



# PT Merdeka Copper Gold Tbk

Investor Presentation

January 2021

# Table of Contents

---

1. Introduction
2. Producing Assets and Development Projects
3. Appendix

# Disclaimer

This presentation has been prepared by PT Merdeka Copper Gold Tbk (“Merdeka” or “MDKA”) and consists of written materials/slides for a presentation concerning Merdeka. By reviewing/attending this presentation, you agree to be bound by the following considerations:

No representation or warranty (express or implied) is made as to the fairness, accuracy, or completeness of the information contained in the presentation or of the views, opinions and conclusions contained in the material. To the maximum extent permitted by law, Merdeka and its related entities, and its respective Directors, officers, employees, agents and advisors disclaim any liability for any loss or damage arising from any use of this material or its contents, including any error or omission there from, or otherwise arising in connection with it.

Some statements in this presentation are forward-looking statements. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, estimated revenues and reserves, targets are cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Merdeka’s control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements which speak only as at the date of the presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, Merdeka does not undertake any obligation to publicly release any updates or revisions to any forward looking statements contained in this presentation, whether as a result of any change in Merdeka’s expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

Neither the provision of this document nor any information contained in this document or subsequently communicated to any person in connection with this document is, or should be taken as, constituting the giving of investment advice to any person.

This presentation is intended for a limited number of institutional investors for their exclusive use on a confidential basis. This is not an offer or invitation to invest in any securities of Merdeka. Merdeka does not undertake any obligation to update any information in this presentation. All information herein should be regarded as indicative and for illustrative purposes only and is subject to change.

