselamatan Aktif (ASA), sistem insiden pemantauan dalam jaringan, serta audit dan inspeksi rutin dilanjutkan secara bersamaan.

Salah satu inti perkembangan K3 di tahun 2020 adalah fokus pada keselamatan khususnya terkait pandemi COVID-19. Penerapan program pemantauan kebersihan industri, mengembangkan Program COVID-19, serta kebijakan kerja sementara dari rumah (WFH) mendukung upaya Perusahaan untuk menjaga karyawan tetap sehat. Pada tahun 2020, Perusahaan menorehkan kinerja keselamatan yang patut dicontoh di Tambang Emas Martabe.

Indikator *Loss Time Injury* (LTI) dan *Loss of Working Time* (LTIFR) dipertahankan pada level nol. Indikator kinerja lain terkait tingkat kecelakaan dan kinerja manajemen keselamatan memperoleh skor 96% pada tahun 2020. Hal ini menunjukkan komitmen yang kuat dari Perusahaan untuk mengurangi risiko keselamatan dan beradaptasi dengan tantangan baru secara cepat dan kondusif. Hasil ini tidak akan mungkin tercapai tanpa komitmen yang kuat dari karyawan dan kontraktor untuk menciptakan lingkungan kerja yang sehat dan aman.

TATA KELOLA PERUSAHAAN

Perusahaan menekankan pentingnya penerapan tata kelola perusahaan yang baik di semua tingkatan, mulai dari Dewan Komisaris, Dewan Direksi, tingkat manajemen hingga seluruh karyawan. Upaya koordinasi dari seluruh tim manajemen memastikan keberhasilan Manajemen Krisis PTAR selama pandemi COVID-19. Manajemen PTAR membentuk Tim Manajemen Krisis (CMT), sebagai pengelola respon Perusahaan terhadap kondisi pandemi COVID-19 yang selalu berubah. Hubungan yang baik antara manajemen dan staf mendukung dengan tidak adanya insiden yang dilaporkan antara serikat pekerja dan Perusahaan, serta tidak ada laporan benturan kepentingan atau pelanggaran yang sampai ke tingkat manajemen.

In 2020, there were a few changes in the composition of the Board of Directors: Darryn McClelland took over the position of Ed Cooney as Operational Director. Sanny Tjan joined the Board of Directors, replacing Linda Siahaan. Furthermore, Washington Tambunan retired after eight years serving in the role of Director at the Company. For that part, we are grateful for his contribution.

SUSTAINABILITY

The Company's approach to sustainability is laid out in its Sustainability Policy. In summary, for PTAR, sustainable development is a fundamental principle for doing business. At PTAR, we believe that mines should be developed, operated, and closed in a socially and environmentally responsible manner. This must take into consideration a range of activities relating to project approval, protection of the environment, and social welfare. By consistently working towards these outcomes, we aim to establish and maintain a reputation as valuable and trusted members of the communities in which we work and live.

ENVIRONMENT

The Company aims to meet industry-leading practices regarding its sustainability management in its mining operations. PTAR continues to monitor Company's greenhouse gas (GHG) emissions associated with its operations and reports this data in its sustainability reports. To improve further, expert consultants were engaged by the Company to review and improve the methodology used for estimating this data in line with international standards.

In summary, no major environmental incidents were reported in 2020 and all compliance requirements regarding water quality and waste management were maintained.

Pada tahun 2020, terdapat sedikit perubahan komposisi Dewan Direksi: Darryn McClelland mengambil alih posisi Ed Cooney sebagai Direktur Operasional. Sanny Tjan bergabung dengan Dewan Direksi menggantikan Linda Siahaan. Selanjutnya, Washington Tambunan pensiun setelah delapan tahun menjabat sebagai Direktur di Perusahaan. Untuk itu, kami berterima kasih atas kontribusi beliau.

KEBERLANJUTAN

Pendekatan keberlanjutan Perusahaan tercermin dalam Kebijakan Keberlanjutan. Singkatnya, bagi PTAR, pembangunan berkelanjutan adalah prinsip fundamental dalam menjalankan bisnis. Di PTAR, kami percaya bahwa tambang harus dikembangkan, dioperasikan, dan ditutup dengan cara yang bertanggung jawab secara sosial dan lingkungan. Hal ini harus dicerminkan dalam berbagai kegiatan yang berkaitan dengan persetujuan proyek, perlindungan lingkungan, dan kesejahteraan sosial. Dengan bekerja secara konsisten untuk mencapai hasil ini, kami bertujuan untuk membangun dan mempertahankan reputasi sebagai anggota masyarakat yang berharga dan terpercaya di tempat kami bekerja dan tinggal.

LINGKUNGAN

Perusahaan bertujuan untuk memenuhi praktik industri terkemuka terkait manajemen keberlanjutan dalam operasi penambangannya. PTAR terus memantau emisi Gas Rumah Kaca (GRK). Data emisi yang terkait dengan operasi akan dilaporkan di dalam laporan keberlanjutan tahunan. Lebih lanjut, konsultan ahli telah dilibatkan Perusahaan untuk meninjau metodologi yang digunakan agar sesuai dengan standar internasional.

Secara umum, pada tahun 2020 tidak ada insiden lingkungan besar yang terjadi. Semua persyaratan kepatuhan terkait kualitas air dan pengelolaan sisa air proses berhasil dipertahankan.

Below a summary of our environmental efforts are described:

Di bawah ini adalah ringkasan upaya lingkungan kami:



Water Management Pengelolaan Air

In 2020, PTAR continued to comply with all permit conditions relating to the discharge of treated water into the Batangtoru River. A third-party verified compliance with the water quality standards as of PermenLH No 202/2004 and PerMenLHK No. P.68/MENLHK/Setjen/Kum.1/8/2016. Furthermore, the University of North Sumatra continued its long-term monitoring program on the local waterways with satisfying results.

Pada tahun 2020, PTAR terus memenuhi semua persyaratan perizinan terkait pembuangan air olahan ke Sungai Batangtoru. Pihak ketiga telah memverifikasi kepatuhan terhadap standar kualitas air sesuai PermenLH No 202/2004 dan PerMenLHK No. P.68/MENLHK/Setjen/Kum.1/8/2016. Selanjutnya, Universitas Sumatera Utara melanjutkan program pemantauan jangka panjang pada saluran air setempat dengan hasil yang baik.



Waste Management Penanganan Batu Buangan

Waste rock management is one of the main environmental concerns at the Martabe Gold Mine. The placement of waste rock is carried out by using the encapsulant method, namely using non-acidic rocks to cover acidic rocks.

PTAR has the goal of continuous improvement in its management of sustainable development outcomes. This will remain a focus for the Company over the coming years. Specific outcomes will include progressive improvement in the management of biodiversity and greenhouse gas accounting and mitigation programs.

Pengelolaan batu buangan merupakan salah satu masalah lingkungan utama di Tambang Emas Martabe. Penempatan batu buangan dilakukan dengan menggunakan metode enkapsulasi, yaitu menggunakan batuan non-asam untuk menutupi batuan asam.

PTAR bertujuan pada perbaikan berkelanjutan dalam pengelolaan hasil pembangunan berkelanjutan. Hal ini akan tetap menjadi fokus Perusahaan di tahun-tahun mendatang. Keberhasilan spesifik lain yang diharapkan akan mencakup peningkatan progresif dalam pengelolaan keanekaragaman hayati dan penghitungan gas rumah kaca, serta program mitigasi.

COMMUNITY DEVELOPMENT

The Company, via its Community Management Plan (CMP) has identified the economic and social impacts of its operations. The Company has developed many Corporate Social Responsibility (CSR) programs focused around five key areas and targeted towards the 15 Directly Affected Villages (DAVs) surrounding the mining operations: 1) health; 2) education; 3) local business development; 4) public infrastructure and 5) community relations.

PTAR, despite some restrictions due to the strict hygiene protocol due to COVID-19, diverted some of its CSR budget for direct COVID-19 relief activities. Together with the local and regional government, medical provisions and equipment were made and doctors were assigned to assist local medical centres even beyond the usual programs. Despite the limitations, some CSR program activities were carried out, such as local economic development programs to support farmers and small businesses, support for vocational schools, scholarships, community infrastructures, and some virtual activities. For example, virtual traditional art performances and a competition for local athletes were conducted.

PEMBERDAYAAN MASYARAKAT

Perusahaan, melalui *Community Management Plan* (CMP), telah mengidentifikasi dampak ekonomi dan sosial dari operasinya. Perusahaan telah mengembangkan sejumlah program tanggung jawab sosial (CSR) yang difokuskan di sekitar lima bidang utama: 1) kesehatan; 2) pendidikan; 3) pengembangan bisnis lokal; 4) infrastruktur publik dan 5) hubungan masyarakat; dan ditargetkan pada 15 desa yang terkena dampak langsung (DAV) di sekitar operasi penambangan.

Meskipun adanya keterbatasan karena protokol kesehatan yang ketat selama pandemi COVID-19, PTAR telah mengalihkan sebagian anggaran CSR-nya untuk kegiatan bantuan langsung COVID-19. Bekerja sama dengan pemerintah pusat dan daerah setempat, Perusahaan membantu dalam persiapan perlengkapan dan peralatan medis dan penugasan dokter untuk membantu pusat kesehatan setempat, bahkan di luar program biasanya. Walaupun terbatas, beberapa kegiatan program CSR tetap dilaksanakan, seperti program pengembangan ekonomi lokal untuk mendukung petani dan usaha kecil, bantuan sekolah kejuruan, beasiswa, prasarana masyarakat, dan beberapa kegiatan virtual. Misalnya, pertunjukan seni tradisional virtual dan kompetisi untuk atlet lokal dilakukan.

Overall, the Company realised CSR-related activities worth US\$1.9 million.

Secara keseluruhan, Perusahaan merealisasikan US\$1,9 juta untuk kegiatan terkait CSR.

In the upcoming years, the CSR activities will focus on improving its monitoring and evaluation, involving more program partners, expanding the CSR team and improving the program regarding activities that can be done not face to face.

Di tahun yang akan datang, kegiatan CSR akan difokuskan pada peningkatan pengawasan dan evaluasinya, melibatkan lebih banyak mitra program, memperbanyak tim CSR, dan menyempurnakan program terkait kegiatan yang dapat dilakukan secara tidak langsung.

LOOKING AHEAD

The Company continues to carry out the same strategy as 2020, namely to reduce gold production costs, maintain good corporate governance, and collaborate closely with the local community, especially during this pandemic, and finally, ensure proper management of the environment. If these strategies can be achieved, great results are expected for 2021.

PTAR will focus on several key areas in 2021:

- Commissioning and ramping up of the ReCYN cyanide and copper recovery plants to their full capacity.
- Commissioning of the new mill capacity expansion project, increasing Martabe's milling capacity by 10% or circa 6.7 million tonnes per year;
- Commencing development of a new mine waste rock and tailings management facility

These planned programs will increase the Company's efficiencies and productivity, which will increase the value to the shareholders.

APPRECIATION

With all the achievements in 2020, the Board of Directors would like to express their gratitude to the Board of Commissioners for their strategic partnership in supervising the management of the Company's operations and business. The Board of Directors would also like to thank the shareholders and all investors, as well as regulators, customers, suppliers, the local community, and business partners for your cooperation which has allowed us to thrive. Finally, to all employees, the Board of Directors would like to express the deepest gratitude for their dedication. Our success will be the basis for PTAR to optimise its potential and to achieve even better performance in 2021.

MELIHAT KE DEPAN

Perusahaan terus melakukan strategi yang sama seperti tahun 2020, yaitu menekan biaya produksi emas, menjaga tata kelola perusahaan yang baik, dan bekerja sama secara erat dengan masyarakat setempat terutama pada saat pandemi, dan memastikan pengelolaan lingkungan yang baik. Jika strategi ini bisa tercapai, Perusahaan optimis akan hasil yang bagus di tahun 2021.

PTAR akan fokus pada beberapa bidang utama pada tahun 2021:

- Melanjutkan dan meningkatkan ReCYN cyanide dan pabrik pemulihan tembaga hingga tercapai kapasitas penuh;
- Melanjutkan proyek perluasan kapasitas pabrik baru untuk meningkatkan kapasitas milling Martabe sebesar 10% atau sekitar 6,7 juta ton per tahun.
- Memulai pembangunan fasilitas pengelolaan batuan sisa dan tailing tambang baru

Program-program yang direncanakan tersebut akan meningkatkan efisiensi dan produktivitas perusahaan, yang akan meningkatkan nilai bagi pemegang saham.

APRESIASI

Dengan segala pencapaian di tahun 2020, Dewan Direksi mengucapkan terima kasih kepada Dewan Komisaris atas kemitraan strategisnya dalam pengawasan pengelolaan operasional dan bisnis Perusahaan. Dewan Direksi juga mengucapkan terima kasih kepada para pemegang saham dan seluruh investor, serta regulator, pelanggan, pemasok, masyarakat sekitar, dan mitra bisnis atas kerja sama yang telah memungkinkan kami untuk berkembang. Terakhir, kepada seluruh karyawan, Dewan Direksi mengucapkan terima kasih yang sebesar-besarnya atas seluruh dedikasi. Kesuksesan kita akan menjadi dasar bagi PTAR untuk mengoptimalkan potensinya dan mencapai kinerja yang lebih baik lagi di tahun 2021.

Jakarta, March 2021



MULIADY SUTIO
President Director
Presiden Direktur



The Crushing Circuit at the Processing Plant. In 2020, PTAR achieved an annual throughput of 6.1 million tonnes (Mt), up 1.7% compared to 6.0 Mt in 2019. The average milling throughput was 733 tonnes per hour (tph), 1.1% increase above the 2019 annual average of 725 tph

Lokasi penghancur batuan (*crusher*) di Pabrik Pengolahan. Pada tahun 2020, PTAR mencapai *throughput* tahunan sebesar 6,1 juta ton (Mt), naik 1,7% dibandingkan 6,0 Mt pada 2019. Rata-rata *throughput* penggilingan mencapai 733 ton per jam (tph), 1,1% meningkat di atas tahun 2019 rata-rata pertahun 725tph.





CHAPTER 3

COMPANY PROFILE

PROFIL PERUSAHAAN

CORPORATE IDENTITY

IDENTITAS PERUSAHAAN

	Company Name Nama Perusahaan	PT AGINCOURT RESOURCES
	Address and Contact Details Alamat dan Detail Kontak	Corporate Office Kantor Pusat Pondok Indah Office Tower, Suite 1201 Jl. Sultan Iskandar Muda Kav. V-TA Pondok Indah, Jakarta 12310 Indonesia. (t) 6221 – 80672000 (f) 6221 – 7592 2818 (e) Martabe.CorporateCommunications@agincourtresources.com
	Mining Location Lokasi Tambang	Martabe Gold Mine Jl. Merdeka Barat Km 2,5 Desa Aek Pining Kecamatan Batangtoru, Kabupaten Tapanuli Selatan, Sumatera Utara 22738
	Website	www.agincourtresources.com
	Date of Incorporation Tanggal Pendirian	14 April 1997
	Legal Basis of Incorporation 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. 192, dated 30 November 2019, made before Jose Dima Satria S.H, M.Kn., Notary at Jakarta. 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 192, tertanggal 30 November 2018, dibuat dihadapan Jose Dima Satria S.H, M.Kn., Notaris di Jakarta.
	Company Status Status Perusahaan	Domestic Investment PMDN (Penanaman Modal Dalam Negeri)



	Line of Business and Product Kegiatan Usaha dan Produk yang Dihasilkan	Mining, Gold, and Silver Pertambangan Emas dan Perak
	Authorised Capital Modal Dasar	US\$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. US\$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.
	Issued and fully paid capital (shares) 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.
	Number of Employees Jumlah Karyawan	1.196 permanent and contract employees as of 31 December 2020 1.196 karyawan tetap dan tidak tetap per tanggal 31 Desember 2020



PT Agincourt Resources at a Glance

Sekilas Tentang PT Agincourt Resources

PT Agincourt Resources (PTAR) is a mining company based in Indonesia that is engaged in the exploration, mining, and processing of gold and silver. The only place of operation is at the Martabe Gold Mine in North Sumatera. Company functions are managed from Jakarta.

The area of the Martabe Gold Mine is based on a sixth-generation 30-year Contract of Work with the Government of Indonesia and at the beginning of the Contract of Work in 1997 the total area was 6,560 km². However, after several relinquishments, the Company's "Contract of Work" (coW) area is currently 130,252 hectares, or 1,303 km². Operational areas: South Tapanuli, Central Tapanuli, North Tapanuli, and Mandailing Natal Regencies. The area of the Martabe Gold Mine in South Tapanuli Regency is 479 hectares.

Mineral Resources as of June 30, 2020, reached 7.6 million ounces of gold and 66 million ounces of silver. Production began at Martabe on 24 July 2012. The operating capacity of the Martabe Gold Mine is exceeds 6 million tonnes of ore per year to produce more than 300.000 ounces of gold and 2-3 million ounces of silver per year.

PTAR employs more than 3,000 employees and contractors, over 99% of whom are Indonesian nationals, and more than 70% of whom are recruited from local residents. PTAR is committed to creating safe and efficient operations, minimizing environmental impact, and ensuring our existence provides long-term benefits to all local stakeholders.

The Martabe Gold Mine

The Martabe Gold Mine is located in North Sumatra and consists of multiple open-cut pits and a conventional processing plant for gold and silver bullion production. Operations began in 2012 and since developed a reputation as an industry-leading example of excellence regarding safety, sustainability, and production processes.

PT Agincourt Resources (PTAR) adalah sebuah Perusahaan pertambangan dengan basis di Indonesia yang bergerak di bidang eksplorasi, penambangan, dan pengolahan emas dan perak. Satu-satunya tempat operasinya adalah Tambang Emas Martabe di Sumatera Utara. Fungsi-fungsi perusahaan dikelola dari Jakarta.

Luas wilayah Tambang Emas Martabe berdasarkan Kontrak Karya berlaku generasi ke 6 selama 30 tahun dengan Pemerintah Indonesia dan pada awal Kontrak Karya di tahun 1997 luas wilayah adalah 6.560 km². Namun demikian, setelah beberapa kali pelepasan luas "Kontrak Karya" (KK), saat ini Perusahaan memiliki luasan penambangan 130.252 hektar, atau 1.303 km². Area operasional berada di Kabupaten Tapanuli Selatan, Tapanuli Tengah, Tapanuli Utara, dan Mandailing Natal. Luas Tambang Emas Martabe di Kabupaten Tapanuli Selatan seluas 479 hektar.

Sumber Daya Mineral per tanggal 30 Juni 2020, mencapai 7,6 juta ounce emas dan 66 juta ounce perak. Produksi dimulai di Martabe tanggal 24 Juli 2012. Kapasitas operasi Tambang Emas Martabe melebihi 6 juta ton bijih per tahun untuk menghasilkan lebih dari 300.000 ounce emas dan 2-3 juta ounce perak per tahun.

PTAR mempekerjakan lebih dari 3.000 karyawan dan kontraktor, di mana lebih dari 99% di antaranya adalah warga negara Indonesia, dan lebih dari 70% di antaranya direkrut dari penduduk setempat. PTAR berkomitmen untuk menciptakan operasi yang aman dan efisien, meminimalisasi dampak lingkungan, dan memastikan keberadaan kami memberi manfaat jangka panjang kepada seluruh pemangku kepentingan lokal.

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 selalu membangun reputasi yang baik dalam hal keselamatan kerja, keberlanjutan, dan kinerja operasionalnya.

Overview

The operational area consists of three open-cut mines and a conventional carbon-in-leach (CIL) gold ore processing plant. Infrastructure includes hauling roads, a Tailings Storage Facility (TSF), raw water storage tanks, sediment control dams, a water polishing plant, a switchyard, explosive magazines, a fuel depot several workshops and warehouse facilities. Supporting facilities, such as administration buildings, an analytical laboratory, an accommodation camp, a sports oval, and a medical clinic exists as well.

Mining operations are located in an elevated hilly area bordering the Batangtoru Forest. The support facilities for the mine are mostly located in a lowland area adjacent to the trans-Sumatera highway. The surrounding area includes native forest, rubber and oil palm plantations and rice paddies, with nearby rural villages and townships.

Resources and Reserves

The deposits at Martabe Gold Mine are described as high-sulphidation epithermal deposits. In June 2020, the Mineral Resources of the Martabe Gold Mine contained 7.6 million ounces of gold and 66 million ounces of silver. As the deposit is part of a large-scale mineralised district, the Ore Reserves are estimated at 4.3 million ounces of gold and 33 million ounces of silver. This means that PTAR has a remaining Life-of-Mine (LOM) of 14 years.

Gambaran Umum

Area operasional terdiri dari tiga tambang terbuka dan pabrik pengolahan bijih emas *carbon-in-leach* (CIL) konvensional. Infrastruktur meliputi jalan angkut, fasilitas penyimpanan material sisa pengolahan (*Tailings Storage Facility/TSF*), tangki penyimpanan air baku, bendungan pengendali sedimen, instalasi pengolahan air, gardu induk tegangan tinggi, gudang bahan peledak, stasiun pengisian bahan bakar dan gudang. Fasilitas penunjang seperti gedung administrasi, laboratorium analisis, fasilitas tempat tinggal (*camp*), lapangan olah raga, dan klinik kesehatan.

Operasi penambangan berlokasi di daerah perbukitan yang tinggi yang berbatasan dengan Hutan Batangtoru. Fasilitas penunjang tambang sebagian besar berada di dataran rendah yang berdekatan dengan jalan raya trans-Sumatera. Daerah sekitarnya termasuk hutan asli, perkebunan karet dan kelapa sawit, dan sawah, dengan desa dan kota kecil di dekatnya.

Sumber Daya dan Cadangan

Endapan di Tambang Emas Martabe digambarkan sebagai endapan epitermal sulfidasi tinggi. Pada Juni 2020, Sumber Daya Mineral Tambang Emas Martabe berisi sebanyak 7,6 juta Oz emas dan 66 juta Oz perak. Karena endapan tersebut merupakan bagian dari distrik termineralisasi berskala besar, Cadangan Bijih diperkirakan mencapai 4,3 juta Oz emas dan 33 juta Oz perak. Artinya, PTAR hanya memiliki sisa *Life-of-Mine* (LOM) selama 14 tahun.



Mineral Resources And Ore Reserves

PTAR reports on the size of its deposits 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.
- 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 a 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 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.
- 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.

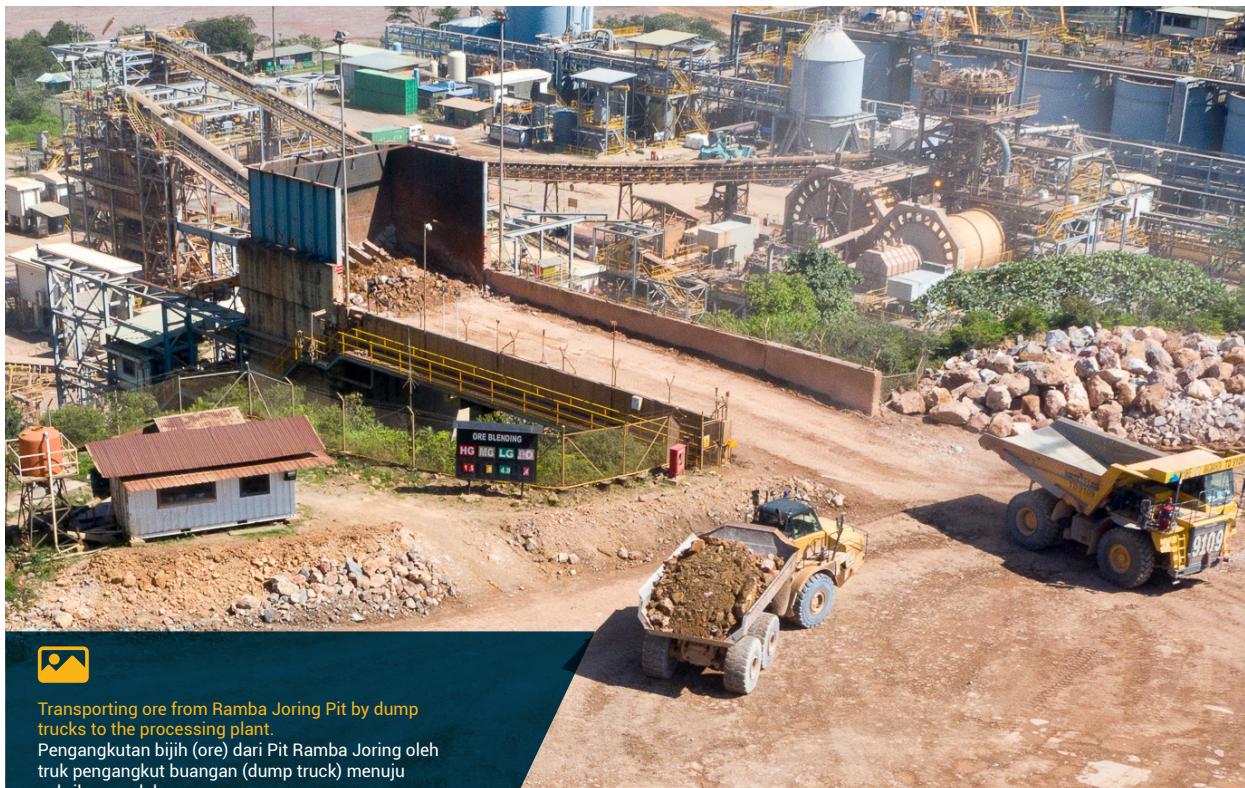


The final north wall design at the North Barani Pit.
Desain final dinding utara di Pit Barani Utara.



Business Process

Proses Bisnis



Exploration

Martabe Gold Mine has a high potential for further exploration, given the size of the mineral deposits and the large area that has yet to be explored. An active exploration program covering the area of the immediate mine and the Contract of Work agreement is underway. Drill cores are undertaken regularly and stored in the core shed on site. Samples are sent off-site to an external laboratory for a detailed mineral analysis on gold, silver and copper content. Martabe has stored its drill core since 1997. The operational site of Martabe also serves for helicopter operations to support drilling and other regional activities.

Mining

Ore is mined from shallow pits of the mineral-rich hills of the Martabe Gold Mine. The Purnama Pit started its operation in 2011 and mining of the Barani and Ramba Joring Pit started in 2016 and 2017 respectively. In 2018, mining at the Tor Ulu Ala deposit was approved. Waste rock or overburden from the pits is placed in the Tailings Storage Facility (TSF) embankment rather than in waste dumps as is the case in most other mines.

Eksplorasi

Tambang Emas Martabe memiliki potensi yang tinggi untuk dieksplorasi lebih lanjut, mengingat besarnya cadangan mineral dan masih banyak wilayah yang belum dieksplorasi. Program eksplorasi aktif yang meliputi area tambang langsung dan perjanjian Kontrak Karya sedang berlangsung. Inti bor dilakukan secara teratur dan disimpan di gudang inti di lokasi. Sampel dikirim dari lokasi ke laboratorium eksternal untuk analisis mineral rinci tentang kandungan emas, perak dan tembaga. Martabe telah menyimpan inti bornya sejak tahun 1997. Lokasi operasional Martabe juga berfungsi untuk pengoperasian helikopter guna mendukung pengeboran dan kegiatan regional lainnya.

Penambangan

Bijih ditambang dari lubang dangkal di perbukitan kaya mineral di Tambang Emas Martabe. Pit Purnama mulai beroperasi pada tahun 2011 dan penambangan Pit Barani dan Ramba Joring masing-masing dimulai pada tahun 2016 dan 2017. Pada tahun 2018, penambangan di deposit Tor Ulu Ala disetujui. Batuan buangan dari pit ditempatkan di tanggul Tailings Storage Facility (TSF), bukan ditempatkan pada penimbunan batuan buangan yang biasanya dilakukan di banyak lokasi tambang.

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 onsite 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, support 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 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 campuran emas dan perak) yang siap dikirim. 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 kegiatan penambangan di site dan pekerjaan sipil terkait, termasuk pembangunan TSF yang terus berlangsung. Kontraktor juga melakukan kegiatan pemindahan logistik 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.

MILESTONES

JEJAK LANGKAH

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.

2003

PT Newmont Horas Nauli has changed its name to PT Horas Nauli is 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.

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.

1997

A Contract of Work (CoW) is granted to PT Danau Toba Mining, the 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 Padangsidimpuan.

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 Padangsidimpuan.

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

Twenty-five environmental studies completed for the project. Key documents and government approvals are obtained, including a Feasibility Study, Environmental Impact Assessment and a construction permit. Construction activities commence, including road access, laydown and camp areas and preparation for plant site construction. Dua puluh lima 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.

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.

2011

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

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

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 favourable 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 membiayai kembali utang seniornya sebesar US\$425 juta dengan jangka waktu lebih panjang, suku bunga yang lebih rendah, serta persyaratan dan ketentuan yang lebih menguntungkan.

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, 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, dan Robert Hartono & Michael Bambang Hartono.

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 sulfide 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 391,031 ounces of gold, while maintaining low All In Sustaining Cost US\$443/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 391,031 ounce emas, di saat bersamaan tetap mampu mempertahankan All In Sustaining Cost yakni US\$443/ounce.

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

2020

A successful year during the COVID-19 Pandemic, achieving the dual objectives of (a) maintaining the health and safety of our personnel, and (b) to continue operating for the benefit of all our stakeholders.

Achieved record for tonnes milled of 6.1Mt slightly higher than in 2019. No Lost time injuries at Martabe for 3 years.

Selama masa pandemi COVID-19, kami telah berhasil mencapai dua tujuan yaitu (a) menjaga kesehatan dan keselamatan setiap karyawan, dan (b) terus melakukan operasi demi semua pemangku kepentingan kami.

Mencapai rekor penggilingan sebanyak 6,1 juta ton sedikit lebih tinggi dari tahun 2019. Selama 3 tahun terakhir, tidak terdapat adanya kecelakaan kerja di Martabe.

VISION, MISSION AND CORE VALUES

VISI, MISI DAN NILAI-NILAI INTI PERUSAHAAN

VISION

Visi

To achieve world-class sustainable operations with top performance in the gold mining industry.

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

MISSION

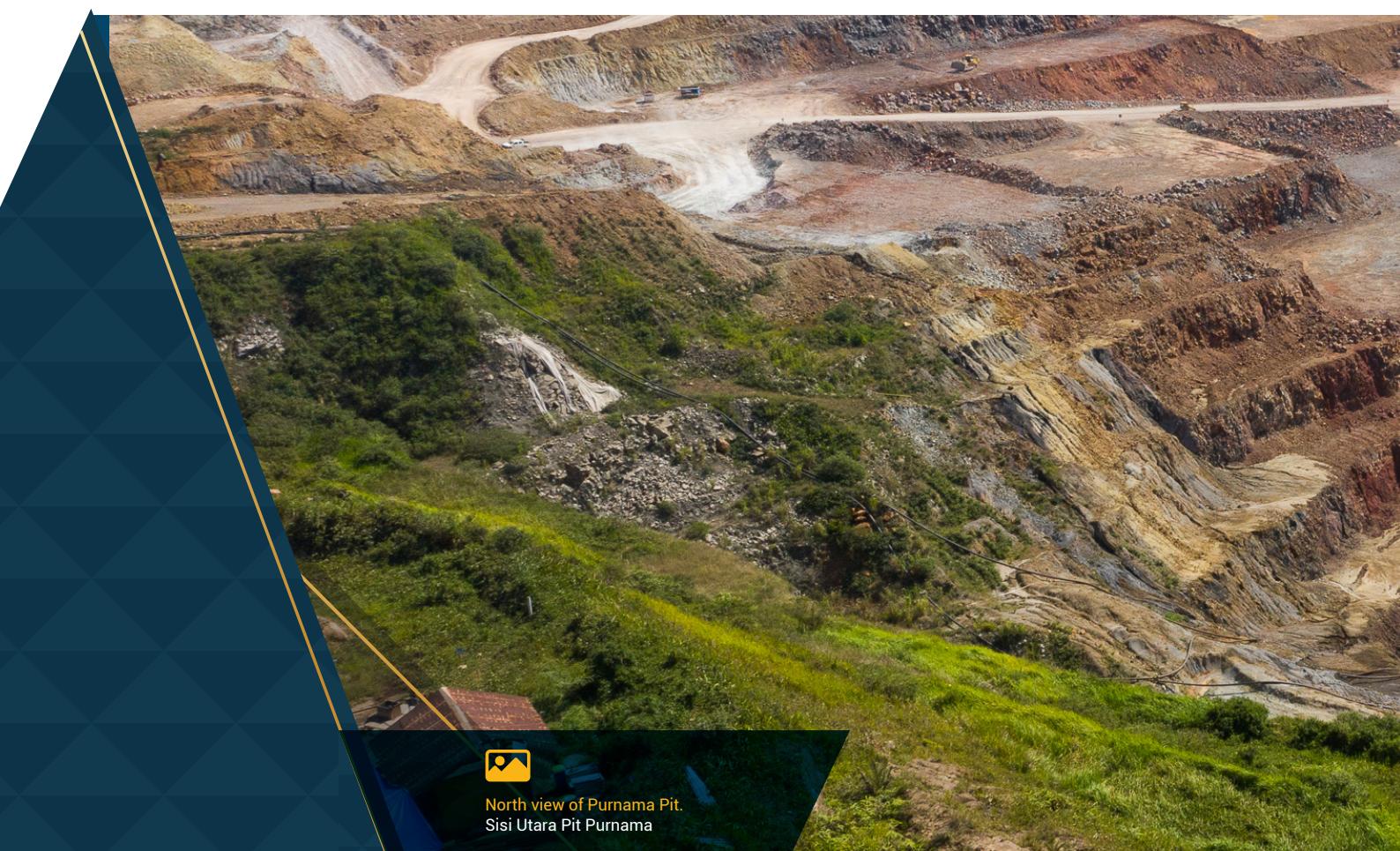
Misi

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.



North view of Purnama Pit.
Sisi Utara Pit Purnama



CORE VALUES

Nilai-Nilai Inti
Perusahaan

Success at PT Agincourt Resources is driven by our people who live by our GREAT values:

Kesuksesan PT TAR digerakkan oleh individu Perusahaan yang menjunjung nilai-nilai GREAT:



Growth and added value - for all our stakeholders.
Pertumbuhan dan nilai tambah bagi semua pemangku kepentingan melalui nilai-nilai inti kami.



Respect - to every individual, culture, and the environment.
Penghargaan - kepada setiap individu, budaya, dan pemangku kepentingan.



Excellence - via effort, enthusiasm, and commitment.
Keunggulan - melalui energi, antusiasme, dan komitmen.



Action - via performance and delivery of our commitments.
Aksi Nyata - kinerja dan wujud komitmen kami.



Transparency - via openness, listening skills, engagement, and honesty.
Transparansi - keterbukaan, kemampuan mendengarkan, keterikatan, dan kejujuran.



ORGANISATIONAL STRUCTURE OF THE COMPANY

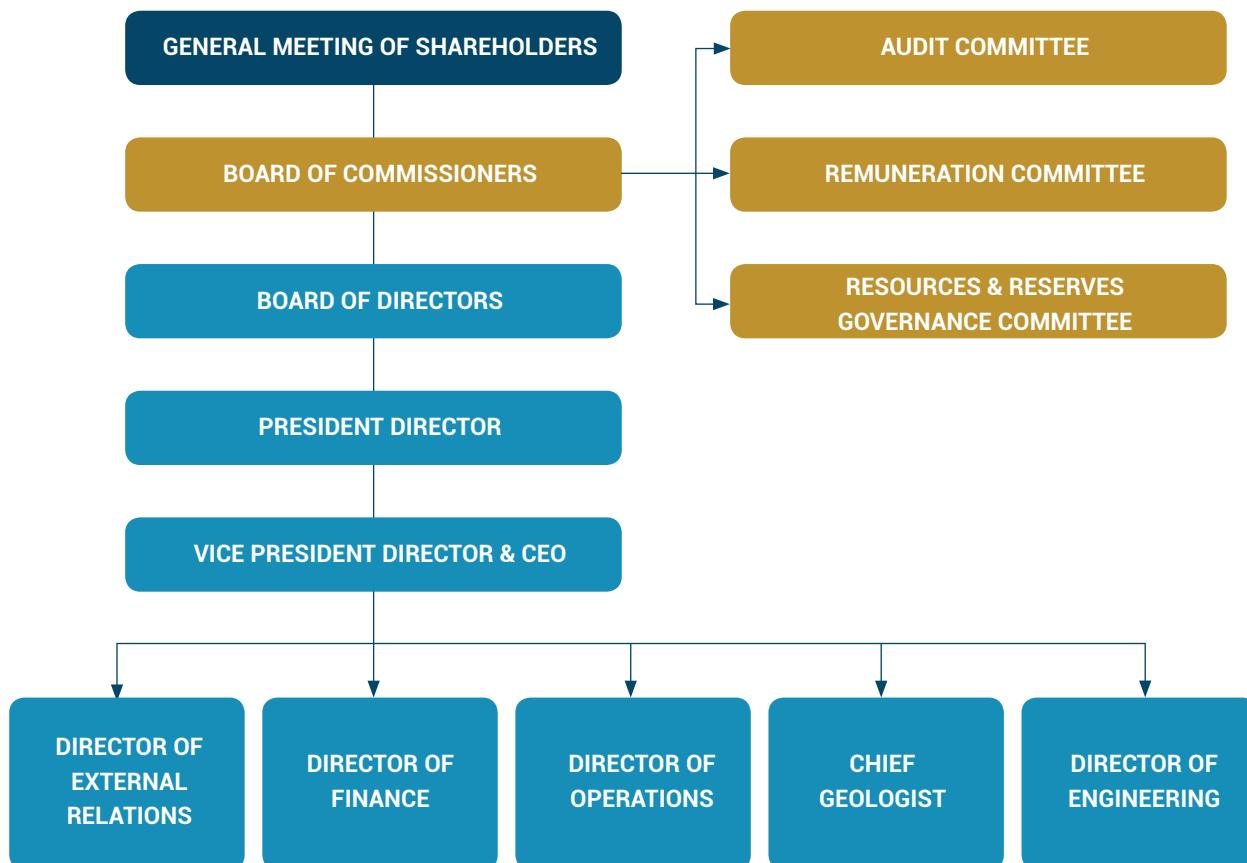
STRUKTUR ORGANISASI PERUSAHAAN

The organizational structure of PTAR is divided between the Executive branch and the Supervisory branch. The Executive branch is led by the President and Vice President Director, CEO who manages the other directors that focus on important operational aspects of the company: 1) External Relations; 2) Finance; 3) Operations; 4) Exploration; and 5) Engineering.

The supervisory tasks are coordinated by the Board of Commissioners, who also supervise the following Committees: 1) Audit Committee; 2) Remuneration Committee; and 3) Resources and Reserves Governance Committee.

Struktur organisasi PTAR terbagi antara Badan Eksekutif dan Badan Pengawas. Badan Eksekutif dipimpin oleh Presiden dan Wakil Presiden Direktur, CEO yang mengelola Dewan Direksi lainnya yang fokus pada aspek operasional penting perusahaan: 1) Hubungan Eksternal; 2) Keuangan; 3) Operasi; 4) Eksplorasi; dan 5) Rekayasa.

Tugas pengawasan dikoordinasikan oleh Dewan Komisaris, yang juga mengawasi Komite-Komite berikut: 1) Komite Audit; 2) Komite Remunerasi; dan 3) Komite Tata Kelola Sumber Daya dan Cadangan.



BOARD OF COMMISSIONERS' PROFILE

PROFILE DEWAN KOMISARIS

FRANCISCUS XAVERIUS LAKSANA KESUMA

President Commissioner

Presiden Komisaris



Franciscus Kesuma has held the position of the President Commissioner of PT Agincourt Resources since December 2018. In 1988, he completed his undergraduate programme in Civil Engineering from Parahyangan Catholic University, Bandung. He graduated from Bandung Institute of Technology with a Master's in Highway Engineering and Development 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 as Operations Manager at PAMA between 2000 and 2003 and Operation Division Head from 2005 to 2012. Additionally, he became the Operations Director of PAMA in 2007 and the President Director 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 also serves as the President Director of United Tractors since April 2019 and 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 Representative 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).

ANWAR NASUTION

Commissioner

Komisaris



Prof. Dr. Anwar Nasution 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.

Prof. Dr. Anwar Nasution menjabat sebagai Komisaris PT Agincourt Resources sejak Oktober 2011. Beliau merupakan Profesor 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, and 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, and Center for Pacific Basin Monetary and Economic Studies of San Francisco. Anwar juga merupakan associate member Kementerian Keuangan Jepang, American Economic Association, and 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.

IWAN HADIANTORO**Commissioner**

Komisaris



Iwan Hadiantoro has been one of the Commissioners of PT Agincourt Resources since December 2018. He holds a Bachelor's Degree in Economics, specialising in Financial Management, from the University of Indonesia. He started his career as Chief Accountant at PT Shell Indonesia where he worked from 1990 and 1998. He then worked as the Finance Director of PT Astra Sedaya Finance from 2006 to 2008, followed by his appointment as the Director and Chief Financial Officer of PT GE Finance Indonesia in 2008 and 2010. He joined PT Astra International Tbk in 2010 as a 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 memegang jabatan Komisaris PT Agincourt Resources sejak Desember 2018. Beliau memiliki gelar Sarjana Ekonomi (Manajemen Keuangan) dari Universitas Indonesia. Iwan memulai kariernya sebagai *Chief Accountant* di PT Shell Indonesia sejak tahun 1990 hingga 1998, selanjutnya diangkat sebagai Direktur Keuangan PT Astra Sedaya Finance dari tahun 2006 hingga 2008, dan kemudian Direktur and Chief Financial Officer PT GE Finance Indonesia dari tahun 2008 hingga 2010. Kariernya di PT Astra International Tbk dimulai sejak tahun 2010 sebagai Group Chief of Treasury & Investor Relation hingga tahun 2015. Kemudian beliau diangkat sebagai Direktur Keuangan PT United Tractors Tbk hingga saat ini dan menjabat sebagai Komisaris di beberapa anak perusahaannya dan di PT Pamapersada Nusantara.

ARI SUTRISNO
Commissioner
Komisaris



Ari Sutrisno took his position as one of the Commissioners of PT Agincourt Resources in December 2018. He graduated from Bandung Institute of Technology on the topic of Chemistry in 1995. He joined Astra International Tbk in 1995, as Management Trainee and Subsequently Progressed to Managerial Positions. He became Corporate Planning & Management Head in 2007, a role he held 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 until the present, Ari has been HCGS & SHE Director of PT Pamapersada Nusantara. He has also served on the Board of Advisers of Aspindo (The Indonesian Mining Services Association) and in 2019 as 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. Selain itu, sejak tahun 2017 hingga saat ini, Ari juga menjabat sebagai HCGS & SHE Director di PAMA. Selain itu, beliau menjabat sebagai Wakil Ketua Asosiasi Jasa Pertambangan Indonesia (Aspindo), dan per 2019 menjabat sebagai Komisaris di PT Tuah Turangga Agung, PT Suprabari Mapanindo Mineral, dan PT Kalimantan Prima Persada.

BAMBANG SUSIGIT**Commissioner**

Komisaris



Bambang Susigit was appointed as a Commissioner of PT Agincourt Resources in February 2019. He completed his undergraduate degree at Sriwijaya University, Palembang, where he studied Mining Engineering. He then 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 The Director of Engineering and Environment at the Directorate General of Mineral and Coal between 2014 and 2015. Bambang served as the 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. From 2016 to 2017, he served as Head Of the Center for Geological, Mineral and Coal Human Resource Development in the MEMR. As his final position in MEMR, from 2017 to 2018, he served as the Director Of Mineral Business Development in the Directorate General of Mineral and Coal.

Bambang Susigit memegang jabatan Komisaris PT Agincourt Resources sejak Februari 2019. Beliau menyelesaikan Program Sarjana dari Universitas Sriwijaya, Palembang dari jurusan Teknik Tambang dan lulus dari Universitas Padjajaran untuk program pasca-sarjana dari Jurusan Teknik Geologi. Bambang menjadi bagian dari Kementerian Energi dan Sumber Daya Mineral (ESDM) sebagai Pelaksana Inspeksi Tambang pada tahun 1992. Sepanjang kariernya di ESDM, beliau menjabat sebagai Direktur Teknik dan Lingkungan Mineral dan Batubara, Direktorat Jenderal Mineral dan Batubara (2014-2015). Bambang pernah menjabat sebagai Kepala Pusat Pendidikan dan Pelatihan Geologi Badan Pendidikan dan Pelatihan Kementerian ESDM (2015-2016), kemudian menjabat sebagai Kepala Pusat Pendidikan dan Pelatihan Mineral dan Batubara, Badan Pendidikan dan Pelatihan Kementerian ESDM. Pada tahun 2016 beliau menjabat sebagai Kepala Pusat Pengembangan Sumber Daya Manusia Geologi, Mineral dan Batubara, Badan Pengembangan Sumber Daya Manusia Kementerian ESDM sampai tahun 2017. Pada masa akhir jabatannya, beliau menjabat sebagai Direktur Pembinaan Pengusahaan Mineral, Direktorat Jenderal Mineral dan Batubara dari tahun 2017 sampai tahun 2018.

LINDA HELENA DARMALINA**Commissioner**

Komisaris



Linda started working at PT Agincourt Resources since July 2007, was appointed Director of External Relations in December 2018 and has been appointed as Commissioner since February 2020. Previously, she served as Director of Government Relations in March 2011 and subsequently in May 2015 to November 2018 Linda had served as the Vice President Director. She started her career at Mobil Oil Indonesia. Then from 1997 to 2007, Linda worked in the External Relations Department of PT Newmont Nusa Tenggara. Linda has completed accounting education at the University of North Sumatra and a diploma in Communication at the Ketchum Institute of Public Relations in Fairfax, United States.

