



KALTARA BATU KONSTRUKSI

A member of  
**RESOURCESX**



# Shareholders **Report** **Quarter 1 : Jan-Mar 2023**



# TABLE OF CONTENTS

01

**President Director's Message**

02

**Project Updates**

03

**Business Development**

04

**Financial Report**

05

**Human Resources**

06

**Gallery**

# PRESIDENT DIRECTOR'S MESSAGE

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**Josh Sleiman**  
President Director

"First and foremost, I'd like to express my sincere gratitude and appreciation to all the shareholders for their ongoing support and patience. The KBK team and I are very thankful.

We've officially launched the quarterly reporting campaign to update shareholders on necessary project information and announcements in a short and factual manner.

Secondly, to call a spade a spade, over the past three years we've all been dealing with the difficulties and challenges imposed on us by the pandemic and this caused serious delays for the project and we're all still experiencing the aftermath elements such as, increasing costs, labour shortages, and supply chain constraints, to name a few.

Nevertheless, We remain confident and optimistic that the project will achieve its goals and objectives of starting a test production and first product sales by Q3 2023, whilst simultaneously continuing the resource drilling activities with the aim to complete 80 holes by the end of 2023 and upgrade the Mineral Resource Estimate (MRE).

In Ending, We're looking into dates, Late November or Early December to hold the first KBK Shareholders Annual Meeting in Sydney with some members of KBK core team attending for greetings and presentations.

We're still actively raising capital to sustain the company, development activities, and short-term growth. All introductions to candidate investors are most welcome and you can reach out to me directly.

I wish you all the very best for 2023."

## HIGHLIGHTS:

- [NorthWest](#) Drilling Machine arrives on site by early May to continue resource drilling activities.
- Purchased [Zenith](#) 200-250THP mobile crusher, delivered onsite by June.
- Site Preparation, civil works, rock breaking for test production to start in April.
- Four ready buyers on standby to purchase crushed aggregate.
- CCTV PTZ cameras will be installed by June for shareholders to access live footage via mobile app.

## LOWLIGHTS:

- Capital Constraints due to not achieving targets in capital raising efforts.
- Delays remains the main challenge and risk due to lack of Capital.
- Start Project test production on a bootstrap budget.

## BUSINESS DEVELOPMENT – READY BUYERS

Ready Buyers	Materials	Volume in M <sup>3</sup>	Volume in Ton
1. PT SCG Readymix Indonesia	Crushed Stone: 5-10mm Crushed Stone: 10-20mm	61,600 m <sup>3</sup> 92,400 m <sup>3</sup>	154,000 ton 231,000 ton
2. PT GUO Neng Investment	Boulder 10kg – 1,000kg	20,000 m <sup>3</sup>	50,000 ton
3. PT Royal Borneo Propertindo	Boulder Max 50cm	1,000,000 m <sup>3</sup>	2,500,000 ton
4. PT Royal Borneo Propertindo	Crushed Stone: 10-20mm Crushed Stone: 20-30mm	1,000,000 m <sup>3</sup>	2,500,000 ton

### Note:

To date we have four ready buyers who have already issued LOIs and showed serious interest to purchase the Aggregates from KBK Quarry.

# BUSINESS DEVELOPMENT - GO TO MARKET STRATEGY

NO	CUSTOMER	OUTLINE INITIATIVE ACTION
1	Construction Sector	<ul style="list-style-type: none"> <li>To capture 50% - 60% of Malinau's aggregate market share by winning the competition from competitors, finding new potential buyers, and maintaining existing customers</li> <li>To provide consistent &amp; sustainable supply of aggregate materials</li> <li>To provide professional and excellent services (i.e. accurate measurement in cubic or tons via weight bridge system and implementation of new technology)</li> <li>To provide options and opening up stockpile area near the project location</li> <li>To educate the market on the importance of Sustainable Mining and Net Zero Natural Resources</li> </ul>
2	Government	<ul style="list-style-type: none"> <li>To engage and support Govt's Construction and Development Projects</li> <li>To provide inputs &amp; involve in knowledge sharing with various Govt Departments i.e. Work Ministry (PUPR) etc</li> <li>To jointly organize Focus Group Discussion/Dialogue Sessions with the Govt and Industry Players</li> <li>To further improve communication and maintain good relationship the Govt</li> </ul>
3	Batching Plants	<ul style="list-style-type: none"> <li>To propose a minimum 1-year Contractual Agreement (LoI/MoU) to batching plants</li> <li>To provide consistent &amp; sustainable supply of aggregate materials</li> <li>To provide professional and excellent services (i.e. accurate measurement in cubic or tons via weight bridge system and implementation of new technology)</li> </ul>
4	Retail Outlets	<ul style="list-style-type: none"> <li>To increase supply coverage by setting up more retail yards</li> <li>To provide customers with professional and excellent services (i.e. accurate measurement in cubic or tons via weight bridge system and implementation of new technology)</li> <li>To set-up offline retail outlets &amp; e-commerce platform</li> </ul>



