



A member of
RESOURCESX

SHAREHOLDERS REPORT

QUARTER 3 : JUL - SEP 2023

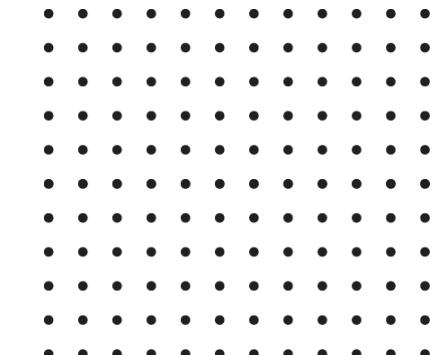


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PRESIDENT DIRECTOR'S MESSAGE



Josh Sleiman
President Director

Dear Shareholders,

I'm excited to share KBK's achievements as we close this quarter. A major highlight is the arrival of the Zenith Crusher from China. Its foundation is set, and we're on track to finish its assembly by December 28th. Live testing is scheduled for early January, marking a significant step forward.

Our progress extends to site preparation, including clearing and civil works, vital for our development plans. We've started rock breaking and have secured our initial order, a milestone for any quarry. Our collaboration with BKN is proving fruitful, enhancing our operational capabilities.

We've encountered challenges, notably delays from local construction contractors and material shortages. However, our team is adeptly managing these issues. Due to these delays, we now anticipate starting production in mid-January 2024, with blasting operations planned for the second quarter.

Our team is growing, welcoming several important new members, even as we bid goodbye to Chief Business Officer Ahmad Soffian in August. The next quarter is set to be busy with continued land clearing, completing the crusher assembly, and initiating our Environmental & Social Impact Assessment (ESIA) with Enviro-Mining (ENM). This assessment is crucial for our Feasibility Study and attracting institutional investors.

Please take a moment to review the detailed reports for a comprehensive overview of our progress. Your continued support is crucial to KBK as we aim for operational excellence and begin generating revenue.

PROJECT UPDATES

KEY MILESTONES:

- Zenith 200-250THP mobile crusher, delivered to site
- Crusher assembly - 40% complete
- Crusher foundations, site preliminaries, and workshop - 70% complete
- Key hires made including General Manager, Business Manager (drill and blast expert), HR staff, and Procurement Staff.

CHALLENGES:

- Unreliable local contractors
- Procurement delays
- Human resources

PROJECT UPDATES – KBK CIVIL WORKS

Crusher Foundations

1. Crusher foundation area now 50% complete - revised completion date of 26 November
2. Delays due to local contractor failings, late delivery of materials and tools, and a shortage of workers.
3. Issues resolved by:
 - a. Termination of local contractors and bringing civil works in-house with BKN
 - b. Recruiting team of civil workers from Java
 - c. Improving procurement process
 - d. Night shifts



