ANTAM

A SOLID BRIGHT FUTURE

PT Antam Tbk

Quarterly Report to Shareholders (ASX: ATM; JSX, SSX: ANTM)

For the three months ending September 30 2003 ARBN - 087 423 998

FURTHER INFORMATION:
Dohar Siregar (Corporate Secretary)
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PRODUCTION

- Antam produced 2,620 tonnes of contained nickel in ferronickel, relatively stable compared to the previous quarter and a 15% increase compared to the same quarter last year.
- Production of saprolite nickel ore reached 913,087 wet metric tons (wmt), a 7% decrease compared to 2Q03 and a 4% decrease compared to last year
- During 3Q03 Antam's gold production decreased slightly on lower gold grades, reaching 966 kg or 10% lower compared to previous quarter or 19% lower compared to the same quarter last year. Gold ore production increased slightly, reaching 103,013 wmt, resulting in a higher silver production of 6,878 kg for 3Q03.

DEVELOPMENT

- Antam received a "B" corporate credit rating with a Stable outlook from Standard & Poor's
- Antam enters final stages to begin construction of FeNi III nickel expansion project
- Antam forms SPV in Mauritius
- Antam receives Best Good Corporate Governance (GCG) Implementation Award
- Antam Finance Ltd. issued USD200 million notes to finance nickel expansion project

EXPLORATION

- In 3Q03, Antam's exploration focused on lateritic nickel and gold as well as bauxite in Indonesia.
- Total exploration expenditures reached Rp10.67 billion, a 27% decrease compared to previous quarter on lower exploration activities.

Dohar Siregar
Corporate Secretary
October 31, 2003

Shareholder Sum-Up: 3Q03 **Relative Share Price Performance over the Quarter (Arrow indicates comparison to previous quarter)**

During 3Q03 Antam's share price increased **31.25%** from Rp 800 to Rp 1050

Source*: Bloomberg and Antam*

VS. PEERS...

PT Timah	-19	▼
PT Inco	-23	▼
Inco Ltd	-1	▼
Falconbridge	5	▲
WMC Resources	2	▲
BHP-B Ltd	6	▲
Rio Tinto Plc	16	▲
AngloAmerican	11	▲
Harmony	35	▲
Barrick Gold	26	▲
Newcrest	-5	▼
Alumina Ltd	7	▲

VS. INDICES...

LQ45	12	▲
JSE Composite	11	▲
JSE Mining Index	-15	▼
ASX All Ordinaries	24	▲
Dow Jones	28	▲
TS Composite	24	▲
NASDAQ	20	▲
Hang Seng	12	▲
S&P 500	29	▲
DAX	27	▲
FTSE	27	▲
FTSE All Share Mine	10	▲

VS. COMMODITIES...

Gold	19	▲
Nickel	8	▲

Price at end of Quarter on the ASX: AUD0.23/CDI

Analyst Recommendations:

Danareksa	Hold	09/25	GK Goh	Trading Buy	09/02
Trimegah Securities	Long-term Buy	09/25	Samuel	Accumulate	09/02
Danareksa	Hold	09/25	CLSA	Buy	08/29
Kim Eng Ong	Buy	09/11			

*** A 44 page Credit Opinion was published by ABN Amro on July 11, 2003**

Shares in Issue	1,907,691,950
Market Capitalization	Rp2,003bn (USD238.6m)
Price Range	Rp750-Rp1100
Average Price	Rp861.72
Trading Volume	204.5m
Average Daily Volume	3,192,320

Major Shareholder:
Government of Indonesia (65%)
Substantial Shareholders:
OppenheimerFunds, Inc. USA (4.97%)
Dividend Payment Date:
(32.5% of the profit of 2002)
August 5, 2003
Dividend Amount:
Rp 34.42/share, AUD 0.03/CDI

Nickel Price on 09/30/03	US$4.59/lb
Nickel Price Range	US$3.78/lb (07/03/03) - US$4.68/lb (09/25/03)
Gold Price on 09/30/03	US$385.35/oz
Gold Price Range	US$342.15/oz (07/15/03) - US$388.85/oz (09/24/03)
Rupiah on 09/30/03	Rp8,395/US$
Rupiah Range	Rp8,177/US$(07/07/03) – Rp8,625/US$(08/05/03)