Linda mulai bekerja di PT Agincourt Resources sejak Juli 2007, diangkat sebagai Direktur Hubungan Eksternal pada Desember 2018 dan telah ditunjuk sebagai Komisaris sejak Februari 2020. 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 memulai kariernya di Mobil Oil Indonesia. Kemudian pada tahun 1997 hingga 2007, Linda bekerja di Departemen External Relations PT Newmont Nusa Tenggara. Linda telah menyelesaikan pendidikan Akuntansi di Universitas Sumatera Utara dan diploma bidang Komunikasi di Ketchum Institute of Public Relations di Fairfax, Amerika Serikat.

PUTUT EKO BAYU SENO**Commissioner**

Komisaris



Commissioner-General. Pol. Drs. Putut Eko Bayu Seno, S.H. has been appointed as Commissioner of PT Agincourt Resources since February 2020. He is a retired high-ranking police officer, most recently the National Police Inspector General Supervision. His career has been in the field of policing, starting with the Head of the Situbondo Police at the Besuki Regional Police for East Java. From 2017 to April 2019, Komjen Pol Putut served as Irwasum Polri. Previously he held important positions, among others, as Head of the Police Headquarters, Kapolda Metro Jaya, West Java Police Chief, and Banten Police Chief. Komjen Pol Putut took police education at the Indonesian Military Academy in 1984, followed by PTIK, Sesimpol, Lemhanas, and PPSA XVIII.

Komjen. Pol. Drs. Putut Eko Bayu Seno, S.H. telah ditunjuk sebagai Komisaris PT Agincourt Resources sejak Februari 2020. Beliau adalah seorang Purnawirawan perwira tinggi Polri yang terakhir menjabat sebagai Inspektur Pengawasan Umum Polri. Kariernya selama ini ditempuh dalam bidang kepolisian, diawali dengan menjabat Kapolres Situbondo Polwil Besuki Polda Jatim. Sejak 2017 hingga April 2019 Komjen Pol Putut menjabat Irwasum Polri. Sebelumnya beliau menduduki jabatan penting antara lain sebagai Kabaharkam Polri, Kapolda Metro Jaya, Kapolda Jawa Barat, dan Kapolda Banten. Komjen Pol Putut menempuh pendidikan kepolisian di Akabri pada 1984, dilanjutkan dengan PTIK, Sesimpol, Lemhanas, dan PPSA XVIII.

BOARD OF DIRECTORS' PROFILE

PROFILE DEWAN DIREKSI

MULIADY SUTIO

President Director

Presiden Direktur



Muliady Sutio has been the 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. His career in PT Astra International Tbk started in 1994 as an Efficiency Division Analyst and he subsequently became a Certified Astra Leadership Performance Coach. In 1997, he became co-Project Manager in the Efficiency Division. In 2000, Muliady was recruited as the Team Leader to manage the business process of PT Pamapersada Nusantara. In 2004 he then became the Head of Corporate Planning and System Development and took up the position of the Head of Supply Management Division in 2007. Since 2013 he filled the role of Plant & Corporate Information System Director of PT Pamapersada Nusantara (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, a position which he holds until the present day.

Muliady Sutio menjabat sebagai Presiden Direktur 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.

TIMOTHY JOHN VINCENT DUFFY**Vice President Director**

Wakil Presiden Direktur



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 the 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 of Finance for Asia of OZ Minerals Limited; here he was 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 fellow of the AusIMM and a fellow of Certified Practising Accountant (CPA) Australia.

Tim Duffy bergabung dengan perusahaan pada tahun 2009 dan bertugas sebagai Jenderal Operasi Manajer, Eksekutif Umum Manajer, Direktur, dan Presiden Direktur untuk beberapa tahun di bawah pemegang saham sebelumnya. Saat ini diangkat menjadi Wakil Presiden Direktur dan Chief Executive Officer oleh para pemegang saham.

Tim telah memiliki pengalaman lebih dari 25 tahun dalam industri pertambangan termasuk pengalaman operasional di berbagai rentang komoditas termasuk emas, perak, nikel, tembaga, uranium, dan batubara. Selain itu juga, terlibat dalam keuangan, komersial dan berperan dalam operasional serta sektor sumber daya juga memiliki kemampuan strategis di seluruh rangkaian aktivitas penambangan di kawasan Asia-Pasifik. Tim memiliki peran manajemen di perusahaan seperti Oxiana Limited, Xstrata Coal, MIM Holdings, dan WMC Limited. Sebelumnya bergabung dengan PT Agincourt Resources, Tim adalah Manajer Umum Keuangan untuk Asia dari OZ Minerals Limited; dia bertanggung jawab terutama untuk menyediakan panduan komersial dan strategis arah operasi Asia bisnis. Dia menyandang gelar sarjana di bidang Perdagangan yang bekerja sama dengan AusIMM dan memiliki sertifikat Praktik Akuntan (CPA) Australia.

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. In 2009, he graduated with a Master's In Management from the Prasetiya Mulya Business School and also holds a Bachelor's Degree in Economics from Padjadjaran University. Before joining the company, Noviandri started his career at PT United Tractors Tbk in 2005, and was entrusted several positions in the finance and accounting area, before being appointed as Corporate Finance and Accounting Division Head at PT United Tractors Tbk in 2015. He worked for the company until 2018.

Noviandri Hakim menjabat sebagai Direktur dan Chief Financial Officer di PT Agincourt Resources sejak Desember 2018. Pada tahun 2009, ia lulus dengan gelar Magister Manajemen dari Prasetiya Mulya Business School dan juga meraih gelar Sarjana Ekonomi dari Universitas Padjadjaran. Sebelum bergabung dengan perusahaan, Noviandri memulai karirnya di PT United Tractors Tbk pada tahun 2005, dan mempercayakan beberapa posisi di bidang keuangan dan akuntansi, sebelum akhirnya diangkat sebagai Kepala Divisi Korporat Keuangan dan Akuntansi di PT United Tractors Tbk pada tahun 2015. Dia bekerja untuk perusahaan tersebut hingga 2018.

DARRYN MICHAEL MCCLELLAND**Director of Operations**

Direktur Operasional



Darryn McClelland was appointed as the Director and General Manager of Operations since 1 October 2019. Starting from May 2016, he held the position of the Deputy General Manager of Operations. Darryn holds a Bachelor of Engineering Honours (Minerals Process) from the University of Queensland, a Masters of Business Administration from the University of Southern Queensland, a Graduate Diploma in Mining Engineering from Curtin University/WASM, and a Graduate Diploma in Occupational Health and Safety from Edith Cowan University. Darryn has 23 years of work experience having spent seven 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 some countries for various mining companies including Nui Phao Mining Company - Vietnam, Perseus Mining - Ghana, Bisha Mining Share Company - Eritrea, and before joining PT Agincourt Resources he was the Processing Manager at the Phu Kham Copper/Gold Mine in the Democratic Republic of Laos.

Darryn McClelland diangkat sebagai General Manager Operations PT Agincourt Resources sejak 1 Oktober 2019. Pada bulan Mei 2016, menjabat sebagai Deputi Direktur Operasional sejak 1 Oktober 2019 hingga sekarang. Darryn menyandang gelar Bachelor of Engineering Honours (Minerals Process) dari University of Queensland, Masters of Business Administration dari University of Southern Queensland, Graduate Diploma in Mining Engineering dari Curtin University/WASM, dan Graduate Diploma in Occupational Health and Safety dari Edith Cowan University. Darryn memiliki 23 tahun pengalaman operasi tambang dengan bekerja selama tujuh tahun di operasi pertambangan Australia sebelum mulai bekerja untuk Oxiana/OZ Minerals di Proyek Sepon di Laos. Selepas berkiprah di OZ Minerals, Darryn bekerja di sejumlah negara untuk berbagai perusahaan tambang, termasuk Nui Phao Mining Company - Vietnam, Perseus Mining - Ghana, Bisha Mining Share Company - Eritrea, dan sebelum bergabung dengan PT Agincourt Resources menjabat Processing Manager di Phu Kham Copper/Gold Mine - Laos.

RULI TANIO
Director of Engineering
Direktur Engineering



Ruli Tanio was appointed as the 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 academic 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 in 2014. He was also appointed Director of Bhumi Jepara Services in 2016. This is a joint venture between PT United Tractors Tbk, Sumitomo Corporation and Kansai Electric Power Co., and provides operational and maintenance services to Units 5 and 6 of the 2,000-megawatt Tanjung Jati power station in Central Java.

Ruli Tanio telah ditunjuk sebagai Direktur PT Agincourt Resources sejak Februari 2019. Beliau memiliki lebih dari satu dekade pengalaman dalam bisnis terkait pertambangan dengan pengarahan langsung dalam rekayasa, operasi, dan praktik keuangan sehari-hari. Ruli meraih gelar di bidang Teknik Industri serta Keuangan dan Ekonomi. Ruli menduduki beberapa posisi di PT Pamapersada Nusantara (PAMA) sebelum diangkat sebagai Direktur Operasi dan Teknik di PT Bukit Enim Energy (2012), perusahaan patungan antara PAMA dan PT Adaro Indonesia Tbk. Setelah akuisisi Astra pada bisnis listrik, Ruli ditunjuk sebagai Direktur Teknik dan Operasi di PT Energia Prima Nusantara (2014 hingga sekarang) dan Direktur Bhumi Jepara Services (2016 hingga sekarang), sebuah perusahaan patungan antara PT United Tractors Tbk, Sumitomo Corporation dan Kansai Electric Power Co yang menyediakan layanan operasi dan pemeliharaan untuk 2.000 MW Tanjung Jati Unit 5 dan 6 di Jawa Tengah.

SANNY TJAN**Director of External Relations**

Direktur External Relations



Sanny Tjan started her career at PT Agincourt Resources in 2017 as a Senior Manager of External Relations and was appointed as the Director of External Relations in February 2020. Sanny started her career in 1990 and worked in various institutions and corporations, including the Egyptian Embassy in Jakarta. She started working in the field of communications since joining PT Coca-Cola Indonesia in 1994. Then in 2008, Sanny joined PT Multi Bintang Indonesia as a Senior Manager of Corporate Affairs & Communication and was responsible for corporate communications, media relations, government relations, and CSR. In 2012 Sanny joined PT Cargill Indonesia as Government Relations Manager before finally joining PT Agincourt Resources. Sanny's educational background focuses on communications, with a Post Graduate degree in Public Relations, a Group Diploma in Public Relations, and Advanced Diploma in Mass Communications from the London School of Public Relations - Jakarta. She also holds a Bachelor of Economics from UniSadhuGuna Business School.

Sanny Tjan memulai kariernya di PT Agincourt Resources sejak 2017 sebagai Manajer Senior Hubungan Eksternal, kemudian sejak Februari 2020 ditunjuk menjadi Direktur Hubungan Eksternal. Sanny memulai kariernya sejak tahun 1990 di berbagai lembaga dan korporasi, antara lain di Kedutaan Besar Mesir di Jakarta dan mulai berkiprah di bidang komunikasi sejak bergabung dengan PT Coca-Cola Indonesia pada 1994. Kemudian pada 2008, Sanny bergabung dengan PT Multi Bintang Indonesia sebagai Senior Manager Corporate Affairs & Communication yang bertanggung jawab dalam bidang corporate communications, media relations, government relations, dan CSR. Pada 2012 Sanny bergabung dengan PT Cargill Indonesia sebagai Government Relations Manager sebelum akhirnya bergabung dengan PT Agincourt Resources. Sanny memiliki latar belakang pendidikan komunikasi dan merupakan lulusan Post Graduate Diploma in Public Relations, Group Diploma in Public Relations, dan Advance Diploma in Mass Communications dari the London School of Public Relations - Jakarta, dan gelar Sarjana Ekonomi dari UniSadhuGuna Business School.



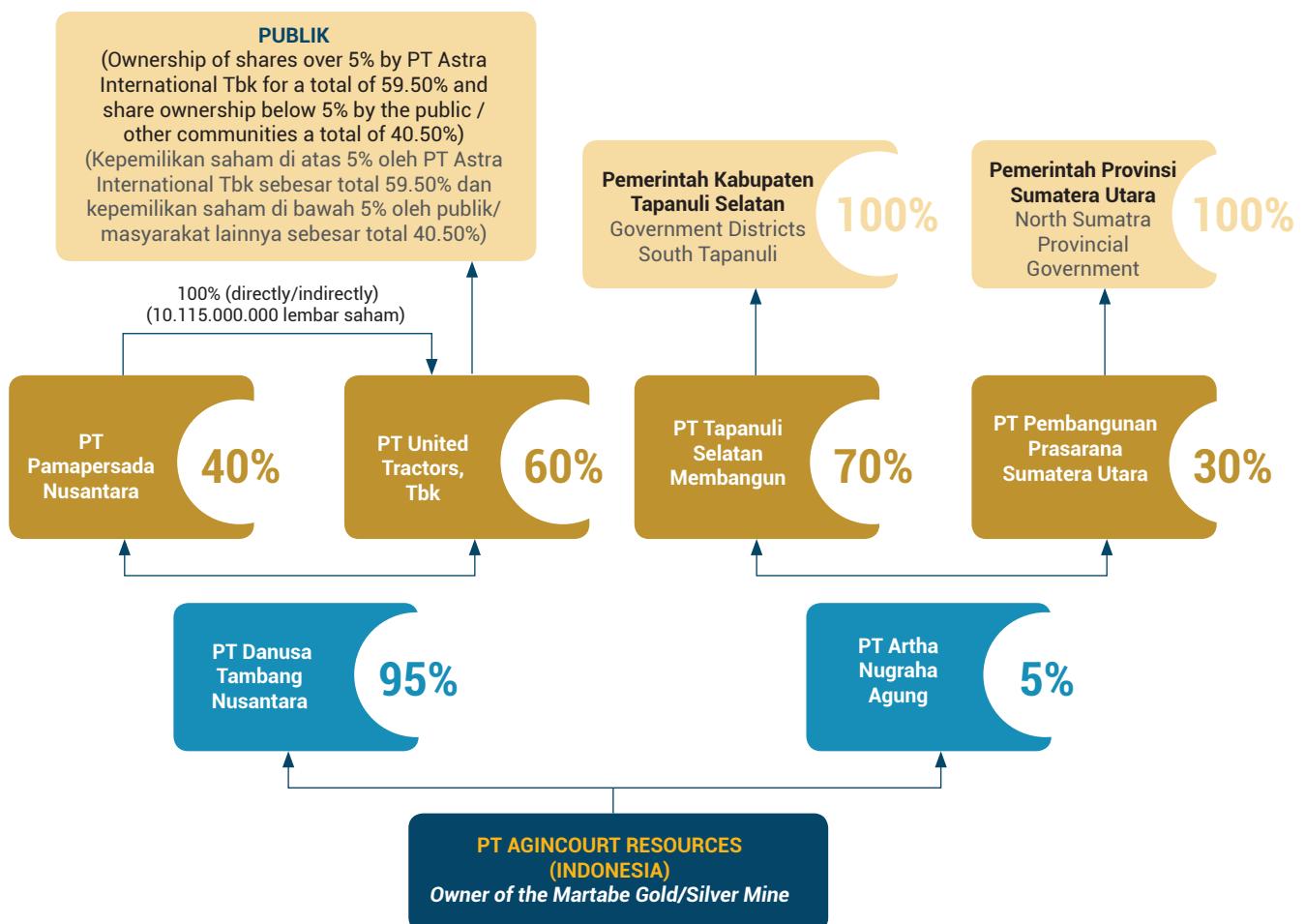
Shareholders Pemegang Saham

The majority shareholder in PTAR is PT Danusa Tambang Nusantara, which is owned by PT United Tractors, Tbk (60%) and PT Pamapersada Nusantara (40%), with a total share of 95%. PT United Tractors Tbk is a public company whose shares are listed on the Indonesia Stock Exchange and also subsidiary of PT Astra International Tbk. PT United Tractors, Tbk's share ownership consists of 59.50% by PT Astra International Tbk and 40.50% by the public. PT. Pamapersada Nusantara is 99.9% owned by PT United Tractors, Tbk.

5% of the Company's shares are owned by PT Artha Nugraha Agung which is jointly owned by PT Pembangunan Prasarana Sumatera Utara with 30% and PT Tapanuli Selatan Membangun with 70%.

Pemegang saham di PTAR mayoritas adalah PT Danusa Tambang Nusantara, yang dimiliki oleh PT United Tractors Tbk (60%) dan PT Pamapersada Nusantara (40%) dengan total saham sebesar 95%. PT United Tractors Tbk merupakan perusahaan publik yang seluruh sahamnya tercatat pada Bursa Efek Indonesia dan menjadi anak perusahaan PT Astra International Tbk. Kepemilikan saham PT United Tractors, Tbk terdiri dari 59,50% oleh PT Astra International Tbk dan 40,50% dimiliki oleh publik/masyarakat lainnya. PT. Pamapersada Nusantara sebesar 99,9% dimiliki oleh PT United Tractors, Tbk.

Sebanyak 5% saham dimiliki oleh PT. Artha Nugraha Agung yang dimiliki oleh PT. Pembangunan Prasarana Sumatera Utara (Pemerintah Provinsi Sumatera Utara) sebesar 30% dan PT. Tapanuli Selatan Membangun (Pemerintah Kabupaten Tapanuli Selatan) sebesar 70%.



KALEIDOSCOPE 2020

PERISTIWA PENTING 2020

**14****January | Januari
2020**

The commissioners and directors of Astra visit Martabe Gold Mine.

Komisaris dan direksi Astra mengunjungi Tambang Emas Martabe.

**5****February | Februari
2020**

Annual gathering of PTAR and PROVSU 2019 in Medan.

Pertemuan tahunan PTAR dan PROVSU 2019 di Medan.

**15****February | Februari
2020**

Safety Poster Competition with SMPN 2 Batangtoru.

Lomba membuat poster Keselamatan bersama SMPN 2 Batangtoru.

**16****February | Februari
2020**

Socialisation of Occupational Health and Safety (OHS) practices to students of Batangtoru

Sosialisasi praktik Keselamatan dan Kesehatan Kerja (K3) kepada mahasiswa di Batangtoru

**19-20****February | Februari
2020**

Field visit of the Directorate General of Mineral and Coal ESDM Mining Safety Sub-Directorate to participate in PTAR's OHS 2020 Seminar.

Kunjungan lapangan Subdirektorat Keselamatan Pertambangan ESDM Ditjen Minerba untuk mengikuti Seminar K3 2020 PTAR.

**21****February | Februari
2020**

PT Agincourt Resources wins Best Award in the 2019 Indonesia Sustainable Business Awards (SBA) initiated by Global Initiatives and PwC Singapore and Indonesia.

PT Agincourt Resources memenangkan Penghargaan Terbaik dalam Sustainable Business Awards (SBA) Indonesia 2019 yang diprakarsai oleh Global Initiatives dan PwC Singapura dan Indonesia.

**28****February | Februari
2020**

The North Sumatra DLH Forestry Team visits PTAR to monitor and evaluate the PTAR Timber Utilisation Permit.

Tim Kehutanan dari Dinas Lingkungan Hidup (DLH) Provinsi Sumatera Utara, mengunjungi lokasi PTAR untuk memantau dan mengevaluasi Izin Pemanfaatan Kayu PTAR.

**3****March | Maret
2020**

Field visit from the Sub-Directorate for Mineral and Coal Protection to supervise the environmental aspects of PTAR mineral mining activities.

Kunjungan lapangan dari Subdirektorat Perlindungan Mineral dan Batubara untuk melakukan pengawasan aspek lingkungan dari kegiatan pertambangan mineral PTAR.

**5****March | Maret
2020**

Field visit by the Provincial Energy and Mineral Resources Service Team to PTAR's mining location to provide guidance and supervision of their mining operations.

Kunjungan lapangan oleh Tim Dinas Energi dan Sumber Daya Mineral Provinsi Sumatera Utara ke lokasi penambangan PTAR untuk memberikan pembinaan dan pengawasan operasi penambangan mereka.

**6****March | Maret
2020**

PT. Agincourt Resources collaborated with the Indonesian Journalist Association (PWI) to hold the Journalist Competence test in Central Tapanuli. The event was attended by the head of national PWI, the Regent of Central Tapanuli & the Mayor of Sibolga City.

PT. Agincourt Resources bekerja sama dengan Persatuan Wartawan Indonesia (PWI) menggelar uji Kompetensi Jurnalis di Tapanuli Tengah. Acara tersebut dihadiri oleh Ketua PWI Nasional, Bupati Tapanuli Tengah & Walikota Sibolga.

**6****March | Maret
2020**

Integrated Team Meeting for Monitoring Wastewater Quality at Martabe Gold Mine PT. Agincourt Resources to Batangtoru River, South Tapanuli Regency, held a meeting to equalize perceptions in carrying out the duties of the Special Team for Evaluation in Sipirok.

Rapat Tim Terpadu untuk Pemantauan Kualitas Air Sisa Proses di Tambang Emas Martabe PT. Agincourt Resources ke Sungai Batangtoru, Kabupaten Tapanuli Selatan. Rapat ini dilakukan untuk menyamakan persepsi dalam menjalankan tugas Tim Khusus Evaluasi di Sipirok.

**13****March | Maret
2020**

Field visit from the Directorate General of Mineral and Coal, Sub-Directorate of Standardisation Management, and Mineral & Coal Service Business to verify the assessment of Standardisation Management and Mineral Services Business of PTAR's mining activities.

Kunjungan lapangan dari Direktorat Jenderal Mineral dan Batubara, Subdirektorat Pengelolaan Standardisasi, dan Usaha Jasa Mineral & Batubara, untuk memverifikasi penilaian Pengelolaan Standardisasi dan Usaha Jasa Mineral atas kegiatan pertambangan PTAR.



23

March | Maret
2020

Agincourt Resources in coordination with Regional Disaster Management Agency of South Tapanuli and Head of Angkola Timur Sub-district for distributed food items to 24 households who became the victims of a tornado.

Agincourt Resources berkoordinasi dengan Badan Penanggulangan Bencana Daerah Tapanuli Selatan dan Kecamatan Angkola Timur Untuk membagikan bahan makanan kepada 24 Kepala Keluarga (KK) yang menjadi korban puting beliung.



6

April | April
2020

COVID-19 SUPPORT: Martabe Gold Mine supports the provision of primary needs for the South of Tapanuli Hospital isolation room, worth IDR250 million.

Dukungan COVID-19: Tambang Emas Martabe mendukung penyediaan kebutuhan primer ruang isolasi RS Tapanuli Selatan senilai Rp250 juta.



8

April | April
2020

COVID-19 SUPPORT: Martabe Gold Mine provides PPE aid and other major needs for the central Tapanuli region.

Dukungan COVID-19: Tambang Emas Martabe memberikan bantuan APD dan kebutuhan utama lainnya untuk wilayah Tapanuli Tengah.



9

April | April
2020

COVID-19 SUPPORT: Martabe Gold Mine provides support for the provision of medical devices to the Energy and Mineral Resources [ESDM] Office of North Sumatra.

Dukungan COVID-19: Tambang Emas Martabe memberikan dukungan penyediaan alat kesehatan kepada Kantor Energi dan Sumber Daya Mineral [ESDM] Provinsi Sumatera Utara.



2

June | Juni
2020

Agincourt Resources attended a hearing under the invitation from PT Pembangunan Prasarana Sumatera Utara (PPSU) together with the Special Committee [Pansus] of the Regional House of Representatives (DPRD) of North Sumatra Province related to the report of the North Sumatra Governor for the financial year 2019, 2 June 2020

Agincourt Resources menghadiri rapat atas undangan PT Pembangunan Prasarana Sumatera Utara (PPSU) bersama Panitia Khusus [Pansus] Dewan Perwakilan Rakyat Daerah (DPRD) Provinsi Sumatera Utara terkait laporan Gubernur Sumatera Utara tahun buku 2019



10

June | Juni
2020

Virtual Health Talk 1 - 'How do we Adapt to the New Normal'

Virtual Health Talk 1 - 'Bagaimana Kami Beradaptasi dengan Keadaan "New Normal"

**21****July | Juli
2020**

Field visit of the South Tapanuli National Land Agency regarding the revisions of the Martabe Development Project Location Permit.

Kunjungan lapangan Badan Pertanahan Nasional [BPN] Kabupaten Tapanuli Selatan terkait revisi Izin Lokasi Proyek Pengembangan Martabe.

**23****July | Juli
2020**

A working visit of the North Sumatera Provincial DPRD Commission.

Kunjungan kerja Komisi DPRD Provinsi Sumatera Utara.

**19****August | Agustus
2020**

Virtual Health Talk session 2 – 'Healthy Mind, Healthy Life'

Virtual Health Talk 2 - 'Pikiran Sehat, Hidup Sehat'

**23****September | September
2020**

Virtual Health Talk Session 3 – 'Eat Well, Live Well, Be Well'

Virtual Health Talk 3 – Makan Sehat, Hidup Sehat, Menjadi Sehat'

**26****September | September
2020**

E-Coaching: 'Strategic Planning for a Gold Mine'. Collaboration with Gadjah Mada University.

E-Coaching: 'Perencanaan Strategis untuk Tambang Emas'. Bekerjasama dengan Universitas Gadjah Mada.

**29****September | September
2020**

Martabe Gold Mine wins three mining awards from the Directorate General of Mineral and Coal, Ministry of Energy, and Mineral Resources. Additionally, the 'Best Exploration Commitment Award' at the IAGI Exploration Awards 2020.

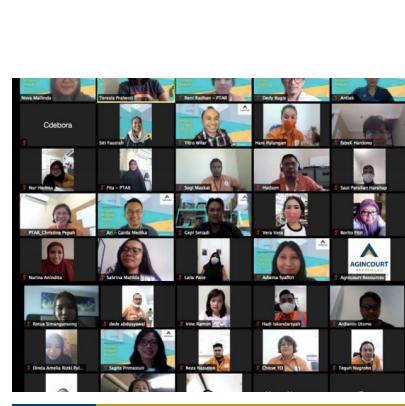
Tambang Emas Martabe memenangkan tiga penghargaan pertambangan dari Direktorat Jenderal Mineral dan Batubara, Kementerian Energi, dan Sumber Daya Mineral. Selain itu, mendapatkan penghargaan 'Komitmen Eksplorasi Terbaik' di IAGI Exploration Awards 2020.



20-28 October | Oktober
2020

Masyarakat Geologi Ekonomi Indonesia menyelenggarakan acara "Annual Convention & Exhibition 2020"

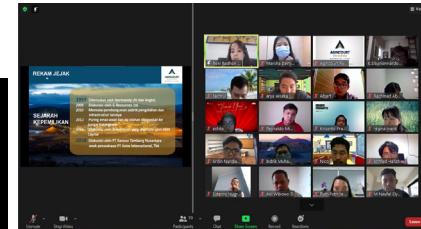
Masyarakat Geologi Ekonomi Indonesia menyelenggarakan acara "Annual Convention & Exhibition 2020"



30 October | Oktober
2020

Virtual Health Talk, session 4:
'Sympathy, Empathy, Caring'.

Virtual Health Talk 4 – 'Simpati, Empati, Peduli'



23 November | November
2020

Astra International Tbk invited Agincourt Resources to share knowledge on Martabe Gold Mine, at a cadre development session in Astra Basic Management Program (ABMP) 348.

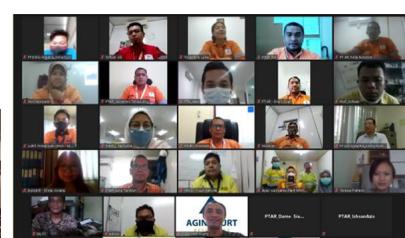
Astra International Tbk mengundang Agincourt Resources untuk berbagi ilmu tentang Tambang Emas Martabe, pada sesi pengembangan kader di Astra Basic Management Program (ABMP) 348.



26-27 November | November
2020

Official event of treated water lab result opening and dissemination for three quarters.

Acara resmi pembukaan dan sosialisasi hasil lab air olahan selama tiga triwulan.



7 December | Desember
2020

OHS & Training held a Health Safety and Environment (HSE) Forum.

OHS & Training mengadakan Forum K3.



10-11 December | Desember
2020

Agincourt Resources join in Minerba Virtual Expo on the theme Mining Sector Role in Supporting National Economy amid the Pandemic.

Agincourt Resources mengikuti Minerba Virtual Expo dengan tema Peran Sektor Pertambangan dalam Mendukung Perekonomian Nasional di tengah Pandemi.



Fajar Surianto, Field Technician Database, Exploration and Eka Novery Dalimunthe, Administration Database, Exploration, are observing core at the coreshed.

Fajar Surianto, Field Technician Database, Exploration dan Eka Novery Dalimunthe, Administration Database, Exploration, sedang mengamati contoh batuan (core) di lokasi pengumpulan contoh hasil eksplorasi (coreshed).





Chapter 4

MANAGEMENT DISCUSSION AND ANALYSIS

ANALISIS BISNIS MANAJEMEN



The gold price was propelled to 25% higher in 2020, as the COVID-19 pandemic heightened uncertainty of the stability of economies.¹

Harga emas mengalami kenaikan hingga 25% pada tahun 2020, di tengah pandemi COVID-19 yang menciptakan ketidakpastian dengan meningkatnya risiko yang ada serta munculnya risiko baru.



Industry Overview

Tinjauan Industri

In a year of extreme volatility for global financial markets, gold was among the best performing asset classes, benefiting from pandemic induced broad-based risk aversion, continuing geopolitical frictions and US domestic political upheaval. Moreover, most major central banks responded to the pandemic by further easing monetary policy, pushing ultra-low interest rates even lower, and in some cases employing quantitative easing; both policy levers working to increase the attractiveness of gold for yield and as a store of value, respectively. Governments also responded to the environment by adjusting fiscal policy settings and injecting liquidity into economies through economic stimulus packages to restore confidence and encourage investment and consumption.

Gold started the year at US\$1,527 per ounce and appreciated over Q2 and Q3 as the pandemic swept across the globe. By early August, momentum had carried gold to a historical peak of US\$2,067 per ounce before consolidating lower around US\$1,860 per ounce. With the US presidential elections completed and optimism flowing from vaccine advancements, gold ended a remarkable year 25% higher than it started at US\$1,888 per ounce.

Overall annual demand for gold fell by 14% to 3,676 tonnes, the lowest volume since 2009. Consumer jewellery demand - 48% of total gold demand in 2019 - was severely undermined by COVID-19, falling by 33% to a record low in 2020. Central bank appetite largely evaporated from the decade highs of 2019, down by

Pada tahun yang penuh volatilitas di pasar keuangan global, emas adalah salah satu aset dengan kinerja terbaik. Hal ini didorong oleh keuntungan dari penghindaran risiko luas terkait pandemi, adanya isu geopolitik yang berkelanjutan dan maraknya politik domestik AS. Selain itu, sebagian besar bank sentral utama merespon pandemi dengan memberikan kemudahan melalui kebijakan moneter, mendorong suku bunga menjadi sangat rendah, dan dalam beberapa kasus menerapkan pelonggaran kuantitatif. Kebijakan-kebijakan tersebut dilakukan agar meningkatkan daya tarik emas yang bisa dijadikan sebagai aset penyimpan nilai. Pemerintah juga merespon dengan menyesuaikan pengaturan kebijakan fiskal dan memberikan kemudahan pada perekonomian melalui paket stimulus ekonomi untuk memulihkan kepercayaan dan mendorong investasi dan konsumsi pada emas.

Pada awal tahun harga emas tercatat US\$1.527 per ounce dan naik selama triwulan ke-2 dan ke-3 karena pandemi melanda seluruh dunia. Pada awal Agustus, harga emas naik ke harga tertinggi sepanjang sejarah dengan US\$2.067 per ounce sebelum turun ke sekitar US\$1.860 per ounce. Dengan selesainya pemilihan Presiden AS dan optimisme dari kemajuan vaksinasi, harga emas meningkat sebesar 25% lebih tinggi dibandingkan harga awal sebesar US\$1.888 per ounce.

Secara keseluruhan permintaan emas tahunan mengalami penurunan sebesar 14% menjadi 3.676 ton, paling rendah sejak 2009. Permintaan perhiasan konsumen – dengan proporsi 48% dari permintaan emas – juga mengalami penurunan sebesar 33% akibat pandemi COVID-19, terendah selama 2020. Bank sentral

¹World Gold Council – Gold Demand Trends 2020 and Global Outlook 2021



South view of Purnama Pit.
Sisi Selatan Pit Purnama

nearly 60% year-on-year. Technology consumption also declined marginally for the second year in a row. Falls were partly offset by a US\$48 billion surge into ETF's, up 120% and driven by price, uncertainty and interest rates. The same drivers pushed investment demand for gold bars and coins higher in the second half of the year, finishing 3% higher for the year.

Total gold supply fell 4% to 4,633 tonnes in 2020, the first annual decline since 2017 and the largest fall since 2013. The main supply determinants - mine production and gold recycling – were both severely disrupted by the pandemic. Mine production was 4% lower year-on-year while the global hedge book fell by 65 tonnes. Recycled gold increased by only 1% to 1,297 tonnes, despite the strong gold price.

yang sudah mengalami angka tertinggi pada 2019, turun hingga hampir 60% (YoY). Penggunaan teknologi juga mengalami penurunan marginal untuk dua tahun berturut-turut. Penurunan sebagian diimbangi oleh lonjakan US\$48 miliar ke dalam ETF, naik 120% karena didorong oleh harga, ketidakpastian, dan suku bunga. Faktor-faktor tersebut juga mendorong permintaan investasi emas batangan dan koin naik pada semester kedua tahun ini, dengan kenaikan 3% pada tahun 2020.

Total pasokan emas mengalami penurunan sebesar 4% atau menjadi 4.633 ton pada tahun 2020, penurunan tahunan pertama sejak 2017 dan penurunan terbesar sejak 2013. Penentu pasokan utama – produksi tambang dan daur ulang emas – keduanya sangat terpengaruh adanya pandemi. Produksi tambang juga mengalami penurunan sebesar 4% dari tahun ke tahun sementara nilai buku secara global turun sebesar 65 ton. Selain itu, emas daur ulang hanya meningkat sebesar 1% atau menjadi 1.297 ton, meskipun harga emas menguat.



Operational Review Tinjauan Operasional

Overview

The COVID-19 pandemic was the most influential event affecting Martabe Gold Mine's operation in 2020. Despite the challenges to modify some business process to be inline with new health protocol standards, Martabe Gold Mine was able to maintain its operations in 2020, with favourable results across all key operating metrics.

In 2020 mining operation, subject to covid safe protocols, continued according to plan in the Purnama and Barani pits. Full-scale mining commenced in Ramba Joring North and there was further development of the Ramba Joring South access and mining area.

The processing plant also adopted COVID-19 safe protocols, and one aspect of this included temporarily feeding lower gold grades from long term stockpiles which resulted in lower gold produced compared to last year. The overall lower grade and lower recovery was partially offset by higher tonnes milled - achieving new record for ore processed, more than 6.1 million tonnes of ore.

Mining

Gold and silver mining at the Martabe Gold Mine is carried out using the 'open pit' method. Due to the hilly topography, the pits are maintained at a shallow level. There are currently three pits in operation, namely the Ramba Joring Pit, Barani Pit, and the Purnama Pit, with operations starting in 2018, 2016, and 2011 respectively.

In 2020, 10.6 million tonnes of material was mined, 15% lower than 12.4 million tonnes mined in 2019, mainly due to COVID-19 related operational impacts. The amount of ore mined during 2020 was 6.1 million tonnes, 4% higher compared to the 5.9 million tonnes mined in 2019. Waste mining was impacted at all three pits as a direct impact of the pandemic, with 4.5 million tonnes of waste mined in 2020.

Gambaran Umum

Pandemi COVID-19 sangat memengaruhi operasi Tambang Emas Martabe pada tahun 2020. Terlepas dari tantangan untuk mengubah beberapa proses bisnis agar sejalan dengan standar protokol kesehatan yang baru, Tambang Emas Martabe mampu mempertahankan operasinya pada tahun 2020, dengan hasil yang menguntungkan di semua metrik operasi utama.

Pada tahun 2020 operasi penambangan dilanjutkan sesuai dengan rencana di Pit Purnama dan Pit Barani. Penambangan skala penuh dimulai di Ramba Joring Utara, dan ada pengembangan lebih lanjut dari akses dan area penambangan Ramba Joring Selatan.

Pabrik pengolahan juga menerapkan protokol COVID-19. Salah satu langkah penyesuaian adalah menggunakan kadar emas yang lebih rendah secara sementara dari timbunan jangka panjang, dan mengakibatkan produksi emas lebih rendah dibandingkan tahun lalu. Kadar dan tingkat pemulihan yang lebih rendah sebagian diimbangi oleh ton penggilingan yang lebih tinggi, dengan capaian mencapai rekor baru untuk bijih olahan yaitu sebesar lebih dari 6,1 juta ton bijih.

Penambangan

Penambangan emas dan perak di Tambang Emas Martabe dilakukan dengan metode tambang terbuka. Karena topografi yang berbukit, pit dijaga pada tingkat yang dangkal. Saat ini terdapat tiga pit yang beroperasi yaitu Pit Ramba Joring, Pit Barani, dan Pit Purnama yang mulai beroperasi masing-masing pada tahun 2018, 2016, dan 2011.

Pada tahun 2020, 10,6 juta ton material ditambang, lebih rendah 15% dari 12,4 juta ton pada tahun 2019, terutama karena dampak operasional terkait COVID-19. Jumlah bijih yang ditambang selama tahun 2020 adalah 6,1 juta ton, 4% lebih tinggi dibandingkan dengan tahun 2019 sebesar 5,9 juta ton. Penambangan sisa batu buangan di ketiga pit terkena dampak langsung dari pandemi, dengan 4,5 juta ton sisa batu buangan ditambang pada tahun 2020 .

Total Mined (Thousand of tonnes)
Jumlah yang Ditambang (000 tons)



Ore Processing

Pengolahan Bijih



Ramba Joring Pit

The Ramba Joring pit is divided into two sections, namely the Northern and the Southern area, due to the hilly topography and mineral resources. The areas are at different stages of operations; the northern part being wide open and fully operational, whereas the southern part is still under the process of widening and due to its restrictive operating width it can only be mined during the day.

In 2020, Ramba Joring Pit produced 1.1 million tonnes, which was 5% higher than the production in 2019. As the pit continues to progress from early development phase into the full production phase, all aspects of the mine become more efficient including more ore, lower strip ratio and better economics.

Barani Pit

The main concentration of mining-focused around the northern part of the Barani Pit, which is part of the TSF construction plan. This area will be mined until its final design and then be backfilled.

Pit Ramba Joring

Pit Ramba Joring terbagi menjadi dua bagian, yaitu bagian utara dan selatan, karena topografinya yang berbukit dan sumber daya mineralnya yang bercabang. Area tersebut berada pada tahapan operasi yang berbeda; bagian utara terbuka lebar dan beroperasi penuh, sedangkan bagian selatan masih dalam proses pelebaran sehingga hanya bisa ditambang pada siang hari.

Pada tahun 2020, Pit Ramba Joring menghasilkan 1,1 juta ton, 5% lebih tinggi dari produksi pada tahun 2019. Seiring dengan perkembangan pit dari tahap awal pengembangan ke tahap produksi, semua aspek tambang menjadi lebih efisien: lebih banyak bijih, rasio pengupasan yang lebih rendah dan faktor ekonomi yang lebih baik.

Pit Barani

Konsentrasi utama penambangan difokuskan di sekitar bagian utara pit Barani, yang merupakan bagian dari rencana konstruksi TSF. Dengan begitu, area ini akan ditambang hingga proses desain dan kemudian akan ditimbun kembali.

The production of Barani Pit was lower in 2020 in accordance with the mine plan, partially due to the fact that in the northern section of the mine will be used for the TSF. In 2020, total material mined in Barani reached 2.5 million tonnes, which is 43% lower than in 2019, when 4.3 million tonnes were mined. The stripping ratio also decreased by 25% to 3.1:1.

Purnama Pit

The oldest pit of the Martabe Gold Mine had a solid performance in 2020 with 7.0 million tonnes of material produced, the same amount as in 2019. The stripping ratio decreased from 0.42:1 to 0.34:1. This reduction in stripping ratio was due to the 6% increase in ore production from 4.9 million tonnes in 2019 to 5.2 million tonnes in 2020. Consequently, the waste rock also decreased by 14% from 2.1 million tonnes in 2019 to 1.8 million tonnes in 2020.

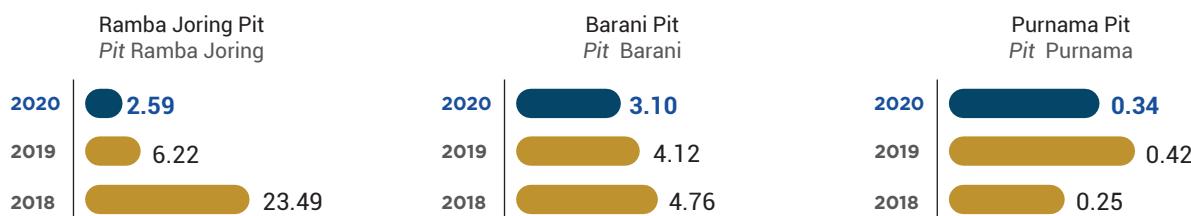
Produksi Pit Barani lebih rendah pada tahun 2020. Hal ini sesuai dengan rencana sebagian penambangan karena di bagian Utara tambang akan digunakan untuk TSF. Pada tahun 2020, total material yang ditambang di Barani mencapai 2,5 juta ton, lebih rendah 43% dibandingkan pada 2019 sebesar 4,3 juta ton. Rasio pengupasan juga mengalami penurunan yaitu sebesar 25% menjadi 3,1:1.

Pit Purnama

Pit tertua di Tambang Emas Martabe memiliki kinerja yang solid pada tahun 2020 dengan produksi 7,0 juta ton material, jumlah yang sama seperti pada tahun 2019. Rasio pengupasan menurun dari 0,42:1 menjadi 0,34:1. Penurunan rasio pengupasan ini disebabkan oleh peningkatan produksi bijih sebesar 6% dari 4,9 juta ton pada tahun 2019 menjadi 5,2 juta ton pada tahun 2020. Akibatnya, batu buangan juga mengalami penurunan sebesar 14% dari 2,1 juta ton pada tahun 2019 menjadi 1,8 juta ton pada tahun 2020.

Description Keterangan	Unit Satuan	2020	2019	2018
Ore mined Bijih yang ditambang				
Ramba Joring Pit Ramba Joring	Tonnes Ton	319,251	151,743	46,433
Barani Pit Barani		606,066	839,248	784,576
Purnama Pit Purnama		5,204,593	4,926,246	4,833,957
Total ore mined Total bijih yang ditambang		6,123,910	5,917,236	5,664,976
Waste rock produced Batuan Sisa diproduksi				
Ramba Joring Pit Ramba Joring	Tonnes Ton	826,162	944,199	1,091,103
Barani Pit Barani		1,861,758	3,454,603	3,737,292
Purnama Pit Purnama		1,756,694	2,049,219	1,231,049
Total waste rock produced Total batuan sisa yang diproduksi		4,444,614	6,448,021	6,059,444
Overall material mined Material keseluruhan ditambang		10,568,524	12,365,257	11,724,421

Strip ratio Nisbah Kupasan



Processing

The processing plan accelerated in its performance in 2020, where more material was processed at a higher milling rate.

Pengolahan

Rencana pengolahan ditingkatkan kinerjanya pada tahun 2020, di mana lebih banyak material diproses pada tingkat penggilingan yang lebih tinggi.

Processing Performance Kinerja Pengolahan

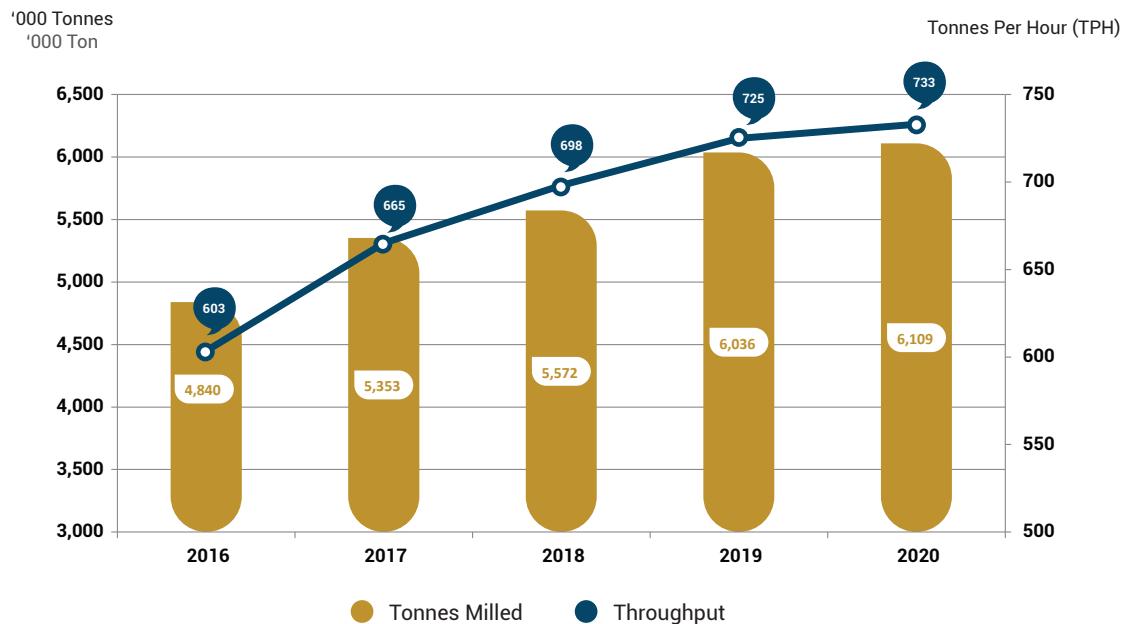
Description Keterangan	Unit Satuan	2020	2019	2018
Ore milled Jumlah yang Digiling	(tonnes)	6,109,364	6,036,044	5,572,308
Run time <i>Run Time</i>	%	94.9%	95.0%	91.1%
Availability Ketersediaan	%	95.45%	95.5%	91.6%
Gold recovery Perolehan Emas	%	80.4%	85.4%	84.4%
Silver recovery Perolehan Perak	%	66.0%	68.8%	70.2%
Milling rate Tingkat penggilingan	(tonnes/hour) ton/jam	733	725	698
Processed grade- gold Proses menjadi Emas	(grams/tonne)	1.93	2.35	2.73
Processed grade- silver Proses menjadi Perak	(gram/ton)	18.17	17.50	23.05
Gold poured Emas yang Dituangkan	(ounce)	306,594	391,031	410,387
Silver poured Perak yang Dituangkan		2,360,694	2,340,707	2,895,380

The processing plant exceeded its mill throughput from 6.0 million tonnes in 2019 to 6.1 million tonnes in 2020. Furthermore, the throughput rate increased from 725 tph in 2019, to 733 tph in 2020, a 1% increase. This is mainly attributed to the ongoing Martabe Improvement Program (MIP).

