



Press Release

**ANTAM WELCOMES
GOVERNMENT
REGULATION
NUMBER 1 YEAR 2017
ON THE FOURTH
CHANGE OF THE
GOVERNMENT
REGULATION NUMBER
23 YEAR 2010 ON
MINERAL AND COAL
MINING ACTIVITY**

**ANTAM Is Committed in
Supporting Mineral
Downstream Activity**

For Immediate Release

Jakarta, 16 January 2017 - PT ANTAM (Persero) Tbk (ASX -ATM; IDX – ANTM; ANTAM) announces the Company welcomes the Government Regulation Number 1 Year 2017 on the Fourth Change of the Government Regulation Number 23 Year 2010 on Mineral and Coal Mining Activity (PP No. 1 Year 2017). Inline with the regulation, ANTAM reiterates its commitment in mineral downstream activity. ANTAM also welcomes the regulation allowing the export of potential mined low grade nickel ore which is yet to be used or processed domestically.

ANTAM's President Director Tedy Badrujaman said:

"We have been conducting mineral downstream business since 1974 through the operations of the FeNi I ferronickel smelter. We currently have diverse mineral processing facilities, covering nickel, gold, silver and bauxite. Having said that, we are always committed in supporting the Government's mineral downstream policy.

Inline with the expansion of our downstream mineral, we welcome PP No. 1 Year 2017, notably as it allows the export of potential mined low grade nickel ore which is yet to be used or processed domestically.

We expect the potential ore export may benefit in accelerating our downstream projects in addition to conserving our mineral reserves. ANTAM strives to provide nickel ore feed for domestic smelters, taking account the ore feed requirement of our existing and future smelters.

The potential ore export may also benefit in terms of revenue, income tax, export tax and work opportunities related to the use of mined low grade which is yet to be used or processed in our smelter or other domestic smelter."

Currently ANTAM is calculating the Company's potential mined low grade nickel ore which is yet to be used or processed domestically.

**FOR MORE INFORMATION
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In 2017, ANTAM is increasing the sales of its main commodities of ferronickel and gold as well as strengthening efficiency and innovation to meet the challenges to continue delivering solid returns to shareholders and stakeholders.

For ferronickel, ANTAM is targeting production and sales of 24,100 tonnes of nickel contained in ferronickel (TNi) each. For gold, ANTAM is targeting production of 2,270 kg with gold sales of 11.4 tons.

In enhancing gold sales, ANTAM has launched jewelry products with LM brand. ANTAM has four line of necklace and bezel products: Solidus with Kawung batik bezel, Norita with Mega Mendung batik bezel, Magnus with Parang Barong batik bezel and Adorare with Sido Mukti batik bezel. The LM jewelry compliments ANTAM's Indonesia batik motif gold products . ANTAM also has 13 LM Gold Boutiques to support sales to the retail market.

Recently, ANTAM has partnered with PT Pos Indonesia (Persero) as the sales, payment, and distribution partner of ANTAM's precious metal products. As the first phase of the cooperation, 109 post offices will serve as ANTAM's gold distribution channels. The post offices will support the services of the existing 13 Logam Mulia Gold Boutiques which are operated by ANTAM's Precious Metal Processing and Refinery Gold Business Unit. The 109 post offices are located in Java, Madura, Bali, West Nusa Tenggara and East Nusa Tenggara.

ANTAM is also confident to receive benefit from the high interest of the public with tax amnesty. With the gold specification of LBMA standards produced by ANTAM, ANTAM's gold bar product is included in the criteria of gold product that can be invested from the tax amnesty repatriation fund in accordance with Finance Minister Regulation (PMK) No. 122/PMK.08/2016 on Investment of Repatriated Funds related to Tax Amnesty in Non-Financial Market.

In relation to mineral exploration activity, notably gold, ANTAM recently signed a Memorandum of Understanding (MoU) on Geological Research and Development with the Geological Agency of the Ministry of Energy and Mineral Resources. Under the MoU, both institution will cooperate in the research and development of geological exploration technology, especially related to metal mineral resources, notably gold.

ANTAM continues to remain prudent on its spending to maintain healthy cash flow. Inline with increased construction activity of the East Halmahera Ferronickel Plant Development Project (P3FH), ANTAM's capital expenditure is expected to reach Rp2.56 trillion in 2017.

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