# Introduction

---

**MERDEKA**  
COPPER GOLD

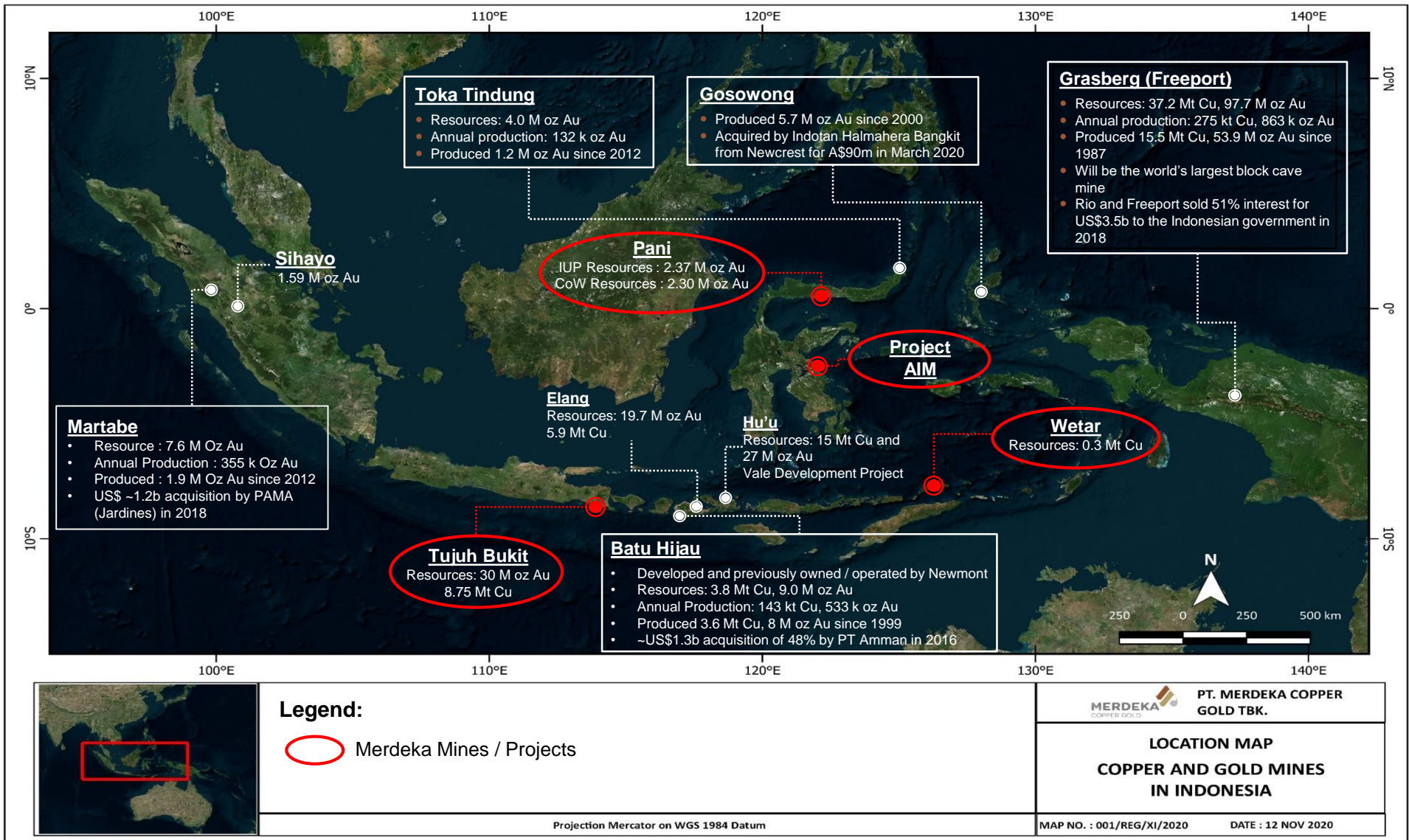


# Merdeka: Introduction

<p><b>5 Main Assets</b></p>		<p>MDKA today consists of five main assets, which are in order of importance, as follows:</p> <ol style="list-style-type: none"> <li>1. Tujuh Bukit Copper/Gold Project (“TB Copper Project”)</li> <li>2. Wetar / Morowali Acid Iron Metal (“AIM Project”) – new expansion project</li> <li>3. Pani Joint Venture (“Pani JV Gold Project”) – new expansion project</li> <li>4. Tujuh Bukit Gold Production (“TB Gold mine”)</li> <li>5. Wetar Copper Production (“Wetar Copper mine”)</li> </ol>
<p><b>Merdeka’s Competitive Advantage</b></p>	<p><b>Established &amp; Proven Gold &amp; Copper Operations</b></p>	<ul style="list-style-type: none"> <li>• In 2019 TB Gold mine produced 223,042 ounces of gold at US\$620 all in sustaining cost (“AISC”)</li> <li>• YTD Q3 2020 TB Gold mine produced 151,820 ounces of gold at US\$626 AISC</li> <li>• On 12 September 2020, a portion of the ore that was stacked on the front face of the heap leach pad subsided at TB Gold mine. This event will impact production for the 2020 and 2021 years.</li> <li>• In 2019 Wetar produced 16,777 tonnes of copper at US\$1.86/lb AISC</li> <li>• In Q1 2020 a strategic review of Wetar was initiated. As anticipated, YTD Q3 2020 Wetar production was lower at 4,360 tonnes and cost were higher at US\$4.27/lb AISC.</li> <li>• Development of the Partolang open pit commenced in Q4 2020 and is expected to improved copper production in 2021</li> <li>• Strong safety, environmental and community relations credentials. 1 Long Term Injury (LTI) in past 2 years with 27 million hours worked</li> </ul>
	<p><b>3 Transformational Development Projects Underpinned by Substantial Resources</b></p>	<ul style="list-style-type: none"> <li>• TB Copper Project is a “world class” orebody with the potential in the long term to produce 70,000 to 90,000 tonnes of copper and 200,000 to 300,000 ounces of gold per annum for more than 20 years. Pre-feasibility study to be completed in Q4 2021</li> <li>• AIM Project is a multi-commodity development project expected to produce more than US\$200m of revenue per annum over 20 years. Results of the feasibility study are expected to be announced in January 2021</li> <li>• Combined resources at the Pani JV Project have the potential to produce in excess of 250,000 ounces of gold per annum for more than 15 years. Rapid open pit CIL development</li> <li>• Geologically, Indonesia possesses rich mineral resources and is a significant player in the global mining industry with a track record of developing successful projects</li> </ul>
	<p><b>Strong Cash Generation and Ability to Finance and Develop Projects</b></p>	<ul style="list-style-type: none"> <li>• Developed Tujuh Bukit gold on target and has historically consistently exceeded guidance and generated strong cashflows.</li> <li>• Strong cornerstone shareholders who have significant experience in developing growth businesses in Indonesia</li> <li>• Capacity to fund growth with multiple well supported international bank financings achieved</li> </ul>

