

Valuation Realities in Indonesian Minerals

**Navigating Illiquidity,
Confidentiality & ESG under VALMIN
and SAMVAL**

**International Mineral Asset
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KDW Biography



KEITH DAVID WHITCHURCH, BE(Hons), MEngSci, FAusIMM, CP(Min), RPEQ, PERHAPI, CPI, IPU., ASEAN Eng., APEC Eng.

Keith is a highly qualified professional with a BE (Hons) and MEngSci, recognized as a Competent Person (Mining) and a Registered Professional Engineer in Queensland (RPEQ). As a Fellow of AusIMM (FAusIMM) and a member of PERHAPI and CPI in Indonesia, he is acknowledged internationally. Keith is notably the first foreigner registered as a Professional Engineer in Indonesia (PII) and holds the Executive Professional Engineer (IPU) Certificate. He is also listed in the ASEAN Engineering Register (AER) and APEC Engineers Register (ER).

With nearly four decades in both open-cut and underground mining, Keith is a pioneer in mining innovation and mathematical modelling. His expertise includes geological modelling, reserves evaluation, pit optimization, mine design, equipment selection, scheduling, backfill design, and project costing. He earned a pre-JORC code Master's degree in Geostatistics and Resource Classification and was an early advocate of technology, presenting the first peer-reviewed paper on artificial intelligence in mining at APCOM in 1996.

Since 1985, Keith has been integral to global Resource and Reserve estimation across various commodities. His reports have supported transactions exceeding USD 15 billion over the past 30 years. Additionally, his role as an expert witness on three continents highlights his credibility and impact.



VALMIN Table 1 — Appropriate Valuation Approaches by Project Stage



Valuation Approach	Exploration	Pre-development	Development	Production
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code 2015, Section 8.3 (Table 1)

SE Asia Reality Check — Valuation Methods



Market

- Problem child
- Few comparable
- Illiquid markets
- Confidential private deals
- Debt-funded transactions



Income (DCF)

- Widely used
- Problems where operating mine not supported by drilling



Cost

- Generally workable
- Main issues: separating legitimate spend from lifestyle costs

VALMIN Table 1 — SE Asia Context



Valuation Approach	Exploration	Pre-development	Development	Production
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

- Cost and income methods are generally applicable in SE Asia.
- Market-based approaches often fail due to lack of comparables, illiquidity, confidentiality.
- Then there are the ones that don't quite fit in any category
- This is the central theme of this presentation.
- Let's First cover Income methods with a specific example that was handled superbly by the author of the VALMIN report.
- The challenge resolves around a regulatory requirement for a valuation for an operating mine with negligible exploration.

The odd balls -An all to common Situation - DCF Valuations in absence of Reserves



It's common in SE Asia for assets to be owned by **wealthy entrepreneurs**



The “**Give it a go**” (contrapt) approach prioritised over the standard “**Measure plan execute**” (contrive approach)



Sometime its wildly successful (often is not)

Then a transaction looms

- ✓ Successful cash generating business
- ✓ Minimal exploration support
- ✓ How to value the asset

An odd ball well handled in a VALMIN report



Fortress Mineral IPO

Singapore Stock Exchange (SGX) Catalyst Board
2019



- **Tiny Fe mine;**
only Inferred Resources
- **Global Fe comparables irrelevant**
- Valuers explained reliance on DCF despite lack of Reserves
- Transparent reasoning under VALMIN – practitioner judgment

VALMIN Table 1 — SE Asia Context



Valuation Approach	Exploration	Pre-development	Development	Production
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

- Let's now move on to Market based methods
- Actual private transaction data is almost never available
- That leaves the public markets – but does it

Unique Regional Features – Market Comparables



- Thin Liquidity in listed miners (even large caps)
- Concentrated Ownership (family, state, offshore vehicles)
- Confidentiality: valuations often Negotiation or debt-driven
- Lack of Comparables: few true arm's length asset sales in SE Asia
- Minerals specific regulatory regime not well developed

Regulatory Geography – Singapore (SGX), Indonesia (IDX) and Thailand (SET)



Singapore (SGX)

- Monetary Authority Singapore (MAS)
- SGX listing rules:
 - VALMIN mandated
 - Independence not defined (no material interest)
 - Materiality not defined



Indonesia (IDX)

- Otoritas Jasa Keuangan (OJK) takes “Caveat Emptor”
- IDX listing rules:
 - No public valuation
 - Brief expert reports (Merdeka case)
 - Rely heavily on JORC but disclosure nothing like what is contemplated in codes



