

**Issuer:** Wilton Resources Corporation Limited

**Security:** Wilton Resources Corporation Limited

**Meeting details:**

Date: 30 October 2017

Time: 9.30 a.m.

Venue: Kensington Ballroom II, Serangoon Gardens Country Club, 22 Kensington Park Road, Singapore 557271

**Company Description**

Wilton Resources Corporation Limited, an investment holding company, engages in the exploration, mining, and production of gold ores in Indonesia. It holds interest in the Ciemas gold project comprising two concession blocks covering a total area of 3,078.5 hectares located in Sukabumi Regency, West Java Province of Indonesia. The company is also involved in general trading, transportation, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, and printing and services businesses. Wilton Resources Corporation Limited is based in Singapore.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=5F7](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5F7))

**Q1.** As noted in the Chairman’s Statement (page 4 of the annual report), the group achieved a first pour in August 2017 at the Ciemas Gold Project. In the operations and financial review (page 14), it is shown that the first pour produced 936 grams of gold with 99.0% purity. The first batch comprising 500 tonnes of ore had an average feed grade of approximately 2.9 g/t and the recovery rate was approximately 65%. The group is carrying out optimisation of the processes.

- a) **Can management provide some clarity on the operational targets they are trying to achieve in terms of efficiency?**
- b) **Why was the feed grade at Pasir Manggu only at a level of approximately 2.9 g/t?** The independent annual qualified person’s report shows an average grade of approximately 7.3 grams per tonne of gold (measured resources) at Pasir Manggu.

In the announcement dated 8 August 2017 announcing the first pour, it was also stated that: “Barring any unforeseen circumstances, the second gold pour from this trial phase is expected to be produced in September 2017”.

- c) **Does management have an update on the second gold pour from the trial?**
- d) **Can management provide shareholders with a detailed timeline on the Production Programme following the “success of the first gold pour”?**

**Q2.** Under the Exploration Programme (page 15), it was stated that the group’s main priority is “to focus on developing the present six prospects for which the resources have been estimated”.

- a) **Has management estimated the capital expenditure for the Production Programme? What is the capital expenditure required for the three phases under the Production Programme?**
- b) **Would it be prudent for the group to focus on the Production Programme in the four main prospects of Pasir Manggu, Cikadu, Sekolah and Cibatú first before investing more into the Exploration Programme?**
- c) **What is the depth of the management and the technical teams in the group to successfully run the Production and Exploration Programmes in parallel?**
- d) **There was an increase in exploration and evaluation assets as exploration and evaluation expenses of Rp18.0b were capitalised in FY2017. Were the capitalised expenses all attributed to Cibak and Cipancar prospects? What is the planned expenditure for the Exploration Programme in 2018?**

**Q3.** Impairment assessment of the Group’s non-financial assets pertaining to mining operation and the Company’s investment in subsidiaries is highlighted in the Independent Auditor’s Report as a Key Audit Matter (page 44). Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period.

In the financial year, the group has recognised an impairment of Rp 1,648 billion.

As shown in Note 3(a) (page 67 - Impairment of non-financial assets pertaining to mining operation), the key assumptions used included:

- (a) Gold prices of USD 1,250/oz
- (b) Gold grade of 8.00 g/t
- (c) Average operating expenses of USD 500 - 736/oz
- (d) Capital expenditure of USD 93 Million
- (e) Discount rate of 18%

- a) **Can the audit committee and management help shareholders understand the basis of using a gold price of USD 1,250/oz?**
- b) **In the Independent qualified person's report, the measured gold grade varies from 3.8 to 9.1 g/t. Can management show the sensitivity analysis for variation in gold grade?**
- c) **What is the target for operating expenses based on current observations and the findings from the trial?**
- d) **What is the lowest price of Gold that would make the entire operation economically unfeasible?**