Rebar installation – crusher foundation



Crusher Assembly

Crusher Assembly

1. Crusher assembly is 40% complete – estimated completion date 9 December

Weighbridge Area

1. Land has been cleared and the area is being filled
2. Anticipated weighbridge arrival in January 2024

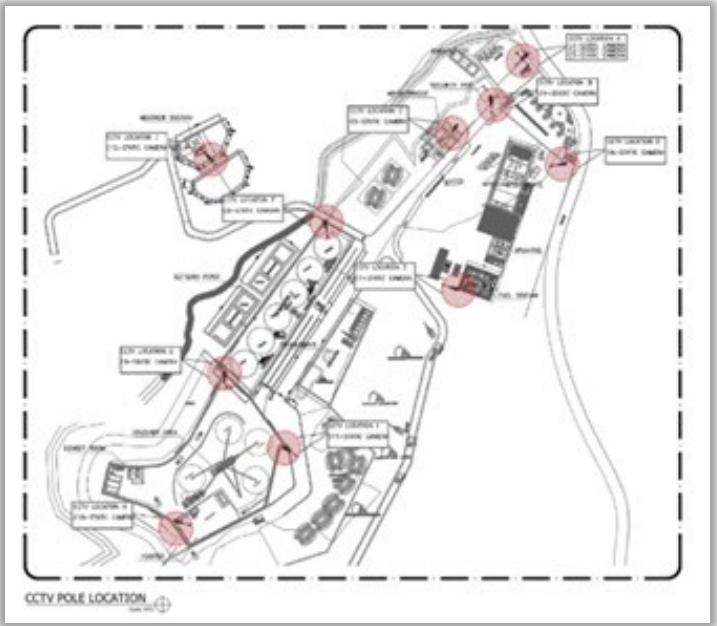
PROJECT UPDATES – KBK CIVIL WORKS



Annstamping foundation for retaining wall



Weighbridge area compacting



CCTV layout plan



Rechecking elevation for top of concrete pile cap



Nightshift work



Crusher Assembly

PROJECT UPDATES – KBK ROCK BREAKING & CLEARING



Rock breaking at office area



Segregation of rock from soil

Excavation

1. Excavators are making good progress in breaking down the hill. However, the rock is proving particularly hard to break!
2. KBK therefore plans to acquire several larger rock breakers.
3. Area being levelled for the office and facilities construction.
4. Blasting is estimated to start in April 2024.
5. Temporary stockpile area ready for first sales!
6. Demolition consultant has been engaged to remove a large boulder overhanging the public road safely.

PROJECT UPDATES – KBK ROCK BREAKING & CLEARING



Office area rock breaking



Office area rock breaking



Resizing and positioning rocks



Land clearing province road



Clearing for temporary access

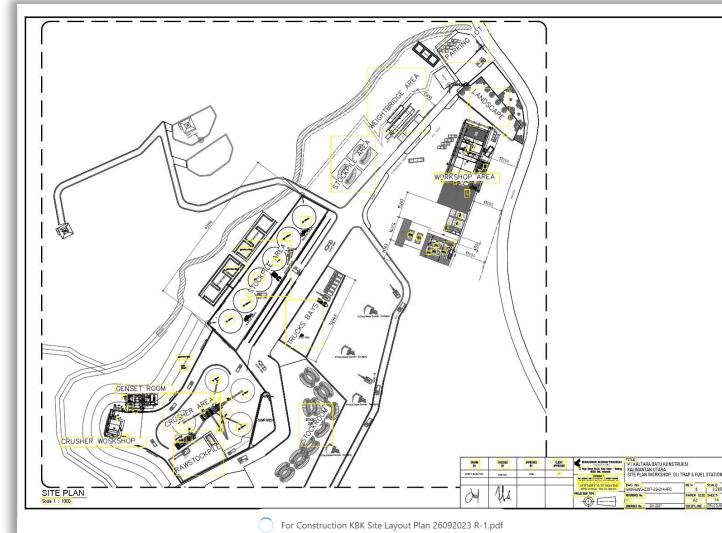


Compaction for temporary access

PROJECT UPDATES –INFRASTRUCTURE & EQUIPMENT

CRITICAL INFRASTRUCTURE

1. Internet fibre optic connected to site. Awaiting final internal installation.
2. 1 x 5,000 Fuel tank installed and 4 x 12,000 litre tanks on order
3. Genset delivered
4. CCTV plans finalised
5. Explosives magazine design and location underway
6. Electric pylon relocation plans in place
7. Additional temporary office space to be installed
8. Further heavy equipment on order:
 - a. 4 x 35t Excavators
 - b. 4 x Rock Breakers
 - c. 1 x 5t Loader
 - d. 1 x 17t Bulldozer
 - e. 1 x 11t Compactor
 - f. 1 x 12.6t Grader



Magazine area plans

INTERNATIONAL ESIA

INTERNATIONAL ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

KBK has appointed ESIA consultancy Enviro-Mining to conduct our international standard environmental and social impact assessment as part of our feasibility study and commitment to maintaining the highest sustainability standards.

ENM staff will visit the site at the start of December along with technical consultants as part of the scoping phase as KBK prepares to commence the ESIA baseline studies.

ENM will work with local consultancies such as ecological experts Ekologika and Intertek laboratories for testing samples.

The ESIA process will be conducted to internationally recognised standards, IFC Performance Standards and Equator Principles, for project financing, as well as for in-country approval and permitting. The key specialists have direct experience working within the Indonesian context and knowledge of the North Kalimantan area.