Thailand (SET)

No specific rules for mineral companies

Regulatory Geography – Singapore (SGX), Indonesia (IDX) and Thailand (SET)



- Singapore
 - Monetary Authority Singapore (MAS) - Hands off
 - SGX
 - VALMIN reports mandated in listing rules
 - Independence not defined in any Singapore law other than “no material interest”
 - Materiality not defined
- Indonesia
 - Otoritas Jasa Keuangan (OJK) takes a “Caveat Emptor” approach
 - IDX:
 - No requirement for public valuation
 - Bumi Resource/Mach Energy transaction no independent report
 - Laporan Pakar (Expert report) in prospectus beyond brief
 - E.g. PT Merdeka Gold Resources Tbk (EMAS) is a total of 2 pages
 - Rely heavily on the 4 letters “J O R and C” but disclosure nothing like what is contemplated in codes
- Thailand
 - SET
 - No specific rules for mineral companies

Let's look at case studies of some Listed Companies



- IDX

- PT Merdeka Gold Resources Tbk
- PT Bayan Resources Tbk
- PT Bumi Resources Tbk
- PT Merdeka Copper Gold Tbk

- SGX

- Geo Energy and Resources

- SET

- Energy Earth Public Company Limited

Case Study 1 – PT Merdeka Gold Resources Tbk (EMAS)



PT Merdeka Gold Resources Tbk – IPO Metrics



Metric	Local (IDR)	USD Equivalent (approx.)	Notes
Offer Price	IDR 2,880 / share	USD 0.19	Offer price for 1,618,023,300 new shares
Shares Offered	1.62 billion	—	10 % of post-IPO shares
Funds Raised (Gross)	IDR 4.66 trillion	USD ≈ 305 million	Largest IPO in Indonesia YTD
Post-IPO Market Cap	IDR 46.6 trillion	USD ≈ 3.05 billion	Based on offer price × post-IPO shares
Oversubscription	~4×	—	Reported across institutional + retail tranches
First Day Closing Price	IDR 3,600 / share	USD 0.24 / share	~25 % above offer price
First Day Market Cap	IDR 58.3 trillion	USD ≈ 3.8 billion	Reflects the strong trading debut

PT Merdeka Gold Resources Tbk (IDX: EMAS) - Expert report in Prospectus



XIX. LAPORAN PAKAR

Berikut ini adalah ringkasan laporan pakar yang telah disusun oleh Pihak Kompeten:

Perseroan melaporkan sumberdaya mineral yang dimiliki untuk Proyek Emas Pani sesuai dengan JORC Code yang diterbitkan oleh *Joint Ore Reserves Committee dari Australian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia*. JORC Code digunakan dalam menyusun Pani Gold Project – *Mineral Resource Estimate* tanggal 9 September 2024 oleh *Mineral Resource Group* dari MMS.

Perseroan melaporkan cadangan bijih berdasarkan Kode Komite Cadangan Mineral Indonesia (“KCMII”) versi 2017 yang disusun oleh Komite Bersama KCMII (Komers KCMII). KCMII, bersama-sama dengan JORC, merupakan anggota dari *Committee for Mineral Reserves International Reporting Standards* (CRIRSCO). Kode KCMII digunakan dalam menyusun estimasi cadangan bijih Proyek Emas Pani tanggal 9 September 2025 oleh PT Mining One Indonesia.

Informasi dalam Prospektus ini yang berhubungan dengan estimasi sumberdaya mineral berdasarkan informasi yang dihimpun oleh tim *geoscience* di lapangan Proyek Emas Pani dan Grup MGR, sedangkan cadangan mineral diestimasi berdasarkan informasi yang dihimpun oleh PT Mining One Indonesia dengan bantuan personel dari MCG dan konsultan-konsultan lain yang dilibatkan langsung oleh MCG.

1. Pani Gold Project – *Mineral Resource Estimate* tanggal 9 September 2025

Mineral Resource Group dari MMS melakukan perhitungan sumberdaya mineral sesuai dengan JORC Code untuk Proyek Emas Pani yang berlokasi di Desa Hulawa, Kecamatan Buntulia, Kabupaten Pohuwato, Provinsi Gorontalo, Indonesia.