COMMISSIONERS AND DIRECTORS

Board of Commissioners

Firman MU Tamboen	President Commissioner
Supriatna Suhala	Commissioner
S. Suryantoro	Commissioner
Hikman Manaf	Commissioner
Yap Tjay Soen	Independent Commissioner

Board of Directors

D. Aditya Sumanagara	President Director
Alwin Syah Loebis	Operations Director
Kurniadi Atmosasmito	Finance Director
Sjahrir Ika	General Affairs and Human Resources Director
Darma Ambiar	Development Director

- As at September 30th 2003, our largest shareholder aside from the Government is Oppenheimer Developing Market Fund with 4.97% interest:
  - Antam has 152 foreign and foreign institutional shareholders, which account for 59% of the shares trading on the JSX.
  - Antam is held by 113 Foreign Institutions, which together have 21% of Antam's shares.
- The top 5 countries of origin for our foreign shareholders in terms of shares held:
  1 – USA
  2 – Luxembourg
  3 – Switzerland
  4 – Singapore
  5 – France

Top 20 Shareholders (seventy-five percent are foreign investors):

1 - Government of Indonesia	11 – PT Jamsostek (Persero)
2 - Oppenheimer Developing Market Fund	12 – Bank Of New York S/A MLI Inv.
3 - PLN Pension Fund	13 – Merrill Lynch Global Small Cap Fund
4 – State Street Bank USA	14 – JPMCB US Resident (Norbax Inc.)
5 – Pertamina Pension Fund	15 – Pictet and Cie
6 – Bank of New York Europe Ltd.	16 – MS + Co. Intl. Ltd. Client AC
7 – MS & Co. Inc. Client	17 – CB Intl. Plc. (Lux. Branch) S/A WGZ Bank
8 – Citibank Switzerland	18 – PT Askrindo
9 – BBH Luxembourg-South East Asia Fund	19 – SSB Commonwealth THPA
10 – JPMCB UK Residents	20 – Bank of Tokyo-Mitsubishi (Luxembourg)

As at October 29, 2003, the Price-to-Earning ratio was 11.10 with a Price-to-Book Value of 1.16. The dividend yield stood at 2.93% with a 5-year average of 10.4% Antam had an EV/EBITDA of 3.01 and Price-to-EBITDA of 5.14.

PRODUCTION & SALES (please refer to accompanying tables)

Antam's consolidated third quarter sales revenues rose 4% compared to the last quarter, reaching Rp497 billion. The increase is largely due to higher commodity prices. Sales revenue for 3Q03 was impacted by lower sales volume during the quarter due to shifts in shipping schedules for the company's ferronickel and nickel ore deliveries to customers. During the first nine months of 2003, sales revenues reached Rp1,43 billion, a 26% increase compared to last year.

NICKEL

Ferronickel production remained stable during 3Q03 as Antam produced 2,620 tonnes of contained nickel in ferronickel including 197 tonnes via toll smelting. For the first nine months of 2003, Antam produced 498 tonnes of ferronickel via toll smelting with Pacific Metals Co. (Pamco) Japan. Ferronickel production improved after Antam conducted 8-day spot lining repair on FeNi I smelter in January 2003. As well, power output remained optimal after Antam entered into power rental and services contracts with GE Energy Products and GE Energy Rentals.

Ferronickel sales decreased 20% in 3Q03 to 1,949 tonnes of contained nickel in ferronickel. Sales volume was lower than production volume due to changes in shipping schedules. Antam expects the changes in shipping schedules will not affect ferronickel sales for the year and customers' demand can be met during the remaining last quarter of 2003. Antam's ferronickel sales earned Rp147 billion in revenue, an increase of 31% over the same quarter last year on higher selling prices. The average realized nickel price rose 31% to USD4.06 per lbs. compared to the same quarter last year.

Production of saprolite in 3Q03 decreased 7% over 2Q03 to 913,087 wmt. Production decreased as more rain at Pomalaa hampered extraction activities. Production at Gebe increased 5% while saprolite production at Gee increased slightly compared to previous quarter at 261,936 wmt.