# FINANCIAL REPORT – VALUATION & MONTHLY BURN RATE

## SRK's Technical Valuation was based on:

1. Documents provided by the Company and all information relating to the exploration and evaluation work completed on the Project to date between 2017 and 2021.
2. Publicly available information relating to transactions involving industrial/aggregate projects and the equity value of aggregate specific companies on various stock exchanges.
3. Past and Planned near-term expenditures. The recent (September 2021) Mineral Resource Estimate, reported by SRK.

Technical Value Approach	Units	NPV (USDM)
Scenario 1- (Base Case) 3Mtpa, (1Mtpa Local, 1Mtpa Exp, 1Mtpa Amourstone), contract mining, 3Mtpa crusher (O&O), conveyor (O&O) jetty rental and port develop yrs 2 onward, and contracted services, barging of export ore	USDM	120
Scenario 2 – High Case Sceanrio - 4Mtpa (20 LoM) no inf Adjustment (Valmin) , (2mtpa Amour, + 1mtpa local, 1mtpa export) contracted mining, 3mtpa installed crusher (O&O), jetty rental and contracted services (for 12mnths), barging of export materials	USDM	190
Scenario 3 - Low Case = 3Mtpa, (1Mtpa Local, 1Mtpa Exp, 1Mtpa Amour), contract mining, 3Mtpa crusher (O&O) with washing, conveyor (O&O) jetty rental and port develop yrs 2 onward, and contracted services, barging of export ore	USDM	115

On an Income Based Valuation approach, SRK estimates that the Net Present Value range of the project under each of the given scenarios as estimated in the Technical Economic Model (SRK's preferred evaluation methodology) is between **USD 190 Million** and **USD 115 Million**.

## AVERAGE MONTHLY BURN RATE FORCASTED FOR 2023 (IN USD)

Period	Manpower	Overhead	Monthly Average
Apr-23	\$ 205,000	\$ 20,000	\$ 225,000
May-23	\$ 205,000	\$ 20,000	\$ 225,000
Jun-23	\$ 205,000	\$ 20,000	\$ 225,000
Jul-23	\$ 205,000	\$ 20,000	\$ 225,000
Aug-23	\$ 205,000	\$ 20,000	\$ 225,000
Sep-23	\$ 205,000	\$ 20,000	\$ 225,000
Oct-23	\$ 205,000	\$ 20,000	\$ 225,000
Nov-23	\$ 205,000	\$ 20,000	\$ 225,000
Dec-23	\$ 205,000	\$ 20,000	\$ 225,000

**TOTAL BURN RATE FOR 2023 = \$ 2,025,000**

# FINANCIAL REPORT – OUTSTANDING PAYMENTS

Local Vendors & Commitment to Government	Amount USD
Asri Bhumi Nusantara - NW Freight Forwarder	67,667
Rahma Mandiri Teknik - Fuel Tank	19,079
Arnoc Indonesia - Survey Application	70,789
Trisna Ratna - Office Rent Jakarta	34,868
Andri Kandarani - Mess Rent Malinau	10,197
Other Local Vendors	13,227
Government - Land Ownership Upgrade to HGB	18,237
Government - Relevant Permits and Licenses	61,316
Government - Non Tax Billing	54,049
<b>Total Debts &amp; Commitments</b>	<b>349,429</b>

International Vendors	Amount USD
SRK - UK	172,007
SRK - Kazakhstan	49,156
Core Case Suprimentos de Sondagem e Geologia - Brazil	59,188
Maxwell Geoservices - Australia	24,530
Macquarie Bank qq Petram - Singapore	10,379
<b>Total Debts to International Vendors</b>	<b>315,260</b>