Estimasi sumberdaya mineral Proyek Emas Pani dilakukan oleh *Mineral Resource Group* dari MMS, Perusahaan Anak MCG berdasarkan data pengeboran yang disediakan oleh tim *geoscience* lapangan dan direvisi oleh *Mineral Resource Group* dari MMS. Data tersebut mencakup data pengeboran yang tersedia di wilayah Proyek Emas Pani, yang merupakan gabungan IUP-OP PETS dan KK GSM sampai dengan 8 Agustus 2024, di mana terdapat 1.652 lubang pengeboran dengan kedalaman 266.047 m yang telah divalidasi.

Klasifikasi dan estimasi jumlah sumberdaya mineral pada Proyek Emas Pani, berdasarkan penilaian yang dilakukan oleh pihak kompeten, disajikan dalam tabel berikut:

Tabel 1: Sumberdaya mineral Proyek Emas Pani (9 September 2024)

Oksidasi	Klasifikasi Sumberdaya Mineral	Tonase (jutaan tonne)	Au (gram/ton)	Ag (gram/ton)	Au (jutaan ounce)	Ag (jutaan ounce)
Oksida	Terukur	7,4	0,92	1,54	0,22	0,37
	Tertunjuk	173,1	0,75	0,76	4,18	4,24
	Tereka	23,9	0,57	0,42	0,44	0,32
	Subtotal	204,4	0,74	0,75	4,84	4,93
	Total	204,4	0,74	0,75	4,84	4,93
Transisional	Terukur	0,2	0,89	0,29	0,00	0,00
	Tertunjuk	42,7	0,91	0,66	1,24	0,90
	Tereka	10,1	0,56	0,31	0,18	0,10
	Subtotal	52,9	0,84	0,59	1,43	1,00
	Total	52,9	0,84	0,59	1,43	1,00

PT Merdeka Gold Resources Tbk

Oksidasi	Klasifikasi Sumberdaya Mineral	Tonase (jutaan tonne)	Au (gram/ton)	Ag (gram/ton)	Au (jutaan ounce)	Ag (jutaan ounce)
Fresh	Terukur	-	-	-	-	-
	Tertunjuk	20,8	0,67	0,77	0,45	0,51
	Tereka	14,2	0,65	0,31	0,30	0,14
	Subtotal	35,1	0,66	0,58	0,75	0,66
	Total	35,1	0,66	0,58	0,75	0,66
Total	Terukur	7,6	0,92	1,51	0,22	0,37
	Tertunjuk	236,6	0,77	0,74	5,87	5,65
	Tereka	48,2	0,59	0,37	0,92	0,57
	Subtotal	292,4	0,75	0,70	7,01	6,59
	Total	292,4	0,75	0,70	7,01	6,59

Catatan:

- Cut-off database per tanggal 8 Agustus 2024.
- Cut-off grade 0,2 gram/ton Au.
- Dilaporkan dalam area *pit shell* pada harga emas US\$2.300/ounce. *Pit shell* tersebut menggunakan asumsi harga emas sebesar US\$2.300/ounce, tingkat perolehan emas 93%, biaya penambangan rata-rata US\$1,95/ton, biaya pengolahan US\$18,25/ton, sudut lereng keseluruhan 40 derajat, serta royalti emas 10%, dan tidak dibatasi oleh klasifikasi sumberdaya.
- Sumberdaya mineral bukan merupakan cadangan mineral dan belum tentu memiliki kelayakan ekonomi yang telah terbukti. Estimasi sumberdaya mineral dapat terpengaruh secara material oleh faktor lingkungan, penzinan, hukum, kepemilikan, perpajakan, sosial-politik, pemasaran, maupun isu relevan lainnya.
- Angka-angka mungkin tidak dijumlahkan secara tepat karena pembulatan.

Pernyataan Pihak Kompeten

Informasi laporan ini terkait dengan aktivitas eksplorasi, hasil eksplorasi, dan estimasi sumberdaya mineral yang disusun oleh Arief Bastian dan *Mineral Resource Group* dari MMS per tanggal 9 September 2025. Seluruh asumsi, perhitungan dan parameter lain yang digunakan sebagai basis untuk mengestimasi sumber daya mineral telah disusun berdasarkan JORC Code and Kode KCMII.