Production of limonite, which includes the new product Low Grade Saprolitic Ore (LGSO), increased 5% to 314,501 wmt over the previous quarter. LGSO production reached 185,772 wmt, a decrease of 32% compared to previous quarter as Antam decreased extraction rates to accommodate lower customers' need for LGSO during the quarter. With lower LGSO production, production of limonite from Gebe and Buli increased to 69,225 wmt and 59,504 wmt respectively during the quarter.

Combined saprolite sales reached 479,827 wmt in 3Q03, a decrease of 21% over 2Q03, largely due to decreased production and shifts in shipping schedules. For saprolite and limonite, shipping schedules are determined by the customers and shifts in schedules are sometimes necessary due to a number of factors such as the availability of ships or weather conditions. Consolidated saprolite sales amounted to 1,569,034 wmt during the first nine-month of 2003, a 9% decrease compared to the same period last year. Sales revenue for saprolite reached Rp116 billion during the quarter, a decrease of 15% over 2Q03 on lower sales volume. The weighted average realized saprolite price increased 5% compared to previous quarter to USD28.57 per wmt.

Total sales volume for limonite reached 355,057 wmt, a 20% increase over 2Q03 in line with increased limonite production from Gebe and Buli. LGSO sales decreased 9% over 2Q03 to 182,811 wmt as customers' need for LGSO decreased during the quarter. Combined limonite sales revenue reached Rp41 billion, a 54% increase over previous quarter in line with increased sales volume and higher selling prices. The weighted average selling price of LGSO increased by 4% over previous quarter to USD13.37 per wmt while the average realized selling price for total limonite nickel ore reached USD13.46 per wmt in 3Q03.

The average cash cost of production of ferronickel decreased slightly from USD2.59 per lb. at the end 1H03 to USD2.58 per lb. at the end of 9M03. The cash cost for ferronickel decreased slightly as production improved for the past two quarters of the year. In 1Q03, cash cost of ferronickel was higher due to shut down for repairs.

For SBU Nickel, the cost reduction program saved Rp21 billion in which savings were incurred from raw materials (Rp13 billion), reduction in demurrage (Rp1 billion), and services (Rp942 million).

GOLD

During 3Q03, Antam's gold production was slightly below expectations on lower gold grades and backfill works at Pongkor. Gold production decreased 10% to 966 kg if compared to previous quarter. During the first nine months of 2003, gold production reached 3,074 kg, 74% of the year's budget. Despite a relatively stable gold ore production of 103,013 wmt, decrease in gold production is associated with lower gold grades of 11.09 gpt compared with 12.50 gpt gold grade in 2Q03 and 13.32 gpt gold grade during 1Q03. As well, backfill works at Pongkor also impacted production during the quarter. Meanwhile, inline with increased ore production, silver production increased slightly to 6,878 kg for 3Q03.

Gold sales increased 46% to 1,531 kg over 2Q03 while silver sales increased 5% over the last quarter to 9,168 kg. Increase in gold sales was due to Antam's policy to reduce its inventory inline with higher gold selling prices. The average realized selling price of gold increased 4% over 2Q03 to USD360.58 per t.oz. Combined gold, silver and refinery services generated Rp166 billion, a 44% increase over previous quarter attributed to increased sales and selling prices. Domestic gold sales increased 114% compared to previous quarter to Rp121 billion while domestic silver sales decreased 12% to Rp4 billion as domestic silver sales are charged a value added tax. Export silver sales amounted to Rp8 billion, an increase of 24% compared to previous quarter.

During the September quarter, the cash cost of producing gold was USD188.18 per troy ounce (t.oz.) or 9% higher compared to 2Q03. Increased cash cost is due to lower production as well as ball mill relining works during the quarter. Works on the ball mill took place in September with only minor impact on production. In Rupiah terms, the cash cost increased from Rp1.46 million per t.oz to Rp1.59 million per t.oz. Year-to-date, Antam's cash cost remains competitive of USD167 per t.oz. during the first nine months of the year. Operating margin on SBU Gold remains healthy of 28%.