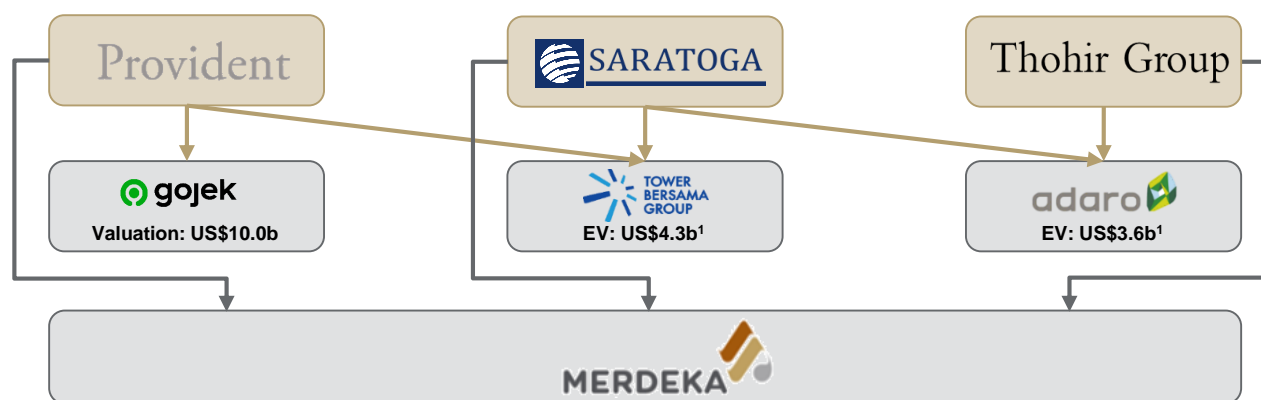
# Merdeka: Indonesia - Right Geological Address

Indonesia continues to be a significant player in the global mining industry, with significant production of coal, copper, gold, tin and nickel including leading gold and copper assets such as Grasberg, Tujuh Bukit, Batu Hijau and Martabe



# Merdeka: Strong and Reliable Indonesian Shareholders

## Existing Shareholding Structure



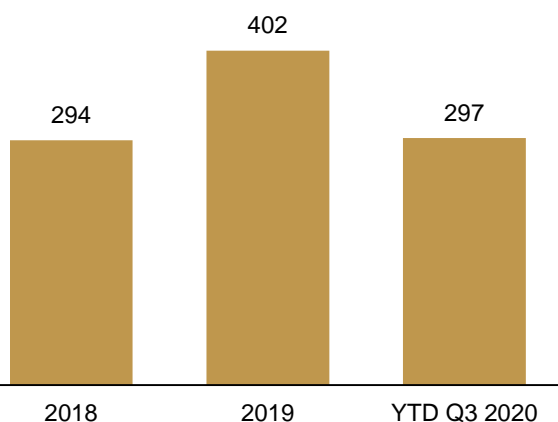
<p>1</p> <p><b>Track Record in Growing and Financing Indonesian Corporates</b></p>	<p>The shareholders collectively have rich experience in leading and growing businesses in Indonesia, ranging from dynamic tech platforms (Gojek) to well established corporates (i.e. Tower Bersama and Adaro). As a result, the shareholders have established strong relationships with key external stakeholders and have gathered valuable experience leading companies to growth within the country</p>
<p>2</p> <p><b>Strong Governmental, Regulatory and Local Ties</b></p>	<p>The shareholders have decades of experience in obtaining permits across Indonesia for their various operating companies including Adaro (portfolio of coal mines), Tower Bersama (tower development in all 34 provinces) and Provident Agro (which had 40,000 Ha of palm oil plantations), demonstrating their ability to resolve community issues and work with national and local governments to develop projects across multiple industries</p>
<p>3</p> <p><b>Excellent Corporate Governance and Investor Relations</b></p>	<p>Reputation for maintaining excellent corporate governance and reporting standards (in the case of Merdeka, voluntary adoption of ASX reporting requirements for Reserves and Resources, as well as quarterly reporting) has attracted quality investors globally in both debt and equity capital markets, achieving overall lower cost of funds and strong support</p>
<p>4</p> <p><b>Low Risk of Divestment under Indonesia Mining Law</b></p>	<p>The Indonesian Mining Law requires foreign shareholders to gradually divest portions of their shareholdings by making initial offers to the central Government of the Republic of Indonesia, regional or municipal governments. With the major shareholders being 100% Indonesian-incorporated or by citizenship, it minimizes the risk of divestment requirements</p>

Note:

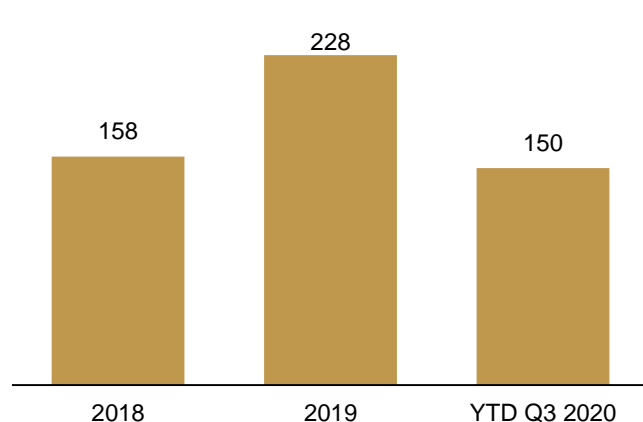
1. Market cap as at 31 December 2020; net debt as at 30 September 2020

# Merdeka: Sound Financial Position

## Revenue (US\$m)



## EBITDA (US\$m)



## Hedging

Gold	2021	3,000 oz at US\$1,775 / oz
Copper	2021	Nil

## Debt

### 1 TB Opco (PT BSI)

- US\$200m syndicated facility of 8 international banks
- Closed October 2018
- 3 year amortizing corporate facility maturing in Q1 2022
- Libor + 3.5%
- US\$100m outstanding balance as at 31 December 2020



### 2

### Merdeka Holdco

- 1<sup>st</sup> tranche<sup>1</sup> of IDR Bond equivalent to US\$96m bond closed 30 July 2020
  - 1 year: US\$46m at USD 3.83%
  - 3 years: US\$50m at USD 5.10%
- 2<sup>nd</sup> tranche of Rp300b (or equivalent to ~US\$20m) closed in September 2020
  - 1 year<sup>2</sup>: US\$10m at USD 4.30%
  - 3 years: Rp151b at IDR 10.25%

### IDR Bond

## Comments

- Strong cash flow generation with consolidated EBITDA of US\$228 m for 2019
- Cash position of US\$84m as at 30 September 2020
- Modest hedging with significant exposure to upside in gold and copper given large resource base
- Analyst coverage from Argonaut, Bahana, BNI, Ciptadana, Citi, CLSA, Credit Suisse, Indopremier, Macquarie, Mandiri, Panin, RHB, Sucor, Trimegah
- From 30 November 2020 MDKA has been added to the MSCI Indonesia Index, as one of constituents for the MSCI Global Standard Indexes.

#### Note:

1. Originally Rp1.4T swapped to ~US\$96m:
  - 1 year: Rp674b at IDR 8.9%, swapped to ~US\$46m at USD 3.83%
  - 3 years: Rp726b at IDR 10.5%, swapped to ~US\$50m at USD 5.10%
2. Originally Rp149b at 8.25% swapped to ~US\$10m at USD 4.30%