Pabrik pengolahan melampaui *throughput* pabriknya dari 6,0 juta ton pada tahun 2019 dan menjadi 6,1 juta ton pada tahun 2020. Selain itu, tingkat produksi mengalami kenaikan 1% menjadi 733 tph dibandingkan tahun 2019 sebesar 725 tph. Hal ini disebabkan oleh adanya *Martabe Improvement Program* (MIP) yang sedang berlangsung.

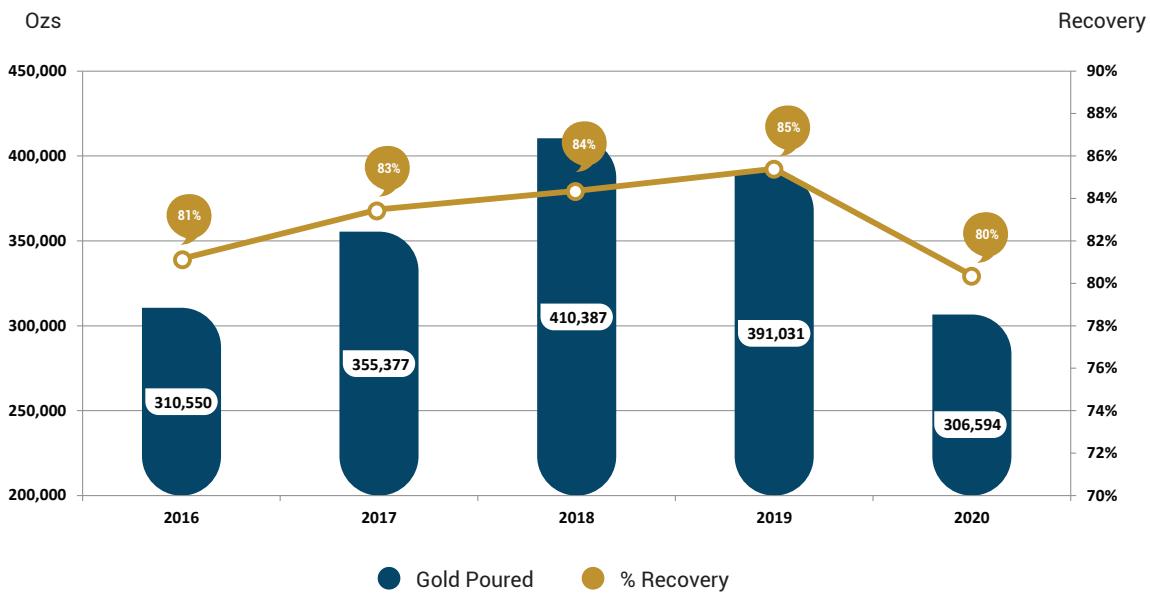
Milled and Milling Rate of Ton/Hour

Jumlah yang Digiling dan Tingkat Penggilingan



Gold Poured and % Recovery

Emas yang Dituangkan dan % Perolehan



The precious metal recovery rate dropped from 85.4% in 2019 to 80.4% in 2020 and silver recovery from 68.8% in 2019 to 66.0% in 2020. This is due to the characteristics of the ore with lower gold grade and higher sulphide sulphur content.

Tingkat perolehan logam mulia tahun 2020 mengalami penurunan menjadi 80,4% dibandingkan tahun 2019 sebesar 85,4%. Pada tahun yang sama perolehan perak juga mengalami penurunan menjadi 66,0% dibandingkan tahun 2019 sebesar 68,8%. Hal ini disebabkan karakteristik bijih yang memiliki kadar emas lebih rendah dan kadar sulfur sulfida yang lebih tinggi.

Refining

PT ANTAM (Persero) Tbk is the only refinery with LBMA certificate in Indonesia, refines all dore produced by the Company at its facilities at the Logam Mulia refinery in Jakarta. The gold and silver granules as the final product are then exported and sold to banks in Singapore. In 2020, the company sold 290,586 ounces of refined gold and 2.15 million ounces of refined silver. It is lower than the previous year of 383,493 ounces of gold and 2.24 million ounces of silver driven by lower metal grades and recovery in 2020.

Pemurnian

PT ANTAM (Persero) Tbk sebagai satu-satunya kilang yang memiliki sertifikat LBMA di Indonesia, melakukan pemurnian seluruh hasil produksi perusahaan yang dilakukan di fasilitas pemurnian Logam Mulia di Jakarta. Butiran emas dan perak sebagai produk akhir kemudian diekspor dan dijual ke bank-bank di Singapura. Pada tahun 2020, perusahaan menjual 290.586 ounce butiran emas dan 2,15 juta ounce perak murni. Angka ini lebih rendah dari tahun sebelumnya sebesar 383.493 ounce emas dan 2,24 juta ounce perak, karena penurunan kadar logam dan pemulihan pada tahun 2020.



Business Review and Results

Tinjauan dan Hasil Bisnis

Notwithstanding difficulties experienced in 2020, the Company maintained strong financial performance, with a solid Net Profit after Tax (NPAT) of US\$187.2 million and an NPAT Margin of 39%, marginally surpassing the record of 38% reported in 2019.

The benefit of an increase in the average gold price cannot be fully received by the Company since 91% of 2020 sales were hedged at a price ranging from US\$1,325 per ounce to US\$1,505 per ounce.

This resulted in US\$83.4 million realized the cost of hedging compare to 2019 of US\$12.4 million and US\$ 2.4 million unrealized costs of hedging in 2020. No unrealized hedging cost recorded for 2019. The realized cost of hedging consist of the loss coming from the lower agreed settlement price compare to the reference index price of which US\$ 67,1 million booked as a reduction in the revenue, while the US\$ 13.1 million is booked in other expense due to infectivity of the hedging instrument. An additional \$3.1 million is booked in other expense for hedging premium paid input option as a risk management to secure that the settlement price is not lower than \$1,300 per ounce. The unrealized cost of hedging is a mark to the market value of the instrument for the ineffective hedging instrument for April 2020 where the company reschedule the company monthly hedges to February 2021 due to low sales volume for April due to COVID-19 pandemic outbreak.

Terlepas dari kesulitan yang dialami pada tahun 2020, perusahaan mempertahankan kinerja keuangan yang kuat, dengan memperoleh Laba Bersih setelah Pajak (NPAT) sebesar US\$187,2 juta dan Margin NPAT sebesar 39%, angka ini sedikit melampaui rekor 38% yang dilaporkan pada tahun 2019.

Keuntungan dari kenaikan rata-rata harga emas tidak dapat sepenuhnya dicatat oleh Perusahaan, karena 91% penjualan tahun 2020 telah di-*hedging* dengan harga berkisar antara US\$1.325 per ounce hingga US\$1.505 per ounce.

Hal ini mengakibatkan realisasi biaya lindung nilai sebesar US\$8,4 juta, jika dibandingkan dengan tahun 2019 sebesar US\$12,4 juta dan US\$2,4 juta biaya lindung nilai yang belum direalisasi pada tahun 2020. Tidak adanya biaya lindung nilai yang belum terealisasi yang tercatat untuk tahun 2019. Realisasi biaya lindung nilai terdiri dari kerugian berasal dari harga penyelesaian yang lebih rendah yang disepakati dibandingkan dengan harga indeks acuan sebesar US\$67,1 juta dan telah dibukukan sebagai pengurang pendapatan, sedangkan US\$13,1 juta dibukukan sebagai beban lain-lain akibat infektifitas instrumen lindung nilai. Tambahan US\$3,1 juta dibukukan dalam biaya lain untuk lindung nilai premi yang dibayarkan dalam opsi jual sebagai manajemen risiko untuk memastikan bahwa harga penyelesaian tidak lebih rendah dari US\$1.300 per ounce. Biaya lindung nilai yang belum direalisasi adalah nilai pasar dari instrumen untuk instrumen lindung nilai yang tidak efektif pada April 2020. Pada tersebut perusahaan menjadwal ulang lindung nilai bulanan perusahaan menjadi Februari 2021 karena volume penjualan yang rendah untuk bulan April akibat adanya pandemi COVID-19.

The spot price realized before hedging in 2020 was US\$1,742 per ounce, and the net realized price after hedging was US\$1,465 per ounce, 16% lower than spot price in the market.

The company has benefited from the lower tax rate applied in 2020, thus tax expense is lower than in 2019. Ultimately the company's Net Profit Margin improved to 39%.

Martabe Improvement Program (MIP)

Martabe 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 its inception in 2013, the MIP has consistently resulted in further optimisation of our assets and reduction in costs. During 2020, 26 projects were either completed or active and contributed US\$7.0 million in value across all key business units. Whilst a strong and positive result, 2020 was a transitional year for the MIP program, when significant projects of recent years matured and ambitious new undertakings are yet to bear fruit. A small number of significant projects have been developed over the last two years, and are now well advanced to come into production in 2021. These include the Oxygen Shear Reactor (improving recovery on ores with higher sulphide sulphur content), ReCYN Cyanide Recovery system (reducing the consumption and cost of cyanide and associated reagents), Mill Capacity Expansion project (improving mill throughput by 10%), and larger capacity haul truck fleet (reducing haulage unit cost) will contribute significantly to the MIP Program in 2021.

Harga spot yang direalisasikan untuk penjualan selama ini adalah US\$1.742 per ounce, dan harga realisasi bersih setelah lindung nilai adalah US\$1.465 per ounce, 16% lebih rendah dari harga spot di pasar.

Perusahaan mendapatkan keuntungan dari tarif pajak yang lebih rendah yang diterapkan pada tahun 2020, sehingga beban pajak lebih rendah dari tahun 2019. Dengan demikian, Margin Laba Bersih perusahaan meningkat menjadi 39%.

Martabe Improvement Program (MIP)

Martabe Improvement Program (MIP) merupakan perwujudan budaya peningkatan berkelanjutan Perusahaan. Program ini mencerminkan fokus untuk mencari perbaikan di semua aspek bisnis. Selain itu, Perusahaan percaya bahwa mitigasi utama untuk mengatasi risiko ketidakstabilan harga emas adalah dengan mengoptimalkan produktivitas aset dan menyusutkan struktur biaya kami, selain meningkatkan cadangan dan sumber daya dan memperpanjang umur tambang.

Sejak dimulai tahun 2013, MIP secara konsisten menghasilkan optimalisasi dari aset dan mengurangi biaya. Selama tahun 2020, 26 proyek telah diselesaikan, aktif, atau memberikan kontribusi sebesar US\$7,0 juta di semua unit bisnis utama. Meskipun membawa hasil yang kuat dan positif, tahun 2020 merupakan tahun transisi untuk program MIP, ketika proyek-proyek penting dan ambisius dalam beberapa tahun terakhir belum membawa hasil. Sejumlah proyek kecil penting telah dikembangkan selama dua tahun terakhir, dan saat ini mulai berjalan pada tahun 2021. Ada beberapa program MIP yang dianggap akan berkontribusi signifikan pada tahun 2021, yaitu *Oxygen Shear Reactor* (meningkatkan pemulihan bijih dengan kandungan sulfur sulfida yang lebih tinggi), sistem Pemulihan Sianida *ReCYN* (mengurangi konsumsi dan biaya sianida dan reagen terkait), proyek Perluasan Kapasitas Pabrik (meningkatkan produksi pabrik sebesar 10%), dan transportasi truk angkut berkapasitas lebih besar (mengurangi biaya unit pengangkutan).

In 2020, the main drivers of value were cost reductions thorough contract renegotiations, improved commercial outcomes from the placement of forwarding purchase agreements (FPA), exploration cost-saving initiatives and most influentially, engineering projects resulting in record-setting mill productivity, in terms of milling rate and total ore processed.

Pada tahun 2020, terdapat beberapa fokus utama, yaitu pengurangan biaya negosiasi ulang kontrak secara menyeluruh, peningkatan hasil komersial dari penempatan perjanjian pembelian dimuka (FPA), inisiatif penghematan biaya eksplorasi dan yang paling berpengaruh, proyek-proyek rekayasa yang menghasilkan produktivitas pabrik membuat rekor dalam hal penggilingan serta tingkat dan total bijih yang diproses.

All In Sustaining Cost (AISC)

The Company follows the key performance metric All In Sustaining Cost (AISC) to compare its performance against industry benchmarks. AISC in 2020 was US\$508 per ounce, which is 15% above the 2019 amount of US\$443 per ounce, which was driven by lower sales volumes by 24% (as a result of lower feed grade and lower recovery, impacting total gold produced). Partially compensated by lower gross costs by 13%.

All in Sustaining Cost (AISC)

Perusahaan menggunakan standar metrik kinerja utama *All in Sustaining Cost* (AISC) untuk membandingkan kinerja pada industri sejenis. AISC pada tahun 2020 adalah US\$508 per ounce, 15% di atas jumlah tahun 2019 sebesar US\$443 per ounce. Hal ini diakibatkan oleh volume penjualan yang lebih rendah sebesar 24% (sebagai akibat dari *feed grade* yang lebih rendah dan pemulihan yang lebih rendah). Sebagian dikompensasi dari biaya kotor yang lebih rendah sebesar 13%.

Review of the Financial Performance

Telaah Posisi Keuangan

In US\$'000, unless stated otherwise dalam US\$'000, kecuali dinyatakan lain	2020	2019	2018
Sales Penjualan	481,420	560,887	574,197
Cost of Goods Sold Harga Pokok Penjualan	(199,940)	(230,496)	(226,822)
Gross Profit Laba Kotor	281,480	330,391	347,375
EBITDA* EBITDA*	294,870	371,464	373,840
Net Profit Before Tax (NPBT) Laba Sebelum Pajak	233,120	295,099	270,708
Income Tax Pajak Penghasilan	45,874	79,307	103,911
Net Profit After Tax (NPAT) Laba Setelah Pajak	187,246	215,792	166,797
All In Sustaining Cost AISC (US\$/oz) All In Sustaining Cost AISC (US\$/oz)	508	443	367
Gold Sold (oz) Emas Terjual (oz)	290,586	383,493	412,298
Silver Sold (oz) Perak Terjual (oz)	2,149,274	2,238,107	3,314,673

In US\$'000, unless stated otherwise dalam US\$'000, kecuali dinyatakan lain	2020	2019	2018
Gold Average Selling Price after hedges (US\$/oz) Harga Jual Rata-rata Emas sesudah <i>hedges</i> (US\$/oz)	1,467	1,369	1,267
Gold Average Selling Price before hedges (US\$/oz) Harga Jual Rata-rata Emas sebelum <i>hedges</i> (US\$/oz)	1,742	1,397	1,267
Silver Average Selling Price (US\$/oz) Harga Jual Rata-rata Perak (US\$/oz)	20	16	16
Gross Profit Margin Margin Laba Kotor	59%	59%	60%
EBITDA** Margin Margin EBITDA**	61%	66%	65%
Net Profit After Tax Margin Laba Bersih Setelah Margin Pajak	39%	38%	29%

* Earnings before interest, taxes, depreciation, and amortisation
 * Pendapatan sebelum bunga, pajak, depreciasi, dan amortisasi

Despite the COVID-19 pandemic, the Net Profit After Tax (NPAT) reached US\$187.2 million, a favourable result has given the economic slow-down. The 15% year on year decrease was a result of lower revenue driven by lower ounces sold. Other reasons contributing to the decrease are the losses from hedges and an increase in the provision of asset impairment. The NPAT Margin of 39% was impressive surpassing the record result of 38% set in 2019.

Sales reached US\$481.4 million in 2020, 14% lower than 2019 and total gold sold slightly decreased to 290,586 ounces. Lower gold production in 2020 as a result of lower grade and lower recovery partially offset by increased tonnes milled. The average gold price after hedges was US\$1,467 per ounce in 2020 which is US\$96 per ounce higher than 2019.

Silver revenue totalled US\$42.1 million an increase of 17% compared to US\$35.8 million sold in 2019, mainly led by a higher realised selling price. The average sales price for silver was US\$20 per ounce, 18% higher than US\$16 per ounce in 2019. By volume, sales of 2.1 million ounces were 4% down in 2019. Cost of Sales was US\$199.9 million or 13% favourably lower than 2019.

Terlepas dari pandemi COVID-19, Laba Bersih Setelah Pajak (NPAT) mencapai US\$187,2 juta, hasil yang memuaskan mengingat adanya perlambatan ekonomi. Penurunan 15% *year-on-year* adalah dampak dari pendapatan yang lebih rendah, diakibatkan oleh penjualan dalam ounce yang lebih rendah. Faktor lain yang menyumbang penurunan tersebut adalah kerugian dari lindung nilai dan peningkatan provisi penurunan nilai aset. Margin NPAT sebesar 39% merupakan catatan yang baik, melampaui hasil rekor sebesar 38% yang ditetapkan pada tahun 2019.

Penjualan mencapai US\$481,4 juta pada tahun 2020, 14% lebih rendah dari 2019 dan total emas yang terjual sedikit menurun menjadi 290.586 ounce. Produksi emas yang lebih rendah pada tahun 2020 disebabkan oleh kadar dan pemulihan yang lebih rendah, sebagian diimbangi oleh peningkatan ton giling. Harga emas rata-rata setelah lindung nilai adalah US\$1.467 per ounce pada tahun 2020, lebih tinggi US\$96 per ounce dari 2019.

Pendapatan perak mengalami kenaikan sebesar 17%, mencapai US\$42,1 juta dibandingkan tahun 2019 sebesar US\$35,8 juta. Kenaikan ini disebabkan oleh realisasi harga jual yang lebih tinggi. Harga jual rata-rata perak adalah US\$20 per ounce, 18% lebih tinggi dari US\$16 per ounce pada tahun 2019. Berdasarkan volume, penjualan mengalami penurunan sebesar 4% atau 2,1 juta ounce, turun 4% dari tahun 2019. Beban Pokok Penjualan mengalami penurunan sebesar 13% dibandingkan tahun 2019, menjadi US\$199,9 juta.

Review of Financial Position
Telaah Posisi Keuangan

In US\$'000, unless stated otherwise dalam US\$'000, kecuali dinyatakan lain	2020	2019	2018
Current Assets Aset Lancar	172,135	115,836	71,793
Non-Current Assets Aset Tidak Lancar	633,102	651,578	638,008
Total Assets Total Aset	805,236	767,414	709,801
Current Liabilities Liabilitas Jangka Pendek	71,934	157,626	83,648
Non-current Liabilities Liabilitas Jangka Panjang	73,976	76,902	194,785
Total Liabilities Total Liabilitas	145,910	234,529	278,433
Equity Modal	659,326	532,886	431,368
Net Liability to EBITDA (Rate)* Utang Bersih terhadap EBITDA (Rasio)	0.00	0.08	0.31
Fixed Asset Turnover (rate) Perputaran Aktiva Tetap (Rasio)	0.83	0.97	0.98
Return on Total Assets Tingkat Pengembalian Total Aset (Rasio)	23.3	28.1	23.5

*in 2020 company has no outstanding loan liabilities with net cash position of US\$106.2 million.

* pada tahun 2020 perusahaan tidak memiliki hutang pinjaman dengan posisi kas bersih sebesar US\$106,2 juta.

Given the COVID-19 pandemic, the Company has kept its balance sheet stable during 2020, which is exceptional considering the national economic contraction. This result is due to the disciplined management of capital and operating expenditure.

Net assets increased by US\$126.4 million or 24% from US\$532.8 million in 2019 to US\$659.3 million in 2020, while total assets also increased from US\$767.4 million in 2019 to US\$805.2 million in 2020.

The turnover of fixed assets is a key measure of asset utilisation and performance. In 2020 the Company's fixed assets turnover was 0.83, demonstrating how the Company efficiently uses its fixed assets.

In 2020, the Company repaid all the shareholder loans, leaving the Company with zero debt on the Company balance sheet at the end of 2020. The net cash position for cash and cash equivalent at 31st December 2020 is positive US\$106.2 million.

Di tengah adanya pandemi COVID-19, Perusahaan menjaga neraca keuangan tetap stabil selama tahun 2020 dan berhasil bertahan di era perekonomian yang sedang tidak stabil. Hasil ini dikontribusi oleh disiplin pengelolaan modal dan pengeluaran operasional.

Aset bersih meningkat sebesar US\$126,4 juta atau 24%, menjadi US\$659,3 juta pada tahun 2020 dibandingkan tahun 2019 sebesar US\$532,8 juta. Total aset juga mengalami peningkatan menjadi US\$805,2 juta pada tahun 2020, dibandingkan pada tahun 2019 sebesar US\$767,4 juta.

Perputaran asset tetap adalah ukuran utama dari pemanfaatan dan kinerja aset. Pada tahun 2020 perputaran aktiva tetap Perusahaan adalah 0,83, menunjukkan bagaimana perusahaan secara efisien menggunakan aktiva tetapnya.

Selama tahun 2020, Perusahaan telah melunasi seluruh pinjaman dari pemegang saham, sehingga Perusahaan tidak memiliki utang di neraca Perusahaan pada akhir tahun 2020. Posisi kas bersih untuk kas dan setara kas pada 31 Desember 2020 adalah positif sebesar US\$106,2 juta.

Cash Flow & Liquidity
Likuiditas dan Arus Kas

In US\$'000, unless stated otherwise dalam US\$'000, kecuali dinyatakan lain	2020	2019	2018
Income Before Tax Laba sebelum pajak penghasilan	233,120	295,099	270,708
Operating Cash Flows Before Changes in Working Capital Arus kas operasi sebelum perubahan modal kerja	345,019	332,742	373,569
Net Cash Flows Provided From Operating Activities Kas bersih dari Kegiatan Operasional	291,445	245,951	322,201
Net Cash Used In Investing Activities Kas bersih untuk kegiatan investasi	(72,522)	(70,289)	64,818
Net Cash Used In Financing Kas bersih untuk kegiatan pendanaan	(155,080)	(165,960)	(385,022)
Net Change In Cash And Cash Equivalents Kenaikan/(penurunan) kas dan setara kas	63,842	9,702	1,998
Cash And Cash Equivalents – Start Year Kas dan setara kas pada awal tahun	42,380	32,678	30,680
Cash And Cash Equivalents – End Year Kas dan setara kas pada akhir tahun	106,222	42,380	32,678

In 2020 cash flow remained strong, despite the reduced operational performance to COVID-19 pandemic. Operating cash flow before changes in working capital was very strong at US\$345.0 million after adjusting for amortisation, depreciation, and hedging activities.

Cash generated from operations amounted to US\$291.4 Million, which is 19% higher than US\$245.9 million as reported in 2019. The increase is mainly due to the tax refund from the year 2015 to 2019.

PTAR is committed to compliance with all laws and regulations of state revenues and taxes. In 2020, overall Income Tax Expenses reached US\$45.9 million and were comparatively lower than in 2019 of US\$ 79.3 million. The lower tax expense due to reducing tax income rate in 2020 from 25% in 2019 to 22% in 2020 and lower Income Before Tax.

Pada tahun 2020, arus kas tetap kuat, meski kinerja operasional menurun terkait pandemi COVID-19. Arus kas operasi sebelum perubahan modal kerja yaitu US\$345,0 juta setelah disesuaikan dengan aktivitas amortisasi, depresiasi, dan aktivitas lindung nilai.

Kas yang dihasilkan dari operasi berjumlah US\$291,4 juta, lebih tinggi 19% dari US\$245,9 juta pada tahun 2019. Peningkatan ini terutama disebabkan oleh pengembalian pajak dari tahun 2015 ke 2019.

PTAR berkomitmen untuk mematuhi semua peraturan perundang-undangan pendapatan negara dan pajak. Pada tahun 2020, Beban Pajak Penghasilan secara keseluruhan mencapai US\$45,9 juta, lebih rendah dibandingkan tahun 2019 sebesar US\$79,3 juta. Beban pajak yang lebih rendah karena adanya penurunan tarif pajak penghasilan pada tahun 2020 dari 25% pada tahun 2019 menjadi 22%, serta adanya penurunan penghasilan sebelum pajak.

Dividends

Given the favourable financial performance despite the COVID-19 pandemic, PTAR suggest distributing dividend to shareholders totalling US\$82.9 million in 2020, a slight increase from 2019 of US\$82.4 million.

Dividen

Mengingat kinerja keuangan yang kondusif di tengah pandemi COVID-19, PTAR menyarankan untuk membagikan dividen kepada pemegang saham sebesar US\$82,9 juta pada tahun 2020, meningkat dari tahun 2019 sebesar US\$82,4 juta.

Taxes Paid

The Company is committed to compliance with all rules and regulations from the relevant authorities concerning state revenue and taxes. In 2020, US\$54.9 million corporate income tax was paid.

Pembayaran Pajak

Perusahaan berkomitmen untuk mematuhi semua peraturan perundang-undangan dari otoritas terkait yang menyangkut pendapatan negara dan pajak. Pada tahun 2020, pajak penghasilan badan sebesar US\$54,9 juta telah dibayarkan.

In US\$'000, unless stated otherwise dalam US\$'000, kecuali dinyatakan lain	2020	2019	2018
Corporate Income Tax Pajak penghasilan badan usaha	54,923	81,481	93,602
Withholding Income Tax Pemungutan pajak	7,029	30,926	15,050
Royalties Royalti	26,031	21,356	21,300
Deadrent Iuran Pertambangan	566	521	521
Land and building tax Pajak bumi dan bangunan	6,123	6,145	1,004
Other taxes Pajak lainnya	1,723	1,549	1,532
Total Total	96,395	141,978	133,009

Taxes & State Revenue

Since incorporation, the Company has contributed to the development of Indonesia in many ways - one of which is through the payment of its taxation obligations. The Company ensures full compliance with all laws and regulations with the relevant authorities concerning state revenue and taxes.

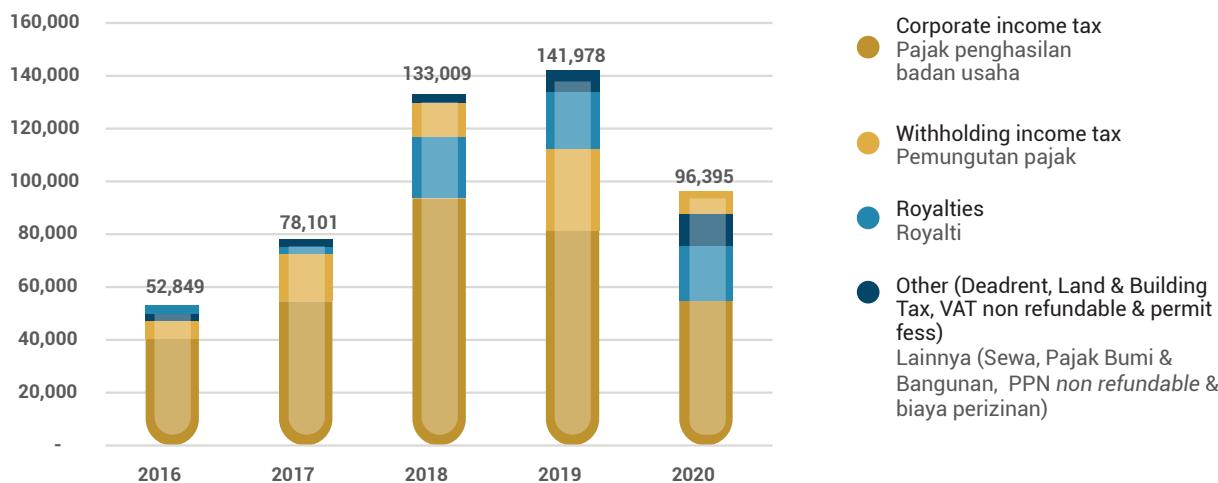
Total taxes and state revenue paid in 2020 were US\$96.4 million of which Corporate Income Tax comprised US\$54.9 million. Corporate Income Tax was lower than 2019 due to the Company's lower Operating Profit Before Tax (OPBT) result, favourably compounded by a new lower tax rate of 22% applicable for 2020, reduced from 25% in 2019.

Pajak & Pendapatan Negara

Sejak berdiri, Perusahaan telah berkontribusi pada pembangunan Indonesia dalam banyak hal, salah satunya melalui pembayaran kewajiban pajak. Perusahaan memastikan selalu mematuhi semua hukum dan peraturan dengan otoritas terkait yang berkaitan dengan pendapatan negara dan pajak.

Total pajak dan penerimaan negara yang dibayarkan pada tahun 2020 sebesar US\$96,4 juta, termasuk Pajak Penghasilan Badan sebesar US\$54,9 juta. Pajak Penghasilan Badan lebih rendah dari tahun 2019 karena hasil Laba Operasi Sebelum Pajak Perusahaan yang lebih rendah dan adanya tarif pajak baru yang lebih rendah sebesar 22% pada tahun 2020 dibandingkan tahun 2019 sebesar 25%.

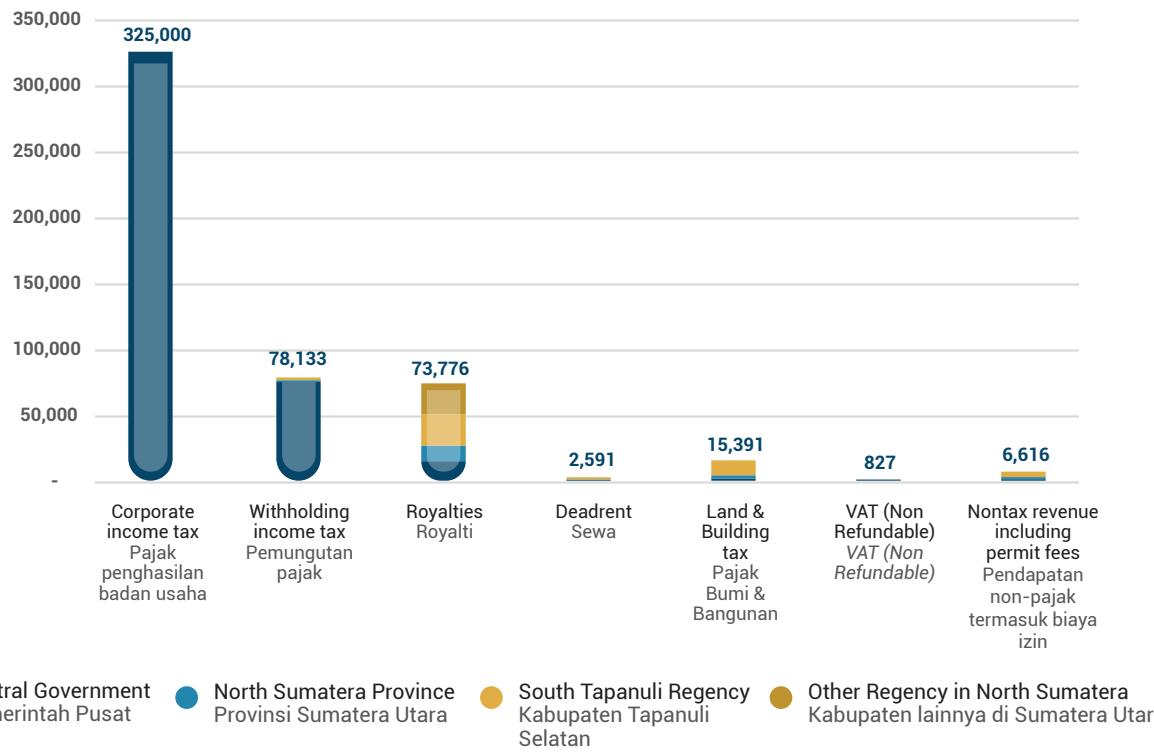
Taxes & State Revenue Year of 2016-2020
Pajak & Pendapatan Negara Tahun 2016-2020
(US\$ '000)



Whilst the majority of state revenue and taxes flow to the central government in the form of Corporate Income Tax, other taxes including dead-rent and royalties, are payable to regional and local government offices where the company operates, by Law No. 33 the Year 2004.

Sebagian besar pendapatan negara dan pajak dibayarkan ke pemerintah pusat dalam bentuk Pajak Penghasilan Badan, sementara pajak lainnya termasuk sewa dan royalti dibayarkan ke pemerintah daerah dan daerah tempat perusahaan beroperasi. Hal ini sesuai dengan Undang-Undang No. 33 tahun 2004.

Total Payment to Government 2016-2020
Total Pembayaran kepada Pemerintah 2016-2020
(US\$ '000)

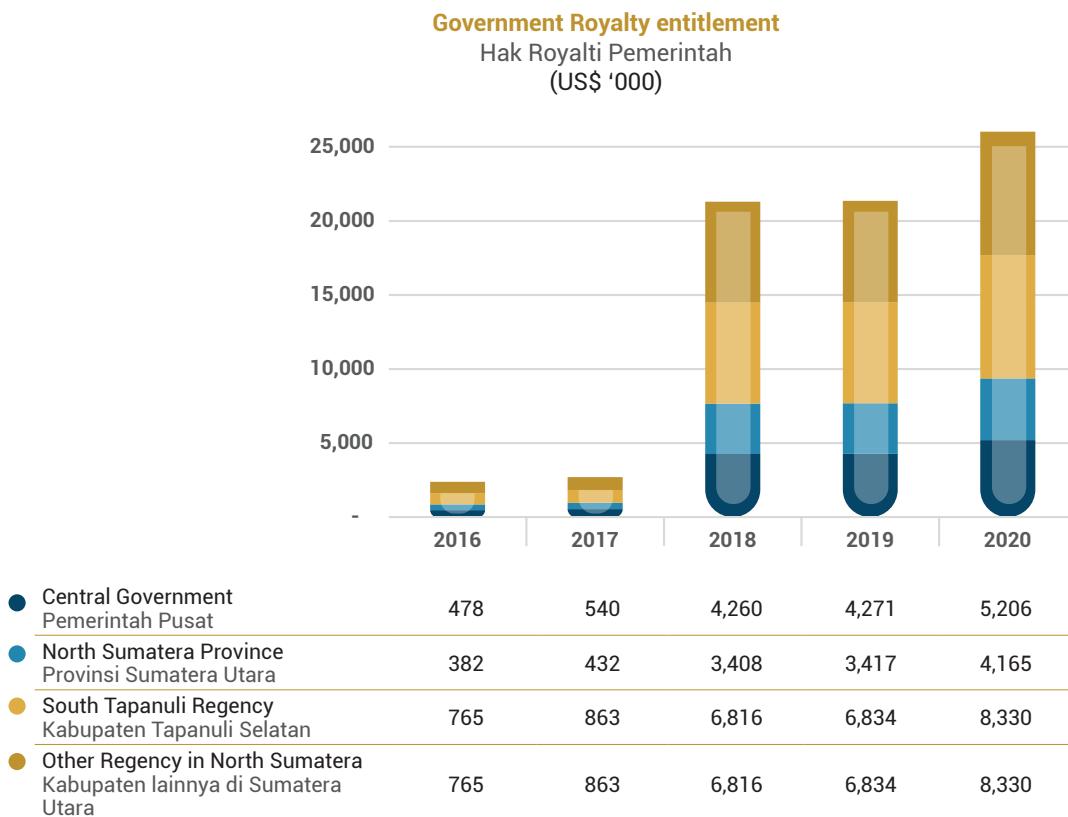


Concerning royalty, all payments are made to The Ministry of Energy and Mineral Resources. The government then redistributes according to the law whereby, 20% is paid to the central government, 16% is paid to the Province of North Sumatera Government and the remaining 64% is equally divided between the South Tapanuli Regency (where the company operates) and the other local regencies within North Sumatera Province.

For 2020, royalty payments have increased significantly to US\$26.0 million, a 22% increase from the previous year of US\$ 21.4 million this is due to an increase in royalty rate that corresponds with higher gold and silver price. This equates to a US\$5.2 million contribution to the central government, US\$4.2 million to the provincial government and US\$16.7 million split between local government offices.

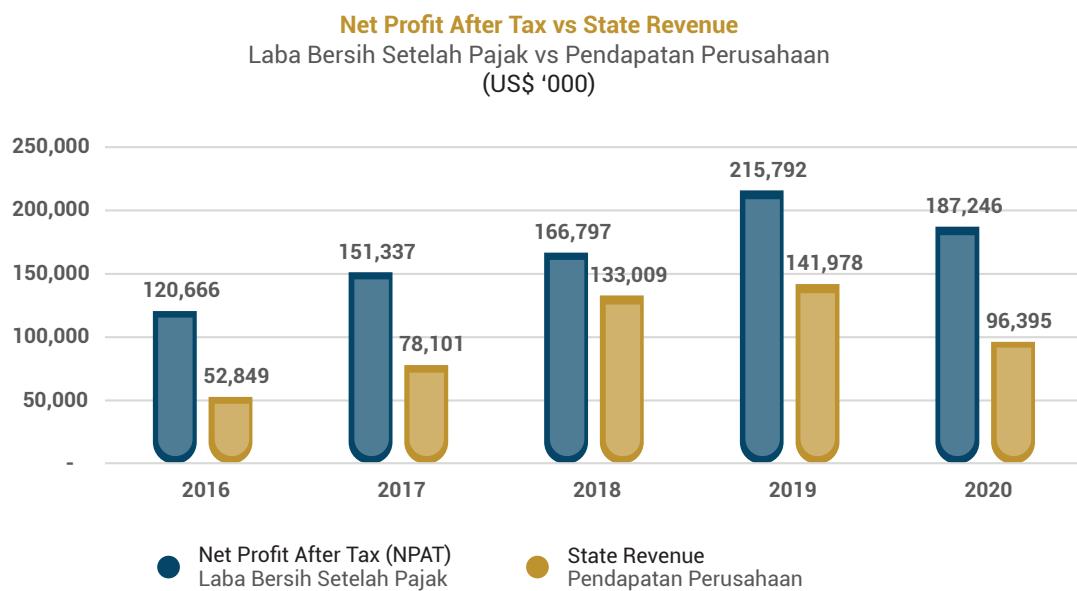
Semua pembayaran royalti dibayarkan ke Kementerian Energi dan Sumber Daya Mineral. Pemerintah kemudian mendistribusikan kembali sesuai dengan undang-undang, 20% dibayarkan kepada Pemerintah Pusat, 16% dibayarkan kepada Pemerintah Provinsi Sumatera Utara dan 64% sisanya dibagi rata antara Kabupaten Tapanuli Selatan (tempat perusahaan beroperasi) dan kabupaten lokal lainnya di Provinsi Sumatera Utara.

Untuk tahun 2020, pembayaran royalti meningkat signifikan sebesar 22% menjadi US\$26,0 juta, dibandingkan tahun sebelumnya sebesar US\$21,4 juta. Hal ini terjadi karena kenaikan tarif royalti yang sejalan dengan kenaikan harga emas dan perak. Dengan demikian, kontribusi yang diberikan sebesar US\$5,2 juta kepada pemerintah pusat, US\$4,2 juta kepada pemerintah provinsi, dan US\$ 16,7 juta bagi kantor pemerintah daerah.



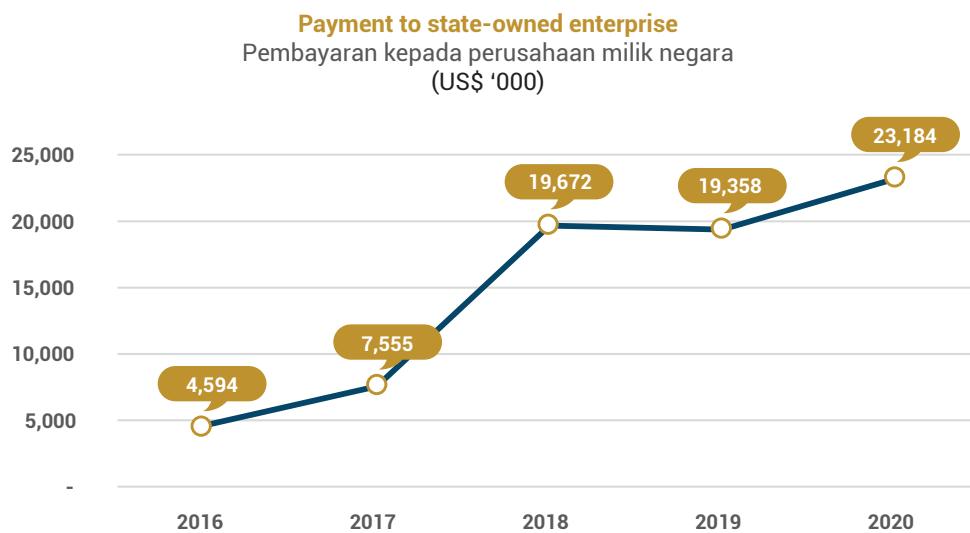
The Company's contribution to state revenue is significant and equal to 51% of Net Profit After Tax (NPAT) in 2020 and 66% of NPAT in 2019.

Kontribusi Perusahaan terhadap penerimaan negara cukup signifikan, yaitu sebesar 51% dari Laba Bersih Setelah Pajak (NPAT) tahun 2020 dan 66% dari NPAT tahun 2019.



In addition to dealings with the various tax offices, the Company maintains good commercially focused relationships with some state-owned enterprises, such as PT Pertamina (Persero) (fuel supply), PT Perusahaan Listrik Negara (electricity supply) and Logam Mulia, a division of PT Aneka Tambang as the only refinery with LBMA certification in Indonesia. The Company also partners with PT Garuda Indonesia, PT Sucofindo and several other state-owned enterprises. Commercial payments to state-owned enterprise increased in 2020 by 20% to US\$23.2 million from US\$19.4 million last year.

Selain berhubungan dengan berbagai kantor pajak, Perusahaan juga menjalin hubungan komersial yang baik dengan sejumlah perusahaan milik negara, seperti PT Pertamina (Persero) (pemasok bahan bakar), PT Perusahaan Listrik Negara (pemasok listrik) dan Logam Mulia, bagian dari PT Aneka Tambang sebagai satu-satunya pemrosesan dengan sertifikasi LBMA di Indonesia. Perusahaan juga bermitra dengan PT Garuda Indonesia, PT Sucofindo dan beberapa badan usaha milik negara lainnya. Pembayaran komersial kepada perusahaan milik negara meningkat pada tahun 2020 sebesar 20% menjadi US\$23,2 juta dibandingkan tahun lalu sebesar US\$19,4 juta.





Exploration Eksplorasi

A fundamental pillar of PTAR's business strategy is our continuous effort to identify opportunities to expand our reserves and resources and extend the life of the mine.

2020 was another strong year for exploration, building on the intensive drilling campaigns of the recent past. Notwithstanding four months of interrupted activity due to the COVID-19 pandemic, fifteen diamond drill rigs delivered 84,897 meters of drill-core, only marginally behind the record-setting performance reported last year.

Total exploration cost was US\$19.6 million for the year, being US\$231 per meter - the lowest average unit-cost on record, demonstrating our mindset of continual operational improvement and a focus on spending efficiency.

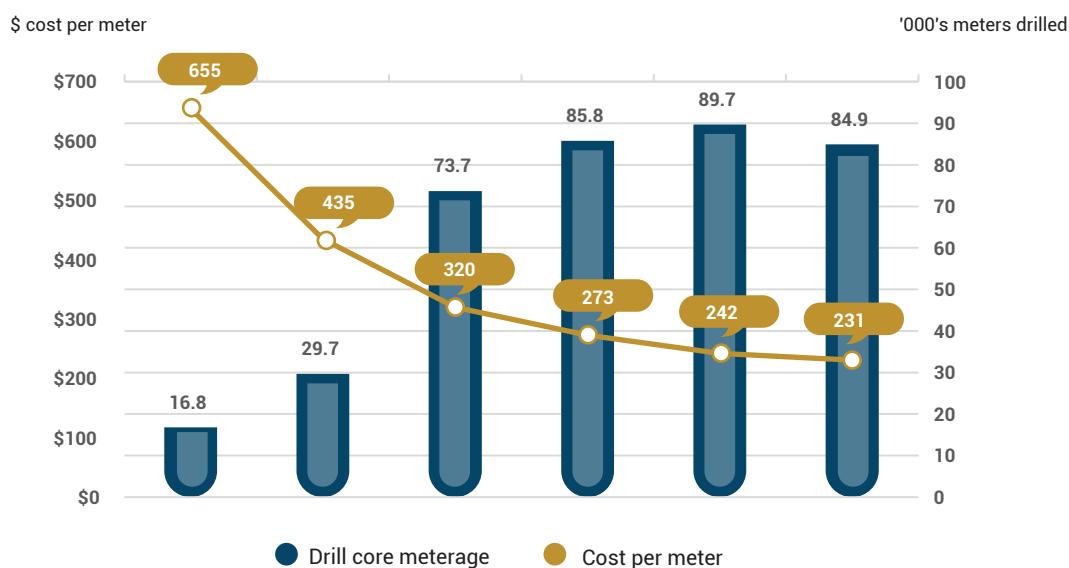
Pilar fundamental dari strategi bisnis PTAR adalah upaya berkelanjutan untuk mengidentifikasi peluang, memperluas cadangan dan sumber daya serta memperpanjang umur tambang.