During the first nine months of 2003, the cost reduction program at SBU Gold resulted in savings of Rp4.1 billion, already exceeding the cost reduction target for the year. Savings were incurred from reduction in plant raw material (Rp1.7 billion), inventory reduction (Rp1.7 billion) and replacement of imported parts with local spare parts (Rp494 million). Antam's SBU Gold also conducted reclamation activities as part of Antam's commitment towards the environment. Reclamation activities reached 61% of the internal target for the first nine months of 2003.

Production and Sales Summary of 3rd Quarter 2003 and 2002

DESCRIPTION		2002		2003			3Q03/ 2Q03	3Q03/ 3Q02	9M03/ 9M02
		3rd Quarter	9 Months	2nd Quarter	3rd Quarter	9 Months			
PRODUCTION VOLUME									
Ferronickel	Ton Ni	2,271	5,985	2,629	2,620	7,049	(0)	15	18
Nickel Ore:									
Saprolite									
- Pomalaa	Wmt	197,189	458,168	326,303	284,655	780,899	(13)	44	70
- Gebe	Wmt	197,645	559,968	129,142	134,980	372,812	5	(32)	(33)
- Gee	Wmt	358,923	921,502	260,261	261,936	791,116	1	(27)	(14)
- Buli	Wmt	200,089	541,033	263,206	231,516	631,749	(12)	16	17
Total Saprolite		**953,846**	**2,480,671**	**978,912**	**913,087**	**2,576,576**	(7)	(4)	4
Limonite									
- LGSO Pomalaa	Wmt	131,314	206,634	274,920	185,772	604,308	(32)	41	192
- Gebe	Wmt	130,150	395,311	25,178	69,225	176,246	175	(47)	(55)
- Buli	Wmt	48,075	185,564	-	59,504	59,504	n.a.	24	(68)
Total Limonite		**309,539**	**787,509**	**300,098**	**314,501**	**840,058**	5	2	7
Total Nickel Ore		**1,263,385**	**3,268,180**	**1,279,010**	**1,227,588**	**3,416,634**	(4)	(3)	5
Gold	Kg	1,194	2,687	1,076	966	3,074	(10)	(19)	14
Silver	Kg	7,750	17,872	6,724	6,878	20,650	2	(11)	16
Bauxite	Wmt	368,073	981,337	309,521	289,109	930,149	(7)	(21)	(5)
Iron Sands									
- Cilacap	Wmt	46,422	146,586	36,490	20,956	93,547	(43)	(55)	(36)
- Kutoarjo	Wmt	43,533	146,275	45,903	33,397	126,298	(27)	(23)	(14)
- Lumajang	Wmt	-	-	-	-	-			
Total Iron Sands	Wmt	**89,955**	**292,861**	**82,393**	**54,353**	**219,845**	(34)	(40)	(25)

DESCRIPTION		2002		2003					
		3rd Quarter	9 Months	2nd Quarter	3rd Quarter	9 Months	3Q03/ 2Q03	3Q03/ 3Q02	9M03/ 9M02
SALES VOLUME									
Ferronickel	Ton Ni	1,840	5,552	2,422	1,949	6,853	(20)	6	23
Nickel Ore:									
Saprolite									
- Pomalaa	Wmt	42,000	169,006	84,179	73,206	196,485	(13)	74	16
- Gebe	Wmt	186,124	495,018	157,282	63,344	318,739	(60)	(66)	(36)
- Gee	Wmt	176,882	528,205	181,662	145,678	503,135	(20)	(18)	(5)
- Buli	Wmt	157,841	524,916	180,830	197,599	550,675	9	25	5
Total Saprolite		**562,847**	**1,717,145**	**603,953**	**479,827**	**1,569,034**	(21)	(15)	(9)
Limonite									
- LGSO Pomalaa	Wmt	140,617	185,111	201,620	182,811	525,984	(9)	30	184
- Gebe	Wmt	46,890	247,599	93,988	112,742	206,730	20	140	(17)
- Buli	Wmt	-	201,637	-	59,504	59,504	n.a.	n.a.	(70)
Total Limonite		**187,507**	**634,347**	**295,608**	**355,057**	**792,218**	20	89	25
Total Nickel Ore		**750,354**	**2,351,492**	**899,561**	**834,884**	**2,361,252**	(7)	11	0
Gold	Kg.	1,424	2,911	1,050	1,531	3,613	46	7	24
Silver	Kg.	8,643	39,610	8,721	9,168	28,066	5	6	(29)
Bauxite	Wmt	300,561	873,550	302,347	253,692	906,468	(16)	(16)	4
Iron Sands:									
- Cilacap	Wmt	48,466	132,376	7,111	13,686	32,060	92	(72)	(76)
- Kutoarjo	Wmt	40,638	139,947	12,141	6,198	40,164	(49)	(85)	(71)
- Lumajang	Wmt	472	12,457	274	2	14,285	(99)	(100)	15
Total Iron Sands	Wmt	**89,576**	**284,780**	**19,526**	**19,886**	**86,509**	2	(78)	(70)