Arief Bastian, selaku *GM Exploration and Resource Development* dari MMS merupakan ahli geologi yang memiliki keahlian yang relevan dengan mineralisasi dan jenis endapan yang dikaji. Arief Bastian terdaftar sebagai *Competent Person* Indonesia (CPI) dengan nomor anggota CPI-066, dan merupakan anggota aktif Ikatan Ahli Geologi Indonesia (IAGI) dengan nomor anggota 05008, Masyarakat Geologi Ekonomi Indonesia (MGEI) dengan nomor anggota B-0708, dan *Australian Institute of Geoscientists* (AIG) dengan nomor anggota 7237.

2. Estimasi Cadangan Bijih – Proyek Emas Pani tanggal 9 September 2025

PT Mining One Indonesia telah ditunjuk oleh MCG untuk menyiapkan estimasi cadangan bijih Proyek Emas Pani. Proyek berlokasi di Desa Hulawa, Kec. Buntulia, Kab. Pohuwato, Provinsi Gorontalo, Indonesia.

Estimasi cadangan bijih Proyek Emas Pani dilakukan oleh PT Mining One Indonesia berdasarkan data estimasi sumber daya yang disediakan oleh *Mineral Resource Group* dari MMS dan telah diestimasi sesuai dengan Kode KCMII, yang memiliki prinsip yang mirip dengan Kode JORC. Laporan ini telah disiapkan oleh PT Mining One Indonesia dengan bantuan personel dari MCG dan konsultan-konsultan lain yang dilibatkan langsung oleh MCG. Dalam menyiapkan estimasi cadangan bijih ini, PT Mining One Indonesia telah meninjau informasi yang diberikan oleh MCG dan konsultan-konsultan lainnya yang ditunjuk MCG untuk mengetahui kewajaran informasi yang diberikan tetapi mengandalkan informasi yang diberikan ini adalah benar dan akurat.

PT Merdeka Gold Resources Tbk – IPO Metrics



Metric	Local (IDR)	USD Equivalent (approx.)	Notes
Offer Price	IDR 2,880 / share	USD 0.19	Offer price for 1,618,023,300 new shares
Shares Offered	1.62 billion	—	10 % of post-IPO shares
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Oversubscription	~4×	—	Reported across institutional + retail tranches
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First Day Market Cap	IDR 58.3 trillion	USD ≈ 3.8 billion	Reflects the strong trading debut

PT Merdeka Gold Resources Tbk – It gets Worse



- Reported as 4 x over subscribed
- General public allocated 5% of shares applied for
- Opaque as to how shares allocated to applicants
- Raises questions of how “free” the 10% float really is
- Up to 97.5 % of the IPO shares could be allocated via “penjatahan pasti” (fixed allotment) to selected parties including pension funds, insurance companies, mutual funds, corporations, and individuals.
- The public “pooling” tranche was only guaranteed a minimum of 2.5 % of the offer under OJK SEO No. 15/2020 rules.
- For large IPOs (> IDR 1 trillion), if the pooling tranche is oversubscribed between 2.5× and 10×, the minimum allocation rises to 5 % of the offer 23-emas-prospektus-2025
- EMAS was a Category IV IPO (> IDR 1 trillion), so the minimum centralized (public) allocation was 2.5–5 % depending on oversubscription levels. Even though the public tranche was oversubscribed ~4×, the law only required a 5 % minimum allocation to that tranche, not 25 %.
- The remaining ≈ 95 % of shares were allocated underwriter-discretionarily to institutional investors and preferred clients through the “fixed allotment” route

PT Merdeka Gold Resources Tbk – It gets Worse



How Much Money They Made

Let's illustrate with rough numbers:

- **Offer price:** IDR 2,880
- **First-day close:** IDR 3,640 (+26 %)
- **Peak:** IDR 4,500 (+56 %)
- Suppose a preferred investor received **100 million shares** ($\approx 6\%$ of float):
 - Profit at close:
 $100,000,000 \times (3,640 - 2,880) = 76,000,000,000 \text{ IDR}$
 $\approx \text{USD } 5 \text{ million}$
 - Profit at peak:
 $100,000,000 \times (4,500 - 2,880) = 162,000,000,000 \text{ IDR}$
 $\approx \text{USD } 10.5 \text{ million}$
- Multiply that across several institutional allocations and the **instant wealth transfer is enormous**, captured almost entirely by preferred groups — not the general public.

PT Merdeka Gold Resources Tbk – It gets Worse



This is a **powerful real-world example** of:

- **Non-transparent allocation mechanics** despite nominal oversubscription.
- **Institutional capture of IPO profits** in a thin float market.