Tahun 2020 merupakan tahun yang luar biasa bagi kegiatan eksplorasi, dimulai dari pengeboran intensif yang telah dilakukan. Terlepas dari empat bulan aktivitas yang terpengaruh pandemi COVID-19, lima belas *diamond drills rigs* melakukan pengeboran sedalam 84.897 meter, sedikit di bawah rekor tahun lalu.

Total biaya eksplorasi tahun 2020 tercatat sebesar US\$19,6 juta, dengan rata-rata US\$231 per meter. Biaya ini adalah biaya unit rata-rata terendah yang pernah tercatat, yang menunjukkan komitmen kami pada perbaikan operasional yang berkelanjutan dan fokus pada efisiensi.

Exploration of operational performance and spending efficiency

Kinerja operasional eksplorasi dan efisiensi pengeluaran



The majority of the 2020 exploration drilling program was conducted at Tor Uluala, Purnama and Uluala Hulu, testing for extensions to known mineralisation.

Mayoritas kegiatan eksplorasi tahun 2020 dilakukan untuk menguji perluasan mineralisasi di Tor Uluala, Purnama dan Uluala Hulu.

The 3DIP survey continued in prospective regional areas within the Company's Contract of Work. This new technology assists discovery of deep-lying potential host rocks and has strongly contributed to the long-term pipeline of exploration targets. In 2020, drill testing of anomalies identified by the survey was undertaken at Tor Uluala, Barani, Horas, Parbotikan and Baringin. Other early-stage regional exploration activities undertaken outside the Martabe District included geological surface mapping and geochemical rock and soil sampling.

Whilst there has been a slight decrease in Mineral Resources and Ore Reserves, resource estimation efforts during 2020 resulted in considerable upgrades to the classifications of the known mineral resources at Purnama and Ramba Joring. Also, results from Tor Uluala are encouraging with increases across Measured, Indicated, and Inferred classifications with both open pits and underground potential.

Resources and Reserves²

The Mineral Resources of the Martabe Gold Mine are 7.6 Moz gold and 66 Moz silver. Ore Reserve is 4.3 Moz gold and 33 Moz silver, equivalent to 14 years of the mining operation.

Survei 3DIP dilanjutkan di wilayah baru dalam Kontrak Karya Perusahaan. Teknologi baru ini membantu penemuan batuan induk potensial yang berada di dalam, dan telah berkontribusi kuat pada jalur pipa target eksplorasi jangka panjang. Pada tahun 2020, uji anomali yang diidentifikasi oleh survei dilakukan di Tor Uluala, Barani, Horas, Parbotikan dan Baringin. Kegiatan eksplorasi regional tahap awal lainnya yang dilakukan di luar Distrik Martabe termasuk pemetaan permukaan geologi dan pengambilan sampel batuan dan tanah geokimia.

Meskipun terdapat sedikit penurunan dalam sumber daya mineral dan cadangan bijih, upaya estimasi sumber daya selama tahun 2020 menghasilkan peningkatan yang cukup besar pada klasifikasi sumber daya mineral yang diketahui berada pada Purnama dan Ramba Joring. Selain itu, hasil dari Tor Uluala mengalami peningkatan di seluruh klasifikasi Terukur, Terindikasi, dan Tereka dengan potensi tambang terbuka dan bawah tanah.

Sumber Daya dan Cadangan

Sumber Daya Mineral Tambang Emas Martabe adalah 7,6 Moz emas dan 66 Moz perak. Cadangan Bijih tercatat 4,3 Moz emas dan 33 Moz perak, setara dengan 14 tahun operasi penambangan.

Statement as of 30 June 2020
Pernyataan Per 30 Juni 2020

	Unit Satuan	Ore Reserves Cadangan Bijih	Mineral Resources Sumber Daya Mineral
Reserve Tonnes Jumlah Cadangan	Million Ton Juta Ton	91	199
Gold Contained Emas Terkandung	Million Ounce Juta ounce	4.3	7.6
Silver Contained Perak Terkandung	Million Ounce Juta ounce	33	66
Gold Grade Kandungan Emas	Grams/tonne Gram/ton	1.5	1.2
Silver Grade Kandungan Perak	Grams/tonne Gram/ton	11	10

² Reserve and Resources are estimated and reported as at the 30th of June each year

² Cadangan dan Sumber Daya setiap tahunnya diperkirakan dan dilaporkan pada tanggal 30 Juni

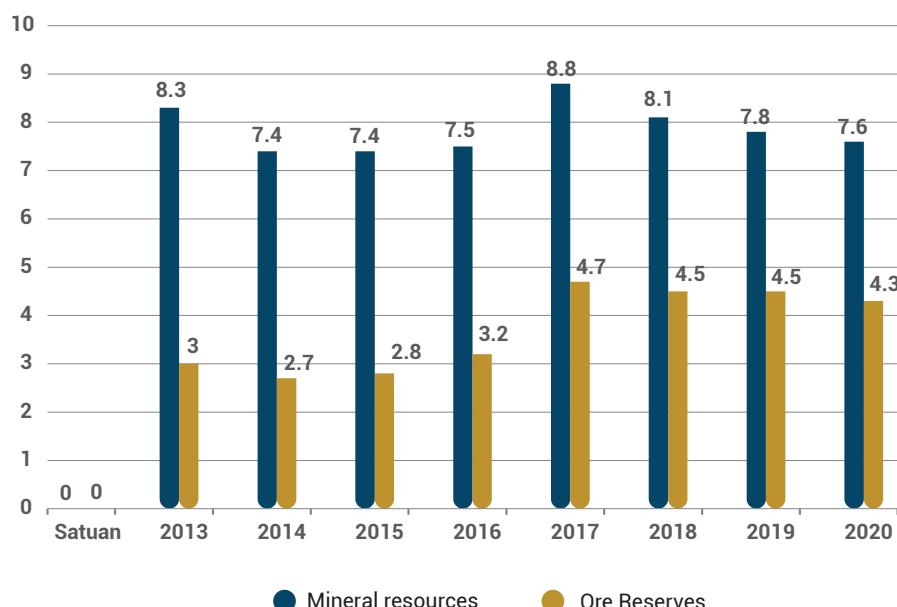
Net of current year mining depletion, Ore Reserves decreased by 5% in 2020 to 91 million tonnes. Contained gold decreased by 4% or 0.20 million ounces net of depletion to 4.3 million ounces and Contained silver increased by 3% or 1.1 million ounces net of depletion to 33 million ounces.

Net of current year mining depletion, Mineral Resources decreased by 4% in 2020 to 199 million tonnes. Contained gold decreased by 2% or 0.15 million ounces net of depletion to 7.6 million ounces and Contained silver increased by 3% or 2.0 million ounces net of depletion to 66 million ounces.

Pada tahun 2020, setelah deplesi penambangan di tahun berjalan, diperoleh cadangan bijih yang mengalami penurunan sebesar 5% pada tahun 2020 menjadi 91 juta ton. Emas terkandung mengalami penurunan sebesar 4% atau 0,20 juta ounces deplesi bersih menjadi 4,3 juta ounces. Perak terkandung mengalami peningkatan sebesar 3% atau 1,1 juta ounces deplesi bersih menjadi 33 juta ounces.

Pada tahun 2020, Sumber Daya Mineral setelah deplesi penambangan mengalami penurunan sebesar 4% menjadi 199 juta ton. Emas terkandung menurun 2% atau 0,15 juta ounces deplesi menjadi 7,6 juta ounces. Jumlah perak terkandung mengalami peningkatan sebesar 3% atau 2,0 juta ounces deplesi menjadi 66 juta ounces.

Reserves & Resources - contained oz Au





Martabe Project Development (MPD)

Pengembangan Proyek Martabe (MPD)

The MPD group's prime focus is to address the key near term and future challenges of the Martabe operation including declining gold grades, changing treatment characteristics of the ore (i.e. increasing sulphides) and need for additional tailings and waste management facilities.

MPD is led by a small team of internal technical experts supplemented by, as required on a project-by-project basis, external consultants with specific specialised expertise. The team carries out detailed studies looking for practical and economic solutions to challenges as identified above, whilst ensuring those solutions meet social, environmental and regulatory responsibilities. These studies are carefully and rigorously evaluated before committing and converting them to projects for execution. Key activities for PTAR in 2020 included:

- Studies
 - » Tailings Management Facility #1 (TMF1) – evaluating and designing a second tailing and waste management facility (based on filter tailings before deposition)
 - » Martabe Sulphide Project (MSP) – evaluating options and designing an ore treatment process that enhance gold recovery from processing future ores (increasing in sulphide levels) at Martabe
- Projects
 - » ReCYN – constructing and installing a processing circuit that recovers cyanide from the process plant, reducing purchased cyanide consumption and detoxification requirements
 - » Mill Capacity Expansion (MCE) – increasing mill (grinding) capacity by installing a Vertimill to enhance gold production as gold grade declines (over the life of mine)
 - » Oxygen Shear Reactor (OSR) – improving gold recovery by installing a "shear reactor" and enhancing oxygenation conditions to improve process kinetics

Fokus utama grup Martabe Project Development (MDP) adalah untuk mengatasi tantangan utama dalam jangka pendek dan masa depan dari operasi Martabe, termasuk penurunan kualitas emas, perubahan karakteristik pengolahan bijih (karena peningkatan sulfida) dan kebutuhan akan tailing tambahan dan fasilitas pengelolaan sisa air proses.

MPD dipimpin oleh sebuah tim kecil yang terdiri dari ahli teknis internal yang dilengkapi oleh sesuai kebutuhan berdasarkan proyek, konsultan eksternal dengan keahlian khusus yang spesifik. Tim melakukan studi secara rinci untuk mencari solusi praktis dan ekonomis dalam menghadapi tantangan-tantangan tersebut, dan selalu memastikan solusi tersebut memenuhi tanggung jawab sosial, lingkungan, dan peraturan. Studi-studi ini dievaluasi secara hati-hati dan ketat sebelum dilaksanakan dalam sebuah proyek. Pada tahun 2020 PTAR melakukan kegiatan utama yang meliputi :

- Studi
 - » Fasilitas Pengelolaan *Tailing* # 1 (TMF1)
 - mengevaluasi dan merancang fasilitas pengelolaan sisa air proses dan *tailing* kedua (berdasarkan *tailing* yang disaring sebelum pengendapan)
 - » Proyek Sulfida Martabe (MSP) - mengevaluasi opsi dan merancang proses pengolahan bijih yang meningkatkan perolehan emas dari pemrosesan bijih masa depan (peningkatan kadar sulfida) di Martabe
- Proyek
 - » ReCYN - membangun dan memasang sirkuit proses yang memulihkan sianida dari pabrik proses, mengurangi konsumsi sianida yang dibeli dan persyaratan detoksifikasi
 - » Ekspansi Kapasitas Pabrik (MCE) - meningkatkan kapasitas pabrik (penggilingan) dengan memasang Vertimill untuk meningkatkan produksi emas saat kadar emas menurun (selama umur tambang)
 - » Oxygen Shear Reactor (OSR) - meningkatkan perolehan emas dengan memasang "reaktor geser" dan meningkatkan kondisi oksigenasi untuk meningkatkan kinetika proses



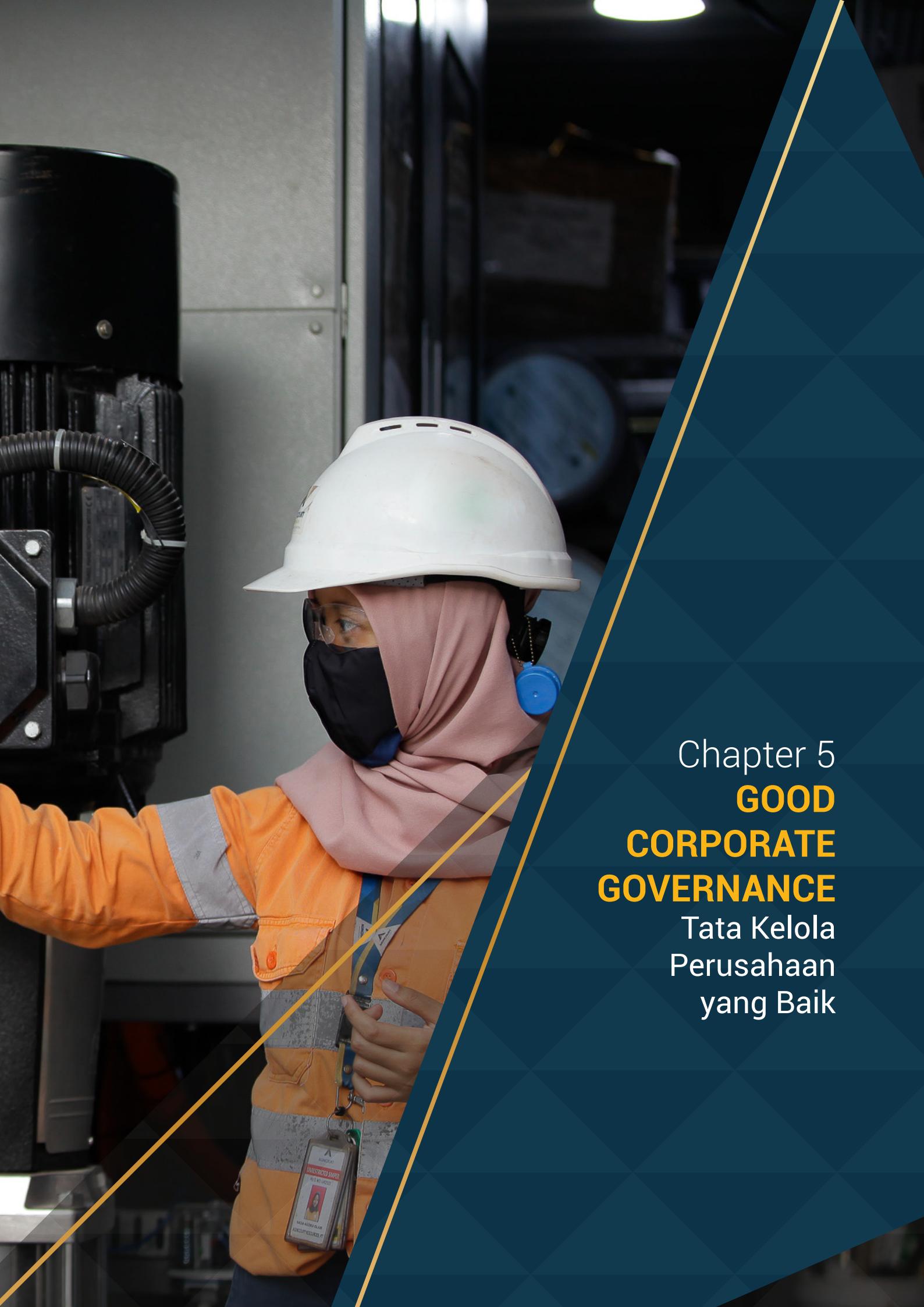
Siti Anzarini Hasibuan, Geologist,
Exploration conducted core logging to
initially identify the rock.

Siti Anzarini Hasibuan, Geologist,
Exploration melakukan *core logging*
untuk mengidentifikasi awal batuan.



Nadia Agdika Islami, Metallurgist Plant, Processing is observing the pressure in the Reverse Osmosis Plant. This pressure observation aims to ensure that the reverse osmosis process runs smoothly so that it can reduce the content of certain minerals in the water, minimize scale formation and scaling of pipes and other equipment in the processing plant. Also serves to increase the efficiency of the elution process and the ability of carbon adsorption.

Nadia Agdika Islami, Metallurgist Plant, Processing sedang mengamati tekanan di Reverse Osmosis Plant. Pengamatan tekanan ini bertujuan memastikan proses reverse osmosis berjalan dengan lancar sehingga dapat menurunkan kesadahan air, meminimalisasi terbentuknya kerak dan penyumbatan pipa serta peralatan lainnya di pabrik pengolahan. Juga berfungsi meningkatkan efisiensi proses elusi dan kemampuan adsorpsi karbon.



Chapter 5

GOOD

CORPORATE

GOVERNANCE

Tata Kelola
Perusahaan
yang Baik



PTAR views good corporate governance as one of its strong points. It allows the Company to demonstrate agility and adaptability when faced with challenges in the business world, especially during this year of the COVID-19 pandemic.

PTAR memiliki keyakinan bahwa kekuatan bertahan Perusahaan salah satunya dilihat dari aspek tata kelola Perusahaan yang baik. Hal ini memungkinkan Perusahaan untuk menunjukkan ketangguhan dan kemampuan beradaptasi ketika menghadapi tantangan di dunia bisnis, terutama pada saat masa pandemi COVID-19.



Introduction Pendahuluan

Good corporate governance (GCG) is seen as one of the indicators to assess a company's performance and to demonstrate it has been properly controlled and managed. GCG is a system of rules, procedures, and processes by which the activities of a company are run. PTAR has integrated GCG into its management to meet the interest of the owners as well as other important stakeholders such as the government, employees, local communities, and other business partners.

This chapter outlines the corporate governance framework of PTAR including its control systems and some of the highlights in 2020.

Tata kelola perusahaan yang baik atau *good corporate governance* (GCG) dianggap sebagai salah satu indikator untuk menilai kinerja suatu perusahaan dan menunjukkan bahwa perusahaan dikendalikan dan dikelola dengan baik. GCG adalah suatu sistem aturan, prosedur, dan proses yang menjalankan aktivitas suatu perusahaan. PTAR telah mengintegrasikan GCG ke dalam pengelolaannya untuk memenuhi kepentingan pemilik dan pemangku kepentingan penting lainnya, seperti pemerintahan, karyawan, masyarakat sekitar, dan mitra bisnis lainnya.

Bab ini menguraikan kerangka tata kelola perusahaan PTAR termasuk sistem kontrolnya dan beberapa hal penting yang telah terjadi pada tahun 2020.



Objectives of Corporate Governance Implementation

Tujuan Penerapan Tata Kelola Perusahaan

The Company strives to apply the best standards to its corporate governance framework, drawing on best practices from the international business sector, and to align with local national regulation, such as the PTAR Contract of Work, Indonesian Law number 40/2007 on Limited Liability Companies, Law number 4/2009 on Mineral and Coal Mining as amended by Law number 3/2020, the implementing regulations of the Ministry of Energy and Mineral Resources, and the regulations of the Indonesian Financial Services Authority.

Besides meeting regulatory requirements, the Company tries to align its business activities with its core values: *Growth, Respect, Excellence, Action and Transparency*. GCG aspects of these core values are outlined below:

Perusahaan berupaya menerapkan standar untuk kerangka tata kelola perusahaan, yang mengacu pada praktik terbaik dari sektor bisnis internasional, dan untuk menyesuaikan dengan peraturan nasional lokal, seperti Kontrak Karya PTAR, Undang-Undang Indonesia nomor 40/2007 tentang Perseroan Terbatas, Undang-undang nomor 4/2009 tentang Pertambangan Mineral dan Batubara sebagaimana telah diubah dengan Undang-undang nomor 3/2000, peraturan pelaksanaan dari Menteri Energi dan Sumber Daya Mineral, dan peraturan Otoritas Jasa Keuangan (OJK).

Selain itu, PTAR juga melaksanakan kegiatan usahanya dengan mengacu pada nilai-nilai utama Perusahaan, yaitu *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:

Transparency Transparansi	Accountability Akuntabilitas	Responsibility Pertanggungjawaban	Independency Independensi	Fairness Kewajaran
<p>Ensures that the Company provides accurate, balanced, and timely communication to all relevant stakeholders.</p> <p>Memastikan informasi Perusahaan tersedia untuk pemangku kepentingan secara akurat, seimbang, dan tepat waktu, sehingga pihak-pihak tersebut senantiasa mendapatkan informasi yang mereka butuhkan.</p>	<p>Ensures that the roles of all employees are clearly communicated and that they can be held accountable if not implemented accordingly.</p> <p>Memastikan bahwa peran dan tanggung jawab seluruh karyawan ditetapkan dan dikomunikasikan secara jelas, serta dilaksanakan dengan baik.</p>	<p>Ensures that the Company's operation complies with all relevant laws and regulations and that industry best-practices are complied with by the Company.</p> <p>Memastikan bahwa Perusahaan telah mematuhi peraturan perundang-undangan dan praktik industri terbaik yang relevan.</p>	<p>Ensures that decisions can be made without conflicts of interest or pressure from internal or external parties that bias the decision-making process.</p> <p>Mencegah benturan kepentingan dan pengambilan keputusan yang tidak sesuai akibat adanya tekanan dari pihak internal maupun eksternal.</p>	<p>Ensures the rights of all stakeholders are protected and that they are treated fairly at all times.</p> <p>Memastikan perlindungan dan perlakuan adil dan setara atas hak-hak pemangku kepentingan.</p>

To serve the best interests of its owners and other stakeholders, PTAR is committed to the implementation of the highest standards of corporate governance.

Untuk melayani kepentingan terbaik bagi pemiliknya dan pemangku kepentingan lainnya, PTAR berkomitmen untuk menerapkan standar tertinggi tata kelola perusahaan.

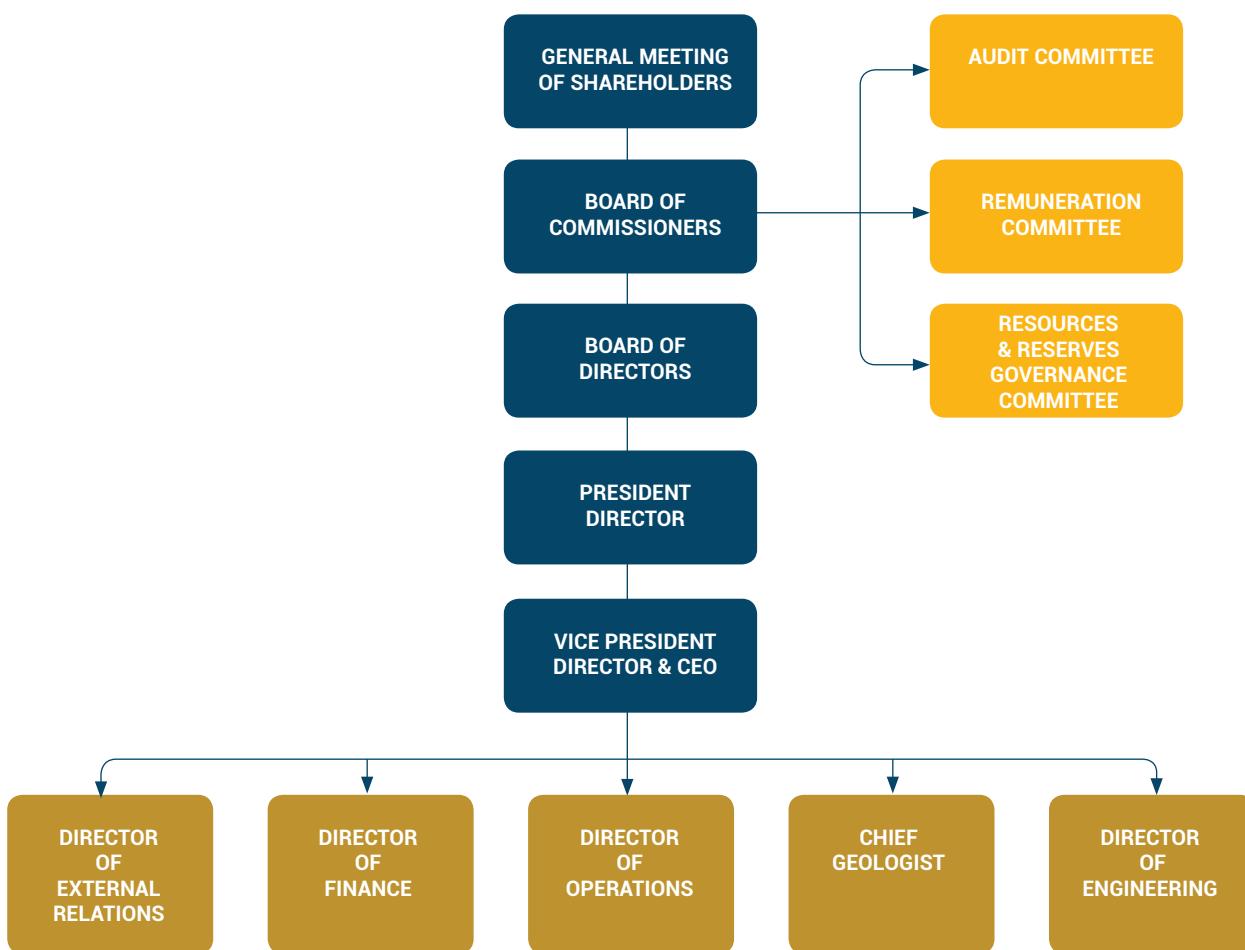


Composition of PTAR Boards and Executive Committees in 2020

Susunan Dewan Komisaris, Dewan Direksi, dan Komite Eksekutif PTAR Tahun 2020

PTAR's corporate governance framework consists of a hierarchy of governance entities with clearly-defined functions and accountability. The General Meeting of Shareholders (GMS) retains the highest level of control of the Company. The operational control lies with the Board of Directors and the Board of Commissioners monitors the operations. The functions of PTAR's Corporate Secretary are executed by the Legal Department of PTAR. The President Director leads a management team that runs the Company, where divisional heads are responsible for different aspects of the business, and managers are responsible for the operations in each department.

Kerangka tata kelola PTAR terdiri dari urutan entitas tata kelola dengan fungsi dan akuntabilitas yang jelas. Rapat Umum Pemegang Saham (RUPS) memiliki kendali tertinggi Perusahaan. Pengendalian operasional berada di bawah pengawasan Dewan Direksi dan Dewan Komisaris yang bertanggung jawab atas aspek operasional. Fungsi Sekretaris Perusahaan PTAR dijalankan oleh Departemen Legal PTAR. Presiden Direktur memimpin tim manajemen yang menjalankan Perusahaan, di mana kepala divisi bertanggung jawab atas berbagai aspek bisnis, dan manajer bertanggung jawab atas operasi di setiap departemen.



Composition of PTAR's Boards and Executive Committees 2020
Komposisi Komite Eksekutif PTAR 2020

Name Nama	Position Jabatan
Mr Franciscus Kesuma Mr Anwar Nasution Mr Iwan Hadiantoro Mr Ari Sutrisno Mr Bambang Susigit Ms Linda Helena Darmalina Mr Putut Eko Bayu Seno	Board of Commissioners Dewan Komisaris
Mr Muliady Sutio Mr Timothy John Vincent Duffy Mr Noviandri Hakim Mr Darryn Michael McClelland Mr Ruli Tanio Ms Sanny Tjan	Board of Directors Dewan Direksi
Mr Franciscus Kesuma Mr Muliady Sutio Mr Timothy John Vincent Duffy Mr Noviandri Hakim Mr Ruli Tanio	Executive Committee Komite Eksekutif
Mr Franciscus Kesuma Mr Muliady Sutio Mr Timothy John Vincent Duffy Mr Noviandri Hakim	Audit Committee Komite Audit
Mr Franciscus Kesuma Mr Muliady Sutio Mr Timothy John Vincent Duffy Mr Darryn Michael McClelland Mr Ruli Tanio Mr Steve Carty	Resources & Reserves Governance Committee Komite Tata Kelola Sumber Daya & Cadangan
Mr Franciscus Kesuma Mr Muliady Sutio Mr Timothy John Vincent Duffy	Remuneration Committee Komite Remunerasi

The governance bodies aim to achieve the following key outcomes:

1. Maximising corporate values and the return to the shareholders;
2. Protecting the Company's assets;
3. Maximising opportunities to grow the business;
4. Managing business risks;
5. Improving operational performance;
6. Compliance with legal requirements;
7. Aligning with industry standards and codes;
8. Achieving economic, social, and environmental performance by following the principles of sustainable development;
9. Protecting employees' safety and welfare;
10. Maintaining positive and open relationships with important stakeholders especially the local communities.

Badan tata kelola bertujuan untuk mencapai hasil utama berikut:

1. Memaksimalkan nilai-nilai Perusahaan dan pengembalian kepada pemegang saham;
2. Melindungi aset Perusahaan;
3. Memaksimalkan peluang untuk mengembangkan bisnis;
4. Mengelola risiko bisnis;
5. Meningkatkan kinerja operasional;
6. Kepatuhan dengan persyaratan hukum;
7. Menyelaraskan dengan standar dan kode industri;
8. Mencapai kinerja ekonomi, sosial, dan lingkungan dengan mengikuti prinsip-prinsip pembangunan berkelanjutan;
9. Melindungi keselamatan dan kesejahteraan karyawan;
10. Menjaga hubungan positif dan terbuka dengan pemangku kepentingan penting terutama masyarakat lokal.



General Meeting of Shareholders (GMS) Rapat Umum Pemegang Saham (RUPS)

The highest level of power lies with the General Meeting of Shareholders (GMS) as it has the rights to appoint and dismiss board members, declare dividends, and make changes to the Company's Articles of Association. The General Meeting of Shareholders must be convened at least once a year. An Extraordinary GMS can be held at any time deemed necessary by the Board of Directors based on the need with due observance of the prevailing laws and regulations as well as the Articles of Association.

In 2020, there was one Annual GMS. The Company did not hold Extraordinary GMS. The Annual GMS of PTAR focused on five agenda points:

Tingkat kekuasaan tertinggi ada pada Rapat Umum Pemegang Saham (RUPS) yang RUPS memiliki kebijakan untuk mengangkat dan memberhentikan anggota dewan, membagikan deviden, dan mengubah Anggaran Dasar Perusahaan. RUPS harus diselenggarakan setidaknya setahun sekali. RUPS Luar Biasa juga dapat diselenggarakan sewaktu-waktu apabila dianggap perlu oleh Dewan Direksi berdasarkan kebutuhan, dengan memperhatikan peraturan perundang-undangan yang berlaku dan Anggaran Dasar. RUPS hanya dapat dilangsungkan apabila dihadiri oleh pemegang saham atau kuasanya yang mewakili lebih dari 51% dari seluruh modal Perusahaan yang ditempatkan.

Selama tahun 2020, terdapat satu kali RUPS Tahunan. Perusahaan tidak menyelenggarakan RUPS Luar Biasa. RUPS Tahunan PTAR difokuskan pada lima mata agenda yaitu:

No.	Agenda	Keterangan Description
1	Agenda 1	Approval of the 2019 Annual Report, including ratification of the Supervisory Report of the Company's Board of Commissioners, and ratification of the Company's Financial Statements for 2019 financial year. Persetujuan Laporan Tahunan 2019, termasuk Pengesahan Laporan Tugas Pengawasan Dewan Komisaris perusahaan, serta Pengesahan Laporan Keuangan perusahaan untuk Tahun Buku 2019.
2	Agenda 2	Determination of the use of the Company's net profits for the 2019 financial year. Penetapan Penggunaan Laba Bersih perusahaan untuk Tahun Buku 2019.
3	Agenda 3	Appointment of members of the Board of Directors of the Company for the 2020-2022 term and the members of the Board of Commissioners of the Company for the 2020-2021 term. Pengangkatan Anggota Dewan Direksi Perusahaan untuk Masa Jabatan 2020-2022 dan Dewan Komisaris Perusahaan untuk Masa Jabatan 2020-2021.
4	Agenda 4	Determination of the salaries and allowances for members of the Board of Directors and salaries or honorarium and allowances for members of the Board of Commissioners for the 2020-2021 term. Penetapan Gaji dan Tunjangan bagi Anggota Dewan Direksi dan Gaji atau Honorarium dan Tunjangan bagi Anggota Dewan Komisaris untuk Masa Jabatan 2020-2021.
5	Agenda 5	Appointment of the Public Accountant for the 2020 Financial Year. Penunjukan Akuntan Publik untuk Tahun Buku 2020.



Board of Commissioners

Dewan Komisaris

The members of the Board of Commissioners are appointed to their term of office in the GMS. The duties of the Board of Commissioners include: monitoring the actions of the Board of Directors and advise them; to approve certain actions; to approve the yearly business, and to represent the interests of the shareholders. The Board of Commissioners receives regular reports from the Board of Directors and are invited to attend any of their meetings.

The composition of the Board of Commissioners is manifested in the Company Law and the PTAR's Articles of Association. In 2020, the Board of Commissioners participated in the Annual General Meeting of Shareholders. The GMS decides on the total remuneration for all Board of Commissioners members.

Meetings of the Board of Commissioners consist of internal meetings of the Board of Commissioners and meetings of the Board of Commissioners which invite the Directors. Throughout 2020, the Board of Commissioners held two internal meetings, as well as one joint meeting of the Board of Commissioners and the Board of Directors. The Commissioners agreed on several important points, namely:

1. The Board of Directors has the authority to represent the Company to borrow or obtain in any way;
2. The Board of Directors has the authority to represent the Company to receive loan money from anyone;
3. The Board of Directors has the authority to represent the Company to lend money or transfer receivables to anyone;
4. The approval of the Board of Directors of the Company to receive a working capital credit facility (*revolving credit facility*) from PT Pamapersada Nusantara;
5. The approval and authorisation of the Company's Directors to take all necessary actions.

Anggota Dewan Komisaris diangkat dalam RUPS. Tugas Dewan Komisaris meliputi: mengawasi segala tindakan yang dilaksanakan oleh Dewan Direksi, memberikan saran terhadap tindakan-tindakan tersebut, memberi persetujuan untuk tindakan tertentu, menyetujui rencana bisnis tahunan, dan mewakili kepentingan para pemegang saham. Dewan Komisaris menerima laporan berkala dari Dewan Direksi dan diundang untuk menghadiri setiap rapatnya.

Komposisi anggota Dewan Komisaris telah sesuai dengan ketentuan yang ada dalam Undang-Undang Perseroan Terbatas dan Anggaran Dasar PTAR. Selama tahun 2020, Dewan Komisaris berpartisipasi dalam Rapat Umum Pemegang Saham Tahunan. Selain itu, RUPS juga menetapkan jumlah remunerasi untuk seluruh anggota Dewan Komisaris.

Rapat Dewan Komisaris terdiri dari rapat internal Dewan Komisaris dan rapat Dewan Komisaris yang mengundang Dewan Direksi. Sepanjang tahun 2020, Dewan Komisaris telah menyelenggarakan dua kali rapat internal, serta satu kali rapat gabungan Dewan Komisaris dan Dewan Direksi. Dewan Komisaris menyepakati beberapa poin penting, yaitu:

1. Dewan Direksi berwenang mewakili Perusahaan untuk meminjam atau memperoleh dengan cara apapun;
2. Dewan Direksi berwenang mewakili perusahaan untuk menerima pinjaman uang dari siapapun;
3. Dewan Direksi berwenang mewakili Perseroan untuk meminjamkan uang atau mentransfer piutang kepada siapa pun;
4. Persetujuan Dewan Direksi perusahaan untuk menerima fasilitas kredit modal kerja (*revolving credit facility*) dari PT Pamapersada Nusantara;
5. Persetujuan dan kewenangan Dewan Direksi perusahaan untuk mengambil semua tindakan yang diperlukan.

6. Approval of the Company's Annual Report 2019 concerning the Company's activities, report on Supervisory Duties of the Board of Commissioners as well as the audited Financial Report for the financial year ended 31 December 2019, to be submitted in the Annual GMS 2020.
7. Transaction value limit that requires the approval of the Board of Commissioner.
6. Persetujuan atas Laporan Tahunan Perusahaan Tahun 2019 mengenai kegiatan usaha Perusahaan berikut Laporan tentang Tugas Pengawasan Dewan Komisaris Perusahaan serta Laporan Keuangan Perusahaan yang telah diaudit untuk tahun buku yang berakhir sampai dengan 31 Desember 2019, untuk selanjutnya disampaikan dalam RUPS Tahunan 2010.
7. Batasan nilai transaksi yang memerlukan persetujuan Dewan Komisaris.



Board of Directors

Dewan Direksi

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

1. Lead and manage the Company's business in accordance with the targets identified in the business plan;
2. Increasing the productivity and efficiency of the company for the benefits of the shareholders;
3. Maintain and manage the assets of the Company;
4. Developing and proposing the business targets and budget for the next financial year for the Board of Commissioners to approve;
5. Ensuring that business activities are always in compliance with the law and the Company's and the country's regulation;
6. Ensuring local communities' approval by implementing corporate social responsibility programs;
7. Managing enterprise risks

The composition of the Board of Directors is guided by the Company' Law and Articles of Association. The Annual GMS decides on the remuneration of the members of the Board of Directors. In 2020, the remuneration for the Board of Directors has been set and approved by the Remuneration Committee. In 2020, the Board of Directors participated in the Annual GMS.

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

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

Komposisi anggota Dewan Direksi PTAR telah sesuai dengan ketentuan yang ada dalam Anggaran Dasar Perusahaan dan peraturan perundang-undangan yang berlaku. Total remunerasi bagi anggota Dewan Direksi telah diatur dan disetujui oleh Komite Remunerasi. Pada tahun 2020, anggota Dewan Direksi juga turut menghadiri RUPS.



Audit Committee

Komite Audit

The role of the Audit Committee is to monitor the Company's operations and provide feedback to the Board of Commissioners where decisions need to be made. Further, the Board of Commissioners may clarify on investigations by the Audit Committee in areas of their interest. Its yearly task includes reviewing the interim and year-end financial reports, monitoring the activities of the internal audits, managing and monitoring the enterprise risk as well as conducting specific reviews of the operations of the Company.

In 2020, the Audit Committee has carried out the task of reviewing, among others, reviewing financial reports and other financial information provided to shareholders, government or public bodies, reviewing compliance with laws, regulations and applicable compliance codes, reviewing adequacy and the effectiveness of the overall risk management framework, review and monitor the internal control system, and review and assessment of the internal audit process.

Throughout 2020 there were 3 meetings of the Audit Committee. The meeting agenda and Audit Committee meeting participants are as follows.

Peran Komite Audit adalah memantau operasional perusahaan dan memberikan tanggapan kepada Dewan Komisaris apabila dibutuhkan suatu pengambilan keputusan. Selain itu, Dewan Komisaris dapat mengklarifikasi hasil investigasi Komite Audit dalam bidang yang menjadi kepentingannya. Tugas tahunannya termasuk meninjau laporan keuangan interim dan akhir tahun, memantau aktivitas audit internal, mengelola dan memantau risiko Perusahaan, serta melakukan tinjauan khusus atas operasi Perusahaan.

Selama tahun 2020, Komite Audit telah melaksanakan tugas meninjau, antara lain: meninjau terhadap laporan keuangan dan informasi keuangan lainnya yang disediakan untuk pemegang saham, badan pemerintah atau publik, meninjau terhadap kepatuhan atas hukum, aturan dan kode kepatuhan yang berlaku, meninjau terhadap kecukupan dan efektivitas kerangka manajemen risiko secara menyeluruh, meninjau dan memonitor terhadap sistem pengendalian internal, dan meninjau dan penilaian terhadap proses internal audit.

Pada tahun 2019, Komite Audit telah melaksanakan tiga kali rapat. Agenda rapat dan Peserta rapat Komite Audit sebagai berikut.

No	Date of Meeting Tanggal Rapat	Meeting Agenda Agenda Rapat
	12 February 2020 12 Februari 2020	Review of external audit reports, approval of the 2020 Internal Audit plan and presentation of audit results on the implementation of the 2019 risk mitigation plan and the results of 2020 risk assessment at the company level. Peninjauan terhadap laporan hasil audit eksternal, persetujuan rencana Internal Audit tahun 2020 dan pemaparan hasil audit atas penerapan rencana mitigasi risiko tahun 2019 dan hasil penilaian risiko tahun 2020 di tingkat perusahaan.
	9 September 2020 9 September 2020	Progress report on the implementation of the 2020 Internal Audit Plan. Laporan perkembangan pelaksanaan Rencana Audit Internal 2020.
	22 December 2020 22 Desember 2020	Approval of the 2021 Internal Audit plan, disclosure of audit results on the implementation of the 2020 risk mitigation plan, the results of the 2021 risk assessment at the company level, and the results of the Internal Audit quality improvement and assessment program conducted by the Astra Group Internal Audit. Persetujuan rencana Audit Internal tahun 2021, pemaparan hasil audit atas penerapan rencana mitigasi risiko tahun 2020, hasil penilaian risiko tahun 2021 di tingkat perusahaan, hasil program peningkatan dan penilaian kualitas Internal Audit yang dilakukan oleh Audit Internal Astra Group.



Remuneration Committee Komite Remunerasi

The role of the Remuneration Committee is to approve the remunerations discussed in the Annual GMS, and the direct reports of the President Director. It also reviews and finalises the recommendations for the Company's annual remuneration review. In 2020, there were three meetings of the Remuneration Committee.

Peran Komite Remunerasi adalah memberikan persetujuan atas remunerasi yang dibahas dalam RUPS Tahunan, dan laporan langsung dari Direktur Utama. Tugas lain Komite Remunerasi adalah meninjau dan menyelesaikan rekomendasi untuk review remunerasi tahunan Perusahaan. Pada tahun 2020, Komite Remunerasi telah mengadakan tiga kali rapat.



Internal Audit Function Fungsi Internal Audit

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.

In the year 2020, the Internal Audit Function completed/issued 12 projects reports consisting of 6 for assurance service and 6 for advisory service activities, 6 Audit Results Reports, and 6 Consultation Results Report. The status of implementing due audit recommendations implemented by management until the end of the year is 85%.

Fungsi Audit Internal bertanggung jawab mengoordinasikan program audit internal Perusahaan dan memfasilitasi audit eksternal. Kepala Fungsi Audit Internal melaksanakan rencana audit internal tahunan berbasis risiko yang disetujui oleh Komite Audit. Rencana audit internal mencakup proses bisnis Perusahaan, pengendalian internal, manajemen risiko perusahaan, dan penerapan tata kelola perusahaan yang baik.

Pada tahun 2020, Fungsi Internal Audit telah menyelesaikan 12 proyek yang terdiri dari 6 jasa assurance dan 6 jasa advisory, 6 Laporan Hasil Audit, dan 6 Laporan Hasil Konsultasi. Status penerapan rekomendasi audit yang telah jatuh tempo oleh Manajemen sampai dengan akhir tahun 2020 adalah sebesar 85%.



Resources and Reserves Governance Committee Komite Tata Kelola Sumber Daya dan Cadangan

This Committee ensures 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. Therefore, this committee monitors that all Resources and Reserves activities are completed thoroughly, and to the highest technical standards. Two meetings were held in 2020.

Tugas dari komite ini yaitu meyakinkan Dewan Direksi dan Dewan Komisaris bahwa perusahaan telah mengembangkan Sumber Daya dan Cadangan serta Kebijakan Sumber Daya dan Cadangan Perusahaan. Selain itu, komite ini ikut serta mengawasi seluruh kegiatan Sumber Daya dan Cadangan agar dilaksanakan secara konsisten, teliti, dan sesuai dengan standar teknis tinggi. Sepanjang tahun 2020, Komite Tata Kelola Sumber Daya dan Cadangan mengadakan dua kali rapat.



Operational Controls for Good Corporate Governance

Kontrol Operasional untuk Tata Kelola Perusahaan Yang Baik

In addition to having various oversight Committees, the Company's business decisions and activities are also governed by a series of internal policies and tools that establish a complete operational control system. Some of the important items of the operational control system are described below:

1. The Company's Articles of Association;
2. General Meetings of Shareholder's resolutions;
3. The Policies and Codes of Practice of the Company;
4. Ethics and Business Conduct Code;
5. A Delegation of Authority Manual;
6. Annual Business Plans;
7. Job descriptions.

Selain memiliki berbagai Komite Pengawas, pelaksanaan keputusan dan kegiatan bisnis Perusahaan juga diatur oleh serangkaian kebijakan dan perangkat internal yang membentuk sistem pengendalian operasional yang lengkap. Beberapa hal penting dari sistem kendali operasional dijelaskan di bawah ini:

1. Anggaran Dasar Perusahaan
2. Keputusan RUPS
3. Kebijakan Perusahaan dan Kode Praktik
4. Kode Etik dan Perilaku Usaha
5. Panduan Delegasi Kewenangan
6. Rencana Bisnis Tahunan
7. Deskripsi Jabatan.



Other Corporate Governance Aspects

Aspek Tata Kelola Perusahaan Lainnya

Public External Accountant

The accounting firm Tanudiredja, Wibisana, Rintis & Rekan also in association with PricewaterhouseCoopers (PwC) audited the Company's financial statements for the year ended 31 December 2020. The fee for the audit this year was US\$103,000 excluding tax and expenses).

Akuntan Publik

PTAR menunjuk Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan serta bekerja sama dengan PricewaterhouseCoopers (PwC) untuk melaksanakan audit terhadap laporan keuangan Perusahaan untuk tahun buku yang berakhir pada 31 Desember 2020. Biaya audit yang telah dibayarkan kepada kantor akuntan untuk tahun tersebut adalah US\$103.000, tidak termasuk pajak dan biaya lain).



Enterprise Risk Management Manajemen Risiko Perusahaan

Since 2014, PTAR has implemented an enterprise risk management program. The Internal Audit Function facilitates the process of enterprise risk assessment, risk and control implementation monitoring, and department risk assessment. The enterprise risk assessment workshops to identify and assess the enterprise risks which are vital to the achievement of the business outcomes are conducted annually. Risks are assessed against their consequences in issues such as safety, environment, community, government, reputational, financial, and compliance-related matters. The identified risk and mitigation plan are evaluated regularly by management to make sure the activities in the mitigation plan are implemented appropriately. Department risk assessment is conducted before the annual enterprise risk assessment as a management consideration in determining the Company's top risks.

The management evaluates the assessment's results. Risk management plans, with progress reported to the management team in the form of risk management scorecards, are the most important process to identify significant risks. The Board of Directors holds an annual Enterprise Risk Workshop. The 2020 Enterprise Risk Workshop was attended by the Board of Directors.