DESCRIPTION		2002		2003					
		3rd Quarter	9 Months	2nd Quarter	3rd Quarter	9 Months	3Q03/ 2Q03	3Q03/ 3Q02	9M03/ 9M02
SALES PRICE									
Ferronickel	US$ /Lb	3.11	2.97	3.73	4.06	3.72	9	31	25
Nickel Ore									
Saprolite									
- Pomalaa	US$/ Wmt	22.49	19.84	22.78	25.94	24.52	14	15	24
- Gebe	US$/ Wmt	17.61	15.89	22.10	24.86	23.26	12	41	46
- Gee	US$/ Wmt	24.70	20.71	30.94	30.29	28.77	(2)	23	39
- Buli	US$/ Wmt	24.05	18.33	30.05	29.46	28.59	(2)	22	56
Average Saprolite		**23.78**	**18.51**	**27.23**	**28.57**	**27.06**	5	20	46
Limonite									
- LGSO Pomalaa	US$/ Wmt	6.81	7.33	12.85	13.37	12.95	4	96	77
- Gebe	US$/ Wmt	4.07	4.46	5.65	15.19	10.85	169	273	143
- Buli	US$/ Wmt	-	5.82	-	10.48	10.48	n.a.	n.a.	80
Average Limonite		**6.21**	**5.73**	**10.56**	**13.46**	**12.22**	27	117	113
Gold	US$/ T.oz	313.76	308.05	347.42	360.58	353.75	4	15	15
Silver	US$/ T.oz	4.98	4.82	4.63	4.92	4.79	6	(1)	(1)
Bauxite	US$/ Wmt	11.62	11.35	10.55	11.57	11.03	10	(0)	(3)
Iron Sands	IDR/ Wmt	79,689	79,072.00	85,381	89,399	85,739	5	12	8
Exchange rate (for revenue)	IDR/ US$	8,995	9,263.00	8,324	8,572	8,588	3	(5)	(7)

DESCRIPTION		2002		2003					
		3rd Quarter	9 Months	2nd Quarter	3rd Quarter	9 Months	3Q03/ 2Q03	3Q03/ 3Q02	9M03/ 9M02
SALES REVENUE (Rp. million)									
EXPORT SALES:									
Ferronickel		112,436	338,457	167,313	147,296	483,475	(12)	31	43
Nickel Ore									
Saprolite									
- Pomalaa		8,567	30,666	15,587	16,091	40,710	3	88	33
- Gebe		29,503	73,903	29,322	13,469	63,851	(54)	(54)	(14)
- Gee		39,388	100,663	46,676	37,501	123,820	(20)	(5)	23
- Buli		34,080	89,573	45,175	48,989	134,271	8	44	50
Total Saprolite		**111,538**	**294,805**	**136,760**	**116,050**	**362,652**	(15)	4	23
Limonite									
- Gebe		1,772	10,344	4,371	14,355	18,726	228	710	81
- Buli		162	11,311	-	5,283	5,283	n.a.	3,161	(53)
- LGSO Pomalaa		8,455	12,284	22,010	20,968	58,817	(5)	148	379
Total Limonite		**10,389**	**33,939**	**26,381**	**40,606**	**82,826**	54	291	144
Gold		93,156	129,716	43,068	28,205	138,470	(35)	(70)	7
Bauxite		31,178	92,416	27,228	24,692	86,348	(9)	(21)	(7)
Silver		5,367	5,367	6,432	7,956	24,097	24	48	349
TOTAL EXPORT REVENUE		**364,064**	**894,700**	**407,182**	**364,805**	**1,177,868**	(10)	0	32
DOMESTIC SALES									
Gold		36,573	138,095	56,521	120,825	214,313	114	230	55
Silver		6,652	52,612	4,824	4,268	13,476	(12)	(36)	(74)
Ferronickel		275	275	293	5	584	(98)	(98)	112
Iron sands		7,138	22,518	1,667	1,778	7,417	7	(75)	(67)
Gold Refining Services		9,715	23,770	5,076	5,208	13,362	3	(46)	(44)
Other		281	782	285	260	740	(9)	(7)	(5)
TOTAL DOMESTIC REVENUES		**60,634**	**238,052**	**68,666**	**132,344**	**249,892**	93	118	5
TOTAL SALES REVENUE		**424,698**	**1,132,752**	**475,848**	**497,149**	**1,427,760**	4	17	26