ESIA PROCESS

Phase 1: Scanning/Scoping Study



Phase 2: Baseline assessment studies for physical, biophysical, and socio-economic features of the project site and surrounding area



Phase 3: Impact Assessment including predictive modelling requirements



Phase 4: Environmental and Social Management System (ESMS) and associated management plans.

ESIA – ENVIRO MINING : INTERNATIONAL ESIA TEAM



Craig Watt
Project Manager

[in LinkedIn](#)

Over 28 years of experience as an International Environmental Consultant. MD at ENM and Former principal and director at SRK. Craig project manages ESIA's to Equator Principles and IFC Performance Standards for large mining and river dredging projects, independent assessments of mining assets for listings and financing purposes, feasibility studies and closure planning studies



Dr Ross Smith
Aquatic Expert

[in LinkedIn](#)

40 years of professional experience and has participated in many major international studies of environmental impacts on aquatic ecosystems in SE Asia and Indonesia. He has international stature in the field of the sensitivities of tropical aquatic. Ross is the Director of Hydrobiology and a Fellow of the Global Society of Environmental Toxicology and Chemistry and has authored over 200 project reports.



Dr Hilde Van Vlaenderen
Social and Stakeholder Specialist

[in LinkedIn](#)

A recognised international expert in social studies with over 25 years of experience. Formerly a Principal and Director at SRK, Hilde has conducted and led social assessments and studies in compliance with Equator Principles, IFC PS, EBRD, African Development Bank, and other financial institutions' requirements. Advising clients on obtaining a 'social licence to operate' she focuses on translating international standards into culturally appropriate local solutions, building capacity and building cross-cultural teams.



Dr Candra Nugrah
Project Coordinator

[in LinkedIn](#)

More than 20 years' experience in environmental management, both in terms of management systems and operational technicalities. The expertise includes mining, planning and monitoring; mine reclamation and mine closure program; management of acid rock and mine drainage; risk assessment of safety, environmental and social aspects, and others.

Tri Setyadi
Terrestrial Biodiversity Specialist – Ekolgika

Biodiversity team leader with over 20 years of experience working on biodiversity projects in Indonesia. His specialisations include project management, biodiversity conservation, natural resources, rural development, social economic and participatory approaches.

Mr Rigillio Bansie
Air and Noise Specialist

Over 15 years of experience investigating, monitoring, and providing environmental solutions for industry and government. Rigillio has worked on major projected and with leading consultancies such as SRK. Specialist in monitoring, mitigation, remediation, and project management in the mining industry.

Jacqueline Tham
Aquatic Biodiversity Specialist

Highly experienced environmental scientist, with extensive experience monitoring programs for environmental impact assessments in SE Asia aquatic environments. She has worked on numerous high-profile projects at a local and international level.

Dr Frances Alexander
Ecotoxicity Specialist

Experienced environmental specialist with a strong background in applying IFC guidelines to ecological projects, EIAs, and critical habitat assessments. Her experience includes a Corrective Action Plan implementation for the Asian Development Bank

Q3 KBK PERMITS UPDATE

No	Activities	Institution	Issue	Solution	Progress	Due Date	Documentation
1	RKAB 2024-2026 KBK and Indo Batu Group 2024	Ministry of Energy and Mineral Resources	Kepmen 373.K/MB.01/MEM.B/2023 as the revision of Kepmen ESDM 1827 2018 regarding the recently released new format for providing RKAB.	Prepare RKAB document	In progress	15 Nov 2023	
2	AMDAL Revision	Kaltara Ministry of Environment and Forestry	KBK must submit the AMDAL framework to the Amdalnet KLHK. KBK is awaiting meeting confirmation from DLH Kaltara.	Liaising with the evaluator to expedite the process	In progress	7 Nov 2023	
3	Drill and Blast Permit	Indonesian National Police Headquarters	Explosive storage outside the IUP: The permit is not under KBK's name	Process in parallel with AMDAL. Identify vendor and prepare budget. Start Land clearing and cut fill for the preparation area.	In progress	7 Nov 2023	
4	SMKP Annual Report	Ministry of Energy and Mineral Resources	KBK 2022 and 2023 Reports must be submitted	KBK's KTT to obtain SMKP auditor certification. Audit document prepared with consultant.	In progress	15 Dec 2023	
5	Traffic Impact Analysis	Ministry of Transportation	ANDALALIN (Traffic Impact Analysis) for AMDAL	Consultant engaged.	In progress	8 Jan 2024	