Why market-based valuation comparables in Indonesia are often distorted — because **the actual free float and price discovery are far smaller than headline numbers suggest.**

👉 EMAS is a textbook case to illustrate this.

Case Study 2 – PT Bayan Resources Tbk (BYAN)



PT BAYAN RESOURCES Tbk

PT Bayan Resources Tbk (IDX: BYAN)



- **Ticker: BYAN (IDX)**
- **Market Cap:** ~IDR 617 trillion ($\approx$ USD 37–38 billion)
- **Global Ranking:** Top 20 mining companies worldwide by market cap (CompaniesMarketCap, Sep 2025)
- **Business:** Integrated coal producer and exporter with operations in East & South Kalimantan
- **2024 Coal Production:** ~49–50 Mt (sub-bituminous, 4,000–4,200 kcal/kg GAR)
- **Customers:** China, India, ASEAN buyers
- **Key Shareholders**
 - Low Tuck Kwong ~40%

Sources: IDX, CompaniesMarketCap (Sep 2025), Market Data

PT Bayan Resources Tbk — Surface View (Float & Liquidity)



- **Headline Float:** ~21% (~7.1 bn shares of 33.3 bn outstanding)
- **Strategic holdings dominate:** Low family ~62%, SSP 10%, Management ~6%
- **Liquidity Metrics:**
 - Avg daily volume $\approx$ 28.7k shares (~IDR 525–530 m / ~USD 34k)
 - Daily turnover $\approx$ 0.0004% of float
 - Annual turnover $\approx$ 0.10% of float
- **Naïve Analyst View:**
 - Bloomberg/IDX screens suggest a healthy float
 - But trading is extremely thin and concentrated

PT Bayan Resources Tbk — Reality Check



- **SSP's 10% stake** is held by a private individual — not genuine public float
- Low family + insiders control ~78% of shares
- Effective float likely closer to **11% or lower**
- Actual liquidity is negligible relative to market cap
- **Market-based valuation methods** (comparable trading multiples, VWAPs) are unreliable
- **Preferred approaches:** Income under VALMIN/SAMVAL, or apply substantial liquidity discounts

Sources: IDX, Katadata, CompaniesMarketCap (Sep 2025), Market Data

Case Study 3 – PT Bumi Resources Tbk (BUMI)



PT BUMI ResourceS Tbk.

PT Bumi Resources Tbk (IDX: BUMI) — Company Overview



- **Ticker:** BUMI (IDX)
- **Market Cap:** ~IDR 54–55 trillion ($\approx$ USD 3.3–3.4 billion) — Sep 2025
- **Business:** One of Indonesia's largest coal producers (KPC, Arutmin), higher CV coal than Bayan
- **2024 Coal Production:** ~80 Mt (thermal, multiple operations)
- **Control:** Salim + Bakrie families via offshore vehicles (MEL, TGIL)
- **Trading:** High daily volumes driven by retail/speculative activity
- **Notable Deal:** Mach Energy placement to Chinese investors — no VALMIN valuation disclosure required

PT Bumi Resources Tbk — Surface View (Float & Liquidity)



- **Headline Float:** ~26% (IDX data)
- **Float appears dispersed** — offshore vehicles MEL & TGIL hold controlling blocks, rest seems 'public'
- **Liquidity Metrics:**
 - Heavy retail/speculative turnover
 - $\approx 1.4\%$ of float trades daily
 - Significantly higher apparent liquidity than Bayan
- **Naïve Analyst View:**
 - Large float, high turnover $\Rightarrow$ seemingly reliable market valuation basis
 - Active daily price discovery on screens

PT Bumi Resources Tbk — Reality Check (Mach Energy Transaction)



- **Control Structure:** Salim + Bakrie retain control through MEL and TGIL (offshore)
- **Mach Energy Placement:**
 - Major transaction with Chinese investors
 - **No VALMIN-style valuation** was required under IDX rules
 - No independent public valuation report released
- **Liquidity Quality:**
 - High turnover driven by retail speculation, not institutional depth
 - Implication: Despite apparent float, effective control is tight
 - Valuation Methods: Market multiples unreliable — prefer Income/Cost methods or apply discounts

Case Study 4 – PT Merdeka Copper Gold Tbk (MDKA)