DESCRIPTION		2002		2003					
		3rd Quarter	9 Months	2nd Quarter	3rd Quarter	9 Months	3Q03/ 2Q03	3Q03/ 3Q02	9M03/ 9M02
EXPORT SALES (Thousand US$)									
Ferronickel		12,587	36,352	19,878	17,436	56,123	(12)	39	54
Nickel Ore									
Saprolite									
- Pomalaa		945	3,354	1,918	1,899	4,818	(1)	101	44
- Gebe		4,278	7,868	3,476	1,574	7,417	(55)	(63)	(6)
- Gee		4,369	10,937	5,620	4,413	14,473	(21)	1	32
- Buli		3,795	9,620	5,433	5,822	15,747	7	53	64
Total Saprolite		**13,387**	**31,779**	**16,447**	**13,708**	**42,452**	(17)	2	34
Low grade									
- LGSO Pomalaa		958	1,356	2,590	2,444	6,812	(6)	155	402
- Gebe		191	1,104	531	1,712	2,243	222	796	103
- Buli		16	1,174	-	624	624	n.a.	3,800	(47)
Total Limonite		**1,165**	**3,634**	**3,121**	**4,780**	**9,679**	53	310	166
Gold		10,261	14,321	5,071	3,386	15,925	(33)	(67)	11
Bauxite		3,493	594	3,191	2,935	9,996	(8)	(16)	1,583
Silver		593	9,914	730	944	2,761	29	59	(72)
TOTAL EXPORT REVENUES		**41,486**	**96,593**	**48,438**	**43,189**	**136,936**	(11)	4	42

A NOTE ON NICKEL PRICING:

Sometimes you'll notice slight changes in the nickel prices of the current and previous quarter, in the corresponding quarterly reports (i.e. the price of low grade nickel ore for 1Q02 as reported in the 1Q02 quarterly report is different from as reported in the 2Q02 quarterly report). This is because the latest figures reflect the prices of our nickel products as invoiced to customers in a professional invoice. Later, after the shipment arrives the cargo is re-analyzed for moisture content and nickel grade and the price may increase of decrease in the final invoice.

FOR YOUR REFERENCE:

The nickel ore price is calculated as follows:

- 1 WMT X Ni Content (2.24% to 2.28%) X MC (100-35%) X 2204.62 X LME price/lb X payable nickel (ave. 24%).
- The nickel payable is the discount to the nickel spot price, as the nickel must be extracted from the ore.
- For high-grade the LME price that is used is the average price from the previous quarter.

1 ton of nickel in ferronickel is equivalent to about 75 wmt of ore.

Hedge Book and Revenue

As at June 30th 2003, Antam had closed and fully repaid the Gold Project facility for an aggregate maximum gold value of USD 61,600,000. The facilities were obtained in 1996 to finance the expansion of the Pongkor Gold Mine. In line with the project completion and full repayment of the loan, as at September 30, 2003 Antam was not bound to any hedging contract.

EXPLORATION

COMPETENT PERSON

Where in the following report there are statements that relate to Antam's Mineral Resources or Ore Reserves, they are based on and accurately reflect information that has been compiled by Mr. Trenggono Sutioso. Mr. Sutioso is a member of the Australasian Institute of Mining and Metallurgy and has the appropriate experience to be considered a Competent Person as defined in the Australasian Code for Reporting on Identified Mineral

In 3Q03, Antam continued to focus its exploration activities on lateritic nickel, gold as well as bauxite in Indonesia. Total exploration expenditures excluding joint ventures decreased 27% compared to previous quarter to Rp10.67 billion on lower lateritic nickel drilling activities.