SALES FORECAST

NO	POTENTIAL BUYER	DESCRIPTION	Size	Qty	Unit	Price/M ³	Revenue	Month	Remark
1	Adimix (via Menara Merah Putih)	Batching plant company awarded contract for IKN Project	0-0.5mm	299.970	M ³	USD 24.75	USD 5,690,222	Dec 2023 – Dec 2024	4.000M ³ is per day. Price: Rp. 385,000/M3 at IKN (project location), Contract Period: 300 days, payment within 14 days. Dec 2023 – 2024.
2	PT KAYAN LESTARI	Asphalt mixing plant. Local Construction Company for government sector projects, focusing on road construction, preservation, and maintenance.	10-20mm	21,000	M ³	USD 37.9	USD 796,631	Jan 2024 – Jun 2024	The estimated material supply schedule for January 2024 to June 2024.
3	PUPR MALINAU REGENCY	Organizer of government affairs for the construction of public works and housing.	Dust rock mix	225,000	M ³	USD 10.5	USD 2,366,746	Apr 2024 – March 2025	Aggregate/Dust Mix. Tender process starts in February 2024 with the estimated material requirements for April 2024 – March 2025.
4	KHN Projects – WIKA or SCG	KHN is the project owner of the DAM project, WIKA/SCG is the tender participant	20-30mm	84,700	M ³	USD 37.9	USD 3,212,886	Feb 2024 – Oct 2025	Tender in progress. The estimated material supply requirement is for February 2024 – October 2025.
GRAND TOTAL			630,670	M ³			USD 13,066,485		

HUMAN RESOURCES

CURRENT HEADCOUNT QUARTER 3

NO	LOCATION	HEADCOUNT EXISTING	JOB TITLE
I JAKARTA			
A	C. LEVEL/EXPATS	4	President Director/CEO
	1. Josh Sleiman		Chief Sustainability Officer
	2. Gareth Camilo Sims		Chief Audit Officer
	3. Widya Gunawan		Chief Transformation Officer
B	HRGS	3	
	1. Iqbal Amrullah Qadafi		HRGS
	2. Fani Amelia		HRGS
	3. Lionita Suryani Oktavia		Secretary & General Support
C	IT SUPPORT		
	1. Samsul Arifin	1	IT Officer (Freelancer)
D	SUPPLY CHAIN	2	
	1. Fietmon Tongam R.S		Procurement Supervisor
	2. Alfian		Procurement
E	FINANCE	3	
	1. Jonathan Subroto		Finance Supervisor
	2. Sukma Nurochim		Finance Staff
	3. Egi Wulandari		Admin Finance
F	BUSINESS DEVELOPMENT	1	
	1. Muhammad Fikri		Business Development Manager
G	MARKETING & SALES	1	
	1. Yan Iryanto Budi Utomo		Marketing & Sales Manager I
H	SUPPORT	2	
	1. Putra Atmaja		Office Assistant
	2. Munirul Ihwan		Driver
I	GIS MAPING		
	1. Hamzah Imanul Haq	1	GIS Maping (Freelancer)
SUB TOTAL JAKARTA		18	

NO	LOCATION	HEADCOUNT EXISTING	JOB TITLE
II MALINAU - NORTH KALIMANTAN			
A	MANAGEMENT OPERATION	1	General Manager
	1. Zainul Arifin		
B	MINE ENGINEER	1	Head of Mining Engineer (KTT)
	1. Ari Wibowo		
C	GEOLOGIST	0	Vacant
D	SURVEYOR	0	Vacant
E	PROJECT ARCHITECT	1	Project Architect
	1. Givi Adriyanto		
F	HR & FINANCE	1	Site Finance Supervisor
	1. Adhi Kasnanto		
G	ENVIRONMENT	1	Environment Supervisor
	1. Arif Supam Wijaya		
H	MARKETING & SALES	1	Marketing & Sales Manager
	1. Nugraha Hadiwijaya		
I	COMMUNITY RELATIONS	0	Vacant
J	GOVERNMENT RELATIONS	0	Vacant
K	IT SUPPORT	0	Vacant
L	HEALTH & SAFETY	2	
	1. Andi Darwin		Safety Officer
	2. Merdi Andiska		Health Officer
M	MAINTENANCE	10	
	1. Damar Wisnu		Maintenance Supervisor
	2. M. Maulana Rosiddin		Senior Electrician
	3. Marthen Sigar		Senior Electrician
	4. Torang		Senior Mechanic
	5. Rendra Bayu		Senior Welder
	6. Andi Asmoro		Senior Welder