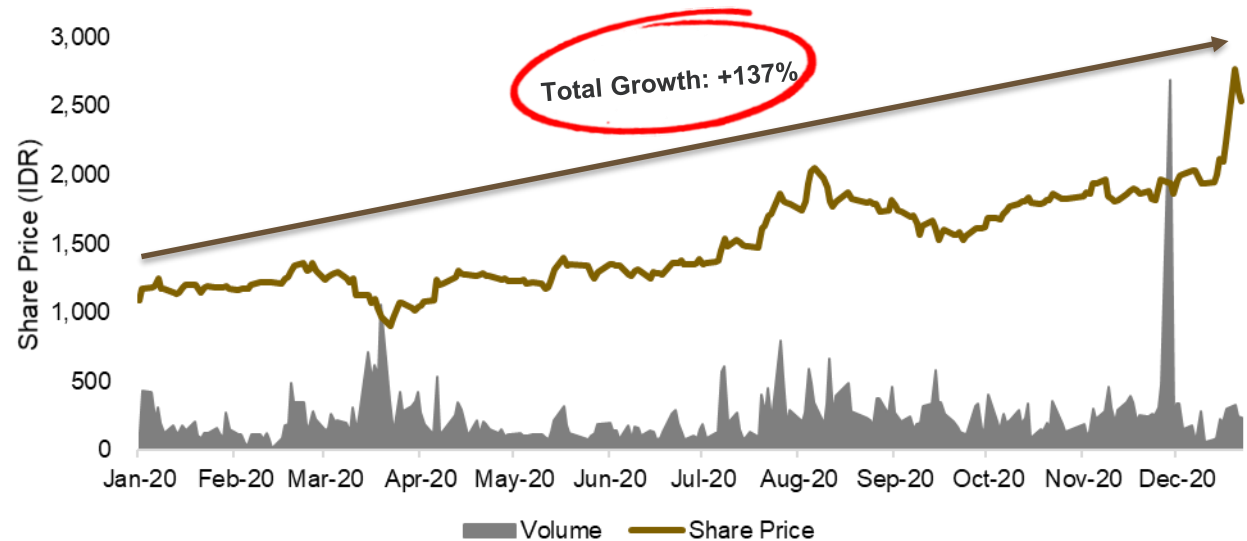
# Merdeka: Share Price and Liquidity



## Current Capitalization

Share Price (IDR) <sup>1</sup>	2,540
Shares Outstanding (m)	21,898
Market Cap (IDR)	IDR55.62t
<b>Market Cap<sup>1</sup></b>	<b>~US\$3.89b</b>
Net Debt <sup>2</sup>	US\$140m
<b>Enterprise Value</b>	<b>~US\$4.03b</b>

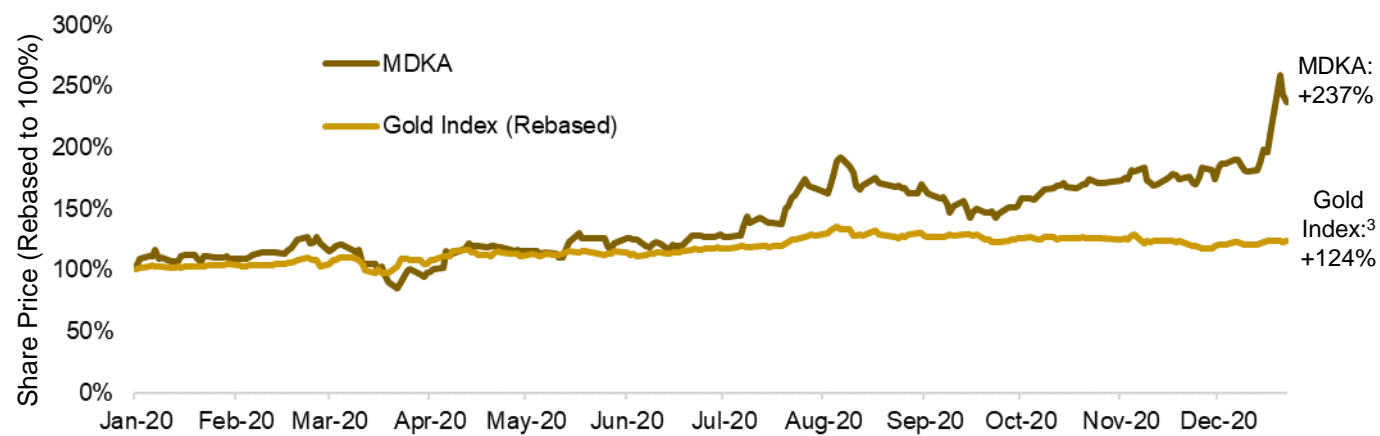
## 12 Month Share Price Performance



## Trading Volume

	Average Daily Trading Volume (US\$m)
<b>1 month</b>	12.78
<b>6 months</b>	14.23
<b>12 months</b>	10.37

## 12 Month MDKA Performance vs Gold Index



Note:

1. Share price information as at 31 December 2020
2. Using cash balance and debt number as of 30 September 2020
3. GC: Comex Gold futures