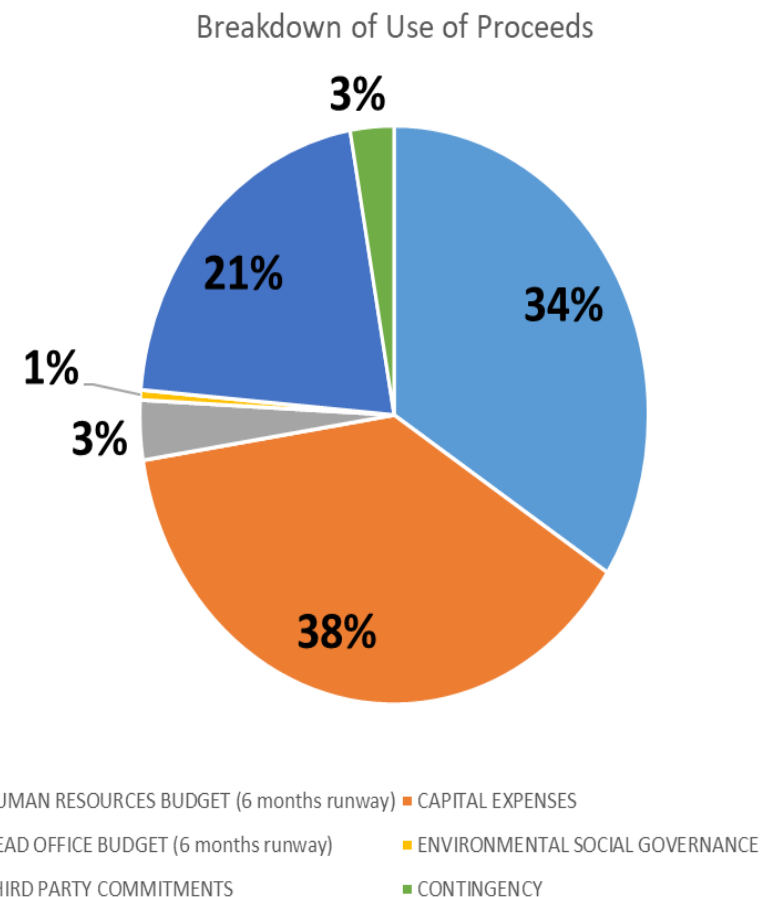
Outstanding Manpower	Amount USD
National Manpower	54,700
Expatriate Manpower	112,585
Employee Tax Liabilities	52,980
BPJS (Superannuation) Payables	29,801
<b>Total Outstanding Manpower</b>	<b>250,066</b>

Outstanding Payment To	Amount USD
Local Vendors & Commitment to Government	349,429
International Vendors	315,260
Manpower Commitments	250,066
<b>Grand Total</b>	<b>914,755</b>



# FINANCIAL REPORT – CAPITAL REQUIREMENTS & USE OF PROCEEDS

NO.	ITEMS	USD
<b>A</b>	<b>HUMAN RESOURCES BUDGET (6 months runway)</b>	<b>\$ 1,230,000</b>
1	MANPOWER	\$ 1,230,000
<b>B</b>	<b>CAPITAL EXPENSES</b>	<b>\$ 1,380,000</b>
1	OFFICE INFRASTRUCTURE	\$ 120,000
2	CAMP INFRASTRUCTURE	\$ 55,000
3	OCCUPATION HEALTH AND SAFETY	\$ 16,000
4	CIVIL WORKS	\$ 184,000
5	MECHANICAL AND ELECTRICAL	\$ 20,000
6	SOFTWARE	\$ 40,000
7	TECHNICAL STUDIES	\$ 110,000
8	TRANSPORT AND LOGISTICS	\$ 140,000
9	INFORMATION COMMUNICATION AND TECHNOLOGIES	\$ 45,000
10	GEOLOGY	\$ 50,000
11	HEAVY EQUIPMENT HIRE	\$ 600,000
<b>C</b>	<b>HEAD OFFICE BUDGET (6 months runway)</b>	<b>\$ 120,000</b>
1	OVERHEAD COST	\$ 120,000
<b>D</b>	<b>ENVIRONMENTAL SOCIAL GOVERNANCE</b>	<b>\$ 20,000</b>
1	ESG & ESIA	\$ 20,000
<b>E</b>	<b>THIRD PARTY COMMITMENTS</b>	<b>\$ 750,000</b>
1	NATIONAL & INTERNATIONAL SUPPLIERS	\$ 665,000
2	BPJS (PENSION/SUPERANUATION) PAYABLE	\$ 30,000
3	TAX LIABILITIES	\$ 55,000
<b>F</b>	<b>CONTINGENCY</b>	<b>\$ 100,000</b>
<b>CAPITAL REQUIREMENTS</b>		<b>\$ 3,600,000</b>