NO	LOCATION	HEADCOUNT EXISTING	JOB TITLE
II MALINAU - NORTH KALIMANTAN			
N	ADMIN & SUPPORT	12	
	1. Adhan		Project Assistant
	2. Pangeran		General Helper
	3. Yusten Agung		General Helper
	4. Suriansyah		Security
	5. Ramdin		Security
	6. Hendra		Security
	7. Lambertus		Caretaker
	8. Yasinta To		Caretaker
	9. Yuliana Lusiana Deram		General Helper
	10. Maria Magdalena		General Helper
	11. Maimunah		General Helper
	12. Julianawati		General Helper
SUB TOTAL MALINAU			26

NO	LOCATION	HEADCOUNT EXISTING	JOB TITLE
III CONSULTANT			
1.	Wike Gunawan (Tim FFS)	1	HR Consultant
2.	Pravda Sleiman & Partners	4	
	2.1. M. Roofi Ardianto		Senior Lawyer
	2.2. Alpha Pandu		Lawyer
	2.3. Ariessa Prahara Setia		Lawyer
	2.4. Irawan Syahputra		Lawyer
3.	Heriyanto Bin Hendrik	1	Lawyer
4.	Taufiqurrahman	1	Amdal Consultant
SUB TOTAL CONSULTANT			7

GRAND TOTAL	51
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Q3 FINANCIAL REPORT BURN RATE AND SPEND

KBK PROJECT ACTUAL REPORTS COSTS Q3					
No	DESCRIPTION	QUARTER 3			
		July 2023 USD	August 2023 USD	September 2023 USD	
1	MINING INFRASTRUCTURE	1,342.63	2,833.32	7,405.35	
	Engineering - Soil Test , Setting Out	1,342.63	2,833.32	-	
	Earthworks - Land Clearing	-	-	-	
	Infrastrucuture	-	-	-	
	• Access Road	-	-	-	
	• CCTV Poles & System	-	-	1,387.86	
	• PLN Grid Installation	-	-	-	
	• Road Side Lighting System	-	-	-	
	• Drainage System Setup	-	-	-	
	Civil Works	-	-	6,017.50	
	• Machine Foundation	-	-	-	
	• Facility Relocation	-	-	-	
	• Security House Renovation	-	-	-	
2	MONTHLY PRODUCTION COST	-	-	-	
	Contractor Cost	-	-	-	
3	MONTHLY OVERHEAD COSTS	26,229.28	50,870.71	72,365.46	
	Salary & Benefits	19,265.61	43,265.71	53,509.38	
	Office Operation Costs	1,635.96	1,587.68	1,650.97	
	Site Operation Costs	1,402.72	918.53	1,551.70	
	Travel Expenses	2,110.90	3,153.20	2,559.85	
	Software	603.77	877.14	4,436.55	
	Rental Vehicle	758.71	-	-	
	Permit & License	451.61	1,068.45	3,579.59	
	Rental Heavy Equipment	-	-	5,077.42	
	Mess Rental - Site Malinau	-	-	-	
4	PROJECT MANAGEMENT ADVISOR	-	11,039.89	18,385.25	
	BKN - Advisor Fee	-	11,039.89	11,039.89	
	BKN - Desain Engenering & consulting	-	-	-	
	BKN - Construction Stage 1	-	-	7,345.36	
	BKN - Construction Stage 2	-	-	-	
	BKN - Construction Stage 2 - Mob/Demob	-	-	-	
5	VENDOR COMMITMENTS	-	-	-	
	International	-	-	-	
	Local	-	-	-	
6	FORWARDING CRUSHER MACHINE	-	-	107,123.32	
	PIB (Tax Import Fee)	-	-	65,777.42	
	Forwarding Fee	-	-	33,975.81	
	Custom Clearance	-	-	6,661.29	
	Insurance	-	-	708.81	
	Buffer Costs	-	-	-	
7	PERMIT & LICENCES	950.72	2,254.61	759.10	
8	OTHERS	-	-	-	
	TOTAL ACTUAL COST	301,559.65	28,522.64	66,998.53	206,038.48
	ROLL OVER FUNDS FROM ACTUAL REPORT Q2				
	RECEIVED FUNDS Q3	440,050.73	2,297.61	76,044.57	361,708.55