NICKEL

Antam continued infill-drilling activities of lateritic nickel on Buli – Halmahera prospects to increase the mineral resources classifications. Antam utilized single tube core barrel with a space of 100 meter and 25 meters for the drilling programs, in which any mineral resources, which was found within a space of 25 meters, would be classified as measured mineral resources. Antam conducted 13,500 meters of drilling which resulted in 13,500 samples. All samples would be assayed with XRF method.

Antam also conducted exploration activities on Block A and P4P5 prospects of Mornopo. Mine planning is currently underway to prepare Mornopo as Antam's new nickel mine. Mine planning activities during the September quarter in Mornopo include detailed study of social aspects and mine design.

Exploration activities were also conducted on Tapunopaka and Mandiodo prospects area of South East Sulawesi with infill drilling program. The development of the Tapunopaka and Mandiodo nickel deposits is expected to benefit Antam in terms of lower transportation costs as both prospects are at shorter distance to Pomalaa compared to Buli-Halmahera's distance.

GOLD

Antam targeted its gold exploration at the high-grade epithermal vein system at Pongkor and Cikidang. Activities included continued core drilling programs on Antam's existing gold mine of Pongkor and Cikidang. During the quarter, Antam conducted 960 meter of drilling but no significant gold grade was observed from the core samples.

Antam also continued gold exploration on the grass root area with surface exploration in Java, Sumatera and Halmahera Island. Antam had found indication of gold mineralization on some of these areas and intends to continue the detailed surface exploration.

BAUXITE

Antam continued exploration activities of bauxite on Tayan – West Kalimantan with infill test pitting to increase the mineral resources classifications. Antam also conducted bauxite exploration on Riau and the surrounding of Antam's existing Kijang mine. No significant deposit was observed during the quarter.

DEVELOPMENT - Corporate

Antam received a "B" corporate credit rating with a stable outlook from Standard and Poor's Rating Service

On August 26, Antam announced it has received a "B" corporate credit rating with a stable outlook from Standard and Poor's Rating Service (S&P). S&P commented on Antam's position as a vertically integrated mining company. Activities including exploration, mining and refining provide Antam with the operational diversity to its business profile, and stability in its operating costs and supply procurement. Additionally, Antam maintains a well-established reputation at proving up resources and operating in difficult social and economic circumstances

Antam enters final stages to begin construction of FeNi III nickel expansion project

On August 28, Antam announced it has entered final stages to begin construction of its ferronickel expansion project, FeNi III. Antam has signed the Engineering, Procurement and Construction (EPC) contract with an unincorporated consortium of Mitsui Co. and Kawasaki Heavy Industries Ltd. from Japan for the development of the smelter. As well, Antam is currently negotiating with power plant contractor for the development of the new power plant. Antam has also decided to re-modify the project, by changing the development concept to include investment in both the new smelter and power plant.

Antam forms SPV in Mauritius

On September 4, Antam formed a SPV (special purpose vehicle) in Mauritius namely Antam Finance Ltd. to help Antam to raise funds for the FeNi III nickel expansion project.

Antam receives Best Good Corporate Governance (GCG) Implementation Award

On September 17, Antam received the Best Good Corporate Governance (GCG) Implementation Award jointly held by the Ministry of State-owned Enterprise and the University of Indonesia. The achievement reflects to all of Antam's stakeholders that it remains committed in implementing good corporate governance policies as a way in increasing its shareholders' value.

Antam Finance Ltd. issued USD200 million notes

On September 30, Antam's Mauritius-based subsidiary, Antam Finance Ltd., issued USD200mn notes at the rate of 7.375% per year, payable semi-annually in arrears on September 30 and March 30 of each year, commencing March 30, 2004. The notes have a maturity date of September 30, 2010 and are direct, general and unconditional obligations of the Issuer and rank *pari passu* in right of payment to all existing and future unsecured and unsubordinated indebtness of the Issuer.