Sejak tahun 2014, PTAR telah menerapkan program manajemen risiko Perusahaan . Fungsi Internal Audit membantu memfasilitasi kegiatan penilaian risiko perusahaan, pemonitoran penerapan risiko dan kontrol serta pelaksanaan penilaian risiko departemen. Lokakarya penilaian risiko Perusahaan dilakukan secara tahunan untuk mengidentifikasi dan menilai tingkat risiko yang penting terhadap pencapaian hasil bisnis. Risiko dinilai berdasarkan dampak terkait keselamatan, lingkungan, komunitas, pemerintah, reputasi, keuangan, dan hal-hal yang terkait dengan kepatuhan. Risiko yang diidentifikasi dan rencana mitigasinya dievaluasi secara berkala oleh Manajemen untuk memastikan aktivitas dalam rencana mitigasi telah dilaksanakan dengan baik. Penilaian risiko tingkat departemen dilaksanakan sebelum loka karya penilaian risiko Perusahaan tahunan sebagai pertimbangan bagi manajemen dalam menerapkan risiko utama Perusahaan.

Manajemen menilai dan mengevaluasi hasil penilaian. Rencana manajemen risiko, dengan kemajuan yang dilaporkan kepada tim manajemen dalam bentuk kartu penilaian manajemen risiko, merupakan proses terpenting untuk mengidentifikasi risiko yang signifikan. Dewan Direksi mengadakan Lokakarya Risiko Perusahaan tahunan. Pada tahun 2020, jajaran anggota Dewan Direksi PTAR melaksanakan Lokakarya Risiko Perusahaan tahunan.



In 2020, PTAR identified several major risks. PTAR has established and implemented risk mitigation plans for each identified risks to maintain them at an acceptable level.

Pada tahun 2020, PTAR telah mengidentifikasi beberapa risiko besar yang dihadapi. PTAR telah menetapkan dan menerapkan rencana mitigasi risiko untuk setiap risiko tersebut untuk mempertahankannya pada tingkat yang dapat diterima.



External Communications Komunikasi Eksternal

Company information and data is available on the website: Further information is provided to the public by mass media, mailing lists, bulletins, and meetings with analysis. Further information regarding the Company is accessible at:

Informasi dan data perusahaan tersedia di website: www.agincourtresources.com (tersedia dalam bahasa Indonesia dan Inggris). Informasi lebih lanjut diberikan kepada publik melalui media massa, e-mail, buletin, dan pertemuan dengan analisis. Informasi lebih lanjut mengenai Perusahaan dapat diakses di:



PT Agincourt Resources

Pondok Indah Office Tower, Suite 1201
Jl. Sultan Iskandar Muda Kav V-TA Pondok Indah
Jakarta 12310,
Indonesia

Phone: +62 21 80672000

Martabe.CorporateCommunications@agincourtresources.com

PT Agincourt Resources

Pondok Indah Office Tower, Suite 1201
Jl. Sultan Iskandar Muda Kav V-TA Pondok Indah
Jakarta 12310,
Indonesia

Phone: +62 21 80672000

Martabe.CorporateCommunications@agincourtresources.com





Desi Lestari, security personnel, G4S, is following the briefing. Briefings regarding security and safety situations are always carried out to maintain the situation and conditions in the operation of the Martabe Gold Mine.

Desi Lestari, Security Officer, G4S sedang mengikuti pengarahan pada pergantian shift. Pengarahan singkat terkait situasi keamanan dan keselamatan selalu dilakukan untuk menjaga situasi dan kondisi di dalam operasional Tambang Emas Martabe.



Chapter 6

**HUMAN
RESOURCES**

SUMBER
DAYA
MANUSIA

PTAR's achievements during 2020 cannot be separated from the presence of a very good workforce. The Human Resources (HR) Division is always committed to carrying out its functions and roles to produce and maintain a workforce that has competence, responsibility and the integrity that can work together to achieve company goals. The functions and roles of HR begin with the selection and recruitment process of prospective employees, implementing an appropriate compensation and benefits system, providing training and development to support the improvement of each employee's expertise, including opportunities for employee career advancement, creating and maintaining harmonious relations between employees and employees with the Company.

PTAR's employees operate in a range of disciplines and functional areas that comprise their workforce, such as engineering, metallurgy, mining, processing, geology, surveying, mine planning, maintenance, processing, information technology, human resources, public relations, corporate communications, government relations, accounting, taxation, law, finance, logistics, training and development, occupational health and safety, environmental engineering, and the environment.

PTAR is committed to the development and well-being of its workforce. The company strives for continuous improvement and excellent management of its workforce in support of the following key outcomes:

- Full compliance with laws and regulations, especially from the Ministry of Manpower;
- Empowered and knowledgeable workforce with competencies appropriate to the roles;
- Institutionalisation of human resources across the organisation that ensure the roles and responsibilities meet the needs of the business.

Several Human Resource functions and roles are important to achieve these outcomes. A summary of the most important aspects is presented below. For more information, please see PTAR's 2020 Sustainability Report.

Pencapaian PTAR selama tahun 2020, tidak lepas dari keberadaan tenaga kerja yang sangat baik. Divisi Sumber Daya Manusia (SDM) selalu berkomitmen dalam menjalankan fungsi dan perannya untuk menghasilkan dan mempertahankan tenaga kerja yang memiliki kompetensi, bertanggung jawab serta berintegritas, dan mampu bersinergi untuk mencapai tujuan Perusahaan. Fungsi dan peran SDM dimulai dengan melakukan proses seleksi dan penerimaan calon karyawan, menerapkan sistem kompensasi dan tunjangan yang tepat, memberikan pelatihan dan pengembangan untuk mendukung peningkatan keahlian masing-masing karyawan termasuk kesempatan peningkatan karir karyawan dan menciptakan serta menjaga keharmonisan hubungan antar karyawan dan karyawan dengan Perusahaan.

Karyawan PTAR memiliki berbagai disiplin ilmu, seperti teknik, metallurgi, pertambangan, pemrosesan, geologi, survei, perencanaan tambang, pemeliharaan, pemrosesan, teknologi informasi, sumber daya manusia, hubungan masyarakat, komunikasi korporat, hubungan pemerintahan, akuntansi, perpajakan, hukum, keuangan, logistik, pelatihan dan pengembangan, kesehatan dan keselamatan kerja, teknik lingkungan, dan lingkungan.

PTAR memiliki komitmen untuk meningkatkan kualitas dan kesejahteraan tenaga kerja dan terus berupaya untuk melakukan perbaikan agar dapat mengelola tenaga kerja dengan lebih baik lagi. Dengan demikian, PTAR berharap dapat mencapai hasil-hasil utama berikut ini:

- Kepatuhan penuh terhadap hukum dan peraturan, terutama dari Kementerian Ketenagakerjaan;
- Tenaga kerja yang berdaya dan berpengetahuan luas dengan kompetensi yang sesuai dengan perannya;
- Pelembagaan sumber daya manusia di seluruh organisasi yang memastikan peran dan tanggung jawab memenuhi kebutuhan bisnis.

Beberapa fungsi dan peran penting Sumber Daya Manusia harus dilakukan untuk mencapai tujuan Perusahaan. Ringkasan dari penjelasan peran dan fungsi tersebut disajikan di bawah ini. Informasi lebih lanjut terkait dijelaskan pada Laporan Keberlanjutan 2020 PTAR.

OVERVIEW OF HUMAN RESOURCES

GAMBARAN UMUM SUMBER DAYA MANUSIA



Laung Lubis, Supervisor Education, Community with the teaching staff of SMK Negeri 2 Batangtoru, South Tapanuli. PTAR together with PT United Tractors Tbk, are committed to improving vocational education through the SOBAT Program. Not only that, PTAR also provided support for the construction of school road access.

Laung Lubis, Supervisor Education, Community bersama staf pengajar SMK Negeri 2 Batangtoru, Tapanuli Selatan. PTAR bersama dengan PT United Tractors Tbk, berkomitmen untuk meningkatkan pendidikan vokasi melalui Program SOBAT. Tak hanya itu, PTAR juga memberikan dukungan pembangunan akses jalan sekolah.

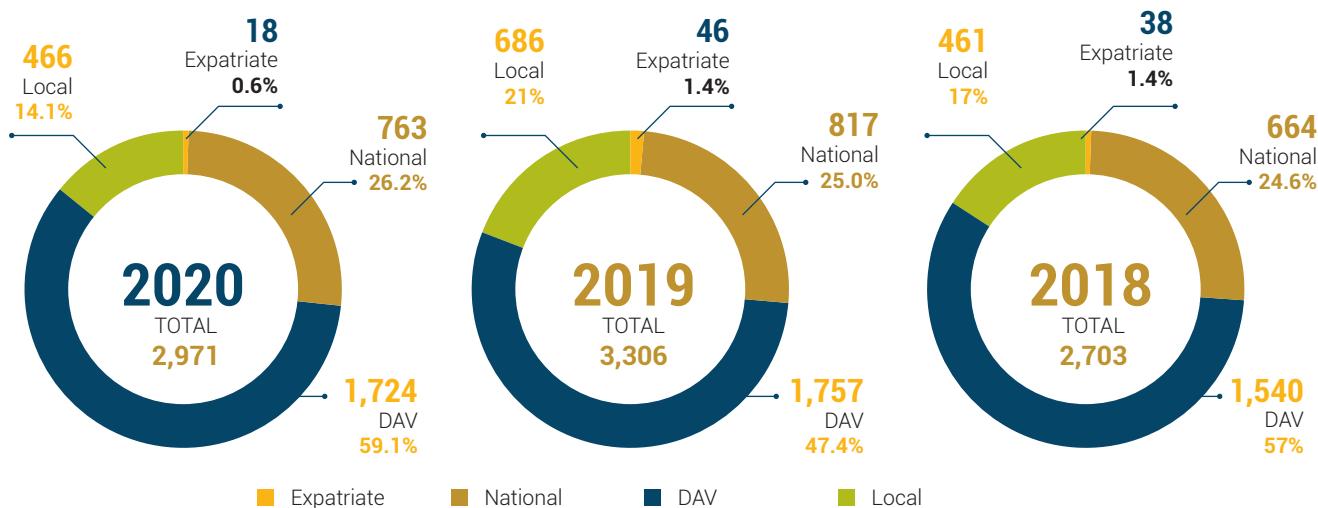
In 2020, PTAR employed 2,971 people, consisting of 1,196 Company employees and 1,775 contractor employees. Of the overall workforce, 73% of the people were recruited locally and less than 1% were foreigners. Company employees account for a total of 878 permanent employees and 318 contracted employees.

A total of 848 Company employees were based at the Martabe Gold Mine; while thirty were based in Jakarta. Contractor companies' employees play a huge role in PTAR's operations.

Pada tahun 2020, PTAR mempekerjakan 2.971 karyawan, yang terdiri dari 1.196 karyawan Perusahaan dan 1.775 karyawan kontraktor. Dari keseluruhan karyawan, sebesar 73% karyawan berasal dari masyarakat setempat dan kurang dari 1% adalah karyawan tenaga asing. Total pegawai perusahaan perusahaan berjumlah 878 karyawan tetap dan 318 karyawan kontrak.

Sebanyak 848 karyawan Perusahaan ditempatkan di Tambang Emas Martabe; sementara 30 karyawan berada di Jakarta. Karyawan perusahaan kontraktor memiliki peran besar dalam kegiatan operasional PTAR.

PTAR Employees Source



*)Includes contractor employees

*)Termasuk karyawan kontraktor

RECRUITMENT AND PROMOTION

REKRUTMEN DAN PROMOSI

Employees are recruited based on their suitability for the role, merit, and potential to develop further. The needs of each department are forefront in the recruitment process; employees are promoted based on their performance, and achievements, considering job competencies and the potential for further development. Importantly, job vacancies are first posted internally, then locally, and depending on the position, they might be advertised nationally.

The Company aims to prioritise the number of Indonesian national employees at the managerial level or higher. This is evident by the existence of 29 national employees consisting of two local employees and non-local 27 employees at the managerial level or higher. Only six expatriates worked for the Company at the manager level or higher.

One key strategy of PTAR is to employ locally so that the local communities may directly benefit from the Martabe Gold Mine operation. At the end of 2020, almost 73% of the Martabe Gold Mine employees were local people, exceeding the target of 70% set in the Environmental Impact Assessment. This result is 1% lower than in 2019 because there was a reduction of exploration activity that employed local labour-hire contractors during the COVID-19 pandemic.

Karyawan direkrut berdasarkan kesesuaian tugas pekerjaan, prestasi, dan potensi mereka untuk berkembang kedepannya. Kebutuhan setiap departemen menjadi yang utama dalam proses rekrutmen. Karyawan dipromosikan berdasarkan kinerja dan pencapaiannya dengan mempertimbangkan kompetensi kinerja dan potensi untuk berkembang lebih baik. Pemberitahuan lowongan kerja diutamakan diinformasikan secara internal, kemudian secara lokal, dan tergantung pada posisinya, tidak menutup kemungkinan lowongan tersebut akan diiklankan secara nasional.

Perusahaan berupaya untuk memprioritaskan karyawan nasional Indonesia di level manajerial atau lebih tinggi. Hal ini dibuktikan dengan adanya 29 karyawan nasional yang terdiri dari dua pegawai lokal dan 27 karyawan non lokal pada level manajerial atau lebih tinggi. Hanya ada enam orang ekspatriat yang bekerja di Perusahaan sebagai level manajer atau lebih tinggi.

Mempekerjakan karyawan lokal adalah salah satu strategi utama PTAR sehingga masyarakat lokal dapat memperoleh manfaat langsung dari operasi Tambang Emas Martabe. Pada akhir tahun 2020, hampir 73% karyawan Tambang Emas Martabe adalah masyarakat lokal. Pencapaian ini melebihi target 70% yang ditetapkan dalam Analisis Mengenai Dampak Lingkungan (AMDAL). Jika dibandingkan pada tahun 2019, terdapat penurunan sebesar 1% karena terjadi adanya pengurangan aktivitas eksplorasi yang memperkerjakan tenaga kerja kontraktor lokal selama pandemi COVID-19.



In 2020, the employee turnover rate was 20 employees or about 2.3%. Several reasons contribute to this figure such as retirement and/or resignation.

Pada tahun 2020 tingkat turnover karyawan adalah sebesar 20 karyawan atau sekitar 2,3%. Beberapa alasannya seperti pensiun dan/atau mengajukan pengunduran diri.

CODE OF ETHICS AND BUSINESS CONDUCT ('KEPU') KODE ETIK DAN PERILAKU BISNIS ('KEPU')

The Company's Code of Ethics and Business Conduct ('KEPU') emphasises the high standards of business conduct required of all employees, officers, and directors of PTAR and its subsidiaries (the 'Company'). The KEPU has been formulated as part of the Company's ongoing efforts to ensure it complies with all applicable laws and acts responsibly and with integrity to its customers, suppliers and the wider community.

KEPU stipulates true information about the Company's operating principles and how employees, officers, and directors are expected to act and behave. It is by the underlying core values of the Company of growth, respect, excellence, action, and transparency. Clauses stipulated in the KEPU include anti-bribery and corruption, physical and intellectual property protection, conflict of interest, behaviour rules towards important stakeholders, and reporting mechanisms in terms of violation.

All employees, officers, and directors of PTAR and its subsidiaries receive initial training on KEPU and need to sign the Compliance with the Code of Ethics agreement before commencing work with the Company. The document is legally binding and staff can be penalised if any proof of breaching is found. The Company also provides a Conflict of Interest Form that can be submitted to management. A report can be made to the director if a breach of the code is suspected from employees.

Kode Etik dan Perilaku Bisnis Perusahaan ("KEPU") menekankan standar tinggi perilaku bisnis yang diwajibkan dari semua karyawan, pejabat, dan direktur PTAR dan anak perusahaannya ('Perusahaan'). KEPU telah diformulasikan sebagai bagian dari upaya berkelanjutan Perusahaan untuk memastikan kepatuhannya terhadap semua hukum yang berlaku dan bertindak secara bertanggung jawab dengan integritas kepada pelanggan, pemasok, dan masyarakat luas.

KEPU mengatur prinsip operasional Perusahaan dan bagaimana karyawan, pejabat, dan direktur diharapkan untuk bertindak dan berperilaku. Hal ini sesuai dengan nilai-nilai inti Perusahaan yaitu pertumbuhan, rasa hormat, keunggulan, tindakan, dan transparansi. Poin-poin yang diatur dalam KEPU meliputi anti penyuapan dan korupsi, perlindungan fisik dan kekayaan intelektual, benturan kepentingan, aturan perilaku terhadap pemangku kepentingan penting, dan mekanisme pelaporan dalam hal pelanggaran.

Semua karyawan, pejabat, dan direktur PTAR dan anak perusahaannya menerima pelatihan awal tentang KEPU dan harus melakukan penandatanganan perjanjian Kepatuhan terhadap Kode Etik sebelum mulai bekerja dengan Perusahaan. Dokumen tersebut mengikat secara hukum dan karyawan dapat dikenai sanksi jika ditemukan bukti pelanggaran. Perusahaan juga menyediakan Formulir Benturan Kepentingan yang dapat disampaikan kepada manajemen. Laporan dapat disampaikan kepada direktur jika terdapat dugaan adanya pelanggaran kode etik yang dilakukan karyawan.

EMPLOYEE REMUNERATION AND BENEFITS REMUNERASI DAN TUNJANGAN KARYAWAN

The Company's employee remuneration comprises of salaries and bonuses, as well as non-cash benefits or employee benefits. Non-monetary benefits include health insurance, educational assistance for employees' children, payment of premiums under the social security Program of BPJS Ketenagakerjaan, and bereavement allowances.

The following principles are used by the Company to determine

- compliance with the Indonesian laws and regulations and respect of minimum wage provisions;
- benchmark to other mineral mines company in the region Indonesia and within the mining industry;
- competency-based remuneration system, which takes into consideration job grade and individual work performance;
- equal pay regardless of gender, concerning roles and responsibilities

Remuneration is reviewed and adjusted annually, based on the annual performance review.

Remunerasi karyawan Perusahaan meliputi gaji dan bonus, serta manfaat non-tunai atau tunjangan karyawan. Manfaat nonmoneter meliputi asuransi kesehatan, bantuan pendidikan bagi anak karyawan, pembayaran premi dalam program jaminan sosial BPJS Ketenagakerjaan dan santunan duka cita.

Perusahaan menerapkan prinsip-prinsip berikut dalam penetapan remunerasi karyawan:

- kepatuhan terhadap hukum dan peraturan Indonesia dan ketentuan upah minimum;
- *benchmark* ke perusahaan tambang mineral lain di wilayah Indonesia dan di dalam industri pertambangan;
- sistem remunerasi berbasis kompetensi, yang mempertimbangkan *job grade* dan prestasi kerja individu
- pembayaran upah yang sama terlepas dari jenis kelamin, sehubungan dengan peran dan tanggung jawab

Remunerasi ditinjau dan disesuaikan setiap tahun berdasarkan tinjauan kinerja tahunan.

PERFORMANCE MANAGEMENT MANAJEMEN KINERJA

The core of performance management at PTAR is the Annual Performance Review of the employees, where their performance is compared to their job description and targets, and where personal targets are agreed upon for the coming year. Rewards for exceptional performances are also given to motivate the employees to excel in their roles. On the contrary, a standardised sanction system is applied in case of poor work performance or violation of the Company's policies and procedures. In 2020, all employees (100%) underwent a performance review.

Inti dari manajemen kinerja di PTAR adalah penilaian kinerja tahunan karyawan: kinerja karyawan diukur dengan deskripsi pekerjaan dan target yang sudah ditentukan, serta target pribadi yang disusun dan disepakati untuk tahun yang akan datang. Penghargaan atas kinerja yang baik juga diberikan untuk memotivasi karyawan agar berprestasi dalam perannya. Sebaliknya, sistem sanksi diterapkan jika kinerja kerja tidak memenuhi harapan atau melanggar kebijakan dan prosedur Perusahaan. Pada tahun 2020, seluruh karyawan (100%) menjalani penilaian kinerja.

EMPLOYEE TRAINING AND DEVELOPMENT

PELATIHAN DAN PENGEMBANGAN KARYAWAN

Continuous development of employees' competencies is one of the keys to the Company's success. The Training and Development Department develops comprehensive broad-scale on-site training. Also, work-specific training is developed and carried out by the relevant department. Employee competency is monitored and improved via an online training management system.

Training is divided into five categories:

- health, safety, and the environment
- personal development
- language skills
- technical skills
- training for obtaining licenses to operate vehicles and equipment

In 2020, PTAR continued its employee development efforts by conducting 135 pieces of training. The number of employees who participated in the training was 4.349 employees, with an average time of 73 hours per employee; contractor employees received 26 hours of training whereas permanent staff participated in 47 hours of training per year.

Pengembangan kompetensi karyawan merupakan salah satu kunci keberhasilan dari Perusahaan. Departemen Pelatihan dan Pengembangan mengembangkan pelatihan di tempat berskala luas yang komprehensif. Selain itu, pelatihan khusus pekerjaan dikembangkan dan dilaksanakan oleh departemen terkait. Kompetensi karyawan dipantau dan ditingkatkan melalui sistem manajemen pelatihan daring.

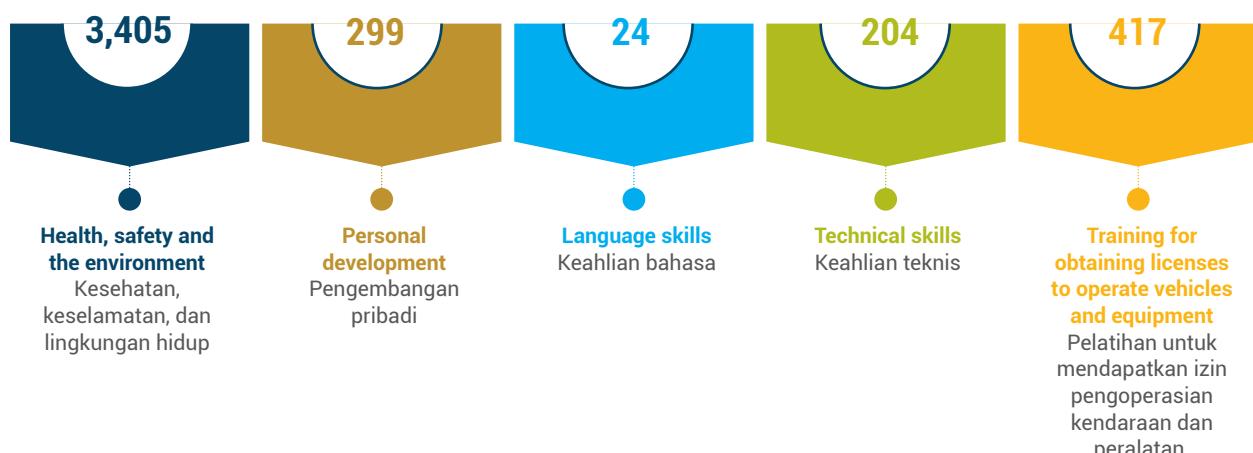
Pelatihan dibagi menjadi lima kategori:

- kesehatan, keselamatan, dan lingkungan
- pengembangan pribadi
- keterampilan bahasa
- keterampilan teknis
- pelatihan untuk mendapatkan izin pengoperasian kendaraan dan peralatan

Pada tahun 2020, PTAR melanjutkan upaya pengembangan karyawannya dengan mengadakan 135 pelatihan. Jumlah karyawan yang mengikuti pelatihan adalah 4.349 karyawan, dengan rata-rata waktu per karyawan 73 jam; karyawan kontraktor menerima 26 jam pelatihan sedangkan karyawan tetap mengikuti 47 jam pelatihan per tahun.

Employee Trainings in 2020 (Participants)

Pelatihan Karyawan di Tahun 2020 (Peserta)



The employees' training in 2020 was focussed on work safety. Accelerating within the mining industry, PTAR established training for Primary Operational Supervisor (POP) and Intermediate Operational Supervisor (POM). In 2020, as many as sixty employees of PTAR and contractor were declared competent as POP, consisting of competency test/new certification for 39 employees and competency extension test/certification test for 21 employees. Furthermore, as many as eighteen employees of PTAR and contractor companies were declared competent as POM, consisting of competency test/new certification for twelve employees and competency extension test/certification test for six employees.

Tema pelatihan karyawan tahun 2020 lebih fokus mengenai keselamatan kerja. Dalam rangka percepatan dalam industri pertambangan, PTAR membentuk pelatihan Pengawas Operasional Utama (POP) dan Pengawas Operasional Menengah (POM). Pada tahun 2020, sebanyak enam puluh karyawan PTAR dan kontraktor dinyatakan kompeten sebagai POP, terdiri dari uji kompetensi/sertifikasi baru untuk 39 karyawan dan uji perpanjangan kompetensi/uji sertifikasi untuk 21 karyawan. Selanjutnya, sebanyak delapan belas karyawan PTAR dan kontraktor dinyatakan kompeten sebagai POM, terdiri dari uji kompetensi/sertifikasi baru untuk dua belas karyawan dan uji perpanjangan kompetensi/uji sertifikasi untuk enam karyawan.



EDUCATION AND TRAINING OF THE BOARD OF COMMISSIONERS AND DIRECTORS

PENDIDIKAN DAN PELATIHAN DEWAN KOMISARIS DAN DEWAN DIREKSI

In 2020, members of the Board of Commissioners and Board of Directors attended seventeen conferences, workshops, and training events about mining and business economy. This activity is done to expand their competency and keep them informed about the most recent industry trends.

Pada tahun 2020, anggota Dewan Komisaris dan Dewan Direksi telah mengikuti 17 konferensi, lokakarya, dan acara pelatihan terkait pertambangan dan perokonomian bisnis. Kegiatan ini dilakukan untuk mengembangkan kompetensi dan informasi terkini mengenai tren industri.

INDUSTRIAL RELATIONS

HUBUNGAN INDUSTRIAL

PTAR carries out its labour policies transparently, according to the laws and regulations of the Republic of Indonesia. The Company maintains good relations with the Ministry of Manpower and respectful and good collaboration with the labour union. This is reflected by the fact that there were no reported incidents between employer and employees in 2020. PTAR ensures it is consistently transparent about labour policies with its workforce.

PTAR menjalankan kebijakan ketenagakerjaannya secara transparan, sesuai dengan peraturan perundang-undangan Republik Indonesia. Perusahaan menjaga hubungan baik dengan Kementerian Ketenagakerjaan dan mempertahankan kerjasama yang baik dan saling menghormati dengan serikat pekerja. Hal ini tercermin dari tidak adanya insiden yang dilaporkan antara pemberi kerja dan karyawan pada tahun 2020. PTAR memastikan secara konsisten transparan tentang kebijakan ketenagakerjaan dengan karyawan.

INDUSTRIAL RELATIONS SETTLEMENT MECHANISMS

MEKANISME PENYELESAIAN HUBUNGAN INDUSTRIAL

Any employee grievance or complaint will be resolved fairly and respectfully using the following process:

1. Grievance or complaint received is discussed with the Direct Supervisor with an aim of resolution. If the issue cannot be resolved at this level, it will be elevated to the next higher supervisory level.
2. If the problem requires further resolution, it will be forwarded to the Company's HR Department, which will resolve it with bipartite handling.

Overall, PTAR strives to settle conflicts, grievances, and complaints internally and aims to expand its capability for internal mediation in the coming years.

Setiap keluhan atau pengaduan karyawan akan diselesaikan secara adil dan sesuai dengan prosedur penanganan berikut:

1. Keluhan atau pengaduan yang diterima didiskusikan dengan pengawas langsung untuk diselesaikan. Jika masalah tidak dapat diselesaikan pada tingkat ini, maka akan diangkat ke tingkat pengawasan yang lebih tinggi.
2. Jika masalah tersebut memerlukan penyelesaian lebih lanjut, maka akan diteruskan ke Departemen SDM Perusahaan yang akan melakukan penyelesaian dengan dasar penanganan bipartit.

Secara keseluruhan, PTAR berupaya untuk menyelesaikan konflik, keluhan, dan pengaduan secara internal dan bertujuan untuk memperluas kemampuannya dalam mediasi internal pada tahun-tahun mendatang.

STRATEGIC FOCUS FOR PTAR

FOKUS STRATEGIS UNTUK PTAR

»

Marsipature Program

Program Marsipature

The Marsipature Program was launched in 2017 to enhance the employability of local people at the Martabe Gold Mine. The name originated from the Batak language and means 'let's build'.

The Marsipature Program focuses on capacity building, training, and development of the workforce. It has a focus on trade and non-trade positions which are anticipated to enhance career opportunities for local employees, including:

- Professional development
- Technical development:
 - non-trades training
 - Soft skills training
 - apprenticeship Program (trades).

In January 2019, a cooperation agreement between PTAR and PPNS (Surabaya State Polytechnic of Shipbuilding) was signed to support the Apprenticeship Program. The Program's training material consists of 25% theory and 75% practice. This Apprenticeship Programme is three years in length and covers mechanical, electrical & instrumentation, and welding systems. At the end of 2020, the apprenticeship students reached the following numbers:

- mechanical: 3 people
- electrical & instrumentation: 4 people
- boilermaker: 4 people

Program Marsipature dibentuk pada tahun 2017 dengan tujuan untuk meningkatkan kemampuan kerja masyarakat lokal di Tambang Emas Martabe. Nama tersebut berasal dari bahasa Batak yang berarti 'Mari Membangun'.

Program Marsipature berfokus pada pengembangan kapasitas, pelatihan, dan pengembangan karyawan. Program ini berfokus pada posisi *trades* dan *non-trades* yang diharapkan dapat meningkatkan peluang karir bagi karyawan lokal. Program Marsipature terdiri dari:

- Pengembangan profesional
- Pengembangan teknis
 - pelatihan non-trades
 - pelatihan soft skill
 - trades (magang).

Pada Januari 2019 perjanjian kerjasama telah ditandatangani antara PTAR dan PPNS (Politeknik Perkapalan Negeri Surabaya) untuk mendukung Program Magang. Materi pelatihan program terdiri dari 25% teori dan 75% praktik. Program Magang ini berlangsung selama tiga tahun dan mencakup sistem mekanis, kelistrikan & instrumetasi, serta sistem pengelasan. Pada akhir tahun 2020 jumlah mahasiswa magang mencapai angka sebagai berikut:

- mekanik: 3 orang
- elektrikal & instrumetasi: 4 orang
- mengelas: 4 orang



Gender Diversity

Keberagaman Gender

The Company recognises the importance of diversity to develop agile and innovative responses to the Company's challenges. To ensure diversity of the workforce, PTAR has integrated gender policies into its recruitment and HR system via the 'Gender Diversity Policy'.

The main target of the Gender Diversity Policy is to increase the employment rate of women at all levels of PTAR's and site contractors' workforce. Regular training is undertaken and at least once a year under a thematic Focused-Group Discussion (FGD). Further, by the policy, several other HR policies and codes of the practice has been triggered:

- Anti-Harassment Policy
- Code of Practice on Managing Pregnancy-Related Work Restrictions
- Lactation Policy
- Maternity and Paternity Leave Policy
- Gender Diversity Policy

The Anti-Harassment Policy is an effort to eliminate discrimination, intimidation, threats, or harassment at the workplace. The Company regularly conducts gender training throughout the year and at least one FGD on gender diversity. Furthermore, we hold a special event on Kartini Day (a celebration of women empowerment). However, due to the COVID-19 outbreak in 2020, no gender-specific events and discussions were held; the Company focused more on pandemic-related handling.

The PTAR Code of Practice on Managing Pregnancy-Related Work Restrictions protects pregnant employees from the hazards of the workplace whilst still allowing them to work until delivery is imminent. Pregnant employees can stay longer in the workforce and the Company retains its valuable employment longer.

Perusahaan menyadari pentingnya keberagaman untuk mengembangkan respon yang cepat dan inovatif terhadap tantangan Perusahaan. Untuk memastikan keberagaman angkatan kerja, PTAR telah mengintegrasikan kebijakan gender ke dalam perekrutan dan sistem SDM melalui 'Kebijakan Keberagaman Gender'.

Sasaran utama Kebijakan Keberagaman Gender adalah untuk meningkatkan tingkat peluang kerja perempuan di semua level tenaga kerja PTAR dan kontraktor lokasi. Pelatihan rutin dilakukan minimal setahun sekali dengan melakukan *Focused-Group Discussion* (FGD) tematik. Selanjutnya, berdasarkan kebijakan tersebut, beberapa kebijakan dan kode praktik SDM lainnya telah diterapkan:

- Kebijakan Antipelecehan
- Kode Praktik Mengelola Batasan Kerja Terkait Kehamilan
- Kebijakan Laktasi
- Kebijakan Cuti Hamil dan Cuti Ayah
- Kebijakan Keragaman Gender

Kebijakan Antipelecehan adalah upaya untuk menghapus diskriminasi, intimidasi, ancaman, atau pelecehan di tempat kerja. Perusahaan secara rutin mengadakan pelatihan keberagaman gender sepanjang tahun dan setidaknya satu FGD tentang keberagaman gender. Selanjutnya, kami mengadakan acara khusus di Hari Kartini (perayaan pemberdayaan perempuan). Namun, karena adanya pandemi COVID-19 pada tahun 2020, tidak terdapat acara khusus termasuk acara diskusi dan Perusahaan lebih fokus kepada program penanganan pandemi.

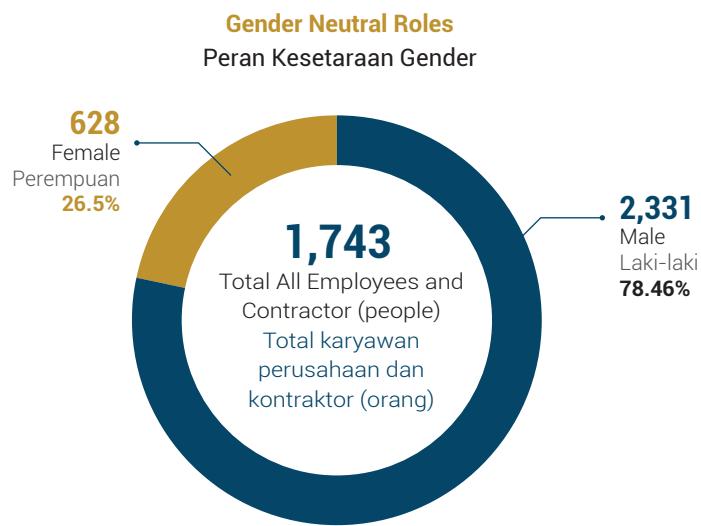
Kode Etik PTAR tentang Mengelola Batasan Kerja Terkait Kehamilan melindungi karyawan yang hamil dari bahaya di tempat kerja dan tetap mengizinkan mereka bekerja sampai mendekati masa persalinan. Karyawan hamil dapat bekerja lebih lama dan Perusahaan akan tetap mempertahankan mereka selama mereka masih ingin bekerja.

Also, the Company has a Lactation Policy which means that it provides facilities to support breastfeeding employees. The Company also provides four months of paid maternity leave and two weeks of paternity leave.

The various Gender Diversity Policy initiatives show that by the end of 2020, 628 women, or 26 % of the total workforce had been employed. A total of 23 women, or 28%, of female employees, occupied management positions (supervisor and manager roles). At the top management level, two women were appointed as Commissioners and Director.

Selain itu, Perusahaan memiliki Kebijakan Laktasi yang artinya memberikan fasilitas untuk mendukung karyawan menyusui. Perusahaan juga memberikan empat bulan cuti melahirkan dengan upah penuh dan dua minggu cuti bagi karyawan laki-laki.

Hasil dari berbagai inisiatif Kebijakan Keberagaman Gender terlihat dari jumlah karyawan perempuan pada tahun 2020, yaitu sebanyak 628 perempuan, atau 26% dari total karyawan. Sebanyak 23 perempuan, atau 28%, dari karyawan perempuan menduduki posisi manajemen (peran Pengawas dan Manajer). Di level manajemen puncak, dua orang perempuan ditunjuk sebagai Komisaris dan Direktur.



PTAR will work further towards an additional increase in female employment and women in higher management positions.

PTAR akan bekerja lebih giat untuk meningkatkan kesempatan lapangan kerja bagi perempuan dan tetap memberikan peluang bagi perempuan untuk menduduki posisi manajemen yang lebih tinggi.



PTAR will continue to strive for the acceleration and empowerment of its workforce in 2021 to achieve better Company results.

PTAR akan terus mengupayakan percepatan dan pemberdayaan tenaga kerjanya di tahun 2021 untuk mencapai hasil Perusahaan yang lebih baik



Hafnita Ramadani, Field Assistant, Mine Geology and Hendry Tambunan, Sample Crew, PT Sangati Soerya Sejahtera (SSS) conducted a drilling check for reserve development to ensure and at the same time increase the status of the reserves. Hafnita Ramadani, Field Assistant, Mine Geology dan Hendry Tambunan, Crew Sample, PT Sangati Soerya Sejahtera (SSS) melakukan pengecekan pengeboran batuan pengembangan cadangan untuk memastikan sekaligus meningkatkan status cadangan.



Aron Nasution, Field Assistant, TSF and Jhon Henry Nahot Dongoran, Helper, TSF are measuring the density of dam soils in TSF Zone 1 to ensure safety.

Aron Nasution, Field Assistant, TSF dan Jhon Henry Nahot Dongoran, Helper, TSF sedang mengukur kepadatan tanah bendungan di TSF Zona 1 untuk memastikan keamanannya.



A photograph of a construction worker in full safety gear, including a white hard hat with the Agincourt Resources logo, an orange long-sleeved shirt, and grey trousers with reflective stripes. He is wearing a black face mask and safety glasses. He is kneeling on the ground, working with a tool near a large white gas cylinder with a funnel attached. The background shows a dirt construction site with green trees in the distance.

Chapter 7

OCCUPATIONAL HEALTH AND SAFETY

KESELAMATAN DAN KESEHATAN KERJA (K3)



PTAR is Optimizing the Independence of Occupational Health and Safety (OHS) Cultured Communities in the Era of the Information Technology-Based Industrial Revolution 4.0

Optimalisasi Kemandirian Masyarakat Berbudaya Keselamatan dan Kesehatan Kerja (K3) pada Era Revolusi Industri 4.0 Berbasis Teknologi Informasi.



South Tapanuli Zone 3 Government Fire Fighter Taskforce Personnel for Batangtoru, Muara Batangtoru, Marancar, West Angkola and Sangkunur Angkola, are practising and checking equipment. In December 2020, PTAR provided basic equipment assistance in the form of a complete set of anti-heat extinguishers and pants, helmets, shoes, fire hoses, and other equipment. Personil Satuan Pemadam Kebakaran Pemerintah Kabupaten Tapanuli Selatan Zona 3 untuk Kecamatan Batangtoru, Muara Batangtoru, Marancar, Angkola Barat dan Angkola Sangkunur, tengah berlatih dan mengecek kesiapan peralatan. Pada Desember 2020, PTAR memberikan bantuan perlengkapan dasar berupa set lengkap baju dan celana pemadam anti panas, helm, sepatu, selang pemadam api, dan perlengkapan lainnya.



Introduction

Pendahuluan

The Company targets zero harm for all employees at work, as it is one of the most important outcomes for PTAR Mining operations, by their nature, have many potential hazards. The COVID-19 pandemic adds another potential hazard that needed to be dealt with since the beginning of 2020. Thus, PTAR implemented an adaptive but also disciplined and continuous approach to occupational health and safety across all its areas of operations.

Melindungi semua karyawannya di tempat kerja merupakan hal terpenting bagi PTAR. Kawasan operasi penambangan memiliki banyak potensi bahaya inheren. Pandemi COVID-19 sejak awal tahun 2020 menambah potensi bahaya lainnya yang perlu ditangani. Maka dari itu, PTAR menerapkan pendekatan adaptif namun juga disiplin dan berkelanjutan terhadap kesehatan dan keselamatan kerja di semua area operasinya.



PTAR Occupational Health and Safety Management System

Sistem Manajemen Kesehatan dan Keselamatan PTAR

PTAR operates world-class occupational health and safety (OHS) management system, which complies with international standards for safety management such as ISO 18001 and MEMR ministerial regulation No. 38 of 2014 concerning the Implementation of the Mineral and New Coal Mining Safety Management Systems. PTAR aims to improve the effectiveness of planned and measured mining safety, structured and integrated able to create a safe, healthy, comfortable, and efficient workplace to increase productivity. Systems have been developed with the understanding that hazards can be caused by three factors: 1) Worker behaviour; 2) Worker competence; and 3) Workplace. This system is based on the following elements:

- Audits and inspections
- Industrial hygiene monitoring
- Safe work methods
- OHS policy
- OHS key performance indicators (KPIs) and targets
- Codes of practice
- Standard operating procedures
- Departmental and senior management safety committees
- A monthly health and safety education (HSE) forum involving both PTAR and all site contractors

PTAR menerapkan sistem manajemen Keselamatan dan Kesehatan Kerja (K3) sesuai dengan standar internasional seperti ISO 18001 dan Peraturan Menteri Energi dan Sumber Daya Mineral No 38 tahun 2014 tentang Penerapan Sistem Manajemen Keselamatan Pertambangan Mineral dan Batu Bara. Peraturan tersebut mengatur mengenai SMKP (Sistem Manajemen Keselamatan Pertambangan). Hal ini bertujuan untuk meningkatkan efektivitas keselamatan pertambangan yang terencana dan terukur, terstruktur dan terintegrasi yang mampu menciptakan tempat kerja yang aman, sehat, nyaman, dan efisien untuk meningkatkan produktivitas. Sistem ini telah dikembangkan dengan pemahaman bahwa bahaya dapat disebabkan oleh tiga faktor: 1) Perilaku pekerja; 2) Kompetensi pekerja; dan 3) Tempat kerja. Sistem ini didasarkan pada elemen-elemen berikut:

- Audit dan inspeksi
- Pemantauan kebersihan industri
- Metode kerja yang aman
- Kebijakan K3
- Indikator dan target kinerja utama (KPI) K3
- Kode praktik
- Prosedur operasi standar
- Komite keselamatan manajemen departemen dan senior
- Forum pendidikan kesehatan dan keselamatan (HSE) bulanan yang melibatkan PTAR dan semua kontraktor lokasi

- Managing incidents using an on-line system which undertakes investigations and facilitates corrective action
- Training programs on risk-based safety (discussed under Human Resources)
- Involving both PTAR and all site contractors in a monthly Health, Safety and Environment (HSE) Forum.
- The main Occupational Safety program and control
- Mengelola insiden menggunakan sistem daring untuk melakukan investigasi dan mengambil tindakan korektif
- Program pelatihan tentang keselamatan berbasis risiko (dibahas lebih lanjut di bahasan Sumber Daya Manusia)
- Melibatkan PTAR dan semua kontraktor dalam Forum Kesehatan, Keselamatan dan Lingkungan yang diadakan setiap bulan.
- Program dan pengendalian Keselamatan Kerja utama



Key Mechanisms to Integrate OHS into PTAR's Operations

Mekanisme Utama untuk Mengintegrasikan K3 ke dalam Operasi PTAR

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

Golden Rules are the mandatory safety policies to protect workers from the most common dangers and serious accidents in the mining industry. The Golden Rules must be understood by all individuals working at the Martabe Gold Mine. Therefore, new employees are trained on the Golden Rules before taking up their position at the Company.

Active Safety Agreement (ASA)

The ASA program incentivises managers to have active conversations about OHS with their employees to encourage and motivate employees to prioritize safety in the workplace. A manager is assigned to be an auditor, and upon observation for a period, he or she will have an open discussion of employees on safety risks and possible control systems. PTAR has one Collective Labor Agreement (CLA) with the trade unions (SPSI) in the organization that includes 100% of the articles related to Occupational Health and Safety (OHS). These articles are mandatory and are aimed at protecting employees from incidents and accidents in the mining industry. The Company will take firm action against employees who deliberately violate the OHS rules and who put themselves or others in dangerous situations.

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

Golden Rules

Golden Rules adalah kebijakan keselamatan wajib untuk melindungi karyawan dari bahaya paling umum dan kecelakaan serius di industri pertambangan. *Golden Rules* harus dipahami oleh semua individu yang bekerja di Tambang Emas Martabe. Oleh karena itu, karyawan baru dilatih tentang *Golden Rules* sebelum mengambil posisi mereka di Perusahaan.

Active Safety Agreement (ASA)

Program ASA memberi kesempatan kepada manajer untuk berdialog aktif tentang K3 dengan karyawan mereka untuk mendorong dan memotivasi karyawan selalu memprioritaskan keselamatan di tempat kerja. Seorang manajer ditugaskan untuk menjadi auditor, dan setelah observasi selama suatu periode, dia akan melakukan diskusi terbuka tentang karyawan terkait risiko keselamatan dan kemungkinan sistem kontrol. PTAR memiliki satu Perjanjian Kerja Bersama (PKB) dengan Serikat Pekerja/Serikat Buruh (SPSI) dalam organisasi yang memuat 100% pasal yang terkait dengan Keselamatan dan Kesehatan Kerja (K3). Peraturan ini bersifat wajib dan ditujukan untuk melindungi karyawan dari insiden dan kecelakaan di industri pertambangan. Perusahaan akan menindak tegas karyawan yang dengan sengaja melanggar aturan K3 dan menempatkan diri atau orang lain dalam situasi berbahaya.

The OHS basic rules in the CLA refer to the Golden Rules, Take 5, the Job Safety Environment Analysis (JSEA), and the Permit to Work System. The Company communicates these rules through socialization, training, and campaigns so that employees understand their rights, obligations and the consequences if they violate these rules. The Chief of Mine Operation, below the on-site General Manager closely monitors OHS performance.

Workplace Inspection is a team-based inspection program that uses a checklist to evaluate workplace conditions and ensure an overall safe work environment in each department.

Frontline Safety Leadership is mandatory OHS training for all Field Supervisors.

Take 5 is an everyday-safety working tool that assesses each worker with a checklist before starting work for every shift.

HSE Communication are coordination meetings with contractors to ensure they comply with setting up a Safety Steering Committee, an HSE Forum, a Safety Dept. Committee. They hold regular Safety Coordination Meetings.