AVERAGE MONTHLY BURN RATE - Q3					
NO	DESCRIPTION	AMOUNT			
		IDR	AUD	USD Rate 10,500	USD Rate 15,500
1	Salary National Employee	550,000,000.00	52,380.95	35,483.87	
2	Salary Expatriate Employee	103,338,500.00	9,841.76	6,667.00	
3	Employee Benefits - Social Security Administrator for Employee	30,000,000.00	2,857.14	1,935.48	
4	Employee Benefits - Social Security Agency on Health	5,298,415.00	504.61	341.83	
5	Employee Benefits - Tax Art 21	40,000,000.00	3,809.52	2,580.65	
6	Overhead - Operational Jakarta Office	50,000,000.00	4,761.90	3,225.81	
7	Overhead - Operational Malinau Office	250,000,000.00	23,809.52	16,129.03	
8	Project Management - Advisor (BKN)	171,118,311.00	16,296.98	11,039.89	
9	Project Management - Construction Stage 2 (BKN)	255,025,092.00	24,288.10	16,453.23	
10	Non Employee - Daily Workers	120,000,000.00	11,428.57	7,741.94	
11	Mechanical, Electrical & Plumbing (MEP) - Daily Workers	54,000,000.00	5,142.86	3,483.87	
12	Civil Construction - Daily Workers	333,000,000.00	31,714.29	21,483.87	
14	Rental - Heavy Equipment & Vehicle	1,195,470,000.00	113,854.29	77,127.10	
15	Fuel Operational	704,700,000.00	67,114.29	45,464.52	
Total		3,861,950,318.00	367,804.79	249,158.09	

OUTSTANDING PAYMENTS

OUTSTANDING PAYMENTS - Q3					
NO	LOCAL VENDORS	DESCRIPTION	IDR	Amount	
				AUD Rate 10,500	USD Rate 15,500
1	PT Kajima Indonesia	Design Fee	746,752,500.00	71,119.29	48,177.58
2	PT ESC Environment Indonesia	30% upon commencement of ESIA phase	412,587,000.00	39,294.00	26,618.52
Total			1,159,339,500.00	110,413.29	74,796.10

NO	OVERSEAS VENDORS		IDR	Amount	
				AUD Rate 10,500	USD Rate 15,500
1	SRK Consulting (UK) Limited	KBK Structural Mapping (WO2 GT & WO2 HYDRO) GBP 62,472,50	1,222,823,365.00	116,459.37	78,891.83
2	SRK Consulting (Kazakhstan)	KBK Structural Mapping (phase 2)	761,912,420.00	72,563.09	49,155.64
3	Maxwell Geoservices Pty Ltd	Mining Software - Log Chief	196,075,000.00	18,673.81	12,650.00
4	Corecase - Invoice B & C	Core Case Equipment	917,417,410.00	87,373.09	59,188.22
Total			3,098,228,195.00	295,069.35	199,885.69

NO	MANPOWER COMMITMENTS		IDR	Amount	
				AUD Rate 10,500	USD Rate 15,500
1	Expatriate Manpower Salary	Salary Expat Employee Period Dec 2022 - Sept 2023	516,770,000.00	49,216.19	33,340.00
Total			516,770,000.00	49,216.19	33,340.00

NO	SUMMARY		IDR	Amount	
				AUD Rate 10,500	USD Rate 15,500
1	LOCAL VENDORS		1,159,339,500.00	110,413.29	74,796.10
2	OVERSEAS VENDORS		3,098,228,195.00	295,069.35	199,885.69
3	MANPOWER COMMITMENTS		516,770,000.00	49,216.19	33,340.00
Total			4,774,337,695.00	454,698.83	308,021.79