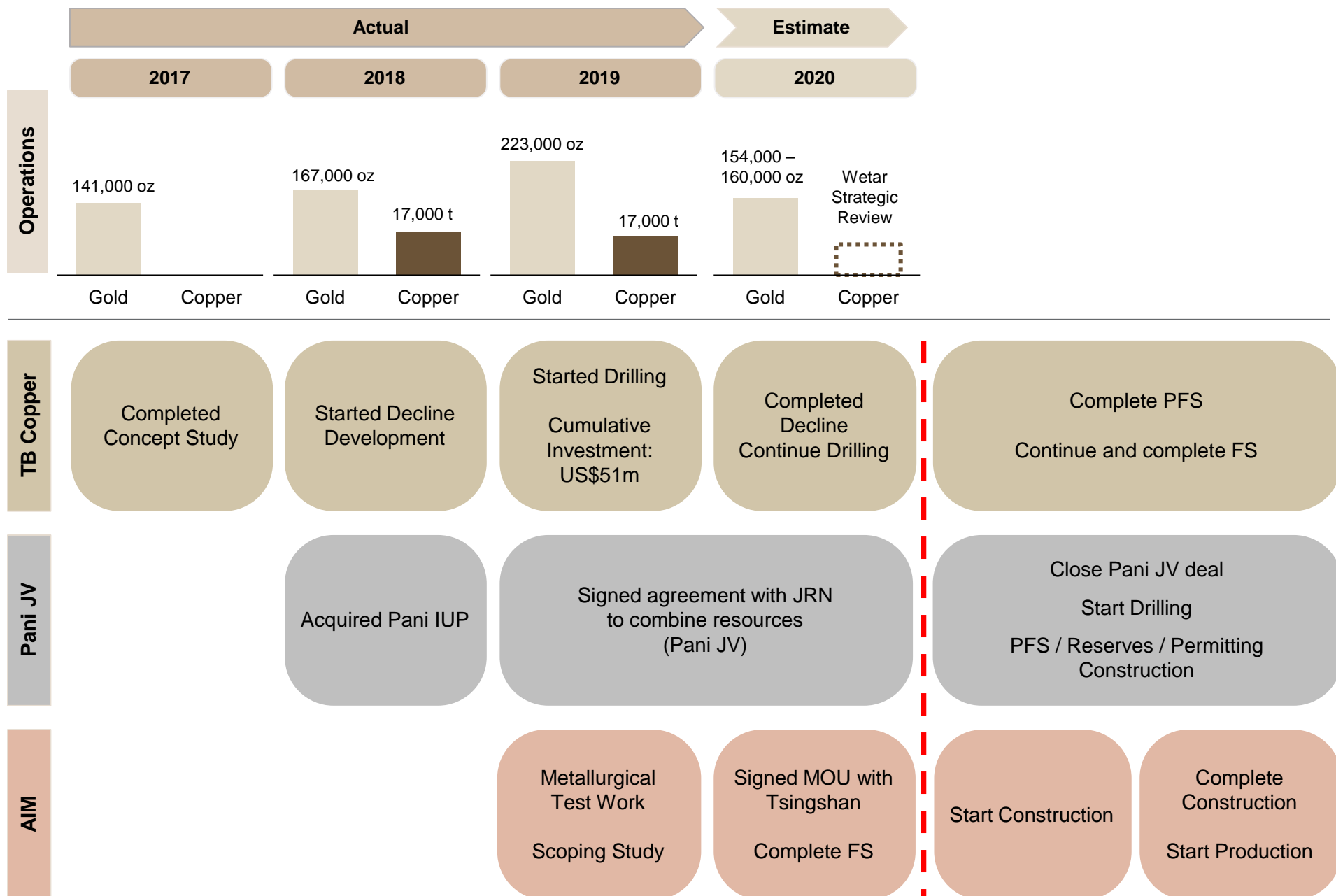
# Merdeka: Management with Significant Industry Experience



The management team comprises a group of individuals with rich experience within the industry and within their individual business functions

	Experience
<b>Simon Milroy</b>	<ul style="list-style-type: none"> <li>• More than 30 years of experience in mining sector including exploration, feasibility studies, permitting, financing, construction, operations and closure</li> <li>• Previously the GM Corporate Development and Exploration in PanAust</li> </ul>
<b>David Fowler</b>	<ul style="list-style-type: none"> <li>• Accountant with more than 25 years of experience in mining sector</li> <li>• Held CEO / CFO positions for listed mining companies in Australia, South America and Indonesia</li> </ul>
<b>Gerick Mouton</b>	<ul style="list-style-type: none"> <li>• More than 20 years experience in strategic mine development, implementation and execution of multifaceted capital-intensive mining projects on the African continent</li> <li>• Previously Senior Vice President in Ivanhoe Mines Ltd</li> </ul>
<b>Zach Casley</b>	<ul style="list-style-type: none"> <li>• More than 25 years of experience gained from a variety of roles in operational mines, consulting, mining finance and corporate management including roles at Macquarie and Newcrest Mining</li> <li>• Zach is a Fellow of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists</li> </ul>
<b>James Francis</b>	<ul style="list-style-type: none"> <li>• More than 30 years of experience in mining sector including exploration geology to mapping &amp; interpretive skills, resource estimation, project development, drill design-planning-and implementation, open cut mining, underground mining, general management of operations and Health, Safety and Environment</li> </ul>
<b>Peter Scanlon</b>	<ul style="list-style-type: none"> <li>• More than 20 years of experience with Thiess</li> <li>• Previously the Head of Construction at Thiess Indonesia</li> </ul>
<b>Devin Ridwan</b>	<ul style="list-style-type: none"> <li>• More than 10 years experience as Director/CFO at PT Provident Agro Tbk</li> <li>• CFA charter holder with more than 20 years of relevant professional experience</li> </ul>
<b>Boyke Abidin</b>	<ul style="list-style-type: none"> <li>• More than 30 years experience in mining sector including government affairs, community affairs, asset protection and corporate communication</li> </ul>
<b>Tri Boewono</b>	<ul style="list-style-type: none"> <li>• More than 10 years of experience as President Director at PT Provident Agro Tbk</li> <li>• More than 25 years of relevant professional experience</li> </ul>
<b>Gavin Caudle</b>	<ul style="list-style-type: none"> <li>• Founding shareholder of Provident Capital</li> <li>• Former Partner at Arthur Andersen and Head of M&amp;A / Private Equity at Citigroup / Salomon Brothers for Indonesia</li> </ul>