Safety Campaigns

Health and safety alerts are issued if otherwise fatal injuries might occur and safety posters are produced to make workers and staff aware of the hazards.

Safety Reward

An annual Hazard Report winner is chosen and their award is given at the yearly award ceremony of PTAR at the Martabe Gold Mine.

Emergency Response

Emergency management program to prevent the escalation in case of a severe event.

The Four Pillars of Occupational Health Management

Promotional, Preventative, Curative, and Rehabilitative Occupational Health Programs.

Aturan dasar K3 dalam PKB mengacu pada *Golden Rules, Take 5, Job Safety Environment Analysis (JSEA)*, dan Ijin Kerja Sistem. Perusahaan mengomunikasikan aturan tersebut melalui sosialisasi, pelatihan, dan kampanye agar karyawan memahami hak, kewajiban dan konsekuensinya jika melanggar aturan tersebut. Kinerja K3 diawasi secara ketat oleh Kepala Operasi Tambang di bawah *General Manager* di lapangan.

Inspeksi lokasi kerja adalah program inspeksi berbasis tim menggunakan daftar periksa untuk mengevaluasi kondisi tempat kerja dan memastikan lingkungan kerja yang aman secara keseluruhan di setiap departemen.

Kepemimpinan Keselamatan Garis Depan adalah pelatihan K3 wajib untuk semua Pengawas Lapangan.

Take 5 adalah alat kerja keselamatan sehari-hari yang menilai setiap karyawan dengan daftar periksa sebelum mulai bekerja untuk setiap *shift*.

Komunikasi HSE adalah rapat koordinasi dengan kontraktor untuk memastikan mereka mematuhi pembentukan Komite Pengarah Keselamatan, Forum HSE, Komite Departemen Keamanan, dan mengadakan Rapat Koordinasi Keselamatan secara berkala.

Informasi Keamanan

Adanya informasi mengenai peringatan kesehatan dan keselamatan dengan cara menempelkan poster keselamatan kerja agar membuat setiap karyawan dan staf selalu sadar akan adanya bahaya

Penghargaan Keamanan

Pemenang Laporan risiko tahunan dipilih dan penghargaan mereka diberikan pada saat kegiatan upacara penghargaan tahunan PTAR di Tambang Emas Martabe.

Tanggap Darurat

Program manajemen darurat untuk mencegah eskalasi jika terjadi adanya peristiwa parah.

Empat Pilar Manajemen Kesehatan Kerja

Program Kesehatan Promosi, Preventif, Kuratif, dan Rehabilitatif.

Food Traffic Light Management System first conducted in 2016 by Forum of HSE. This program focuses on the nutritional balance of the workers with a daily food menu for the workers, nutritional balance information, and voluntary nutrition reporting measures.

Fit for Life is a program to maintain the physical fitness of employees. Certified instructors provide the option for physical weekly exercise for free.

Industrial Hygiene Monitoring audits and monitors the work environment conditions to support safe and comfortable workplace for employees. Every year the Company reports two reports to the Ministry of Energy and Mineral Resources (ESDM): Occupational Health Management Report and Work Environment Management Report.

In 2020, PTAR launched several additional programs and methods to identify, address and prevent accidents, i.e:

Martabe Critical Control Program

Martabe Critical Control Program is intended to prevent serious/fatal accidents. Started in 2020, it focuses on a monthly report by the Supervisors on 19 critical categories.

Off the Job Safety is targeted at the broader mining communities and families to make them aware and sensitive to health and safety issues.

HSE KPI Dashboard is a competitive performance monitoring program that outlines lagging and leading sections of Martabe Gold Mine in regards to OHS compliance, to identify and improve necessary areas.

Food Traffic Light Management System pertama kali dilakukan pada tahun 2016 oleh Forum HSE. Program ini berfokus pada keseimbangan gizi karyawan dengan menu makanan sehari-hari untuk karyawan, informasi keseimbangan gizi, dan tindakan pelaporan gizi sukarela.

Fit for Life merupakan program untuk menjaga kebugaran jasmani karyawan. Instruktur bersertifikat memberikan opsi untuk latihan fisik mingguan secara gratis.

Industrial Hygiene Monitoring mengaudit dan memantau kondisi lingkungan kerja untuk mendukung tempat kerja yang aman dan nyaman bagi karyawan. Setiap tahun Perusahaan melaporkan dua laporan kepada Kementerian Energi dan Sumber Daya Mineral (ESDM) yaitu Laporan Manajemen Kesehatan Kerja dan Laporan Manajemen Lingkungan Kerja.

Pada tahun 2020, PTAR meluncurkan beberapa program dan metode tambahan untuk mengidentifikasi, mengatasi dan mencegah kecelakaan, yaitu:

Program Pengendalian Kritis Martabe

Program Pengendalian Kritis Martabe ditujukan untuk mencegah terjadinya kecelakaan yang serius/fatal. Dimulai pada tahun 2020, ini berfokus pada laporan bulanan oleh Supervisor pada 19 kategori penting.

Off the Job Safety ditargetkan pada komunitas dan keluarga pertambangan yang lebih luas untuk menciptakan kesadaran dan kepedulian terhadap masalah kesehatan dan keselamatan.

HSE KPI Dashboard adalah program pemantauan kinerja kompetitif yang menguraikan hal-hal yang sudah tercapai dan masih belum dicapai di Tambang Emas Martabe sehubungan dengan kepatuhan K3, untuk mengidentifikasi dan meningkatkan area yang diperlukan.



Safety Management Improvements in 2020

Peningkatan Manajemen Keselamatan Kerja Tahun 2020

The year 2020 saw significant initiatives regarding work safety management implemented. These are described below:

- **Strengthening Martabe Critical Control Program**

Analysis identified the mechanisms and critical hazard potentials of specific work processes. The results of the analysis are integrated into training programs to help employees better understand and identify potential hazards in their working processes.

- **Enhancing the Industrial Hygiene Program**

The program develops an industrial hygiene program by conducting an occupational health risk assessment in the PTAR work environment. The results of this risk assessment serve as a reference for the monitoring of health hazards in the work environment and provide insight for the Company to improve the work environment and prevent occupational diseases.

- **COVID-19 Program**

The COVID-19 program was developed to prevent the spread of the COVID-19 pandemic at the Martabe Gold Mine. Several actions were implemented by the Company including the separation of resident and commuter workers; conducting a screening process for resident employees including quarantine provided at the Jakarta Hub, Medan, Padangsidimpuan , and Tor Sibohi; conducting random checks for commuter employees; implementing health protocols on-site and adding medical facilities

- **Increasing the Mining Safety Management**

Several measures lead to an increase in the quality of the implementation of the Mining Safety Management System. This was reflected by the increase of the internal audit result for Mining safety management from 80,65% in 2019 to 91,31% in 2020.

Pada tahun 2020, inisiatif signifikan tentang penerapan manajemen keselamatan kerja diterapkan, yaitu:

- **Memperkuat Program Pengendalian Kritis Martabe**

Analisis mengidentifikasi mekanisme dan potensi bahaya kritis dari proses kerja tertentu. Hasil analisis diintegrasikan ke dalam program pelatihan untuk membantu karyawan lebih memahami dan mengidentifikasi potensi bahaya dalam proses kerja mereka.

- **Meningkatkan Program Higiene Industri**

Program ini mengembangkan program kebersihan industri dengan melakukan penilaian risiko kesehatan kerja di lingkungan kerja PTAR. Hasil penilaian risiko ini menjadi acuan dalam pemantauan bahaya kesehatan di lingkungan kerja dan memberikan wawasan bagi perusahaan untuk memperbaiki lingkungan kerja dan mencegah penyakit akibat kerja.

- **Program COVID-19**

Program COVID-19 dikembangkan untuk mencegah penyebaran pandemi COVID-19 di Tambang Emas Martabe. Beberapa tindakan yang dilakukan perusahaan termasuk pemisahan karyawan penghuni camp dan karyawan komuter atau karyawan lokal; melakukan proses penyaringan terhadap karyawan termasuk karantina di Hub Jakarta, Medan, Padangsidimpuan, dan Tor Sibohi; melakukan pemeriksaan acak untuk karyawan komuter; menerapkan protokol kesehatan di lapangan; dan menambah fasilitas kesehatan.

- **Meningkatkan Manajemen Keselamatan Pertambangan**

Berbagai langkah yang dilakukan berfokus pada peningkatan kualitas penerapan Sistem Manajemen Keselamatan Pertambangan. Hal tersebut tercermin dari peningkatan hasil audit internal dari 80,65% pada tahun 2019 menjadi 91,31% pada tahun 2020.

- 2020 Work Safety Management Performance**

For three consecutive years, PTAR has had no work accidents resulting in zero lost time injury (LTI). Lost time injury is a key safety performance indicator in the mining industry. PTAR's success in OHS implementation is mainly attributed to its commitment to staff training and effective OHS supervision. PTAR always maintains close relationships with employees through the implementation of effective training and work environment supervision so that employees can continuously develop their technical and safety competencies.

- Kinerja Manajemen Keselamatan Kerja 2020**

Selama tiga tahun berturut-turut, PTAR tidak mengalami kecelakaan kerja yang mengakibatkan *Lost Time Injury* (LTI). *Lost Time Injury* adalah indikator kinerja keselamatan utama di industri pertambangan. Keberhasilan PTAR dalam penerapan K3 terutama dikaitkan dengan komitmenya terhadap pelatihan staf dan pengawasan K3 yang efektif. PTAR senantiasa menjaga hubungan yang erat dengan karyawan melalui pelaksanaan pelatihan yang efektif dan pengawasan lingkungan kerja sehingga karyawan dapat terus mengembangkan kompetensi teknis dan keselamatan kerja.

Total Lost Time Injury (LTI) & Lost Working Time (LTIFR)

Total Kehilangan Waktu Kerja (LTI) & Kekerapan Kehilangan Waktu Kerja (LTIFR)

Description Uraian	2020	2019	2018	2017	2016	2015
Total Lost Time Injury (LTI)	0	0	0	1	0	2
Total Kehilangan Waktu Kerja (LTI)						
Loss of Working Time (LTIFR)	0	0	0	0.15	0	0.34
Kekerapan Kehilangan Waktu Kerja (LTIFR)						

In addition to the LTI rate, PTAR has developed thirteen Key Performance Indicators (KPIs) to measure accident rates and safety management performance at the Martabe Gold Mine. In 2020, a site-aggregated KPI score of 96% was accomplished.

Selain tingkat LTI, PTAR telah mengembangkan tiga belas indikator kinerja utama (KPI) untuk mengukur tingkat kecelakaan dan kinerja manajemen keselamatan di Tambang Emas Martabe. Pada tahun 2020, skor KPI mencapai 96%.

Key Performance Indicators for the Last Three Years

Key Performance Indicator (KPI) Tiga Tahun Terakhir

	KPI	Measure	Target	2020	2019	2018
	KPI scores to measure accidents and safety management performance scores Skor KPI untuk mengukur skor kinerja manajemen kecelakaan dan keselamatan			96%	97%	95%
1	LTIs	# of LTIs	Target, 0 = 100%	100%	100%	100%
2	MTIs	# of MTIs	Recorded	10	18	16
3	FAlS	# of FAlS	Recorded	14	32	27
4	High Risk Incidents	# of High Risk Safety Incidents	Recorded	16	23	26
5	Hazards Reported	# Hazards Reported	Recorded	53	130	94
6	Incident Investigations	# Overdue Safety Incident Investigations (Average Performance of Departments for the Month)	Target, 0 = 100%	93%	98%	86%

	KPI	Measure	Target	2020	2019	2018
7	Corrective Actions	# All Overdue Corrective Actions from Incident - Safety, Incident - Environment, Hazard/Non-conformance & HSE WCI Events (Average Performance of Departments for the Month)	Target, 0 = 100%	99%	97%	93%
8	Departmental HSE Committee meetings	# of Department HSE Committee Meetings Held	Target, 12 = 100%	100%	100%	100%
9	Workplace Inspections	Quarterly Workplace Inspection Score (Site average Workplace Inspection Score)	Target 90%	93%	93%	95%
10	Industrial Waste Inspection	# of Industrial Waste Inspection Findings	Target 100%	96%	Recorded	Recorded
11	Safety Training	% Mandatory Safety Competencies completed	Target 90%	96%	96%	95%
12	ASAs	% Total ASAs conducted against target	Target 100%	99%	100%	98%
13	CCCLs	% Total CCCLs completed against target (YTD completed)	Target 100%	91%	96%	Recorded

This achievement demonstrates a high level of compliance and that the developed monitoring and control system is successful at minimising incidents. Key activities of the control system include:

- Mandatory safety training
- Reporting unsafe actions and conditions
- Inspections at worksites
- Instant incident investigations and prevent these actions recurring
- Participation of site management in the Active Safety Agreement (ASA) Program
- Participation from on-site Operations Supervisors in the Critical Control Program

Despite achieving exemplary results in 2020, PTAR continues to strengthen its efforts to reduce the safety risks at the Martabe Gold Mine in 2021 to see even greater success. More detailed information on the occupational and safety measures of the Martabe Gold Mine can be found in the 2020 PT Agincourt Sustainability Report.

Pencapaian ini menunjukkan tingkat kepatuhan yang tinggi dan bahwa sistem pemantauan dan kontrol yang dikembangkan berhasil meminimalkan kecelakaan kerja. Aktivitas utama dari sistem kontrol meliputi:

- Pelatihan keselamatan
- Melaporkan tindakan dan kondisi yang tidak aman
- Inspeksi di tempat kerja
- Investigasi insiden segera untuk mencegah kejadian berulang
- Partisipasi manajemen lapangan dalam Program Perjanjian Keamanan Aktif (ASA)
- Partisipasi dari Pengawas Operasi di tempat dalam Program Kontrol Kritis

Meskipun pada tahun 2020 mencapai hasil yang baik, PTAR terus memperkuat upayanya untuk mengurangi risiko keselamatan di Tambang Emas Martabe pada tahun 2021. Informasi lebih rinci mengenai penerapan kesehatan dan keselamatan kerja di Tambang Emas Martabe dapat ditemukan dalam Laporan Keberlanjutan 2020 PT Agincourt Resources.

PENANGKARAN JAGUNG KELOMPOK TANI MULIA BAKTI

Varitas	: Bisma (Label Ungu)
Lokasi	: Desa Sumuran Kecamatan
Luas Area Tanam	: 1,5 Ha
PPL	: Nurhamida
Periode Tanam	: 08 Februari 2021

Program PPM Community Development
PT. Agincourt Resources



Suhartini and Sri Dewi, corn farmers of the Mulia Bakti Farmer Group in Aek Sirara, showing their yields of dent corn. In 2020, PTAR has provided support for warehouse construction, repair and modification of corn thresher/crusher machines. Currently, the sales of Karya Mulia Bakti Cooperative are spread in Batangtoru, Padangsidimpuan, and Sibolga.

Suhartini dan Sri Dewi, petani jagung Kelompok Tani Mulia Bakti di Aek Sirara menunjukkan hasil panen berupa jagung pipil. Pada tahun 2020, PTAR memberikan dukungan pembangunan gudang, perbaikan, dan modifikasi mesin perontok/pemecah jagung. Saat ini, penjualan Koperasi Karya Mulia Bakti tersebar di Batangtoru, Padangsidimpuan, dan Sibolga.





UNG
A BAKTI

(gu)
ec. Batangtoru

nent



Chapter 8
**CORPORATE
SOCIAL
RESPONSIBILITY**
TANGGUNG JAWAB
SOSIAL PERUSAHAAN

CORPORATE SOCIAL RESPONSIBILITY

TANGGUNG JAWAB SOSIAL PERUSAHAAN

>>

Overview

Gambaran Umum



We, at PTAR, commit to benefiting the communities surrounding our operations. One way is to carry out corporate social responsibility activities to ensure social support for our operations. On July 31, 2019, the Director of Mineral Business Development, Energy and Mineral Resources Ministry approved the PTAR Community Development and Empowerment Master Plan 2018-2028. The Community Development and Empowerment Program in 2021 will build on this Master Plan.

Di PTAR, kami berkomitmen untuk memberikan manfaat bagi masyarakat di sekitar wilayah operasional. Salah satu caranya adalah melalui aktivitas tanggung jawab sosial perusahaan memastikan dukungan sosial untuk operasi kami. Pada 31 Juli 2019, Rencana Induk Pengembangan dan Pemberdayaan Masyarakat PTAR 2018 – 2028 telah disetujui oleh Direktur Pembinaan Pengusahaan Mineral, Kementerian Energi dan Sumber Daya Mineral. Program Pengembangan dan Pemberdayaan Masyarakat di tahun 2021 akan mengarah dan mengikuti Rencana Induk tersebut.



Community Development Pemberdayaan Masyarakat

The community empowerment program consists of efforts to improve the community's welfare and improve their quality of life. We carry out various programs, both short and long term, to encourage community independence. PTAR sustainably implements this program to actively contribute to the community's needs, and share mining operations' benefits.

This program focuses on 15 local villages identified as Directly Affected Villages. Still, it does not rule out the possibility of implementing other programs that provide more comprehensive benefits to other locations besides the 15 selected villages.

In addition to the Development and Empowerment Community (PPM) master plan, PTAR has a framework for implementing community empowerment for 2016-2022, namely the Community Management Plan (CMP). The CMP formulation has considered various information sources related to local community needs: 1) infrastructure assessments; 2) risk assessments and local government development plans and 3) adapting the United Nation's Sustainable Development Goals (SDGs). Within the CMP, PTAR has formulated targets in five community empowerment areas that should be achieved within five years. The five areas are Health; Education; Local Business and Economic Development; Public Infrastructure, and Community Relations.

Program pemberdayaan masyarakat bertujuan untuk meningkatkan kesejahteraan serta meningkatkan kualitas hidup masyarakat sekitar. Kami melaksanakan berbagai program, baik jangka pendek maupun jangka panjang, untuk mendorong kemandirian masyarakat. PTAR melaksanakan program ini secara berkelanjutan agar Perusahaan secara aktif turut berkontribusi terhadap kebutuhan masyarakat, serta berbagi manfaat dari kegiatan operasional tambang.

Program ini berfokus pada 15 desa setempat yang tergolong kategori desa lingkar tambang. Namun, tidak menutup kemungkinan Perusahaan melaksanakan program-program yang memiliki dampak positif lainnya di luar 15 desa lingkar tambang tersebut.

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



Sustainability of the Community Management Plan (CMP) Keberlanjutan Community Management Plan (CMP)

As a mining company that adheres to the applicable regulations, under the Decree of the Minister of Energy and Mineral Resources Number 1824 K 30 MEM 2018 concerning Guidelines for Implementation of Community Development and Empowerment, designing and implementing the PTAR program refers to the PPM Master Plan 2018 - 2031. This Master Plan will serve as a guide and identify the yearly programs for the foreseeable future. Until now, the PPM master plan is still relevant to the community's condition even though for 2020, its implementation will adapt to the conditions of the pandemic. During 2020, there were eight CSR activities with a total number of 15,183 beneficiaries.

Sebagai perusahaan tambang yang taat pada peraturan sesuai dengan Keputusan Menteri ESDM Nomor 1824 K 30 MEM 2018 tentang Pedoman Pelaksanaan Pengembangan dan Pemberdayaan Masyarakat (PPM), dalam merancang dan melaksanakan program PTAR mengacu pada Rencana Induk PPM 2018 – 2031. Rencana Induk ini akan menjadi panduan PTAR dalam menyusun program di masa depan. Hingga saat ini, rencana induk PPM masih relevan dengan kondisi masyarakat meskipun khusus tahun 2020 pelaksanaannya disesuaikan dengan kondisi pandemi. Selama tahun 2020, terdapat delapan kegiatan CSR dengan jumlah total penerima manfaat sebanyak 15.183 orang.

No	PPM Field Bidang PPM	Beneficiaries Jumlah Penerima Manfaat (Orang)
1	Education Pendidikan	5,100
2	Health (Including COVID-19 assistance) Kesehatan (Termasuk bantuan COVID-19)	2,036
3	The level of real income or employment Tingkat pendapatan riil atau pekerjaan	28
4	Economic independence Kemandirian ekonomi	95
5	Social and cultural Sosial dan budaya	4,031
6	Providing opportunities for local communities to participate in sustainable environmental management of communities around the mine Pemberian kesempatan kepada masyarakat setempat untuk ikut berpartisipasi dalam pengelolaan lingkungan kehidupan masyarakat sekitar tambang yang berkelanjutan	321
7	Establishment of community community institutions to support the independence of PPM Pembentukan kelembagaan komunitas masyarakat dalam menunjang kemandirian PPM	21
8	Infrastructure development that supports PPM Pembangunan infrastruktur yang menunjang PPM	3,551



2020 Program Outcomes Hasil Pelaksanaan Program Tahun 2020

In 2020, PTAR spent US\$1.9 million to support the implementation of PPM activities. The budget has been listed in the annual plan RAKB, although the realisation of the funds exceed the predetermined budget of US\$1.7 million.

Pada tahun 2020, PTAR mengeluarkan dana sebesar US\$1.9 juta untuk mendukung pelaksanaan kegiatan PPM. Anggaran tersebut sudah tercantum di dalam RKAB, walaupun realisasi dana melebihi dari anggaran yang telah ditentukan yaitu sebesar US\$1.7 juta.

Description Keterangan	Unit Satuan	2020	2019	2018
Community Empowerment Costs Biaya Pemberdayaan Masyarakat	Million dollars Juta dollars	1.9	1.1	1.3
The value of local goods and services purchased by the Company Nilai barang dan jasa lokal yang dibeli Perusahaan	Million dollars Juta dollars	4.0	4.7	11.4
Total Total		5.9	5.8	12.7

To ensure that the local communities socially, economically, and environmentally benefit from PTAR's presence, the PPM program focuses on five key areas of engagement:

Untuk memastikan masyarakat setempat mendapatkan manfaat secara sosial, ekonomi, dan lingkungan dari kehadiran PTAR, Program PPM berfokus pada lima bidang utama:



Health Kesehatan

For 2020, the health program focuses on support for improving the quality of health facilities services, pilot projects for sustainable housing, improving the quality of health for the elderly, adolescents, pregnant women, children, and the general public; Community Based Total Sanitation with a focus on Stop Open Defecation and its supporting facilities, and general health promotion activities with program partners.

Pada tahun 2020, program kesehatan berfokus pada dukungan untuk peningkatan kualitas pelayanan fasilitas kesehatan, *pilot project* untuk permukiman berkelanjutan, peningkatan kualitas kesehatan untuk lansia, remaja, ibu hamil, anak-anak, dan masyarakat secara umum; Sanitasi Total Berbasis Masyarakat (STBM) dengan fokus pada Stop Buang Air Besar Sembarangan (BABS) dan fasilitas pendukungnya, serta kegiatan promosi kesehatan secara umum dengan mitra program.

Since the second quarter, with the COVID-19 pandemic, most health activities have been focussed on a program that helps the government in mitigating and controlling the COVID-19 pandemic. However, some programs were still run following strict health protocols, such as the support by the specialist services and the program for recovery of malnourished children.

Sejak kuartal kedua, dengan adanya pandemi COVID-19, sebagian besar kegiatan kesehatan lebih beralih pada program yang membantu pemerintah dalam mitigasi dan pengendalian pandemi COVID-19. Namun, beberapa beberapa program masih tetap dijalankan dengan protokol kesehatan, seperti dukungan pelayanan dokter spesialis dan pemulihan anak gizi buruk.

No	Program Program	Description Deskripsi
1	Monitoring & Evaluation Program with the Health Office and Puskesmas Program Monitoring & Evaluasi Bersama Dinas Kesehatan dan Puskesmas	<ul style="list-style-type: none"> Evaluation of the implementation of the 2019 health program and identify the activities for the 2020 program. The evaluation was jointly conducted with the South Tapanuli Regional Health Office. Agreement on the 2020 priority program partnerships between PTAR, Health Office and Puskesmas Verification of the program on service quality improvement by the Final Report of the Management & Quality Assessment Study of the Batangtoru and Muara Batangtoru Community Health Centers Improvement of service quality by with the recommendations of the health program roadmap for 2020-2023 contained in that report. Bekerja sama dengan Dinas Kesehatan Daerah Tapanuli Selatan melaksanakan evaluasi bersama program pelaksanaan kesehatan tahun 2019 dan penetapan strategi rencana program tahun 2020. Kesepakatan prioritas kemitraan program antara PTAR, Dinas Kesehatan dan Puskesmas Verifikasi perbaikan kualitas pelayanan sesuai dengan rekomendasi roadmap program kesehatan tahun 2020 – 2023 yang tertuang dalam Laporan Akhir Studi Penilaian Manajemen & Kualitas Pelayanan Puskesmas Batangtoru dan Muara Batangtoru
2	Malnutrition Recovery Pemulihan Malnutrisi	<ul style="list-style-type: none"> Providing food in the form of milk formula and also routine checks by a paediatrician. The beneficiaries of this program are children which are younger than five years old. Pemberian makanan tambahan berupa susu formula dan juga pemeriksaan rutin ke dokter spesialis anak, dengan penerima manfaat tiga orang balita
3	Specialist doctor program Program dokter spesialis	<ul style="list-style-type: none"> PTAR provides support through the improvement of services and placement of specialist doctors at the Puskesmas in Batangtoru Sub-District. The services serve the community in Batangtoru and Muara Batangtoru. Pediatrician services - 635 patients Gynecologist services - 786 patients: Internist specialist services - 384 patients Assisting with specialist doctor services, namely by the provision of 12 channel EKG kits and blood sugar test kits PTAR memberikan dukungan peningkatan pelayanan di Puskesmas melalui penempatan dokter spesialis di Puskesmas Kecamatan Batangtoru. Pelayanan ini melayani masyarakat yang ada di Kecamatan Batangtoru dan Muara Batangtoru. Pelayanan dokter spesialis anak – 635 pasien Pelayanan dokter spesialis kandungan – 786 pasien Pelayanan dokter spesialis internist – 384 pasien Memberikan bantuan sarana untuk pelayanan dokter spesialis yaitu alat EKG 12 channel dan alat tes pemeriksaan gula darah
4	Free Medical Service Layanan Medis Gratis	<ul style="list-style-type: none"> Free medical treatment program in areas far from the public health service, namely in the Muara Ampolu Village. A total of 170 patients received this service. Program pengobatan gratis di wilayah yang jauh dari pusat akses pelayanan umum kesehatan di Desa Muara Ampolu. Sebanyak 170 pasien mendapatkan pelayanan ini.
5	COVID-19 assistance Bantuan COVID-19	<ul style="list-style-type: none"> Assistance to the community and government from the national, provincial, district and sub-district levels. Recipients of assistance include: North Sumatra Province through the ESDM Office, South Tapanuli Regency, Central Tapanuli Regency, Padangsidimpuan City and Sibolga City. PTAR menunjukkan kepedulian melalui pendistribusian berbagai bantuan kepada masyarakat dan pemerintah mulai dari tingkat nasional, provinsi, kabupaten dan kecamatan. Penerima bantuan antara lain: Provinsi Sumatera Utara melalui Dinas ESDM, Kabupaten Tapanuli Selatan, Kabupaten Tapanuli Tengah, Kota Padangsidimpuan dan Kota Sibolga.



Education Pendidikan

The Education Program in 2020 focused on: 1) The Martabe Prestasi scholarship; 2) Increasing the processing capacity of Taman Baca and Sopo Daganak and operational facilities; 3) Organizing regular Children's Dance Festivals; 4) Improving school facilities; and 5) Modelling school programs towards national education standards, and partnerships with United Tractors to encourage vocational education with majoring in heavy equipment engineering.

However, in 2020, there were no teaching and learning activities, which is an obstacle to implementing the entire program. But the Martabe Achievement scholarship and the improvement of educational facilities, and some activities in vocational education can still be implemented virtually.

Program pendidikan pada tahun 2020 difokuskan pada: 1) Beasiswa Martabe Prestasi; 2) Peningkatan kapasitas pengolahan Taman Baca dan Sopo Daganak serta operasional fasilitasnya; 3) Penyelenggaraan Festival Tari Anak secara berkala; 4) Peningkatan fasilitas sekolah; dan 5) Program sekolah model menuju Standard Nasional Pendidikan, dan kemitraan bersama United Tractors dalam mendorong pendidikan vokasi jurusan teknik alat berat.

Walaupun kegiatan belajar mengajar pada tahun 2020 ditiadakan, dan sempat menjadi kendala bagi pelaksanaan keseluruhan program, tapi pemberian beasiswa Martabe Prestasi dan perbaikan fasilitas pendidikan serta beberapa kegiatan di pendidikan khususnya vokasi masih tetap dapat dilaksanakan secara virtual.

No	Program Program	Description Deskripsi
1	Martabe Achievements Martabe Prestasi	PTAR is committed and in 2020 provided access to quality education for 200 outstanding students from underprivileged families in Batangtoru and Muara Batangtoru Sub-Districts. PTAR berkomitmen untuk memberikan akses pendidikan yang berkualitas kepada para pelajar berprestasi yang berasal dari keluarga kurang mampu yang ada di Kecamatan Batangtoru dan Kecamatan Muara Batangtoru dengan jumlah penerima manfaat sebanyak 200 orang.
2	Evaluation and Strengthening School Quality Management Program Program Evaluasi dan Penguatan Manajemen Mutu Sekolah	PTAR conducts evaluation and improvement of the level of education by involving the LPMP (Education Quality Assurance Agency) North Sumatra Province. This program aims to assess the quality of schools and identify opportunities for improvements and increase quality by online management tools. PTAR melaksanakan evaluasi dan penguatan mutu sekolah dilaksanakan dengan melibatkan LPMP (Lembaga Penjamin Mutu Pendidikan) Provinsi Sumatera Utara. Program ini bertujuan untuk melakukan penilaian mutu sekolah, mengidentifikasi peluang perbaikan, dan meningkatkan kualitas melalui peralatan manajemen online.
3	School Facility Fasilitas Sekolah	Donate 300 sets of chairs and study tables (300 tables + 600 chairs) to sixteen elementary schools in villages surrounding the mine. Bantuan fasilitas sekolah berupa distribusi 300 set kursi dan meja belajar (300 meja + 600 kursi) kepada enam belas sekolah dasar di desa lingkar tambang.
4	Vocational School Improvement Peningkatan Sekolah Kejuruan	PTAR, in collaboration with PT United Tractors, Tbk (through the SOBAT Program/PT UT Assisted School) and SMKN II Batangtoru signed an MoU of cooperation to improve vocational education. This year, PTAR distributed 104 units of safety center simulation equipment and TAB workshop hand tools and assisted the installation of standardized safety by vocational school safety learning. PTAR, bekerja sama dengan PT United Tractors, Tbk (melalui Program SOBAT/ Sekolah Binaan PT UT) dan SMKN II Batangtoru menandatangani MoU kerjasama yang merupakan program yang berfokus untuk meningkatkan pendidikan vokasi. Pada tahun ini PTAR telah mendistribusikan peralatan simulasi safety center dan hand tools workshop TAB sebanyak 104 unit dan membantu instalasi safety center yang terstandarisasi sesuai dengan pembelajaran safety sekolah kejuruan.



Local Business Development Pengembangan Usaha Lokal

PTAR aims to develop the local economy by supporting income diversification. Specifically, three areas of action are supported 1) Increased diversification and productivity of agriculture; 2) Increased numbers and capacity of local suppliers and contractors; and 3) Development of vocational skills.

The main achievements regarding this key engagement area are reported below. PTAR has undertaken several activities to support the local business development program:

PTAR bertujuan untuk mengembangkan usaha lokal dengan mendukung diversifikasi pendapatan. Secara khusus, terdapat tiga bidang yang didukung: 1) Peningkatan diversifikasi dan produktivitas pertanian; 2) Peningkatan jumlah dan kapasitas pemasok dan kontraktor lokal; dan 3) Pengembangan keterampilan vokasi.

Di bawah ini, pencapaian utama terkait area keterlibatan utama dilaporkan. PTAR telah melaksanakan berbagai kegiatan untuk mendukung pengembangan usaha lokal sebagai berikut:

No	Program Program	Description Deskripsi
1	Integrated Animal Husbandry Development (PADU) Goats Pengembangan Peternakan Terpadu (PADU) Kambing	PTAR initiated an integrated livestock development program by empowering youth groups in the Aek Pining Village. PTAR menginisiasi program pengembangan peternakan terpadu melalui pemberdayaan kelompok pemuda yang berada di Kelurahan Aek Pining.
2	Rhizome Root Cultivation Intensification Intensifikasi Budidaya Akar Rimpang	PTAR supported 2 community groups, namely the Makmur Jaya Group in Bandar Hapinis Village and the Torop Jaya Women Farmers Group in Sumuran Village, regarding rhizome root cultivation. The Makmur Jaya Group manages 2 ha of rhizome root cultivation land and the Torop Jaya Group covers 1.2 ha. PTAR memberikan pendampingan kepada 2 kelompok masyarakat yaitu Kelompok Makmur Jaya di Desa Bandar Hapinis dan Kelompok Wanita Torop Jaya di Desa Sumuran. Kelompok Makmur Jaya mengelola 2 ha lahan budidaya akar rimpang dan Kelompok Torop Jaya seluas 1,2 ha.
3	Capacity Development of the ASIK Fisheries Group with Maggot Cultivation Pengembangan Kapasitas kelompok Perikanan ASIK dengan Budidaya Belatung	<ul style="list-style-type: none"> The ASIK group in Sumuran Village is still cultivating gold and tilapia fisheries. Synthetic feed is slowly minimized with environmentally friendly natural feed. This can reduce feed costs by up to 40%. Maggots are used for natural feed. PTAR supports the successful cultivation of maggots, so that the synthetic feed can be reduced. ASIK Desa Sumuran should become a centre for fish feed production activities which can transfer its knowledge to other PTAR assisted fisheries groups. Kelompok ASIK Desa Sumuran hingga saat ini masih konsisten dalam melakukan budidaya ikan mas dan nila. Ketergantungan pakan sintetis perlahan diminimalisasi dengan pakan alami ramah lingkungan. Hal ini dapat mengurangi biaya pakan hingga 40%. Salah satu bahan baku pembuatan pakan ini adalah belatung. Jika kelompok berhasil melakukan budidaya belatung, bahan baku pembuatan pakan dapat disediakan secara mandiri. ASIK Desa Sumuran direncanakan menjadi pusat kegiatan penghasil pakan ikan yang juga dapat berkontribusi bagi kelompok perikanan dampingan PTAR lainnya.
4	Quality Improvement of Organic Rice Seeds Peningkatan Kualitas Benih Padi Organik	<ul style="list-style-type: none"> PTAR aims to restore seed quality to obtain the best quality in terms of taste, fragrance and vitamin content. Introduce new rice variants, such as black <i>cempo</i>, <i>menthik wangi</i> and <i>pandan wangi</i> to meet market demand. PTAR bertujuan untuk melakukan pemulihan kualitas benih agar didapatkan mutu terbaik dari segi rasa, wangi dan kandungan vitaminnya. Memberikan beberapa benih baru seperti hitam <i>cempo</i>, <i>menthik wangi</i> dan <i>pandan wangi</i> sebagai varian baru untuk memenuhi kebutuhan pasar.

No	Program Program	Description Deskripsi
5	Agricultural Facility Assistance Bantuan Sarana Pertanian	<ul style="list-style-type: none"> PTAR supported farmer groups in Pulogodang by building 1 unit of hut (complete with warehouse) and a 250m long rebate road. PTAR supported the repair of irrigation ditches in Aek Pahu rice fields which were damaged by floods PTAR memberikan bantuan kepada kelompok tani di persawahan Pulogodang berupa 1 unit saung tani (lengkap dengan gudang) dan jalan rabat dengan panjang 250 meter. PTAR memberikan bantuan perbaikan parit irigasi di persawahan Aek Pahu yang rusak akibat diterjang banjir
6	Fruit Cultivation Budidaya Tanaman Buah	<p>PTAR supports and supervises several fruit crop cultivation programs in five DAV villages, namely banana cultivation in Benteng Hamlet, 'hapusong' cultivation in Baru Village, hybrid coconut cultivation in Sumuran Village and 'tabulampot' in 5 DAV villages.</p> <p>PTAR memberikan pendampingan dan pengawasan terhadap beberapa program budidaya tanaman buah, seperti pisang di Dusun Benteng, Desa Hapesong Baru, serta kelapa hibrida di Desa Sumuran dan Tabulampot di lima desa DAV.</p>
7	Women Business Group Assistance Pendampingan Kelompok Usaha Wanita	<ul style="list-style-type: none"> Two women business groups, namely the Makmur Jaya group in Bandar Hapinis and the Torop Jaya Women's Farmer Group (KWT) in Sumuran received assistance from PTAR in the development of processed products from rhizome roots. The development of South Tapanuli Batik in Kampung Pasir, Aek Pining Village continues. During the pandemic, besides completing orders for cloth production, a foster partner Batik Santi's also produced masks using batik cloth. During the pandemic period, the group participated in online training held by the Yogyakarta Batik Craft Center. Kelompok Wanita Makmur Jaya di Bandar Hapinis dan Kelompok Wanita Tani (KWT) Torop Jaya di Sumuran adalah dua kelompok yang mendapatkan pendampingan dari PTAR dalam pengembangan produk olahan dari akar rimpang. Pengembangan Batik Tapanuli Selatan di Kampung Pasir Kelurahan Aek Pining terus dilakukan. Di masa pandemi, selain memenuhi pesanan bahan kain, dampingan Batik Santi juga memenuhi permintaan untuk pembuatan masker kain. Selama masa pandemi, kelompok tetap aktif mengikuti pelatihan online yang diadakan oleh Balai Besar Kerajinan Batik Yogyakarta
8	Cooperative Assistance and Empowerment Pendampingan dan Pemberdayaan Koperasi	<ul style="list-style-type: none"> The Sarop Do Mulana Cooperative continues to produce various furniture products made of wood and used pallets. PTAR supported by repairing workshops and wood chopping machines, as well as providing additional carpentry equipment. Also, there is also cooperative empowerment activities for Batik Group. Koperasi Sarop Do Mulana terus memproduksi berbagai produk furnitur berbahan kayu dan palet bekas. PTAR memberikan bantuan perbaikan workshop, peralatan pertukangan tambahan dan perbaikan mesin pencacah kayu. Selain itu, ada pemberdayaan koperasi untuk Kelompok Batik.
9	Local Partner Assistance Pendampingan Mitra Lokal	<p>PTAR continues to provide opportunities to local partners that support the mining operations; PTAR provides assistance to increase service quality, compliance with laws and regulations and improve its management.</p> <p>PTAR senantiasa memberikan kesempatan dengan memberdayakan mitra lokal dalam mendukung kegiatan operasi tambang, terutama dalam hal kualitas pelayanan, pemenuhan regulasi perundang-undangan dan pemberian manajerial.</p>



Public Infrastructure Infrastruktur Umum

PTAR supported some public infrastructure projects in 2020. These include:

PTAR telah mendukung proyek pembangunan beberapa infrastruktur publik pada 2020, antara lain:

No	Program Program	Description Deskripsi
1	Renovation of MCK in Aek Ngadol Village Renovasi MCK Desa Aek Ngadol	This program is a continuation of the 2019 program. On January 4, 2020, the building was handed over to the community. Program ini adalah kelanjutan dari program 2019. Pada tanggal 4 Januari 2020, bangunan diserahkan kepada masyarakat.
2	Renovation of Nurul Huda Aek Pining Mosque Renovasi Masjid Nurul Huda Aek Pining	PTAR assists the Nurul Huda Mosque Committee in finishing the walls and facades of the mosque. PTAR membantu Panitia Masjid Nurul Huda untuk pekerjaan penggerjaan dinding dan fasad masjid.
3	Construction of the Sumuran hanging bridge Pembangunan Jembatan Gantung Sumuran	This program is a continuation of the 2019 program. The construction work for the 70-meter long Sumuran hanging bridge has been completed by a local contractor. Melanjutkan pekerjaan dari program tahun 2019, yakni pembangunan Jembatan Gantung Sumuran sepanjang 70 meter yang telah diselesaikan oleh kontraktor lokal.
4	Renovations: Equip the womens' bathroom at Huta Godang with a Septic Tank Renovasi kamar mandi wanita di Huta Godang yang dilengkapi dengan tangki pembuangan	Develop sanitation and clean water facilities for the community through the improvement of MCK / toilet infrastructure in Hutagodang Village. A septic tank was installed. Pembangunan fasilitas sanitasi dan air bersih masyarakat melalui perbaikan infrastruktur MCK/Toilet di Desa Hutagodang yang dilengkapi dengan septic tank.
5	Renovation of the ablution place for the Taqwa Muhammadiyah Mosque in Batuhula Village Renovasi tempat wudhu Masjid Taqwa Muhammadiyah Desa Batuhula	Renovation of the damaged ablution facilities and toilets at the Taqwa Muhammadiyah Mosque in Batuhula Village, Batangtoru Sub-District. Renovasi fasilitas tempat wudhu dan MCK Masjid Taqwa Muhammadiyah di Desa Batuhula Kecamatan Batangtoru yang sudah rusak.
6	Renovation of the Takwa Mosque in Garoga Village Renovasi Masjid Takwa Desa Garoga	This program is a continuation of the 2019 program. PTAR assisted in the construction of the Takwa Mosque, specifically for the construction of the building structures, the roofs of the building, the mosque domes and mosque floors. Melanjutkan pekerjaan dari program 2019, PTAR membantu pekerjaan pembangunan Masjid Takwa untuk pembangunan struktur bangunan, atap bangunan, kubah masjid dan lantai masjid.
7	Clean Water Facilities in Telo Village Fasilitas Air Bersih di Desa Telo	Construction of clean water facilities by digging wells to get clean water, and constructing partition walls and roofs of wells in 4 locations in the Telo Village, Batangtoru Sub-District. Pembangunan fasilitas air bersih berupa penggalian sumur sebagai sumber air bersih, pembangunan dinding partisi dan atap sumur di 4 lokasi di Desa Telo, Kecamatan Batangtoru.
8	Construction of clean water pipeline in the Batu Horing Village Pembangunan Pipa air bersih di Desa Batu Horing	Provide clean water to the people of Batu Horing Village by piping 1,520 meters of clean water and construct one intake tub for water collection and five water furnaces for distribution to the community. Penyediaan air bersih untuk masyarakat Desa Batu Horing dengan melakukan pemipaan air bersih sepanjang 1.520 meter dengan pipa HDPE dan pembuatan 1 unit bak intake untuk pengumpul air serta 5 tungku air untuk distribusi ke masyarakat.
9	Renovation of the Sopo Daganak Retaining Wall Renovasi Tembok Penahan Sopo Daganak	Repair of the retaining wall in Sopo Daganak which was damaged due to high water pressure from heavy rains. Perbaikan dinding penahan tanah di Sopo Daganak yang rusak akibat tekanan air pada waktu hujan lebat.

No	Program Program	Description Deskripsi
10	Repair of a clean water pipe in Sialang Desa Wek III Perbaikan Pipa Air bersih Sialang Desa Wek III	Repair of clean water pipes at the end of the Sialang Intake building, Wek III Village. Perbaikan pipa air bersih di ujung bangunan Intake Sialang, Desa Wek III.
11	Construction of road access for SMKN 2 Batangtoru Pembangunan Akses Jalan SMKN 2 Batangtoru	Construction of a 210 meter concrete pavement to facilitate a school access, including improving the road drainage and installing road signs. Pembangunan akses jalan sekolah dengan pengerasan beton sepanjang 210 meter, perbaikan drainase jalan dan pemasangan rambu lalu lintas.
12	Construction of the Al Fatah Mosque in Mabang Pasir Village Pembangunan Mesjid Al Fatah di Desa Mabang Pasir	Renovation of the Al-Fatah Mosque, Mabang Pasir Hamlet, in the Muara Hutaraja Village. PTAR assist in the construction of the building foundations, building structures, roof trusses, building roofs and mosque domes. Renovasi Masjid Al-Fatah, Dusun Mabang Pasir, Desa Muara Hutaraja. PTAR membantu dalam pembangunan fondasi bangunan, struktur bangunan, rangka atap bangunan, atap bangunan dan kubah masjid.
13	Construction of a concrete rebate road and a drainage channel in Wek II Village Pembangunan jalan rabat beton dan saluran drainase di Kelurahan Wek II	Construction of a 75-meter long concrete rebate road and a 130 meter long drainage channel in the Wek II Village. Pembangunan jalan rabat beton sepanjang 75 meter dan saluran drainase sepanjang 130 meter di Kelurahan Wek II.
14	Construction of the sightseeing tower at the South Tapanuli Sipirok Botanical Garden. Pembangunan Menara Pandang di Kebun Raya Sipirok Tapanuli Selatan	Construction of a sightseeing tower covering an area of 580m ² , 31.5m high and 7 floors which will be equipped with an elevator at the Sipirok Botanical Garden. Pembangunan menara pandang seluas 580m ² , tinggi 31,5m dan 7 lantai yang akan dilengkapi dengan lift di Kebun Raya Sipirok.