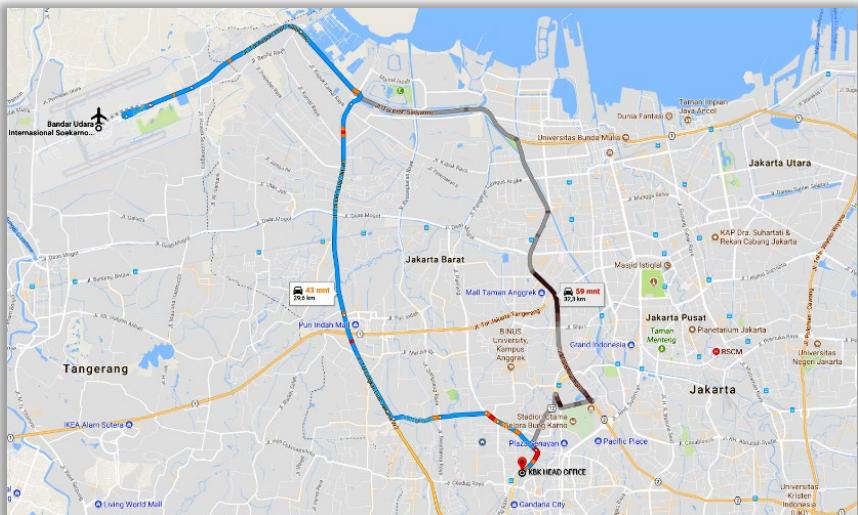
Q3 - FINANCIAL REPORT – Q4 CAPITAL REQUIREMENTS

KBK PROJECT CAPITAL REQUIREMENTS FOR Q4					
No	DESCRIPTION	QUARTER 4			
		October 2023 USD	November 2023 USD	December 2023 USD	
1	MINING INFRASTRUCTURE	374,000.00	415,000.00	375,000.00	
	Engineering - Soil Test , Setting Out	-	-	-	
	Earthworks - Land Clearing	-	-	-	
	Infrastructure	-	-	-	
	• Access Road	-	-	-	
	• CCTV Poles & System	-	-	-	
	• PLN Grid Installation	-	-	-	
	• Road Side Lighting System	-	-	-	
	• Drainage System Setup	-	-	-	
	Civil Works	-	-	-	
	• Machine Foundation	-	-	-	
	• Facility Relocation	-	-	-	
	• Security House Renovation	-	-	-	
2	MONTHLY OVERHEAD COSTS	100,000.00	100,000.00	100,000.00	
	Salary & Benefits	-	-	-	
	Office Operation Costs	-	-	-	
	Site Operation Costs	-	-	-	
	Travel Expenses	-	-	-	
	Software	-	-	-	
	Rental Vehicle	-	-	-	
	Legal Fee	-	-	-	
	Rental Heavy Equipment	-	-	-	
	Mess Rental - Site Malinau	-	-	-	
3	PROJECT MANAGEMENT ADVISOR	20,000.00	20,000.00	20,000.00	
	BKN - Advisor Fee	-	-	-	
	BKN - Desain Engenering & consulting	-	-	-	
	BKN - Construction Stage 1	-	-	-	
	BKN - Construction Stage 2	-	-	-	
	BKN - Construction Stage 2 - Mob/Demob	-	-	-	
4	VENDOR COMMITMENTS	6,000.00	-	-	
	International	-	-	-	
	Local	6,000.00	-	-	
5	FORWARDING CRUSHER MACHINE	-	-	-	
	PIB (Tax Import Fee)	-	-	-	
	Forwarding Fee	-	-	-	
	Custom Clearance	-	-	-	
	Insurance	-	-	-	
	Buffer Costs	-	-	-	
6	PERMIT & LICENCES	-	-	-	
7	OTHERS	-	-	-	
	ROLL OVER FUNDS FROM ACTUAL REPORT Q3	138,491.09			
	RECEIVED FUNDS	-	-	-	
	TOTAL REQUIREMENTS	1,391,508.91	500,000.00	535,000.00	495,000.00

COMPANY ADDRESS

Head Office

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