# Merdeka: Milestone



# Producing Assets and Development Projects

---

**MERDEKA**  
COPPER GOLD



# TB Gold Mine

## Production Information

Mining Method	Conventional Open Pit
Metals	Gold and Silver
Mineralisation Type	High Sulphidation Epithermal
Process Method	Oxide Heap Leach
Recovery	Gold 79% and Silver 13%
Oxide Mineral Reserves <sup>1</sup>	0.9 Moz Au contained; 35 Moz Ag contained
Oxide Mineral Resources <sup>1</sup>	2.4 Moz Au contained; 90 Moz Ag contained
Workforce	2,400 employees and contractors

## Operational & Financial Performance

	Unit	2018 Actual	2019 Actual	YTD Q3 2020 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	5.3	7.4	6.7
Waste Mined	M Tonnes	9.4	8.4	5.7
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	M Tonnes	4.9	7.4	5.8
Recovered Metal	Au oz	167,506	223,042	151,820
<b>Financials</b>				
Cash Costs	US\$/oz	374	409	395
All-in Sustaining Costs	US\$/oz	596	620	626
Sales	US\$m	235	312	294
Operating EBITDA	US\$m	155	201	172

## Open Pit Mining



## Heap Leach



<sup>1</sup> Source: Company filings. Resources and reserves information as at 31 December 2019 (<http://www.merdekaoppergold.com/en/assets/resources-and-reserves>)

# TB Gold Mine: Heap Leach Slump

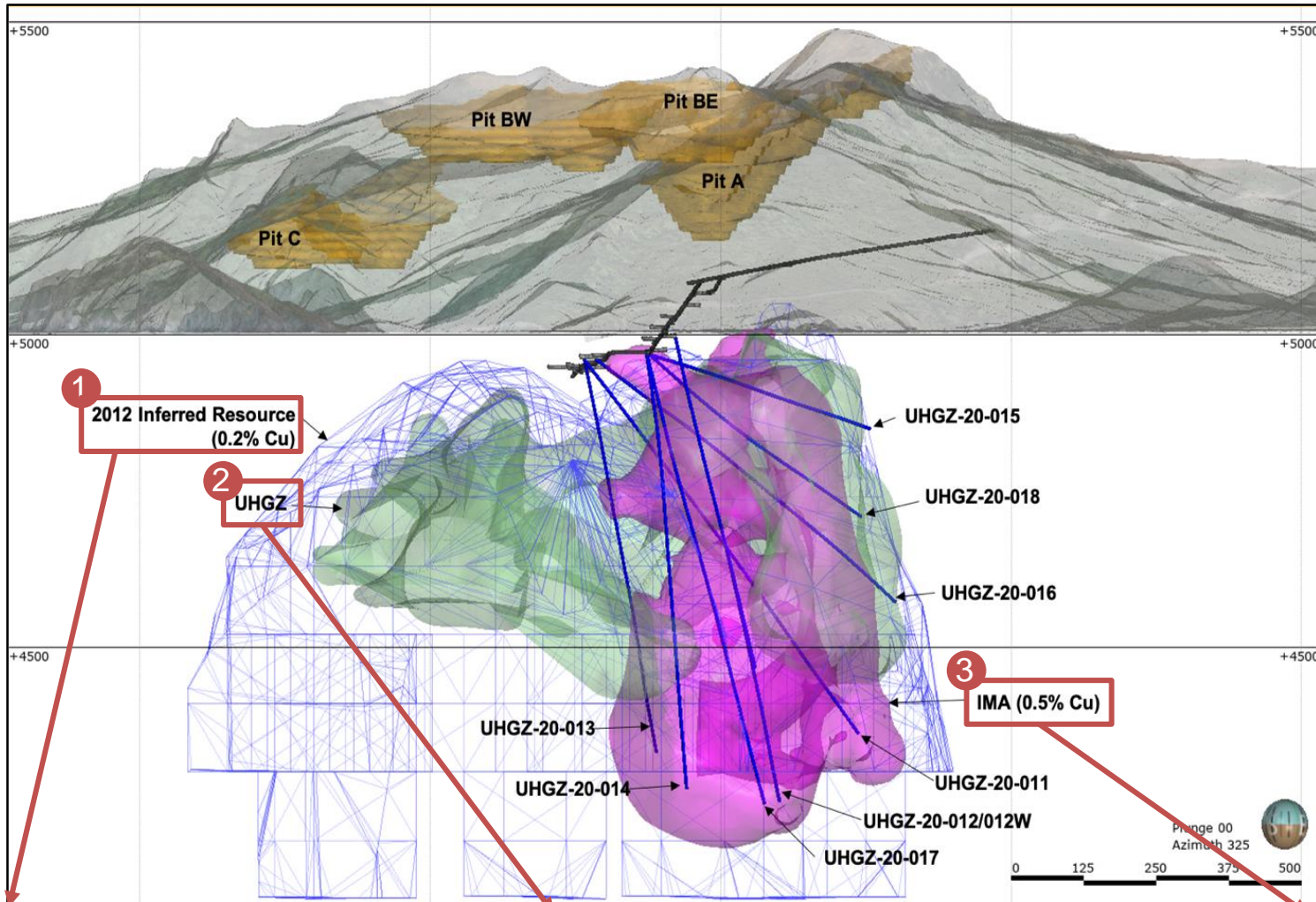
On 12 September 2020, a portion of the ore that was stacked on the front face of the heap leach pad subsided (the “incident”). There were no injuries to personnel or environmental impacts.