Community Relations Hubungan Masyarakat

Regarding community relations, the main goal of PTAR is to promote trust and respect between stakeholders and PTAR. Therefore, PTAR focuses on three main areas of activities: 1) Increased awareness of PTAR's operations; 2) Appropriate management of stakeholders' concerns and grievances regarding PTAR's operations; and 3) Respect, appreciation, and preservation of local wisdom. The specific activities were in 2020 and how they relate to the overall '*Community Management Plan*' are outlined below:

Tujuan utama PTAR dalam hubungan dengan masyarakat adalah meningkatkan kepercayaan dan rasa hormat antara pemangku kepentingan dan PTAR. Oleh karena itu, PTAR berfokus pada tiga bidang kegiatan utama: 1) Peningkatan kesadaran akan operasi PTAR; 2) Manajemen yang tepat atas perhatian dan keluhan pemangku kepentingan terkait operasi PTAR; dan 3) Menghormati, apresiasi, dan pelestarian kearifan lokal secara keseluruhan diuraikan di bawah ini:

No	Program Program	Description Deskripsi
1	Preservation of local culture: Gondang Topap Pelestarian Budaya Lokal: Gondang Topap	During the pandemic, e-coaching and performances were conducted virtually. PTAR carried out traditional music activities in collaboration with the Indonesian Art Institute (ISI) Yogyakarta, the Medan Batindo Nusantara Music Art Group, and the Batangtoru Music Group. Selama masa pandemi, dilakukan e-coaching dan pementasan secara virtual. PTAR melaksanakan kegiatan seni musik tradisional bekerjasama dengan Institut Seni Indonesia (ISI) Yogyakarta dan Kelompok Seni Musik Batindo Nusantara Medan dan Kelompok Musik Batangtoru.
2	Youth and Sports Development: Marathon Pengembangan Pemuda & Olahraga: Marathon	During the pandemic, training was temporarily stopped and then resumed with the implementation of strict health protocols. The marathon was held virtually via a national competition. Selama masa pandemi, latihan sempat dihentikan sementara. Latihan kemudian dilanjutkan kembali dengan menjalankan protokol kesehatan. Kegiatan dilanjutkan dengan mengikuti perlombaan nasional secara virtual.

No	Program Program	Description Deskripsi
3	Village Good Governance / Encouraging Villages' Independence Village Good Governance/Mendorong Kemandirian Desa untuk Tata Kelola Pemerintahan Desa yang Baik	<ul style="list-style-type: none"> - Three villages were selected to serve as the pilot project, namely Telo village, Batuhula village, and Muara Hutaraja village. - During the pandemic, activities were carried out virtually. - Tiga desa terpilih yang dijadikan sebagai pilot project, yaitu: Desa Telo, Desa Batuhula, dan Kelurahan Muara Hutaraja. - Selama masa pandemi, kegiatan dilaksanakan secara virtual.
4	Disaster Risk Reduction: Disaster Response Village Program (Destana) Pengurangan Resiko Bencana: Program Desa Tanggap Bencana (Destana)	<p>PTAR collaborates with READY Indonesia Partners to carry out capacity building activities, namely eight days of disaster management training for volunteers from disaster-resilient villages (DESTANA).</p> <p>PTAR bekerjasama dengan Mitra READY Indonesia melakukan kegiatan Pengembangan Kapasitas – Pelatihan Management Kebencanaan selama delapan hari kepada Relawan Desa Tangguh Bencana (DESTANA).</p>
5	Disaster Risk Reduction program: Increasing the capacity of the fire brigade (Damkar) in South Tapanuli Regency Pengurangan Risiko Bencana: Peningkatan Kapasitas Satuan Pemadam Kebakaran (Damkar) Kabupaten Tapanuli Selatan	<ul style="list-style-type: none"> - In collaboration with ERT PTAR, conducted a '<i>Basics of firefighting</i>' training. The training was attended by 30 firefighters. - PTAR provided assistance in the form of basic equipment for firefighter and basic equipment as part of increasing the capacity of the South Tapanuli Firefighter Unit - Bekerjasama dengan ERT PTAR, melaksanakan pelatihan "dasar-dasar pemadam kebakaran" yang diikuti oleh 30 petugas pemadam kebakaran - PTAR menyerahkan bantuan berupa peralatan dasar Damkar/<i>basic equipment</i> sebagai bagian peningkatan kapasitas Satuan Damkar Tapsel
6	Religious Program Program Keagamaan	<p>Virtual Christmas celebration (KKR) through YouTube Channel and donations to 545 families.</p> <p>Kegiatan perayaan Natal yang dilakukan secara virtual (KKR) melalui Youtube Channel dan donasi untuk 545 KK.</p>
7	Assistance for victims of natural disasters Bantuan Terhadap Korban Bencana Alam	<p>Assistance to flood victims in 18 villages, in the Barus Sub-district, Central Tapanuli Regency.</p> <p>Bantuan kepada korban bencana banjir di 18 desa, Kecamatan Barus, Kabupaten Tapanuli Tengah.</p>
8	Community visit to the Martabe Gold Mine Kunjungan Masyarakat/Community Site Visit ke Tambang Emas Martabe	<p>The total number of visitors in 2020 were 226 people. However, since the outbreak of the COVID-19 pandemic no visits allowed.</p> <p>Total pengunjung di tahun 2020 adalah 226 orang. Kegiatan ini dihentikan segera setelah pandemi terjadi.</p>



Program Evaluation Evaluasi Program

With the pandemic in 2020, PTAR made several programs adjustments with a special focus on the health sector (including support for COVID-19 mitigation), community income (agriculture, non-agriculture, SMEs, and local businesses), and ensuring good relations with the community. Although several programs cannot be implemented and some had to be implemented virtually, PTAR ran most of their programs well.

Dengan adanya pandemi pada tahun 2020, PTAR melakukan beberapa penyesuaian program dengan fokus terutama pada bidang kesehatan (termasuk dukungan terhadap mitigasi COVID-19), pendapatan masyarakat (pertanian, non-pertanian, UKM, dan bisnis lokal), dan memastikan hubungan dengan masyarakat tetap terjalin dengan baik. Walaupun beberapa program tidak dapat dilaksanakan dan sebagian harus diubah pelaksanaannya dengan virtual, namun secara umum PTAR dapat menjalankan programnya secara baik.



New fast relief initiatives to combat the COVID-19 pandemic Inisiatif baru selama masa pandemi COVID-19

During 2020, PTAR had several new initiatives regarding the COVID-19 pandemic on the topic of community development.

Selama tahun 2020, PTAR memiliki beberapa inisiatif baru selama masa pandemi COVID-19 terkait kinerja di bidang pengembangan masyarakat.



Health Kesehatan

1. COVID-19 assistance to various regions, government agencies and hospitals. Some PPM programs that cannot be implemented during the pandemic, had their budget diverted for this COVID-19 assistance. PTAR provides support for the acceleration and handling of the COVID-19 pandemic to the government and task force especially for the availability of equipment at all levels, from national, provincial to local. At the national level assistance is provided to the Ministry of Energy and Mineral Resources. Meanwhile, for the provincial and local levels included assistance to the Central Tapanuli Regency Government, the South Tapanuli Regency Government, and the Padangsidimpuan City Government. In addition, PTAR also supported the implementation of a rapid test and restoration of the Simago-mago historical house which was then used for the COVID-19 Acceleration and Handling Task Force office in South Tapanuli.

1. Bantuan COVID-19 ke berbagai daerah, instansi pemerintah dan rumah sakit. Beberapa anggaran program PPM yang tidak dapat dilaksanakan selama pandemi dialihkan untuk bantuan COVID-19. PTAR memberikan dukungan percepatan dan penanganan pandemi COVID-19 kepada pemerintah dan satuan tugas, terutama untuk ketersediaan perlengkapan di seluruh level, mulai dari nasional, provinsi hingga lokal. Di tingkat nasional bantuan diberikan kepada Kementerian ESDM. Sementara itu, untuk tingkat provinsi dan lokal meliputi bantuan yang diberikan kepada Pemerintah Kabupaten Tapanuli Tengah, Pemerintah Kabupaten Tapanuli Selatan, dan Pemerintah Kota Padangsidimpuan. Selain itu, PTAR juga mendukung penyelenggaraan *rapid test* dan pemugaran rumah sejarah Simago-mago yang kemudian digunakan untuk kantor Satgas Percepatan dan Penanganan COVID-19 di Tapanuli Selatan.



2. Provision of specialist internal medicine services at Puskesmas Batangtoru with the extension of the consultation time and patients' quota of specialist doctors (SpOG, SpA, SpPD) at the Batangtoru Puskesmas.
2. Tersedianya layanan dokter spesialis penyakit dalam di Puskesmas Batangtoru dengan tambahan durasi dan kuota pasien pada kegiatan dokter spesialis (SpOG, SpA, SpPD) di Puskesmas Batangtoru.

Note:

Catatan:

All activities are carried out by strictly applying health protocols, such as wearing PPE, washing hands with soap, wearing masks and maintaining distance.

Seluruh pelaksanaan kegiatan dengan mengaplikasikan protokol kesehatan secara



Education

Pendidikan

1. Signing the MoU of cooperation with PT United Tractors, Tbk Medan Branch and SMKN II Batangtoru to improve the quality of vocational education.
2. The Martabe Achievement Awarding ceremony was carried out by strictly applying health protocols, such as wearing masks, washing hands with soap, checking body temperature and maintaining distance.

Note:

Catatan:

Implementation of virtual activities, such as coordination meetings, online industrial visits and Open Safety Training
Pelaksanaan kegiatan secara virtual, seperti meeting koordinasi, online industrial visit dan Pelatihan Open Safety Training

1. Penandatanganan MoU kerjasama dengan PT United Tractors, Tbk Cabang Medan dan SMKN II Batangtoru untuk meningkatkan kualitas pendidikan vokasi.
2. Kegiatan Penganugerahan Martabe Prestasi dilakukan dengan mengaplikasikan protokol kesehatan secara ketat, seperti pemakaian masker, cuci tangan dengan sabun, pengecekan suhu tubuh dan jaga jarak.

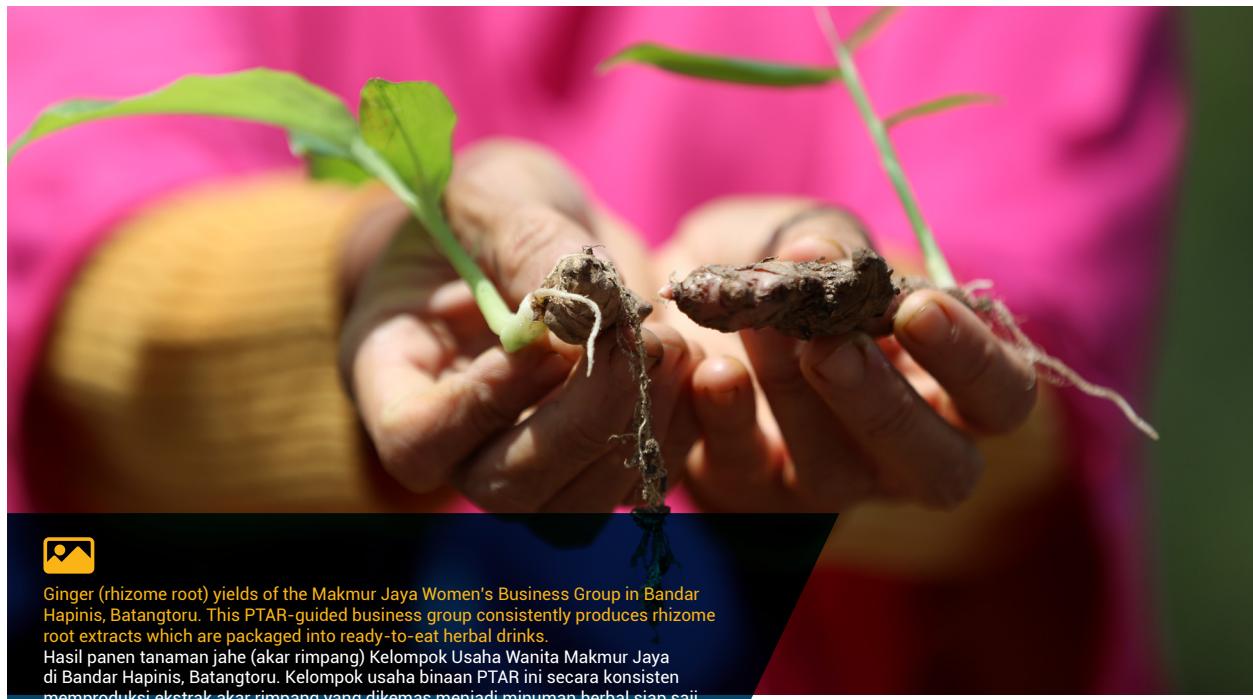


Local Business Development

Pengembangan Usaha Lokal

1. The agricultural and UKM programs are routinely implemented, to support communities especially those affected by the pandemic
2. Development of small rhizome root businesses to take advantage of the momentum of efforts to live a healthy lifestyle by consuming turmeric and ginger.

1. Program pertanian dan UKM rutin tetap dilaksanakan guna mendukung masyarakat terutama yang terdampak pandemi
2. Pengembangan usaha kecil akar rimpang guna memanfaatkan momentum upaya hidup sehat masyarakat dengan konsumsi kunyit, jahe, temulawak.



Public Infrastructure Infrastruktur Umum

1. Implementation of infrastructure projects continued with strict health protocols and was regularly monitored.
2. According to the needs, some projects are carried out outside the DAVs, including access to clean water for Batu Horing Village and support facilities for the COVID-19 South Tapanuli Regency.
1. Pelaksanaan proyek infrastruktur tetap dilaksanakan dengan protokol kesehatan yang ketat dan dilakukan monitor secara berkala.
2. Sesuai dengan kebutuhan, ada beberapa proyek yang dilakukan di luar DAV, di antaranya penyediaan akses air bersih untuk Desa Batu Horing dan dukungan fasilitas untuk Gugus Tugas COVID-19 Kabupaten Tapanuli Selatan.



Community Relations Hubungan Masyarakat

During the pandemic, to prevent the spread of COVID-19, several activities were conducted virtually:

1. Gondang Topap training and performance which is part of the Cultural Preservation Program
2. The virtual marathon which is part of the Youth and Sports Development Program
3. Discussion/Webinar on Village Independence which is part of the Good Village Governance Program

Selama pandemi, guna mencegah penyebaran COVID-19, beberapa kegiatan dilakukan secara virtual:

1. Pelatihan dan penampilan Gondang Topap yang merupakan bagian dari Program Pelestarian Budaya/Cultural Preservation
2. Virtual Marathon yang merupakan bagian dari Program Pengembangan Pemuda dan Olah Raga/Youth & Sport Development
3. Diskusi/Webminar Kemandirian Desa yang merupakan bagian dari Program Good Village Governance



Strategic Plans for 2021

Rencana Strategis tahun 2021

The strategic plans for PPM programs in 2021 are focused on:

- Program implementation that leads to the achievement of targets which are set in the Master Plan for PPM.
- Designing programs with the new normality scheme, encouraging the implementation of programs with health protocols, including the use of virtual/online technology.
- Collaboration with program partners, at national, regional, local scales, including strengthening synergies with the government
- Developing programs that encourage increased income for the communities, both agricultural and non-agricultural based, that encourage creativity and job creation.
- System and organisational improvement through developing internal capacity, procedures, setting measurable targets, and monitoring evaluation reporting functions.

In 2021, with the continuation of the COVID-19 pandemic and its impact on the community, the PPM program will focus on health programs and increase the communities' income. So, programs such as developing rhizome-based businesses, initiating the formation of reliable facilitators in agriculture, encouraging small businesses that, for example, produce snacks and local crafts. Further, PTAR may support a pilot project on a '*Healthy Village*' with the focus on sustainable settlement.

Rencana strategis program-program PPM Tahun 2021 difokuskan pada:

- Pelaksanaan program yang mengarah pada pencapaian sesuai target yang ditetapkan pada Rencana Induk PPM.
- Merancang program dengan skema kenormalan baru, mendorong pelaksanaan program dengan protokol kesehatan, termasuk penggunaan teknologi virtual/daring.
- Kerjasama dengan mitra program, baik skala nasional, regional, lokal, termasuk mempererat sinergi dengan pemerintah.
- Mengembangkan program yang mendorong peningkatan pendapatan bagi masyarakat, baik berbasis pertanian maupun non-pertanian yang mendorong kreativitas dan penciptaan lapangan pekerjaan.
- Perbaikan sistem dan organisasi melalui pengembangan kapasitas internal, prosedur, menetapkan target yang terukur, serta fungsi pengawasan evaluasi pelaporan.

Dengan masih berlangsungnya pandemi COVID-19 yang kemungkinan besar masih akan terus berlanjut hingga tahun 2021, penekanan pada program kesehatan dan peningkatan pendapatan masyarakat adalah salah satu fokus utama program PPM di tahun 2021. Beberapa di antaranya seperti pengembangan usaha berbasis akar rimpang, inisiasi pembentukan fasilitator handal di bidang pertanian, mendorong usaha kecil seperti makanan ringan dan kerajinan lokal, serta memulai pilot project Desa Sehat menuju pemukiman berkelanjutan.



Excavator is piling up rocks for the construction of safety berm for mining activities.

Mesin penggeruk (ekskavator) menumpuk batuan untuk pembuatan tanggul pengaman aktivitas pertambangan.



Ilham Perwira, Senior Officer 1, Village Based Development (VBD), Community Development, assisting farmers in Aek Pahu Griya Upa Tondi, Darman Sinaga, Rafly Abdul, and Hasbin Hasibuan to spread fertilizer on their rice fields. Aek Pahu is an agricultural area assisted by PTAR which is located next to the mining area. This area is simultaneously prepared and designed as education, training and development related to technology and marketing efforts for organic rice fields and animal husbandry.

Ilham Perwira, Senior Officer 1, Village Based Development (VBD), Community Development, mendampingi para petani Kawasan Pertanian Aek Pahu Griya Upa Tondi, Darman Sinaga, Rafly Abdul, dan Hasbin Hasibuan menebar pupuk di lahan padi mereka. Aek Pahu merupakan kawasan pertanian dampingan PTAR yang letaknya bersebelahan dengan area tambang. Kawasan ini sekaligus disiapkan dan dirancang sebagai pendidikan, pelatihan dan pengembangan terkait teknologi dan usaha pemasaran persawahan organik serta peternakan.

The background image shows an aerial view of a person wearing an orange high-visibility vest and dark trousers, standing in a lush green rice paddy. The person is holding a large, dark, circular object, possibly a lid or a cover, over their head. The rice plants are arranged in distinct, narrow paths of water and soil. A diagonal gold line runs from the bottom-left corner towards the top-right corner, separating the image from the title area.

Chapter 9

ENVIRONMENT

LINGKUNGAN

“

The Martabe Gold Mine is surrounded by natural forest, waterways, agriculture and settlements. Protection of the environment from impacts associated with the operation of the Martabe Gold Mine is one of the Company's highest priorities. This section provides an overview of the significant environmental aspects at the site and the results achieved in managing these aspects during 2020.

Tambang Emas Martabe dikelilingi oleh hutan, saluran air, pertanian, dan permukiman. Perlindungan lingkungan dari dampak kegiatan operasional Tambang Emas Martabe adalah salah satu prioritas tertinggi perusahaan. Bagian ini memberikan gambaran umum tentang aspek lingkungan signifikan di lokasi operasional serta hasil yang dicapai dalam mengelola aspek-aspek tersebut selama tahun 2020.



Introduction

Pendahuluan

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.

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

The key environmental management objectives at the site has remained unchanged since the commencement of operations and are summarised as follows:

- protection of downstream waters
- safe disposal of tailings and waste rock
- safe management of hazardous wastes
- avoidance of chemical spills
- protection of biodiversity
- safe and stable mine closure
- legal and environmental compliance

Tujuan utama pengelolaan lingkungan di lapangan tetap tidak berubah sejak dimulainya kegiatan operasi, meliputi:

- perlindungan perairan hilir
- pengelolaan tailings dan batuan sisa secara aman
- pengelolaan air sisa proses yang berbahaya secara aman
- menghindari tumpahan bahan kimia
- perlindungan keanekaragaman hayati
- penutupan tambang secara aman dan stabil
- kepatuhan hukum dan lingkungan

The environmental performance of the Martabe Gold Mine in 2020 maintained the high standards established in preceding years. This was recognised by a BLUE rating under the PROPER environmental management rating system by the Indonesian Ministry of Environment. What follows is an overview of the significant environmental aspects at the site and the results achieved in 2020, underpinned by careful planning in support of continuous improvement in environmental management performance.

Kinerja lingkungan Tambang Emas Martabe pada tahun 2020 mempertahankan standar tinggi seperti pada tahun sebelumnya. Hal ini ditandai dengan capaian peringkat BIRU pada sistem pengelolaan lingkungan PROPER oleh Kementerian Lingkungan Hidup Indonesia. Berikut ini adalah ikhtisar aspek lingkungan yang signifikan di lokasi dan hasil yang dicapai pada tahun 2020, didukung oleh perencanaan yang baik untuk mendukung peningkatan berkelanjutan dalam kinerja pengelolaan lingkungan.



Protection of Downstream Waters

Perlindungan Peraian Hilir

Management of surface water is an important activity at the Martabe Gold Mine. Rainfall is high compared with most mining operations, averaging 4,553 mm per year. Consequently, the site has a net positive water balance and excess water must be continually released to the nearby Batangtoru River on an ongoing basis. Prior to being discharged, this water is treated in a Water Polishing Plant (WPP) to remove all potential contaminants. This activity is fully permitted under Indonesian law and is very closely controlled to ensure there are no impacts on downstream water quality.

In 2020, discharge remained fully compliant with discharge limits, maintaining an unbroken record of permit compliance since commencement of operations. For the ninth consecutive year, a monitoring team established by the Governor of North Sumatra provided independent verification of this result. Also, the University of North Sumatra continued to monitor the condition of waterways surrounding the site under a River Health Monitoring Program established in 2014. The results continued to show no significant environmental impact on the river due to mine discharge.

Pengelolaan air permukaan merupakan kegiatan penting di Tambang Emas Martabe. Curah hujan tinggi dibandingkan dengan kebanyakan operasi penambangan, rata-rata 4.553 mm per tahun. Akibatnya, lapangan tersebut memiliki neraca air bersih yang positif dan kelebihan air harus terus dialirkkan ke Sungai Batangtoru di dekatnya. Sebelum dibuang dari lokasi, air terlebih dahulu diolah di instalasi pemurnian air atau *Water Polishing Plant* (WPP) untuk menghilangkan semua potensi kontaminan. Kegiatan ini sepenuhnya diizinkan berdasarkan hukum Indonesia dan dikontrol dengan sangat ketat untuk memastikan tidak ada dampak pada kualitas air di hilir.

Pada tahun 2020, air sisa proses sepenuhnya telah sesuai dengan standar baku mutu. Perusahaan mempertahankan catatan tingkat kepatuhan terhadap izin yang tidak terputus sejak dimulainya operasi. Selama sembilan tahun berturut-turut, tim pemantau yang dibentuk oleh Gubernur Sumatera Utara memberikan verifikasi independen atas hasil ini. Selain itu, Universitas Sumatera Utara terus memantau kondisi saluran air di sekitar lokasi di bawah Program Pemantauan Kesehatan Sungai yang ditetapkan pada tahun 2014. Hasilnya tidak ada dampak signifikan terhadap lingkungan di sekitar sungai akibat pengaliran air sisa proses dari tambang.



Safe Disposal of Tailings

Pembuangan Tailing Secara Aman

All tailings at the Martabe Gold Mine are disposed of in a Tailings Storage Facility (TSF). The safety of tailings disposal is the Company's highest priority and a comprehensive range of measures have been applied to ensure risk associated with the Martabe TSF is minimised by industry leading practices. These measures are summarized as follows:

- The TSF was designed by an internationally recognised and highly experienced geotechnical engineering consultancy firm.
- The embankment comprises carefully designed zones of compacted rock, clay and sand, constructed by the "downstream lifting" method.
- The design complies with safety criteria specified by the International Committee on Large Dams (ICOLD) and has been reviewed and approved by the Indonesian Dam Safety Committee.

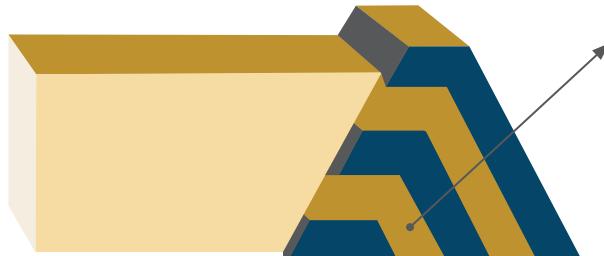
Semua *tailings* di Tambang Emas Martabe dibuang di TSF. Keamanan pembuangan *tailing* adalah prioritas utama perusahaan dan serangkaian langkah komprehensif telah diterapkan untuk memastikan risiko yang terkait dengan TSF Martabe adalah minimal sesuai dengan praktik industri terkemuka, antara lain sebagai berikut:

- TSF dirancang oleh sebuah perusahaan konsultan teknik geoteknik yang diakui secara internasional dan sangat berpengalaman.
- Membangun tanggul yang terdiri dari zona batuan padat, tanah liat dan pasir serta dirancang dengan hati-hati dan dibangun menggunakan metode "pengangkatan ke hilir".
- Desain memenuhi kriteria keamanan yang ditentukan oleh International Committee on Large Dams (ICOLD) serta telah ditinjau dan disetujui oleh Komite Keamanan Bendungan Indonesia.

- Construction of the embankment is verified through ongoing quality assurance and quality control (QA/QC) program.
- Excess water in the TSF from rainfall is quickly removed by pumping excess water to the WPP.
- Tailings are discharged in a manner that maximises tailings beach consolidation and strength.
- An extensive Condition Monitoring Program is in place with monitoring results reviewed on an ongoing basis by the design consultant.
- A TSF Safety Steering Committee regularly reviews the TSF safety status.
- An annual independent review of the facility is conducted by highly experienced TSF independent experts.
- Pembangunan tanggul diverifikasi melalui program jaminan kualitas dan kendali mutu (QA/QC) yang berkelanjutan.
- Kelebihan air di TSF dari curah hujan dengan cepat dihilangkan dengan memompa kelebihan air ke WPP.
- Pembuangan *tailings* dilakukan dengan cara yang memaksimalkan konsolidasi dan kekuatan pantai *tailing*.
- Program Pemantauan Kondisi ekstensif tersedia dengan hasil pemantauan ditinjau secara berkelanjutan oleh konsultan desain.
- Komite Pengarah Keamanan TSF secara teratur meninjau status keamanan TSF.
- Tinjauan independen tahunan atas fasilitas tersebut dilakukan oleh para ahli independen TSF yang sangat berpengalaman.

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.

In 2020, a total of 6.1 million tonnes of tailings was placed in the TSF without incident and in accordance with Code of Practice Safe Tailings Placement. The embankment crest was raised four meters to provide for additional capacity in compliance with design specifications. The number of discharge points was increased to allow tailings to be distributed more evenly along the embankment and additional instrumentation was installed to assist with condition monitoring. Water in TSF was maintained to a minimum and this together with careful deposition practices yielded a well consolidated tailings beach with water kept away from the embankment.

Planning for tailings placement continued in 2020 with the implementation of detailed design studies for a second tailings facility that will help meet the life of mine tailings disposal requirements based on current Ore Reserves. This facility will feature the placement and compaction of dewatered tailings - a relatively new technique that offers significant advantages in terms of risk reduction and final closure.

Pada tahun 2020, sebanyak 6,1 juta ton *tailing* ditempatkan di TSF tanpa insiden dan telah sesuai dengan Kode Praktik Penempatan Aman *Tailing*. Puncak tanggul dinaikkan empat meter untuk menyediakan kapasitas tambahan sesuai dengan spesifikasi desain. Jumlah titik pembuangan ditingkatkan agar *tailing* lebih merata di sepanjang tanggul. Peralatan tambahan dipasang untuk membantu pemantauan kondisi. Level air di TSF dijaga seminimal mungkin. Upaya-upaya ini, bersamaan dengan praktik pengendapan yang baik menghasilkan sisi *tailing* yang terkumpul dengan baik dengan air yang berjarak dari tanggul.

Perencanaan penempatan *tailings* dilanjutkan pada tahun 2020 dengan penerapan studi desain khusus untuk fasilitas *tailing* ke dua yang akan membantu memenuhi persyaratan pembuangan *tailings* tambang berdasarkan cadangan bijih saat ini. Fasilitas ini akan mengutamakan penempatan dan pematatan *tailing* yang telah dikeringkan. Teknik ini termasuk relatif baru dan menawarkan keuntungan signifikan dalam hal pengurangan risiko dan penutupan akhir tambang.



Safe Disposal of Waste Rock

Penempatan Batu Buangan Secara Alami

At the Martabe Gold Mine, construction of the TSF embankment and the planned second tailings facility will utilise almost all the waste rock produced over the life of the mine. Consequently, unlike most mines, there will be no ongoing need to dispose of waste rock in large waste rock dumps.

As is typical for metalliferous mines, some of the waste rock produced by mining at Martabe contains sulphide minerals, which if exposed to the atmosphere will produce acid. If uncontrolled, this may result in metal-rich acidic leachate following rainfall, a process known as Acid Mine Drainage (AMD). At the Martabe Gold Mine, the risk of AMD is being successfully managed by the sealing of potentially acid-forming materials within the TSF embankment by means of compacted layers of rock to minimise oxygen entry. This method of controlling AMD reflects industry-leading practice, and measurement of conditions within the embankment in 2020 has continued to verify its ongoing effectiveness.

Di Tambang Emas Martabe, pembangunan tanggul TSF dan fasilitas *tailing* ke dua yang akan memanfaatkan hampir semua batu buangan yang dihasilkan selama umur tambang. Dengan demikian, tidak seperti kebanyakan wilayah operasi tambang lain, Perusahaan tidak perlu menempatkan batu buangan di tempat penimbunan batu buangan yang besar.

Seperti tipikal tambang logam, sebagian batuan sisa hasil penambangan di Martabe mengandung mineral sulfida yang jika terpapar ke atmosfer akan menghasilkan asam. Jika tidak terkontrol, ini dapat menghasilkan lindi asam tinggi logam setelah hujan. Proses ini menghasilkan air asam tambang. Di Tambang Emas Martabe, risiko air asam tambang berhasil dikelola dengan pencegahan bahan yang berpotensi membentuk asam di dalam tanggul TSF melalui lapisan batuan yang dipadatkan untuk meminimalkan masuknya oksigen. Metode pengendalian ini mencerminkan praktik kerja unggulan Perusahaan. Pengukuran yang dilakukan Perusahaan pada tahun 2020 memverifikasi keefektifan metode ini.



Safe Disposal of Hazardous Industrial Wastes

Pengelolaan Limbah Industri Berbahaya dengan Aman

All industrial waste produced at the Martabe Gold Mine, classified under regulation as hazardous and toxic (B3) waste is disposed of by delivery to a licenced waste processing facility. In 2020, 419 tonnes of waste were managed in this manner in full compliance with permit and regulatory requirements and without incident.

Semua limbah industri Bahan Berbahaya dan Beracun (B3) yang dihasilkan di Tambang Emas Martabe dikirim ke fasilitas pengolahan limbah yang telah memiliki izin. Pada tahun 2020, 419 ton limbah dikelola sesuai dengan peraturan dan tanpa adanya insiden.



Protection of Biodiversity

Perlindungan Keanekaragaman Hayati

The Martabe Gold Mine is located on the boundary of the Batangtoru Forest, an ecosystem of high biodiversity value and the habitat of a number of threatened species including the Tapanuli Orangutan (*Pongo tapanuliensis*) and the Sumatera Tiger (*Panthera Tigris Sumatrae*). In relative terms, the active footprint of the Martabe Gold Mine is insignificant compared to the total area of this ecosystem; however, the impact on biodiversity due to forest clearing and other mine activities are recognised

Tambang Emas Martabe terletak di perbatasan Hutan Batangtoru, sebuah ekosistem dengan nilai keanekaragaman hayati yang tinggi. Lokasi ini merupakan habitat dari sejumlah spesies yang terancam punah termasuk Orangutan Tapanuli (*Pongo Tapanuliensis*) dan Harimau Sumatera (*Panthera Tigris Sumatrae*). Secara umum, jejak luas Tambang Emas Martabe tidak signifikan jika dibandingkan dengan total luas ekosistem ini. Namun demikian, dampak terhadap

by the Company as a significant environment aspect of mine operations requiring careful management. The PTAR Code of Practice - Biodiversity Management sets out mandatory operational requirements for protection of biodiversity, such as minimisation of unnecessary clearing and the restoration of forest habitat as part of mine closure.

Outcomes that support biodiversity protection in 2020 can be summarised as follows:

- No unauthorised clearing at the site
- The total area rehabilitated at the site was brought to 3.8 hectares with an additional 23.8 hectares of disturbed area being rehabilitated in 2020.
- Site rehabilitation works included a total of 3,640 tree seedlings being planted.
- An update to Code of Practice - Biodiversity Management, supporting more rigorous controls, especially in the planning stage of new projects.
- A detailed biodiversity survey in the areas of the planned second tailings facility, including participation by three Indonesian universities with expertise in forest ecology.
- Continued support for the Scorpion Foundation, a non-government organisation based in Medan that targets the illegal trapping and trade of threatened forest species.
- Support for a program led by the Ministry of Environment and Forestry for the release of a Sumatran Tiger into the Gunung Leuser National Park.

Impact on Climate Change

PTAR recognises that climate change poses significant risks to the global community. In 2020, the Company engaged consultants to assist with the implementation of significant improvements to Company Greenhouse Gas (GHG) accounting and reporting practices, to fully meet the requirements of the Greenhouse Gas Protocol (GHGP) and the Global Reporting Initiative (GRI) Standards. This will support a better understanding of the Company's greenhouse gas emissions (GHG) footprint and the identification of potential emission reduction measures, such as energy efficiency improvements.

keanekaragaman hayati akibat pembukaan hutan dan kegiatan tambang lainnya diakui oleh Perusahaan sebagai aspek lingkungan yang signifikan dari operasi tambang yang memerlukan pengelolaan yang cermat. Kode Etik PTAR - Pengelolaan Keanekaragaman Hayati mengatur kewajiban operasional perlindungan keanekaragaman hayati, seperti minimalisasi pembukaan lahan yang tidak perlu dan pemulihan habitat hutan sebagai bagian dari penutupan tambang.

Hasil kegiatan dukungan Perusahaan terhadap keanekaragaman hayati di tahun 2020 adalah sebagai berikut:

- Tidak adanya pembukaan lahan tanpa izin di lapangan
- PTAR berhasil melakukan rehabilitasi area yang rusak seluas 3,8 hektar di tahun 2020 dan menjadikan total area rehabilitasi di site menjadi seluas 23,8 hektar
- Pelaksanaan kegiatan rehabilitasi melalui penanaman 3.640 bibit pohon.
- Pembaruan Kode Praktik - Manajemen Keanekaragaman Hayati, mendukung kontrol yang lebih ketat, terutama dalam tahap perencanaan proyek baru.
- Survei keanekaragaman hayati dilakukan secara detail di area fasilitas *tailing* kedua yang sedang direncanakan, termasuk partisipasi tiga universitas di Indonesia dengan keahlian di bidang ekologi hutan.
- Dukungan berkelanjutan untuk Scorpion Foundation, sebuah organisasi non-pemerintah berbasis di Medan yang menargetkan penangkapan ilegal dan perdagangan spesies yang terancam.
- Dukungan terhadap program yang dipimpin oleh Kementerian Lingkungan Hidup dan Kehutanan untuk pelepasan Harimau Sumatera ke Taman Nasional Gunung Leuser.

Dampak terhadap Perubahan Iklim

PTAR menyadari bahwa perubahan iklim menimbulkan risiko yang signifikan bagi komunitas global. Pada tahun 2020, Perusahaan melibatkan konsultan untuk membantu menerapkan perbaikan signifikan pada praktik penghitungan dan pelaporan Gas Rumah Kaca (GRK), sehingga dapat sepenuhnya memenuhi persyaratan *Greenhouse Gas Protocol* (GHGP) dan Standar Global Reporting Initiative (GRI). Hal ini akan mendukung pemahaman yang lebih baik mengenai jejak emisi gas rumah kaca (GRK) dan identifikasi langkah-langkah pengurangan emisi potensial, seperti peningkatan efisiensi energi.

Continuous Improvement

The following initiatives are planned for 2021 in support of continuous improvement of environmental management at the Martabe Gold Mine

- Strengthening the management of biodiversity at the Martabe Gold Mine through improvements to operational controls required by PTAR Code of Practice - Biodiversity Management, and an independent expert review of this Code and overall Company strategy for managing biodiversity.
- Completion of a two-year study program supporting the implementation of dewatered tailings placement at a second tailings facility commencing in late 2023. Successful implementation of this technique at the Martabe gold Mine will set a new standard for tailings management, especially for sites in areas of higher rainfall and seismic hazard.
- Commencement of a three-year program that will bring the site into full compliance with the *Global Industry Standard on Tailings Management*, released in 2021. The Company believes that full implementation of the controls prescribed by this Standard will support continuous improvement in tailings management at the Martabe Gold Mine.
- Implementation of significant improvements to Company Greenhouse Gas (GHG) accounting and reporting practices that will fully meet the requirements of the Greenhouse Gas Protocol (GHGP) and Global Reporting Initiative (GRI) Standards.
- Maintaining ongoing compliance with government water quality limits applying to discharge from the Martabe Gold Mine, and ensuring that the condition of natural waterways receiving discharge from the mine continue to be properly monitored under an independent "River Health" monitoring program implemented by the University of North Sumatra.
- Implementation of newly developed RECYN technology for recovery and reuse of almost all cyanide in tailings before it leaves the process plant. This process will reduce the quantities of cyanide that must be manufactured and transported to the site, and as well as significantly reducing operating costs.

Perbaikan Berkelanjutan

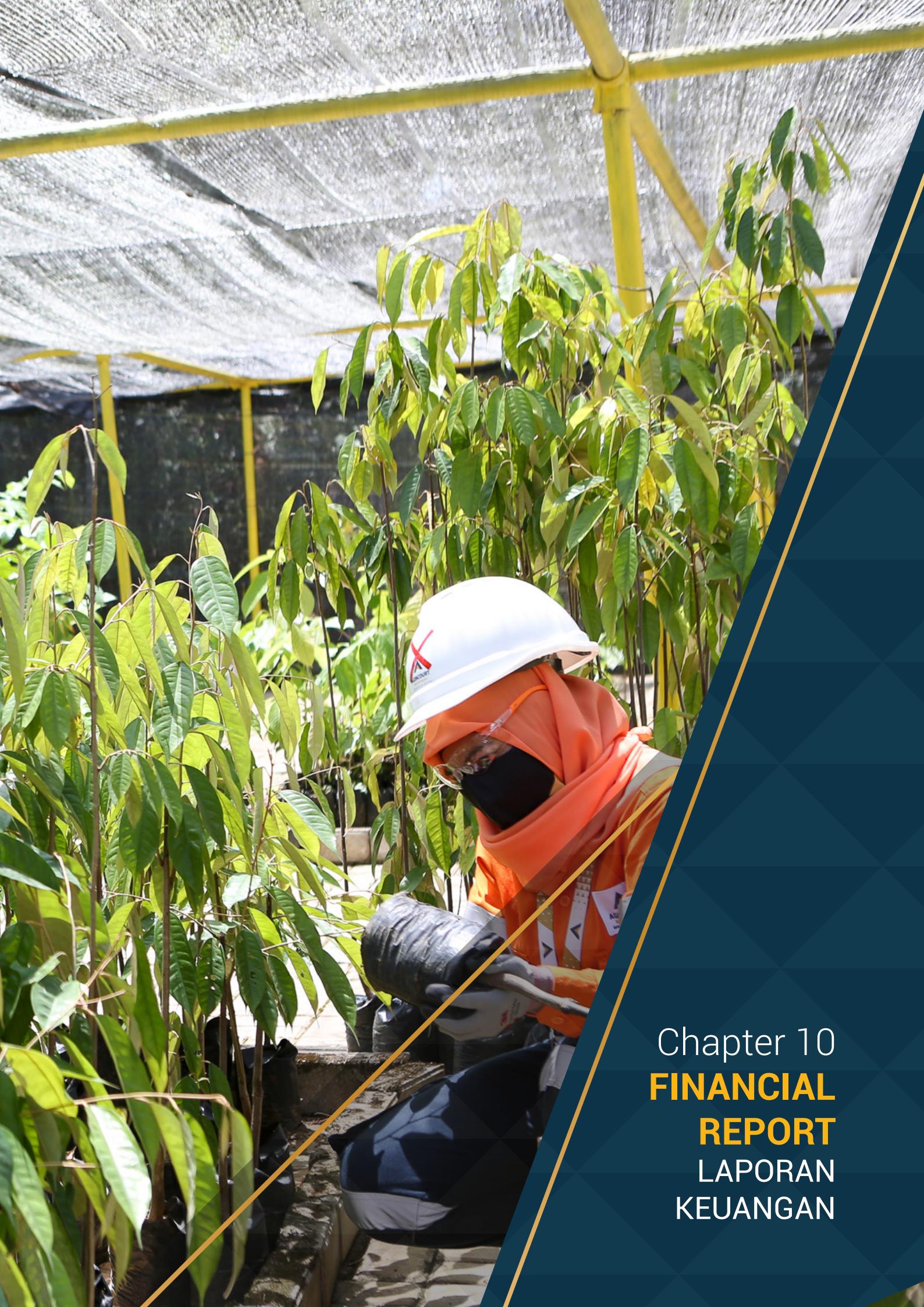
Inisiatif-inisiatif berikut ini direncanakan pada tahun 2021 untuk mendukung perbaikan berkelanjutan dalam pengelolaan lingkungan di Tambang Emas Martabe.

- Memperkuat pengelolaan keanekaragaman hayati di Tambang Emas Martabe melalui peningkatan kewajiban pengendalian operasional pada Kode Praktik PTAR - Pengelolaan Keanekaragaman Hayati, tinjauan ahli independen, dan keseluruhan strategi Perusahaan untuk mengelola keanekaragaman hayati.
- Penyelesaian studi dua tahun yang mendukung pelaksanaan penempatan *tailing* yang dikeringkan di fasilitas *tailings* kedua, yang dimulai pada akhir tahun 2023. Keberhasilan penerapan teknik ini di Tambang Emas Martabe akan menetapkan standar baru untuk pengelolaan *tailing*, terutama untuk daerah dengan curah hujan yang lebih tinggi dan bahaya seismik.
- Dimulainya program tiga tahun yang mendukung kepatuhan penuh atas *Global Industry Standard on Tailings Management*, yang dirilis pada tahun 2021. Perusahaan percaya bahwa kesesuaian atas standar ini akan mendukung perbaikan berkelanjutan dalam pengelolaan *tailing* di Tambang Emas Martabe.
- Peningkatan signifikan pada praktik penghitungan dan pelaporan Gas Rumah Kaca (GRK) yang akan sepenuhnya memenuhi persyaratan standar *Greenhouse Gas Protocol* (GHGP) dan *Global Reporting Initiative* (GRI).
- Menjaga kepatuhan terus menerus terhadap baku mutu kualitas air yang ditetapkan pemerintah yang berlaku untuk pembuangan dari Tambang Emas Martabe, dan memastikan bahwa kondisi badan air yang menerima pembuangan dari tambang terus dipantau dengan baik di bawah program pemantauan independen *River Health* yang dilaksanakan oleh Universitas Sumatera Utara.
- Penerapan teknologi RECYN yang baru dikembangkan untuk pemulihan dan penggunaan kembali sianida di dalam *tailing* sebelum diangkut ke pabrik pengolahan. Proses ini akan mengurangi jumlah sianida yang harus diproduksi dan diangkut ke lokasi, dan juga mengurangi biaya operasi secara signifikan.



Nurhapni Oktapia Harahap, Senior Field Assistant 1 Rehabilitation, Environmental and Endar Siagian, Field Assistant Rehabilitation, Environmental are planting and measuring plant seedlings in Nursery. Throughout 2020, PTAR has planted 3,640 seedlings.

Nurhapni Oktapia Harahap, Senior Field Assistant 1 Rehabilitation, Environmental and Endar Siagian, Field Assistant Rehabilitation, Environmental melakukan penanaman dan pengukuran bibit tanaman di fasilitas pembibitan (Nursery). Sepanjang 2020, PTAR telah melakukan penanaman terhadap 3.640 bibit.

A photograph showing a person wearing a white hard hat with a red logo, an orange safety vest, and a black face mask. They are working in a greenhouse, surrounded by many green plants. The background shows a yellow metal frame structure.

