

## TABLE OF CONTENTS

<b>COVER PAGE .....</b>	<b>I</b>
<b>AUTHORIZATION PAGE .....</b>	<b>II</b>
<b>STATEMENT OF AUTHENTICITY OF WRITTEN THESIS.....</b>	<b>III</b>
<b>ACKNOWLEDGMENT .....</b>	<b>IV</b>
<b>TABLE OF CONTENTS.....</b>	<b>V</b>
<b>LIST OF TABLES.....</b>	<b>VII</b>
<b>LIST OF FIGURES .....</b>	<b>VIII</b>
<b>LIST OF SYMBOLS AND ABBREVIATION .....</b>	<b>IX</b>
<b>ABSTRACT.....</b>	<b>XI</b>
<b>ABSTRAK.....</b>	<b>XII</b>
<b>CHAPTER 1 INTRODUCTION.....</b>	<b>1</b>
1.1. BACKGROUND .....	1
1.2. PROBLEM STATEMENT.....	3
1.3. RESEARCH QUESTION .....	4
1.4. RESEARCH OBJECTIVE .....	4
1.5. RESEARCH CONTRIBUTIONS.....	4
1.6. RESEARCH SCOPE.....	5
1.7. SYSTEMATIC OF WRITING .....	5
<b>CHAPTER 2 RELATED LITERATURES.....</b>	<b>6</b>
2.1. MINING PROJECT EVALUATION TECHNIQUE .....	6
2.2. SUSTAINABILITY IN THE MINING INDUSTRY .....	7
2.3. ESG RISKS.....	8
2.4. UNCERTAINTY IN THE MINING INDUSTRY .....	10
2.5. RISK AND UNCERTAINTY DISTINCTION .....	13
2.6. MINING PROJECTS VALUATION APPROACH .....	13
<b>CHAPTER 3 RESEARCH METHODS.....</b>	<b>16</b>
3.1. RESEARCH DESIGN .....	16
3.2. DATA COLLECTION.....	16
3.2.1. Coal Prices .....	17
3.2.2. Technical data .....	17

3.2.3.	Financial data .....	18
3.3.	METHODS .....	19
3.3.1.	Binomial Event ( <i>Espinoza &amp; Rojo, 2017</i> ) .....	19
3.3.2.	Probability Distribution Concept ( <i>Espinoza &amp; Rojo, 2017</i> ) .....	23
3.3.3.	Weighted Average Cost of Capital (WACC) .....	25
3.3.4.	Monte-Carlo simulation .....	26
3.3.5.	Net Present Value .....	27
3.3.6.	Perpetual Business Valuation .....	28
3.4.	COMPANY PROFILE OF THE CASE STUDY .....	30
<b>CHAPTER 4</b>	<b>RESULTS AND DISCUSSION.....</b>	<b>32</b>
4.1.	DATA DESCRIPTION .....	32
4.1.1.	Coal Price .....	32
4.1.2.	Technical Data .....	34
4.1.3.	Financial Data .....	34
4.2.	ENVIRONMENTAL RISK QUANTIFICATION .....	36
4.3.	SOCIAL RISK QUANTIFICATION .....	38
4.4.	GOVERNANCE RISK QUANTIFICATION .....	40
4.5.	PRICE UNCERTAINTY ANALYSIS THROUGH MONTE-CARLO SIMULATION ..	41
4.6.	A CASE STUDY: PT BUKIT ASAM, TBK. ....	43
4.7.	DISCUSSIONS .....	46
4.7.1.	ESG risk Quantification .....	46
4.7.2.	Risk profiling under MCS framework .....	47
4.7.3.	Applying the proposed approach in the PTBA stock valuation .....	48
<b>CHAPTER 5</b>	<b>CONCLUSION AND SUGGESTION.....</b>	<b>50</b>
5.1.	CONCLUSION .....	50
5.2.	LIMITATIONS .....	51
5.3.	SUGGESTIONS .....	51
<b>REFERENCES.....</b>		<b>52</b>