DEVELOPMENT – Joint Ventures

PT NUSA HALMAHERA MINERALS (Antam 17.5%)
The tempo of drilling at Gosowong district increased, with results reported this quarter for 15 holes at Kencana and 19 holes from Kayu Manis and BOD prospects at Toguraci.

At Kencana, resource definition drilling on a nominal 25x25m pattern continued between sections 19850N and 20000N, to facilitate a resource estimate in early 2004. This drilling is expected to be completed in the December quarter.

At Toguraci, the search continued for additional mineralization to supplement that identified in the Midas and Damar deposits.

Drilling on the Kayu Manis structure is producing encouraging results with high-grade mineralization recorded from near surface to a depth of almost 150m over a distance of more than 100m, to within 100m of the southern margin of the proposed Midas-Damar pit. The mineralization remains open in this direction.

Immediately to the west of the southern boundary of the proposed Midas-Damar pit at Toguraci, drilling of the BOD mineralization has continued to intersect apparently erratically-distributed high grade gold mineralization.

Preparation for the development of Toguraci continued with further site preparation and road access activities. Equipment for the mining phase has begun to arrive on site. Pre-strip will commence in October 2003 with ore production commencing in December 2003.

PT DAIRI PRIMA (Antam 20%)

In August 2002, Herald completed a plan of arrangement with International Annax Ventures Inc, moving to 100% ownership of that company and hence a direct 80% ownership of the Dairi Project.

The Pre-feasibility Study based on the development of the Anjing Hitam Resources has proved particularly successful in demonstrating that a stand-alone operation at Anjing Hitam could provide a good rate of profitability over 61/2 years duration, while future exploration would hopefully demonstrate further substantial resources that could be mined and concentrated using the fully amortized plant. As a result, the Company has decided to commence a Bankable Feasibility Study ("BFS"), due for completion in the second quarter of 2004

Extracted from Herald Resources Annual Report, released October 24, 2003:

"Six years of hard work at our Dairi Zinc/Lead Project in North Sumatra has culminated in a very positive prefeasibility study outcome. With an internal rate of return (IRR) of 31%, a capital payback period of 2.5 years and operating costs of 30¢/lb, the project appears quite robust and we are now looking forward to the bankable feasibility study confirming these numbers. The numbers are based solely on the resources at the Anjing Hitam deposit, with the Directors confident that significantly more ore will become available from other sources with further exploration."

"We have been fortunate in obtaining some new internationally based shareholders, who have recognized the value of the Dairi assets. Their recent investment via a $3M placement will help finance the feasibility studies now in progress and general working capital."

PT GAG NIKEL (Antam 25%)

The forestry issue remains unresolved and the project remains on a care and maintenance status. Site activities continued to be confined to environmental monitoring/erosion control, maintenance of buildings and other facilities, and continued but limited support of the community. Sorong office continued providing logistics to site, maintenance of assets and government liaison. In safety aspect, the audit on the PT Gag Nikel speedboat that had recently been refurbished was undertaken by MCS Singapore. Other highlight is the environmental aspect, i.e. preparation for chlorine disposal.

The expenditures for the quarter were USD 84,182.

PT WEDA BAY (Antam 10%)

On September 23, 2003 Weda Bay Minerals Inc. announced two financing arrangements. In a non-brokered private placement Weda Bay agreed to issue 3,000,000 shares at $0.14 per share to raise gross proceeds of $420,000. This placement was expected to close September 30, 2003. Four Company insiders have advanced a total of US$85,000 against an unsecured convertible debenture due December 31, 2003 and convertible to common shares of the Company at $0.14 per share for a total of 850,000 common shares.

Proceeds will be used to continue the ongoing efforts towards the development of the Company's laterite nickel deposit at Halmahera, Indonesia. This property contains a total measured, indicated and inferred resource within the Weda Bay Contract of Work, comprising an independent estimate of the Santa Monica deposit and the Company's estimates for all other areas, of 215 million dry tonnes of 1.35% nickel and 0.11% cobalt with potential for a further 300 million dry tonnes. These world class resources, in combination with outstanding logistics, including proximity to the coast, an excellent port site, abundant fresh water and the existence of high quality limestone within the Contract of Work area contribute to the expectation of a large, low cost operation.