# HUMAN RESOURCES – CURRENT HEADCOUNT

NO	LOCATION	HEADCOUNT	JOB TITLE
I	JAKARTA		
A.	<b>C – LEVEL/EXPATS</b> 1. Josh Sleiman 2. Ahmad Soffian 3. Dean McMinn 4. Gareth Camilo Sims 5. Filipe Schmitz Beretta 6. Julia Lena Karklin Zanini	6	President Director/CEO Chief Business Officer Chief Operating Officer Chief Sustainability Officer Superintending Engineer Superintending Geologist
B.	<b>HR &amp; PROCUREMENT</b> 1. Tri Haryadi	1	HR Manager
C.	<b>FINANCE</b> 1. Raldi Rizanul 2. M. Sobri Aditiya Barkah	2	Finance Manager Finance Supervisor
D.	<b>BUSINESS DEVELOPMENT</b> 1. Muhammad Fikri 2. Taufiqurrahman	2	Business Development Manager Permitting Officer
E.	<b>CREATIVE</b> 1. Iqbal Amrullah Qadafi	1	Creative Designer
F.	<b>LEGAL</b> 1. M. Roofi Andrianto 2. Irawan Syahputra 3. Ariessa Prahara 4. Alpha Pandu	4	Senior Lawyer Legal Officer Legal Officer Legal Officer
G.	<b>IT SUPPORT</b> 1. Samsul Arifin	1	IT Officer
H.	<b>MARKETING &amp; SALES</b> 1. Yan Iryanto Budi Utomo 2. Nugraha Hadiwijaya	2	Marketing & Sales Manager I Marketing & Sales Manager II
I.	<b>ADMIN &amp; SUPPORT</b> 1. Hera Susanti 2. Sukma Nurochim 3. Putra Atmaja 4. Munirul Ihwan	4	Senior Secretary Administration Officer Office Assistant Driver
J.	<b>GIS MAPPING</b> 1. Hamzah Imanul Haq	1	GIS Officer
	<b>SUB TOTAL JAKARTA</b>	<b>24</b>	

NO	LOCATION	HEADCOUNT	JOB TITLE
II	MALINAU NORTH KALIMANTAN		
A.	<b>MINE ENGINEER</b> 1. Ari Wibowo 2. Hendrik Raja Butol Naibaho	2	Head of Mining Engineer (KTT) Senior Mining Engineer
B.	<b>GEOLOGIST</b>	0	Vacant
C.	<b>SURVEYOR</b> 1. Kadir Sebayang	1	Senior Surveyor
D.	<b>PROJECT ARCHITECT</b> 1. Givi Andriyanto 2. Alfian	2	Project Architect Project Assistant
E.	<b>HR &amp; FINANCE</b> 1. Adhi Kasnanto	1	HR & Admin Supervisor
F.	<b>ENVIRONMENT</b>	0	Vacant
G.	<b>COMMUNITY RELATIONS</b>	0	Vacant
H.	<b>GOVERNMENT RELATIONS</b> 1. Indra Nata 2. Rudi Apriliansyah 3. Saparudin	3	Liaison Officer Liaison Officer Liaison Officer
I.	<b>IT SUPPORT</b>	0	Vacant
J.	<b>HEALTH &amp; SAFETY</b>	0	Vacant
K.	<b>ADMIN &amp; SUPPORT</b> 1. Adhan 2. Pangeran 3. Yusten Agung 4. Ramdin 5. Agus Frediyanto Ruslan (Edy) 6. Suriansyah 7. Lambertus 8. Yasinta 9. Yulianawati 10. Yuliana Lusiana Deram 11. Maria Magdalena 12. Maimuna	12	Project Assistant General Helper General Helper Security Security Security Caretaker Caretaker General Helper General Helper General Helper General Helper
	<b>SUB TOTAL MALINAU</b>	<b>21</b>	
	<b>GRAND TOTAL</b>	<b>45</b>	

NOTE: The total current headcount is 45 employees, however this number would increase up to at least 60 employees once KBK production and drilling program commenced.





# GALLERY #1

Quarry Site Visit – 28 Feb to 2 March 2023  
Malinau, North Kalimantan, Indonesia





## GALLERY #2

Jetty Site Visit - 28 Feb to 2 March 2023  
Malinau, North Kalimantan, Indonesia







## GALLERY #3

Dayak Cultural Village Visit - 28 Feb to 2 March 2023

Malinau, North Kalimantan, Indonesia