PT Merdeka Copper Gold Tbk (IDX: MDKA) — Company Overview



- **Ticker: MDKA (IDX)**
- **Market Cap:** ~IDR 54–60 trillion ($\approx$ USD 3.2–3.4 billion) — Sep 2025
- **Business:** Multi-commodity miner (gold, copper, nickel) with strong growth trajectory
- **Key Assets:** Tujuh Bukit (gold-copper), Wetar (copper), Pani (gold), downstream nickel
- **Profile:** Rapidly emerging as a major Indonesian mining house with both domestic and institutional interest

PT Merdeka Copper Gold Tbk — Surface Float & Liquidity



- **Reported Free Float:** ~49–50 %
- **Trading Activity:**
 - Average daily volume $\approx$ 80 million shares
 - Peaks >180 million shares per session
- **Headline View:**
 - Appears to be a large, liquid float
 - Institutional + retail participation visible
 - Market-based valuation methods seem applicable
- **External Analyst Impression:**
 - High liquidity + broad float = transparent, efficient market

PT Merdeka Copper Gold Tbk — Reality Check (VALMIN Perspective)



- Beneath the surface, much of the 'float' is held by strategic long-standing business networks
- Control and influence remain concentrated despite headline float figures
- Trading activity $\neq$ dispersed ownership; strategic blocs and cross-holdings shape outcomes
- **VALMIN Principle:** Analysts must have recent and relevant in-country experience to identify these structures
- **Key Point:**
 - An overseas practitioner without local context would likely misinterpret float and liquidity
 - Market-based valuation methods require expert local judgment to apply correctly

Case Study 5 – Geo Energy Resources Limited (RE4, SGX)



Geo Energy Resources Limited (SGX: RE4) — Company Overview



- **Ticker: RE4 (SGX)**
- **Market Cap:** ~SGD 650 million ($\approx$ USD 480 million); ~1.4 billion shares outstanding
- **Business:** Indonesian coal mining, trading, and mining services
- **Key Concessions:** SDJ, BEK, TBR in South Kalimantan
- **Major Shareholders:** Charles Melati (~18%), Master Resources International (~15.6%), Resource Invest AG (~6.8%)
- **Listed in Singapore**, operations entirely in Indonesia

Geo Energy Resources Limited — Surface Float & Liquidity



- **Reported Free Float:** ~42–47 %
- **Trading Activity:**
 - Average daily volume $\approx$ 10 million shares
 - Regular trading activity on SGX
- **Headline View:**
 - Appears to be a broad, active float
 - Healthy daily turnover and price visibility
- **External Analyst Impression:**
 - Market looks liquid, well-traded, and transparent

Geo Energy Resources Limited — Reality Check (Float Structure)



- **Master Resources International (BVI)** holds ~15.6 % — insider-aligned vehicle
 - Shareholders include Charles Melati, Huang She Thong, Richard Kennedy Melati, Ng See Yong, Yanto Melati
 - Listed as 'concert parties' in AGM disclosures
- Major ownership concentrated in small strategic network:
 - Charles Melati (~18%), Master Resources (~16%), Resource Invest AG (~7%)
- Reported float **overstates truly independent market participation**
- Trading activity reflects **retail and related-party dynamics**, not deep institutional liquidity
- **Valuation Implication:**
 - Outsiders lacking recent and relevant local experience may misapply market-based methods and overestimate pricing depth

SGX / IDX Case Studies — Valuation & Float Comparison



	BAYAN	BUMI	MERDEKA	GEO ENERGY
Market Cap (USD, Sep 2025)	≈ 37–38 B Top 20 global miner	≈ 3.3–3.4 B	≈ 3.2–3.4 B	≈ 0.48 B
Reported Free Float	Very low (~11%)	~26 %	~49–50 %	~42–47 %
Liquidity Characteristics	Thin trading; sticky pricing	Heavy retail turnover (~1.4 %/day)	High trading volumes Looks liquid	Moderate trading (~10M shares/day)
Reality of Ownership	Tight control (Low family + SSP) Tiny real float	Salim + Bakrie control via MEL/TGIL	Strategic domestic networks dominate Control concentrated	Master Resources (BVI) insider bloc ~16 % Concert party structure
Valuation Implications	Valuation premium; not M&A comparable	Market multiples unreliable; speculative	Local expertise required to interpret	Float overstates depth; market misread risk

Sources: IDX, SGX, Marketscreener, Company Filings, Analyst Reports (Sep 2025)

BYAN vs BUMI – Similar Assets, Divergent Market Caps



Metric	Bayan (BYAN)	Bumi (BUMI)
Market Cap (USD)	≈ 37–39 B	≈ 3.6–3.9 B
Enterprise Value (USD)	≈ 38.7 B	≈ 5.3 B
Resources (Mt)	4,082	6,717
Reserves (Mt)	2,031	2,474
EV / Resource (US\$/t)	≈ 9.5	≈ 0.8
EV / Reserve (US\$/t)	≈ 19.0	≈ 2.2
Location / Commodity	Kalimantan / Thermal Coal	Kalimantan / Thermal Coal

Despite broadly similar commodities and geographic focus, Bayan trades at valuation multiples many times higher than Bumi. This highlights the limited reliability of market cap as a proxy for underlying mineral asset value in SE Asia.