Chapter 10

FINANCIAL

REPORT

LAPORAN KEUANGAN

STATEMENT OF RESPONSIBILITY OF BOARD OF COMMISSIONERS FOR THE 2020 ANNUAL REPORT OF PT AGINCOURT RESOURCES

PERNYATAAN TANGGUNG JAWAB DEWAN KOMISARIS ATAS LAPORAN TAHUNAN 2020 PT AGINCOURT RESOURCES

I, the undersigned, hereby declare that all information in the 2020 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 2020 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 2021
Jakarta, Februari 2021



FRANCISCUS XAVERIUS LAKSANA KESUMA
President Commissioner
Presiden Komisaris

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE 2020 ANNUAL REPORT OF PT AGINCOURT RESOURCES

PERNYATAAN TANGGUNG JAWAB DIREKSI ATAS LAPORAN TAHUNAN 2020 PT AGINCOURT RESOURCES

I, the undersigned, hereby declare that all information in the 2020 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 2020 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 2021
Jakarta, Februari 2021



MULIADY SUTIO
President Director
Presiden Direktur

**PT AGINCOURT RESOURCES
FINANCIAL STATEMENTS
31 DECEMBER 2020**



**BOARD OF DIRECTORS' STATEMENT LETTER
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020**

PT AGINCOURT RESOURCES

We, the undersigned:

- | | | |
|----------------|---|--|
| 1. Name | : | Muliady Sutio |
| Office address | : | Level 12 Suite 1201, Wisma Pondok Indah 2,
Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah,
Jakarta Selatan 12310 |
| Phone Number | : | 021-80672000 |
| Position | : | President Director |
| 2. Name | : | Noviandi |
| Office address | : | Level 12 Suite 1201, Wisma Pondok Indah 2,
Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah,
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, 11 February 2021

 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 2020, 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 2020, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA
11 February 2021

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

PT AGINCOURT RESOURCES

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**
(Expressed in US Dollars, unless otherwise stated)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4a	106,221,760	42,379,831
Inventories	5	47,698,340	38,789,894
Other receivables - third parties		2,052,977	1,815,264
Prepayments		3,984,719	3,776,178
Claims for tax refund - current portion	8a	11,990,033	28,908,557
Derivative assets - current portion	12	<u>186,746</u>	<u>166,471</u>
Total Current Assets		<u>172,134,575</u>	<u>115,836,195</u>
NON-CURRENT ASSETS			
Restricted time deposits	4b	23,796,138	23,724,374
Inventories - non-current portion	5	13,804,622	12,608,727
Property, plant and equipment	6	164,069,448	147,600,798
Mining properties	7	333,627,323	332,186,474
Development properties	7	50,848,186	1,873,069
Exploration and evaluation assets	7	32,462,450	93,581,996
Claims for tax refund - non-current portion	8a	13,536,157	38,648,075
Derivative assets - non-current portion	12	309,967	-
Other assets		<u>647,217</u>	<u>1,354,669</u>
Total Non-current Assets		<u>633,101,508</u>	<u>651,578,182</u>
TOTAL ASSETS		<u>805,236,083</u>	<u>767,414,377</u>

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

PT AGINCOURT RESOURCES

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**
(Expressed in US Dollars, unless otherwise stated)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade payables - third parties	9	5,324,349	2,804,899
Other payables - third parties		8,735,134	2,012,758
Accrued expenses	10	30,633,673	37,743,527
Short-term employee benefit liabilities	10	3,176,564	2,721,419
Taxes payable:			
- Corporate income tax payable	8b	7,627,006	3,551,886
- Other taxes payable	8b	1,166,408	995,167
Loans from related parties	11	-	70,830,505
Derivative liabilities - current portion	12	<u>15,271,117</u>	<u>36,965,980</u>
Total Current Liabilities		<u>71,934,251</u>	<u>157,626,141</u>
NON-CURRENT LIABILITIES			
Derivative liabilities - non-current portion	12	193,046	3,397,414
Employee benefit liabilities	13	10,299,101	8,603,520
Provision for mine rehabilitation and closure	14	28,638,584	25,803,753
Deferred tax liabilities	8d	<u>34,845,050</u>	<u>39,097,753</u>
Total Non-current Liabilities		<u>73,975,781</u>	<u>76,902,440</u>
TOTAL LIABILITIES		<u>145,910,032</u>	<u>234,528,581</u>
EQUITY			
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	(38,002,349)	(60,088,551)
Retained earnings		<u>612,328,400</u>	<u>507,974,347</u>
TOTAL EQUITY		<u>659,326,051</u>	<u>532,885,796</u>
TOTAL LIABILITIES AND EQUITY		<u>805,236,083</u>	<u>767,414,377</u>

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 2020

(Expressed in US Dollars, unless otherwise stated)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
SALES	16	481,419,810	560,886,744
COST OF GOODS SOLD	17	(199,939,806)	(230,496,236)
GROSS PROFIT		281,480,004	330,390,508
General and administrative expenses	18	(25,041,172)	(28,566,426)
Finance costs	19	(4,361,412)	(8,353,821)
Finance income	19	2,232,997	1,292,822
Other (expense)/income - net	20	(21,190,251)	336,392
INCOME BEFORE TAX		233,120,166	295,099,475
INCOME TAX EXPENSE	8c	(45,873,937)	(79,307,104)
NET INCOME FOR THE YEAR		187,246,229	215,792,371
OTHER COMPREHENSIVE INCOME/(LOSS) - NET OF TAX			
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gain on employee benefit liabilities	13	32,968	285,692
Related income tax	8d	(7,253)	(71,423)
Items that will be subsequently reclassified to profit or loss:			
Fair value gain/(loss) on hedging instruments designated in cash flow hedges	12	29,925,092	(42,702,792)
Related income tax	8d	(6,583,521)	10,675,698
Adjustment related to change in income tax rate	8d	(1,281,084)	-
Total other comprehensive income/(loss), net of tax		22,086,202	(31,812,825)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		209,332,431	183,979,546

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 2020**
(Expressed in US Dollars, unless otherwise stated)

	Notes	Share capital	Other reserves			Retained earnings	Total
			Shareholder costs	Actuarial (loss)/gain	Cash flow hedges		
Balance as of 1 January 2019		85,000,000	(28,050,828)	(224,898)	-	374,643,976	431,368,250
Dividends	21d	-	-	-	-	(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)
Balance as of 31 December 2019		85,000,000	(28,050,828)	(10,629)	(32,027,094)	507,974,347	532,885,796
Dividends	21d	-	-	-	-	(82,892,176)	(82,892,176)
Income for the year		-	-	-	-	187,246,229	187,246,229
Remeasurement of post-employment benefit liabilities, net of tax		-	-	25,715	-	-	25,715
Fair value gain on hedging instruments designated in cash flow hedges, net of tax		-	-	-	22,060,487	-	22,060,487
Balance as of 31 December 2020		85,000,000	(28,050,828)	15,086	(9,966,607)	612,328,400	659,326,051

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

PT AGINCOURT RESOURCES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in US Dollars, unless otherwise stated)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	233,120,166	295,099,475
Adjustments to reconcile income before tax to net cash provided from operating activities:		
Amortisation of mining properties	43,855,650	49,911,491
Depreciation of property, plant and equipment	15,831,111	19,727,021
Amortisation of put options	2,298,456	1,675,530
Interest expense on loans	1,150,956	5,766,291
Fair value changes of derivative instruments	32,322,257	(42,702,793)
Unwinding of discount	912,000	912,000
Provision for employee benefit liabilities	2,023,913	1,639,550
Written-off certain exploration and evaluation assets and development properties	7,069,962	-
Provision for obsolescence and slow-moving in warehouse inventories	6,434,600	-
Loss on disposal of property, plant and equipment	-	713,177
Operating cash flows before changes in working capital	<u>345,019,071</u>	<u>332,741,742</u>
Changes in working capital:		
Inventories	(16,538,941)	(6,683,902)
Other receivables	(237,713)	(1,209,594)
Prepayments	(208,541)	(219,432)
Claims for tax refund	42,030,442	(39,805,934)
Restricted time deposits and other assets	635,688	(127,655)
Derivative assets	(2,628,698)	(1,602,442)
Trade payables - third parties	2,519,450	1,721,793
Other payables - third parties	6,722,376	2,012,758
Accrued expenses and short-term employee benefit liabilities	(6,447,523)	16,331,514
Derivative liabilities	(27,296,396)	40,363,394
Provision for mine rehabilitation and closure	1,922,831	-
Other taxes payable	171,241	604,656
Deferred tax	-	881,597
Cash generated from operations	<u>345,663,287</u>	<u>345,008,495</u>
Payment of income tax	(53,923,378)	(98,636,171)
Payment of post-employment benefits	(295,364)	(421,194)
Net cash flows provided from operating activities	<u>291,444,545</u>	<u>245,951,130</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(44,962,943)	(40,982,074)
Additions to exploration and evaluation assets	(9,416,828)	(21,716,102)
Additions to mining properties	(7,982,904)	(7,590,981)
Additions to development properties	(10,159,118)	-
Net cash flows used in investing activities	<u>(72,521,793)</u>	<u>(70,289,157)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest on loans	(1,358,142)	(6,085,860)
Payment of loan from related parties	(70,830,505)	(77,412,132)
Payment of dividends	(82,892,176)	(82,462,000)
Net cash flows used in financing activities	<u>(155,080,823)</u>	<u>(165,959,992)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>63,841,929</u>	<u>9,701,981</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>42,379,831</u>	<u>32,677,850</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>106,221,760</u>	<u>42,379,831</u>

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

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(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 the 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. 13 dated 26 March 2020 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 the Decree Number AHU-0059805.AH.01.11.TAHUN 2020 dated 27 March 2020 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.01.03-0163896 dated 27 March 2020.

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 802 and 780 employees (unaudited) as of 31 December 2020 and 2019, 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 2020

(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 2020 and 2019 were as follows:

	2020	2019
President Commissioner Commissioners	: Franciscus X L Kesuma Anwar Nasution Iwan Hadiantoro Ari Sutrisno Bambang Susigit Linda Helena Darmalina Puput Eko Bayuseno	Franciscus X L Kesuma Anwar Nasution Iwan Hadiantoro Ari Sutrisno Edhie Sarwono Bambang Susigit
President Director Vice President Director Directors	: Muliady Sutio Timothy John Vincent Duffy Noviandri Darryn Michael McClelland Ruli Tanio Sanny Tjan	Muliady Sutio Timothy John Vincent Duffy Noviandri Darryn Michael McClelland Linda Helena Darmalina Washington Tambunan Ruli Tanio

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 11 February 2021.

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.

Changes to Statements of Financial Accounting Standards ("SFAS") and Interpretations of Statements of Financial Accounting Standards ("IFAS")

On 1 January 2020, the Company adopted new SFAS and IFAS that are effective for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and interpretations.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(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”) (continued)

The Company has adopted SFAS No. 71, “Financial Instruments”, SFAS No. 72, “Revenue from Contracts with Customers” and SFAS No. 73, “Leases”, effectively for the financial year beginning 1 January 2020. Based on the Company’s assessments, there are no significant differences between the implementation of SFAS No. 71, SFAS No. 72 and SFAS No. 73 with the Company’s previous accounting policies.

The adoption of the following new interpretations, amendment and annual improvements to accounting standards which are effective from 1 January 2020 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:

- SFAS No. 102, “Murabahah Accounting”
- 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. 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”
- Amendment to SFAS No. 71, “Financial Instruments”, SFAS No. 55, “Financial Instruments: Recognition and Measurement” and SFAS No. 60, “Disclosures” on Interest Rate Reference Reforms - Relate to Interbank Offered Rate Reform
- Amendment to SFAS No. 73, “COVID-19 related Rent Concessions”
- Annual improvement to SFAS No. 1, “Presentation of Financial Statements”
- IFAS No. 35, “Presentation of Non-profit Oriented Entity Financial Statements”
- IFAS No. 36, “Interpretation of The Interaction Between The Provisions Regarding Land Rights in SFAS No. 16: Fixed Assets and SFAS No. 73: Leases”
- IFAS No. 101, “Recognition of Murabahah Unearned Revenue without Significant Risk Related to Inventory Ownership”
- IFAS No. 102, “Impairment of Murabahah Receivable”

New standard and amendment issued but not yet effective for the financial year beginning 1 January 2020 are as follows:

- SFAS No. 112, “Accounting for Endowments”
- Amendment to SFAS No. 1, “Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current”
- Amendment to SFAS No. 22, “Business Combinations”

The above new standard and amendment are effective beginning 1 January 2021, but early adoption is permitted.

As at the issuance date of these financial statements, the Company is evaluating the potential impact of these new standard and amendments 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 2020

(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

From 1 January 2020, the Company has adopted SFAS No. 71, "Financial Instruments" and classified its financial assets into the following categories:

- (i) financial assets measured at amortised cost; and
- (ii) financial assets measured at fair value either through profit or loss ("FVTPL") or through other comprehensive income ("FVOCI").

The classification depends on the Company's business model and the contractual terms of the cash flows when determining whether their cash flows are solely payment of principal and interest.

(i) Financial assets measured at amortised cost

This classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the "solely payments of principal and interest" ("SPPI") criteria.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial assets (continued)

(i) Classifications, recognition and measurement (continued)

(i) Financial assets measured at amortised cost (continued)

At initial recognition, trade receivables that do not have a significant financing component, are recognised at their transaction price. Other financial assets are initially recognised at fair value plus related transaction costs. They are subsequently measured at amortised cost using the effective interest method. Any gains or losses on derecognition or modification of a financial asset held at amortised cost are recognised in profit or loss.

(ii) Financial assets measured at fair value through profit or loss.

The classification applies to the following financial assets. In all cases, transaction costs are immediately expensed to profit or loss.

- Debt instruments that do not meet the criteria of amortised cost or fair value through other comprehensive income. Subsequent fair value gains or losses are taken to profit or loss.
- Equity investments which are held for trading or where the fair value through other comprehensive income election has not been applied. All fair value gains or losses and related dividend income are recognised in profit or loss.
- Derivatives which are not designated as a hedging instrument. All subsequent fair value gains or losses are recognised in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iii) Financial assets measured at fair value through other comprehensive income.

This classification applies to the following financial assets.

- Debt instruments that are held under a business model where they are held for collection of contractual cash flows and also for sale ("collect and sell") and which have cash flows that meet the "solely payments of principal and interest" criteria.

All movements in the fair value of these financial assets are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue (including transaction costs by applying the effective interest method), gains or losses arising on derecognition and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative fair value gains or losses previously recognised in other comprehensive income is reclassified to profit or loss.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial assets (continued)

(i) Classifications, recognition and measurement (continued)

(iii) Financial assets measured at fair value either through other comprehensive income. (continued)

- Equity investments where the Company has irrevocably elected to present fair value gains and losses on revaluation in other comprehensive income

The election can be made for each individual investment; however, it is not applicable to equity investments held for trading. Fair value gains or losses on revaluation of such equity investments, including any foreign exchange component, are recognised in other comprehensive income. When the equity investment is derecognised, there is no reclassification of fair value gains or losses previously recognised in other comprehensive income to profit or loss. Dividends are recognised in profit or loss when the right to receive payment is established.

Refer to Note 2g for details of the Company's accounting policy on derivative financial instruments.

(ii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership.

(iii) Impairment of financial assets

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition.

The Company applies the "simplified approach" to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables, other receivables and contract assets without significant financing components and the "general approach" for all other financial assets. The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The expected credit loss reviews include assumptions about the risk of default and expected loss rates. For trade receivables, the assessment considers the use of credit enhancements. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and the days past due.

(iv) 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.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(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 2020, the Company has hedging instruments designated as cash flow hedges.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(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 and slow-moving 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 2020

(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 2020

(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 2020

(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 2020

(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 2020

(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 2020

(Expressed in US Dollars, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Revenue and expense recognition

From 1 January 2020, the Company has adopted SFAS No. 72, which requires revenue recognition to fulfill 5 steps of assessments.

Revenue from contracts with customers

Revenue recognition has to fulfill 5 steps of assessment:

1. Identify contract(s) with a customer.
2. Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.
3. Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer less the estimated amount of service level guarantee which will be paid during the contract period.
4. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services promised in the contract. Where these are not directly observable, the relative standalone selling price are estimated based on expected cost plus margin.
5. Recognise revenue when performance obligation is satisfied by transferring a promised goods or services to a customer (which is when the customers obtain control of that goods and those services).

Revenue from sales of goods is recognised when control transfers to the customer. There may be circumstances when judgement is required based on the five indicators of control below:

1. The customer has the significant risks and rewards of ownership and has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods.
2. The customer has a present obligation to pay in accordance with the terms of the sales contract.
3. The customer has accepted the goods. Sales revenue may be subject to adjustment based on the inspection of shipments by the customer. In these cases, sales are recognised based on the Company's best estimate of the grade and/or quantity at the time of shipment, and any subsequent adjustments are recorded against revenue. Historically, the differences between estimated and actual grade and/or quantity are not significant.
4. The customer has legal title to the goods.
5. The customer has physical possession of the goods.

A performance obligation may be satisfied at the following:

- a. Point in time (typically for promises to transfer goods to a customer); or
- b. Over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, the Company selects an appropriate measure of progress to determine the amount of revenue that should be recognised as the performance obligation is satisfied.

The Company transfers control of a good or service over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- The Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Revenue and expense recognition (continued)

The Company transfers control of a good or service over time, if one of the following criteria is met: (continued)

- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date;

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

The Company applies the output method for measuring progress. The Company excludes from the measure of progress any goods or services for which the Company does not transfer control to a customer.

The Company recognises revenue for a performance obligation satisfied overtime only if the Company can reasonably measure its progress towards complete satisfaction of the performance obligation. In some circumstances, the Company may not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Expenses are recognized 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 2020

(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 2020

(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 2020

(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 2020

(Expressed in US Dollars, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED TIME DEPOSITS

a. Cash and cash equivalents

	2020	2019
Cash on hand	19,933	20,448
Cash in banks		
US Dollars	35,859,317	27,351,427
Rupiah	4,535,705	4,423,616
Australian Dollars	806,805	584,340
Time deposit		
US Dollars	<u>65,000,000</u>	<u>10,000,000</u>
Total	<u>106,221,760</u>	<u>42,379,831</u>

The above time deposit earned interest at average annual rates as follows:

	2020	2019
US Dollars	0.4% - 1.5%	2.6% - 2.95%

b. Restricted time deposits

	2020	2019
Restricted time deposits in relation to mine closure	23,456,541	23,456,541
Restricted time deposits in relation to reclamation guarantee	<u>339,597</u>	<u>267,833</u>
Total	<u>23,796,138</u>	<u>23,724,374</u>

As at 31 December 2020 and 2019, the Company placed time deposits to 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 2020

(Expressed in US Dollars, unless otherwise stated)

5. INVENTORIES

	2020	2019
Current:		
Warehouse inventories	25,071,216	23,770,713
Gold in-transit	23,973,076	11,512,923
Gold in-safe	3,358,757	1,161,856
Gold in-circuit	2,622,785	2,849,384
Ore inventories	787,106	1,175,018
Provision for obsolescence and slow-moving in warehouse inventories	<u>(8,114,600)</u>	<u>(1,680,000)</u>
Total current inventories	<u>47,698,340</u>	<u>38,789,894</u>
Non-current:		
Ore inventories	<u>13,804,622</u>	<u>12,608,727</u>

Warehouse inventories comprise spare parts, chemicals, oil and lubricants.

As of 31 December 2020 and 2019, 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 and slow-moving in warehouse inventories.

6. PROPERTY, PLANT AND EQUIPMENT

	1 January 2020	Additions	Disposals	Reclassifications	Transferred to mining properties (Note 7)	31 December 2020
Cost						
Land	285,489	-	-	-	-	285,489
Buildings	21,734,085	-	-	2,882,640	-	24,616,725
Plant equipment	288,799,914	4,255,703	-	5,757,705	-	298,813,322
Motor vehicles	974,325	65,944	-	61,507	-	1,101,776
Office equipment	1,472,205	-	-	71,865	-	1,544,070
Information technology	9,416,546	-	-	884,860	-	10,301,406
Construction in-progress	25,615,445	40,641,296	-	(9,658,577)	(12,663,182)	43,934,982
Total	348,298,009	44,962,943	-	-	(12,663,182)	380,597,770
Accumulated depreciation						
Buildings	(15,248,911)	(2,179,662)	-	-	-	(17,428,573)
Plant equipment	(174,622,948)	(13,249,574)	-	-	-	(187,872,522)
Motor vehicles	(632,970)	(126,413)	-	-	-	(759,383)
Office equipment	(1,396,939)	(43,889)	-	-	-	(1,440,828)
Information technology	(8,795,443)	(231,573)	-	-	-	(9,027,016)
Total	(200,697,211)	(15,831,111)	-	-	-	(216,528,322)
Net book value	<u>147,600,798</u>					<u>164,069,448</u>

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	1 January 2019	Additions	Disposals	Reclassifications	Transferred to mining properties (Note 7)	31 December 2019
Cost						
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
Total	326,411,558	40,982,074	(713,177)	-	(18,382,446)	348,298,009
Accumulated depreciation						
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)
Total	(180,970,190)	(19,727,021)	-	-	-	(200,697,211)
Net book value	145,441,368					147,600,798

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\$920,359,493 and US\$758,077,877 as at 31 December 2020 and 2019, 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 2020 and 2019, were allocated as follows:

	2020	2019
Cost of goods sold (Note 17)	15,053,288	18,864,639
General and administrative expenses (Note 18)	777,823	862,382
Total	15,831,111	19,727,021

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 2020

(Expressed in US Dollars, unless otherwise stated)

7. MINING PROPERTIES, DEVELOPMENT PROPERTIES, AND EXPLORATION AND EVALUATION ASSETS

	1 January 2020	Additions	Deduction	Reclassifications	Transferred from property, plant and equipment (Note 6)	31 December 2020
Mining properties						
Cost	816,138,640	7,982,904	-	24,650,413	12,663,182	861,435,139
Accumulated amortisation	(483,952,166)	(43,855,650)	-	-	-	(527,807,816)
Net book value	332,186,474					333,627,323
Development properties	1,873,069	10,159,118	(754,277)	39,570,276	-	50,848,186
Exploration and evaluation assets	93,581,996	9,416,828	(6,315,685)	(64,220,689)	-	32,462,450

	1 January 2019	Additions	Reclassifications	Transferred from property, plant and equipment (Note 6)	31 December 2019
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)
Net book value	355,634,190				332,186,474
Development properties	-	-	1,873,069	-	1,873,069
Exploration and evaluation assets	74,229,311	21,716,102	(2,363,417)	-	93,581,996

Amortisation of mining properties for the years ended 31 December 2020 and 2019 were allocated as follows:

	2020	2019
Cost of goods sold (Note 17)	41,974,827	47,872,792
General and administrative expenses (Note 18)	1,880,823	2,038,699
Total	43,855,650	49,911,491

The management is of the opinion that there are no facts or circumstances during the year that indicate the mining properties may be impaired. As such, there has been no impairment charge recognised against the carrying amounts of mining properties.

During 2020, the Company has decided to discontinue certain exploration and evaluation and development activities. As such, the Company has written-off those exploration and evaluation assets and development properties amounting to US\$6,315,685 and US\$754,277, respectively.

As at 31 December 2020, management is of the opinion that there is no impairment in the carrying amounts of mining properties, development properties and exploration and evaluation assets.

As at 31 December 2020, 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

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

8. TAXATION

a. Claims for tax refund

	2020	2019
Withholding tax ("WHT")		
- Article 26	-	23,719,395
Value added tax ("VAT")		
- 2020	13,536,157	-
- 2019	11,990,033	14,928,680
- 2018	-	14,569,961
- 2017	-	<u>14,338,596</u>
Total	<u>25,526,190</u>	<u>67,556,632</u>
Current portion	<u>(11,990,033)</u>	<u>(28,908,557)</u>
Claims for tax refund - net of current portion	<u>13,536,157</u>	<u>38,648,075</u>

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 2021, the Company is expecting to receive the refund for 2019 VAT claims.

b. Taxes payable

	2020	2019
Corporate income tax payable		
- 2020	7,627,006	-
- 2019	-	<u>3,551,886</u>
	<u>7,627,006</u>	<u>3,551,886</u>
Other taxes payable		
- Article 21	7,669	65,861
- Article 15	2,951	3,028
- Article 23	201,275	203,591
- Article 26	3,254	26
- Article 4(2)	55,238	2,891
VAT	72,126	92,794
Other taxes	<u>823,895</u>	<u>626,976</u>
	<u>1,166,408</u>	<u>995,167</u>
Total	<u>8,800,661</u>	<u>4,547,053</u>

Corporate income tax payable for 2020 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 2020

(Expressed in US Dollars, unless otherwise stated)

8. TAXATION (continued)

c. Income tax expense

	2020	2019
Current	57,998,498	74,114,776
Deferred	<u>(12,124,561)</u>	<u>5,192,328</u>
Total	<u>45,873,937</u>	<u>79,307,104</u>

The reconciliation between income before tax for the Company and current income tax expense is as follows:

	2020	2019
Income before tax	233,120,166	295,099,475
Fiscal adjustments:		
- Differences in depreciation and amortisation between commercial and tax	10,783,940	(23,576,858)
- Employee benefit liabilities, mine closure and other provisions	2,640,552	2,130,355
- Unrealised loss from fair value of derivative instruments	2,397,165	-
- Non-deductible expenses	<u>14,687,714</u>	<u>22,806,130</u>
Taxable income	<u>263,629,537</u>	<u>296,459,102</u>
Current income tax expense calculated at 22% (2019: 25%)	57,998,498	74,114,776
Less prepaid taxes:		
- Article 25	(50,234,766)	(69,957,098)
- Article 23	(2,326)	(132,944)
- Article 22	<u>(134,400)</u>	<u>(472,848)</u>
Corporate income tax payable	<u>7,627,006</u>	<u>3,551,886</u>

The reconciliation between income tax expense and the theoretical tax amount on the Company's profit before income tax calculated at 22% (2019: 25%) is as follows:

	2020	2019
Income before tax	233,120,166	295,099,475
Tax expense calculated at 22% (2019: 25%)	51,286,437	73,774,869
Tax expense effect of:		
- Non-deductible expenses	3,231,297	5,701,532
- Adjustment related to changes in income tax rate	<u>(8,643,797)</u>	<u>-</u>
- Other adjustments	<u>-</u>	<u>(169,297)</u>
Income tax expense	<u>45,873,937</u>	<u>79,307,104</u>

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

8. TAXATION (continued)

d. Deferred tax liabilities

	<u>1 January 2020</u>	<u>Adjustment related to changes in income tax rate</u>	<u>Credited to income for the year</u>	<u>Credited to other comprehensive (loss)/income for the year</u>	<u>31 December 2020</u>
Differences in depreciation and amortisation between commercial and tax	(52,511,134)	8,972,319	2,372,467	-	(41,166,348)
Employee benefit liabilities, mine closure and other provisions	2,737,683	(328,522)	580,921	(7,253)	2,982,829
Unrealised loss/(gain) from fair value of derivative instruments	10,675,698	-	527,376	(7,864,605) ^{*)}	3,338,469
Total	(39,097,753)	8,643,797	3,480,764	(7,871,858)	(34,845,050)
	<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) ^{**}	10,675,698	-	10,675,698
Total	(43,628,104)	(6,073,924)	10,604,275	(39,097,753)	

Legend:

(*) Include adjustment related to change in income tax rate credited to other comprehensive income amounting to US\$1,281,084 in 2020.

(**) Include other adjustments for unrealised loss/(gain) from fair value of derivative instruments amounting to US\$881,596 in 2019.

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 31 December 2019, PTAR has made a provision of US\$7.0 million for the 2016-2019 regional taxes.

In February 2020, the Tax Court has issued its decision letter stating that the Tax Court has accepted the Company's lawsuit and cancelled the underpayment 2016 regional tax assessment letter due to false format of the underpayment 2016 regional tax assessment letter. In July 2020, the South Tapanuli District Government submitted a judicial review to the Supreme Court related to the Tax Court's decision letter. In August 2020, the Company submitted a contra judicial review to the Supreme Court to defend the decision letter from the Tax Court.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

8. TAXATION (continued)

e. Tax assessment letters (continued)

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 (continued)

As at the date of these financial statements, the Company is still waiting for the verdict from the Supreme Court, and the Company did not reverse the provision of US\$7.0 million related to the 2016-2019 regional taxes as at 31 December 2020 based on the Company's assessment on the tax case. In 2020, PTAR has made an additional provision of US\$1.1 million for the 2020 regional tax.

The financial statements as at 31 December 2020 did not include any adjustments that might ultimately result from the settlement or resolution of this matter.

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 related to the higher WHT rate (the tax office applied 20%, instead of 7.5% WHT rate based on the provision of CoW which should be applied to dividend payments made to a former non-resident shareholder, Agincourt Resources (Singapore) Pte. Ltd. ("ARS") in April, September and December 2017).

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.

On 10 June 2020, the Tax Office issued decision letters accepting the Company's objection with total amounting to Rp342.9 billion (equivalent to US\$23.6 million). The refund from the Tax Office has been received by PTAR on 6 July 2020.

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.

On 31 March 2020, the Government issued Government Regulation No. 1/2020, which was subsequently approved by the House of Representatives ("DPR") as Law No. 2 year 2020, in which among others, changed the corporate income tax rate from 25% to 22% for fiscal years 2020-2021 and 20% for fiscal year 2022 onwards.

9. TRADE PAYABLES - THIRD PARTIES

Details of trade payables based on currency are as follows:

	2020	2019
- Indonesian Rupiah	2,985,315	1,988,340
- US Dollars	2,239,031	556,820
- Others	100,003	259,739
Total	5,324,349	2,804,899

The trade payables arose from the purchase of goods and services.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

10. ACCRUED EXPENSES AND SHORT-TERM EMPLOYEE BENEFIT LIABILITIES

	2020	2019
Accrued expenses		
Consultants and contractors	19,303,274	23,324,452
Others	<u>11,330,399</u>	<u>14,419,075</u>
	30,633,673	37,743,527
Short-term employee benefit liabilities	<u>3,176,564</u>	<u>2,721,419</u>
Total	<u>33,810,237</u>	<u>40,464,946</u>

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

	2020	2019
UT Group	-	18,498,303
PT Pamapersada Nusantara ("Pama")	-	52,332,202
Total	-	70,830,505

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 had been amended with final maturity date become 4 March 2020 and 4 December 2020, respectively. Total principal repayments on these loans from related parties was US\$70,830,505 during 2020 (2019: US\$77,412,132). Total interest expense on these loans from related parties was US\$1,150,956 during 2020 (2019: US\$5,766,291). As of 31 December 2020, the Company has fully repaid the loans from related parties.

On 3 August 2020, the Company entered into a revolving loan agreement with Pama, under which Pama agreed to provide loan with a maximum facility amounting to US\$70,000,000 for a period of 5 years. This loan bears annual interest at LIBOR interest rate plus 2% margin. During 2020, no draw-down had been made by the Company.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

12. DERIVATIVE ASSETS AND LIABILITIES

	<u>2020</u>	<u>2019</u>
<u>Derivative assets</u>		
Designated as hedge accounting:		
- Gold put options	496,713	166,471
Total current portion	(186,746)	(166,471)
Total non-current portion	309,967	-
<u>Derivative liabilities</u>		
Designated as hedge accounting:		
- Gold forwards	10,189,886	33,936,750
- Gold collars	5,274,277	6,426,644
	15,464,163	40,363,394
Total current portion	(15,271,117)	(36,965,980)
Total non-current portion	193,046	3,397,414

The Company 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 2020. During 2020, total realised loss, net on the hedges is amounting to US\$80,172,788 (2019: US\$10,783,686) and presented as part of "sales" amounting to US\$67,029,974 (2019: US\$10,783,686) and "other (expense)/income" amounting to US\$13,142,814 (2019: nil). The "other (expense)/income" amounting to US\$13,142,814 is related to a portion of hedged items (30,000 ounces on collar agreements) for August up to December 2020, which is no longer expected to occur, therefore, hedge accounting for these hedged items must be discontinued and the cumulative other comprehensive loss must be immediately transferred to the profit or loss (refer to Note 20).

a. Gold put options

The Company's gold put options as at 31 December 2020 were as follows:

<u>Counterparties</u>	<u>Contract date</u>	<u>Period start*</u>	<u>Period end*</u>	<u>Strike price per ounce (US Dollars)</u>	<u>Quantity (ounces)</u>
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
HSBC	13 November 2020	1 March 2021	28 February 2023	1,300	30,000
CITIBANK N.A.	14 December 2020	1 March 2021	28 February 2023	1,300	24,050

In 2020, gain/(loss) from changes in fair value of gold put options (unrealised portion) amounting to US\$2,628,698 (2019: (US\$2,339,398)) was charged to other comprehensive income/(loss), respectively.

(*) Represents range of hedging periods from the earliest to the latest hedging dates as the gold put option agreements have various hedging periods.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(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 2020 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	92,000
HSBC	11 January 2019	1 February 2019	29 January 2021	1,325	46,000
Morgan Stanley	11 January 2019	1 February 2019	29 January 2021	1,325	144,000
HSBC	13 April 2020	1 February 2021	26 February 2021	1,325	4,000
HSBC	13 April 2020	1 February 2021	26 February 2021	1,325	2,000

In 2020, gain/(loss) from changes in fair value of gold forwards (unrealised portion) amounting to US\$25,470,423 (2019: (US\$33,936,750)) was charged to other comprehensive income/(loss).

(*) 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 2020 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	18,000
Macquarie Bank Limited	18 June 2019	1 July 2019	29 January 2021	1,300 - 1,480	14,000
HSBC	6 June 2019	1 July 2019	29 January 2021	1,300 - 1,445	18,000
HSBC	6 June 2019	1 July 2019	29 January 2021	1,300 - 1,443	18,000
HSBC	20 June 2019	1 July 2019	29 January 2021	1,325 - 1,505	14,000
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	1,000
Morgan Stanley	18 June 2019	3 August 2020	29 January 2021	1,300 - 1,480	6,000
Macquarie Bank Limited	1 April 2020	1 February 2021	26 February 2021	1,300 - 1,470	2,000
HSBC	8 April 2020	1 February 2021	26 February 2021	1,300 - 1,471	1,000
HSBC	8 April 2020	1 February 2021	26 February 2021	1,300 - 1,471	1,000
HSBC	8 April 2020	1 February 2021	26 February 2021	1,300 - 1,471	1,000
Morgan Stanley	8 April 2020	1 February 2021	26 February 2021	1,300 - 1,470	1,000
HSBC	13 October 2020	1 March 2021	28 February 2023	1,300 - 3,250	30,000
Morgan Stanley	13 November 2020	1 March 2021	28 February 2023	1,300 - 3,250	30,000

In 2020, gain/(loss) from changes in fair value of gold collar options (unrealised portion) amounting to US\$1,825,971 (2019: (US\$6,426,644)) was charged to other comprehensive income/(loss).

(*) Represents range of hedging periods from the earliest to the latest hedging dates as the collar option agreements have various hedging periods.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

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 at 31 December 2020 and 2019 were 802 and 780, respectively (unaudited). The employee benefit program is unfunded.

	2020	2019
Post-employment benefits	8,675,667	7,327,796
Long service leave and awards	1,623,434	1,275,724
Total	10,299,101	8,603,520

The amounts recognised in the statements of profit or loss and other comprehensive income with respect to these post-employment benefits are as follows:

	2020	2019
Current service cost	1,190,298	437,000
Interest cost	547,406	568,534
Past service cost	-	(156,980)
(Gain)/loss on foreign exchange	(61,501)	299,263
Total charged to profit or loss	1,676,203	1,147,817

	2020	2019
Remeasurement (gains)/losses:		
- Actuarial gains arising from changes in financial assumptions	(4,997)	(1,656,517)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(428)	1,843,517
- Actuarial gains arising from changes in experience adjustments	(27,543)	(472,692)
Total charged to other comprehensive income	(32,968)	(285,692)

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:

	2020	2019
Opening balance of present value of unfunded obligations	7,327,796	6,886,865
Current service cost	1,190,298	437,000
Interest cost	547,406	568,534
Remeasurement (gains)/losses:		
- Actuarial gains arising from changes in financial assumptions	(4,997)	(1,656,517)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(428)	1,843,517
- Actuarial gains arising from changes in experience adjustments	(27,543)	(472,692)
Benefits paid	(295,364)	(421,194)
Past service cost	-	(156,980)
(Gain)/loss on foreign exchange	(61,501)	299,263
Closing balance of present value of unfunded obligations	8,675,667	7,327,796

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

13. EMPLOYEE BENEFIT LIABILITIES (continued)

The cost of providing employee benefit liabilities was calculated by PT Milliman Indonesia, an independent actuary, on 15 January 2021, using the projected unit credit method. The actuarial valuation was carried out using the following key assumptions:

	2020	2019
Discount rate	7.50% per annum	7.50% per annum
Future salary incremental rate	6.5% per annum	7% per annum
Mortality rate	100% (TMI4)	100% (TMI3)
Disability rate	5% (TMI4)	5% (TMI3)
Resignation rate	2% for employees below the age of 25 and will linearly decrease until 0.5% at the age of 45	2% for employees below the age of 25 and will linearly decrease until 0.5% at the age of 45
Proportion of normal retirement	100% per annum	100% per annum
Normal retirement age	57	57

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\$779,374, while a decrease of 1% in the discount rate would increase the post-employment benefits by US\$904,946.
- If the expected salary increment rate was 1% higher, the post-employment benefits would increase by US\$994,545, while a decrease of 1% in the salary increment rate would decrease the post-employment benefits by US\$866,767.
- If the expected life increment rate was 1 year higher, the post-employment benefits would increase by US\$13,191, while a decrease of 1 year in the life increment rate would increase the post-employment benefits by US\$14,333.

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 2020 and 2019 are 13.72 years and 14.16 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	308,948	2,813,448	7,573,921	56,365,040

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

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:

	2020	2019
Beginning balance	25,803,753	24,891,753
Addition	1,922,831	-
Unwinding of discount (Note 19)	<u>912,000</u>	<u>912,000</u>
Ending balance	<u>28,638,584</u>	<u>25,803,753</u>

15. SHARE CAPITAL AND RESERVES

a. Share capital

The composition of the Company's shareholders as at 31 December 2020 and 2019 was as follows:

Shareholders	31 December 2020 and 2019		
	Number of Shares	Percentage of Ownership	Total Paid-up Capital
DTN	80,750,000	95%	80,750,000
PT Artha Nugraha Agung ("ANA")	4,250,000	5%	4,250,000
Total	<u>85,000,000</u>	<u>100%</u>	<u>85,000,000</u>

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

	2020	2019
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	(9,966,607)	(32,027,094)
Actuarial gain/(loss) on employee benefit liabilities	<u>15,086</u>	<u>(10,629)</u>
Total	<u>(38,002,349)</u>	<u>(60,088,551)</u>

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

16. SALES

	2020	2019
Gold	439,306,814	525,026,350
Silver	42,112,996	35,860,394
Total	<u>481,419,810</u>	<u>560,886,744</u>

17. COST OF GOODS SOLD

	2020	2019
Spare parts and consumables	58,310,492	56,081,607
Amortisation (Note 7)	41,974,827	47,872,792
Contractors	29,354,473	36,090,108
Royalty	26,230,539	21,356,218
Salaries and wages	15,701,608	14,926,721
Depreciation (Note 6)	15,053,288	18,864,639
Transportation	7,562,344	7,180,061
Drilling and assays	5,113,382	5,577,827
Housing allowance	3,667,433	3,641,653
Refining charges	2,616,223	2,750,993
Travel	2,433,416	1,727,445
Rental	1,723,880	7,815,018
Consultants	779,902	1,116,756
Others	4,656,437	10,883,696
Total production costs	<u>215,178,244</u>	<u>235,885,534</u>
Inventory at beginning of the year	29,307,908	23,918,610
Less: inventories at end of the year (Note 5)		
Gold in-transit	(23,973,076)	(11,512,923)
Ore inventories	(14,591,728)	(13,783,745)
Gold in-safe	(3,358,757)	(1,161,856)
Gold in-circuit	(2,622,785)	(2,849,384)
Cost of goods sold	<u>199,939,806</u>	<u>230,496,236</u>

18. GENERAL AND ADMINISTRATIVE EXPENSES

	2020	2019
Land and building tax	6,684,775	6,665,960
Salaries and wages	4,162,135	4,693,395
Insurance cost	2,068,286	1,845,479
Amortisation (Note 7)	1,880,823	2,038,699
Depreciation (Note 6)	777,823	862,382
Professional fees	465,504	647,714
Travel	278,492	635,779
Others	8,723,334	11,177,018
Total	<u>25,041,172</u>	<u>28,566,426</u>

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

19. FINANCE INCOME AND COSTS

	2020	2019
Finance costs		
Interest expense on loans (Note 11)	1,150,956	5,766,291
Unwinding of discount (Note 14)	912,000	912,000
Other expenses	<u>2,298,456</u>	<u>1,675,530</u>
Total finance costs	<u>4,361,412</u>	<u>8,353,821</u>
Finance income		
Interest income	<u>2,232,997</u>	<u>1,292,822</u>
Total finance income	<u>2,232,997</u>	<u>1,292,822</u>

20. OTHER (EXPENSE)/INCOME - NET

	2020	2019
Realised loss on derivative instruments (Note 12)	(13,142,814)	-
Others, net	<u>8,047,437</u>	<u>336,392</u>
Total other (expense)/income - net	<u>(21,190,251)</u>	<u>336,392</u>

21. RELATED PARTY INFORMATION

a. Nature of relationships

The nature of relationships with related parties as at 31 December 2020 and 2019 was as follows:

Related parties	Nature of relationships	Nature of transactions
DTN	Parent entity	Share capital
UT Group	Intermediate holding company	Loan
Pama	Intermediate holding company	Loan
Commissioners and Directors	Key management personnel	Remuneration

b. Balances with related parties

	2020	2019
Loan from related parties		
UT Group	-	18,498,303
Pama	<u>-</u>	<u>52,332,202</u>
Total loan from related parties	<u>-</u>	<u>70,830,505</u>

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

21. RELATED PARTY INFORMATION (continued)

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:

	2020	2019
Salaries and other benefits	1,479,361	1,702,764
Discretionary bonus	455,810	512,187
Total	<u>1,935,171</u>	<u>2,214,951</u>

d. Dividends

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.

2019 Final Dividends

Based on the Annual General Meeting of Shareholders held on 26 March 2020, the Company declared a final dividend for financial year 2019 in the amount of US\$33,834,176 in March 2020. The Company paid the remaining 2019 dividends in April 2020.

2020 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\$49,058,000 in September and October 2020, respectively.

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.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

22. 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 extended 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.

In December 2019, the Company entered into a sale and purchase agreement for gold and silver with JP Morgan Chase Bank, N.A for a 12 month period which will automatically extended 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.

On 10 June 2020, Law No. 3 of 2020 on Amendment to Law No. 4 of 2009 on Mineral and Coal Mining ("Law No. 3/2020") has been promulgated.

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 at 31 December 2020, the Company has placed US\$23,456,541 in a form of time deposits (refer to Note 4b).

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

22. SIGNIFICANT AGREEMENTS AND COMMITMENTS (continued)

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.

On 20 November 2019, the Indonesian government issued GR No. 81/2019 regarding Type and Tariff for Non-Tax State Revenue applicable to MoEMR which amended GR No. 9/2019. The Company's CoW fixes the applicable royalty rates for the duration of the CoW.

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 2020

(Expressed in US Dollars, unless otherwise stated)

22. 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-Mar-23	Extraction of ore and other mining services. Charged mainly based on tonnes mined.
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.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

23. FINANCIAL ASSETS AND LIABILITIES

	<u>Derivative financial instruments - cash flow hedges</u>	<u>Assets at amortised cost</u>	<u>Liabilities at amortised cost</u>	<u>Total</u>
31 December 2020				
Financial assets				
Cash and cash equivalents	-	106,221,760	-	106,221,760
Other receivables - third parties	-	2,052,977	-	2,052,977
Restricted time deposits	-	23,796,138	-	23,796,138
Other assets	-	647,217	-	647,217
Derivative assets	496,713	-	-	496,713
Total financial assets	496,713	132,718,092	-	133,214,805
Financial liabilities				
Trade payables - third parties	-	-	5,324,349	5,324,349
Other payables - third parties	-	-	8,735,134	8,735,134
Accrued expenses	-	-	30,633,673	30,633,673
Derivative liabilities	15,464,163	-	-	15,464,163
Total financial liabilities	15,464,163	-	44,693,156	60,157,319
	<u>Derivative financial instruments - cash flow hedges</u>	<u>Loans and receivables</u>	<u>Liabilities at amortised cost</u>	<u>Total</u>
31 December 2019				
Financial assets				
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
Total financial assets	166,471	69,274,138	-	69,440,609
Financial liabilities				
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
Total financial liabilities	40,363,394	-	113,391,689	153,755,083

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

24. 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.

PT AGINCOURT RESOURCES

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

(Expressed in US Dollars, unless otherwise stated)

24. 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 2020, total maximum exposure from credit risk is US\$133,194,872. Credit risk arises from cash in banks, time deposits, 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:

	Less than 1 year	1-5 years	Total
31 December 2020			
Trade payables - third parties	5,324,349	-	5,324,349
Other payables - third parties	8,735,134	-	8,735,134
Accrued expenses	30,633,673	-	30,633,673
Derivative liabilities	15,271,117	193,046	15,464,163
Total	59,964,273	193,046	60,157,319

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 2020

(Expressed in US Dollars, unless otherwise stated)

24. 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.

25. NET DEBT RECONCILIATION

	Loans from related parties due within 1 year	Loans from related parties due after 1 year	Accrued interest	Total
Balance as at 31 December 2019	70,830,505	-	207,186	71,037,691
Payments of loans from related parties	(70,830,505)	-	-	(70,830,505)
Interest expenses on loans from related parties	-	-	1,150,956	1,150,956
Payments of interests on loans from related parties	-	-	(1,358,142)	(1,358,142)
Balance as at 31 December 2020	-	-	-	-

26. OTHER INFORMATION

Since early 2020, there has been an outbreak of the COVID-19 around the world, which the World Health Organization ("WHO") has declared a pandemic. The pandemic may severely effect, among others, global demand for products and services and supply chains.

In this challenging time, the Company continues to strive to maintain its operational activities and continues to focus on staying efficient and protecting the health and safety of its employees. The health, safety, and environment teams in our site and in Jakarta have implemented preventive measures and health procedures that every employee must comply with, including improvement of the hygienic behavior, the prohibition of non-essential travel, implementation of physical distancing in the workplace, identification of high risk groups in the Company, and wherever possible to work from home for employees who are not directly involved in production activities. Each business unit has prepared a crisis management plan and prepared the necessary preventive measure.

The Company's first priority continues to be the health, safety and well-being of our employees, customers, and suppliers. Some of the key activities within our pandemic response plans include:

- a. Conducting promotional, preventive, curative, and rehabilitative programs, to ensure the health of our employee.
- b. Providing guidance and support to employee.
- c. Closely monitoring infrastructure capacity and the security of our operational activities.
- d. Following guidance from the Government and health organisations.
- e. Keep serving and engaging with customers and vendors.
- f. Evolving our plans as necessary.

The Company has assessed the effects of the pandemic to the Company's operations and business plan. Based on the assessment, the management does not foresee any material uncertainty that may have a significant adverse impact on the Company's business and operation up to the completion date of the financial information. Management will closely monitor the development of the COVID-19 pandemic and take necessary action on its impact on the business, the financial position and operating results of the Company.



**AGINCOURT
RESOURCES**

MEMBER OF ASTRA

Annual Report

2020

PT Agincourt Resources

Pondok Indah Office Tower,
12 floor, Suite 1201
Jl. Sultan Iskandar Muda
Pondok Indah
Jakarta 12310, Indonesia
www.agincourtresources.com