

Ref No. 0361/15E

March 8, 2018

Subject: Investment in New Coal Mining Concession in Indonesia

Attn: President

The Stock Exchange of Thailand

The Board of Directors' Meeting of Lanna Resources Public Co., Ltd. ("LANNA") No. 1/2018 dated March 5, 2018, has resolved to approve an investment in coal mining concession in Indonesia of PT. Pesona Khatulistiwa Nusantara ("PKN"), a new coal deposit that LANNA shall invest in, which can be summarized as follows:

(1) **Transaction Date** : The Conditional Share Subscription Agreement is signed on March 8, 2018

(2) **Related Parties**

Buyer and Lender : Lanna Resources Public Co., Ltd. ("LANNA")

Seller and Borrower : PT. Pesona Khatulistiwa Nusantara ("PKN") which has PT. Energi Nusa Mandiri ("ENM") and PT. Citra Duta Jaya Makmur ("CDJM") hold 100 percent of paid-up capital

Connected Relationship : Both sides of the parties are not connected persons

(3) **General Type of Transaction**

(3.1) **Type of Transaction** : LANNA shall invest in the coal mining concession (3rd Generation Coal Contract of Work) of PKN in Indonesia, with total investment of USD 26 million, dividing into 2 parts as follows:

(A) LANNA shall acquire new issued shares in PKN of 269,674,581 shares at the amount of USD 8,837,921 or a proportion of 40 percent of paid-up capital, having details as follows.

List of Shareholders	Before the Transaction		After the Transaction	
	Number of Shares (shares)	Shareholding Proportion (%)	Number of Shares (shares)	Shareholding Proportion (%)
(1) PT. Energi Nusa Mandiri and PT. Citra Duta Jaya Makmur	121,107,525	100	404,511,872	60
(2) Lanna Resources Public Co., Ltd.	-	-	269,674,581	40
Total	121,107,525	100	674,186,453	100

(B) LANNA shall provide shareholder loan to PKN in the proportion of 40 percent of the loan from shareholders at the amount of USD 17,162,079 after LANNA has become the shareholder of PKN according to (A) above, having details of the loan as follows:

List of Shareholders	Before the Transaction		After the Transaction	
	Loan Amount (USD)	Loan Proportion (%)	Loan Amount (USD)	Loan Proportion (%)
(1) PT. Energi Nusa Mandiri and PT. Citra Duta Jaya Makmur	46,923,740	100	25,743,118	60
(2) Lanna Resources Public Co., Ltd.	-	-	17,162,079	40
Total	46,923,740	100	42,905,197	100

(3.2) Transaction Size : According to transaction size calculations, the calculation based on the total value of consideration has the highest value at 9.34 percent, according to the latest audited consolidated financial statements as at December 31, 2017.

(4) Description of Investment Asset

Coal Concession Owner : PT. PESONA KHATULISTIWA NUSANTARA ("PKN")

Paid-up Capital : Registered and Paid-up capital of USD 9,630,449 as at the transaction date

Type of Business : PKN operates coal production and distribution business having been granted the 3rd Generation Coal Contract of Work (CCOW) from the Government of Indonesia with a period of 30 years from 2009 to 2039, having 65 million metric tons of minable coal reserves and been in operation since 2009, having produced and sold a total of 18 million metric tons of coal with remaining coal reserves of 47 million metric tons

Location of Coal Concession : Bulungan Regency, North Kalimantan, Indonesia

(5) Sources of Fund : From cash generated from operation for the whole amount

(6) Payment Method : Payment shall be made in 2 parts as follows.

Part 1: LANNA shall pay for the new issued shares at the amount of USD 8,837,921 on the date of signing the Shareholders Agreement, having important Conditions Precedent as follows.

(A) ENM and CDJM shall proceed with the change of PKN's company status from a current domestic or local Indonesian operators only (PMDN Company) to a foreign or non-Indonesian operators (PMA Company) in order to allow LANNA, non-Indonesian, to hold shares in PKN; and

(B) Proceed with application to the Ministry of Energy and Mineral Resources of Indonesia, requesting that LANNA, non-Indonesian entity, can become the shareholder of PKN, which is the owner of the coal concession in Indonesia.

It is expected that both conditions above will be completed within September 2018.

Part 2: LANNA shall pay shareholder loan to PKN at the amount of USD 17,162,079 after LANNA has paid for the new issued shares and already become the shareholder in PKN as stated in Part 1.

- (7) **Expected Benefit** : This investment conforms to LANNA's core business strategy, aiming to increase its coal production and distribution capacity, as well as PKN has already been in operation of coal production and distribution, which is ready to generate revenue and profit for LANNA.
- (8) This transaction is not a connected transaction and not within the scope of transaction concerning the acquisition and disposition of assets of listed companies in accordance with the Notification of the Capital Market Supervisory Board.

Please be informed accordingly.

Yours faithfully,

For and behalf of Lanna Resources Public Company Limited

(Mr. Saharat Vatanatumrak)
Company Secretary