Sources: Bayan Resources JORC (2022), Bumi Resources website, IDX, market data (Sep 2025)

Key Drivers of Divergence



- **Ownership & Control Structures:**
 - Bayan is tightly held and controlled by a single family.
 - Bumi has complex ownership through Bakrie–Salim interests and offshore vehicles.
- **Market Perception & Corporate Reputation:**
 - Bayan is perceived as operationally strong and financially disciplined.
 - Bumi has historically faced governance and debt restructuring challenges.
- **Float & Liquidity Profiles:**
 - Bayan has low float and thin liquidity, whereas Bumi has a larger float with heavy retail trading.
- **Strategic Transactions & Growth:**
 - Bayan undertook strategic acquisitions (e.g. Kangaroo Resources) and production ramp-ups.

Why Market Cap $\neq$ Mineral Asset Value in SE Asia



- Market-based valuation methods often give misleading results without context.
- Ownership, liquidity, and control dynamics are critical to interpreting market capitalization.
- Companies with similar assets can trade at vastly different valuation multiples.
- **VALMIN/SAMVAL Principle:** 'Recent and relevant experience' is essential to correctly understand local market structures and price formation.
- Practitioners should apply substantial caution when using market cap or trading multiples as proxies for mineral asset value in SE Asia.

An example of Valuation in Enforcement



- Energy Earth (SET Listed) in bankruptcy
 - 3 x Indonesian Coal Concession Book Value approx. 500m
 - Dec 2018 – SMGC VALMIN Report
- Submitted to Thai Bankruptcy Court.
 - Questioned validity of concession rights and reasonableness of claimed valuations.
 - Reported aggregate values ≈ USD 46 M for 3 concessions
- Mar–Apr 2018 – Thai SEC
 - Instructed Energy Earth to clarify existence and fair value of Indonesian mining rights
 - Extended deadline pending court permission.
- Feb 2019 – 'Valmin' Reports
 - Energy Earth commissioned PT Buena Persada Mining Services and PT Greenland Resources to produce DCF-only valuations under confidentiality.
 - Valuations conveniently aligned with book values (USD 450–550 M per concession).
 - Reports hand-delivered to SEC, not publicly released.
- 2022 – Criminal Charges Filed
 - Thai SEC initiated criminal proceedings against 14 individuals, including former directors and major shareholders, over alleged manipulation of EARTH shares and future
 - Escalation from valuation opacity to enforcement action.

SMGC Report vs Indonesian 'Valmin' Reports



Aspect	SMGC Report (Dec 2018)	Indonesian 'Valmin' Reports (Feb 2019)
Purpose	Court rehabilitation, independent	Commissioned by EARTH to rebut SEC / defend book values
Rights Verification	Questioned concession validity	Assumed valid (no legal review)
Valuation Method	Market cross-checks; conservative	DCF only, company inputs
Values	≈ USD 46 M total (3 concessions)	USD 450–550 M per concession
Disclosure	Filed in court, partly public	Confidential submission to SEC
Compliance	VALMIN methodology, limited by data	Labeled 'Valmin' but not Public Reports
Strategic Context	Raised doubts about asset backing	Produced after SMGC report to support preferred values

Source: SMGC Report (Dec 2018), SET Filing 07 Feb 2019, Thai SEC Orders (2018–2022)



- Free float $\neq$ liquidity – thin trading undermines comparable
- Ownership concentration dominates IDX & SGX
- Regulatory geography matters – SGX transparency vs IDX opacity
- VALMIN flexibility – clear, transparent rationale critical

Conclusion



- SE Asian mining valuations shaped by geography, not just codes
- Case studies: illiquidity, offshore control, limited comparable
- VALMIN/SAMVAL principles vital but must adapt to context
- Recent and Relevant experience critical

THANK YOU



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