Cause of Slump	Remediation Plan	Production Impact
<ul style="list-style-type: none"> <li>• Lower lifts of the heap leach pad had become saturated due to a high level of fines (confirmed by drilling)</li> <li>• This reduced the hydraulic conductivity of the ore and the ore strength leading to the slump</li> <li>• Investigation into the reason for high fines is ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Recovery of pumps, piping and other key infrastructure that was used to irrigate the leach pads</li> <li>• Relocation of recently stacked ore from lift 7 on pad A to pad B</li> <li>• Use of spent ore from lift 6 of pad A and B to create a large buttress at the base of the heap leach pad to increase stability</li> <li>• Remediation of the slip area on pad A with a new liner being placed on lift 5 of pad A.</li> </ul>	<ul style="list-style-type: none"> <li>• Q4 2020 low production processing solutions drawn down from pads</li> <li>• Q1 2021 irrigation restarts on Pad B (has commenced)</li> <li>• Q2 stacking commences on Pad A</li> <li>• Beginning of Q3 irrigation begins on Pad A and Pad B, return to normal operations</li> <li>• Mining will match stacking requirements</li> <li>• Expect to expand pads and to introduce inter-lift drainage for future operations</li> <li>• Remediation cost estimate and production forecast for 2021 expected to be released early February 2021</li> </ul>
<p><b>Insurance</b></p>	<ul style="list-style-type: none"> <li>• Material damage and business interruption insurance policies in place</li> <li>• Claim lodged, loss adjuster appointed</li> <li>• Cause investigation nearing completion</li> <li>• Expect incident to be covered, quantum of claim to be determined</li> </ul>	

# TB Copper Project

## Leading Underground Copper/Gold Deposit

### Perspective View: Upper High Grade Zone (“UHGZ”) and Initial Mining Area (“IMA”)



### Comments

- The 1,890-meter long exploration decline was successfully completed in June 2020
- Blue lines extending from the decline denote drilling results received in Q2-2020
- Following a comprehensive internal review of the project status, a subset of the Upper High Grade Zone (“UHGZ”) has been identified and prioritised for exploration and associated pre-feasibility study work
- This area (referred to as the Initial Mining Area – “IMA”) contains the largest zone of contiguous high grade drilling results for copper and gold to date, and is well positioned for drilling from the current exploration decline location
- MDKA has invested US\$68m up to 30 September 2020 in a pre-feasibility study, which is planned for completion in Q4 2021

**1**

**Total Underground Copper/Gold Inferred Resources**

1,900 Mt @ 0.45 %Cu & 0.45 g/t Au  
~ Contains approx. 8.8 Mt Cu & 28 Moz Au

**2**

**UHGZ - Subset of Total Underground Copper/Gold**

Underground Exploration Target  
250-300 Mt @ 0.7-0.9 % Cu & 0.7-0.9 g/t Au

**3**

**IMA – Initial Mining Area**

Subset of UHGZ and prioritised for exploration and PFS work

# TB Copper Project

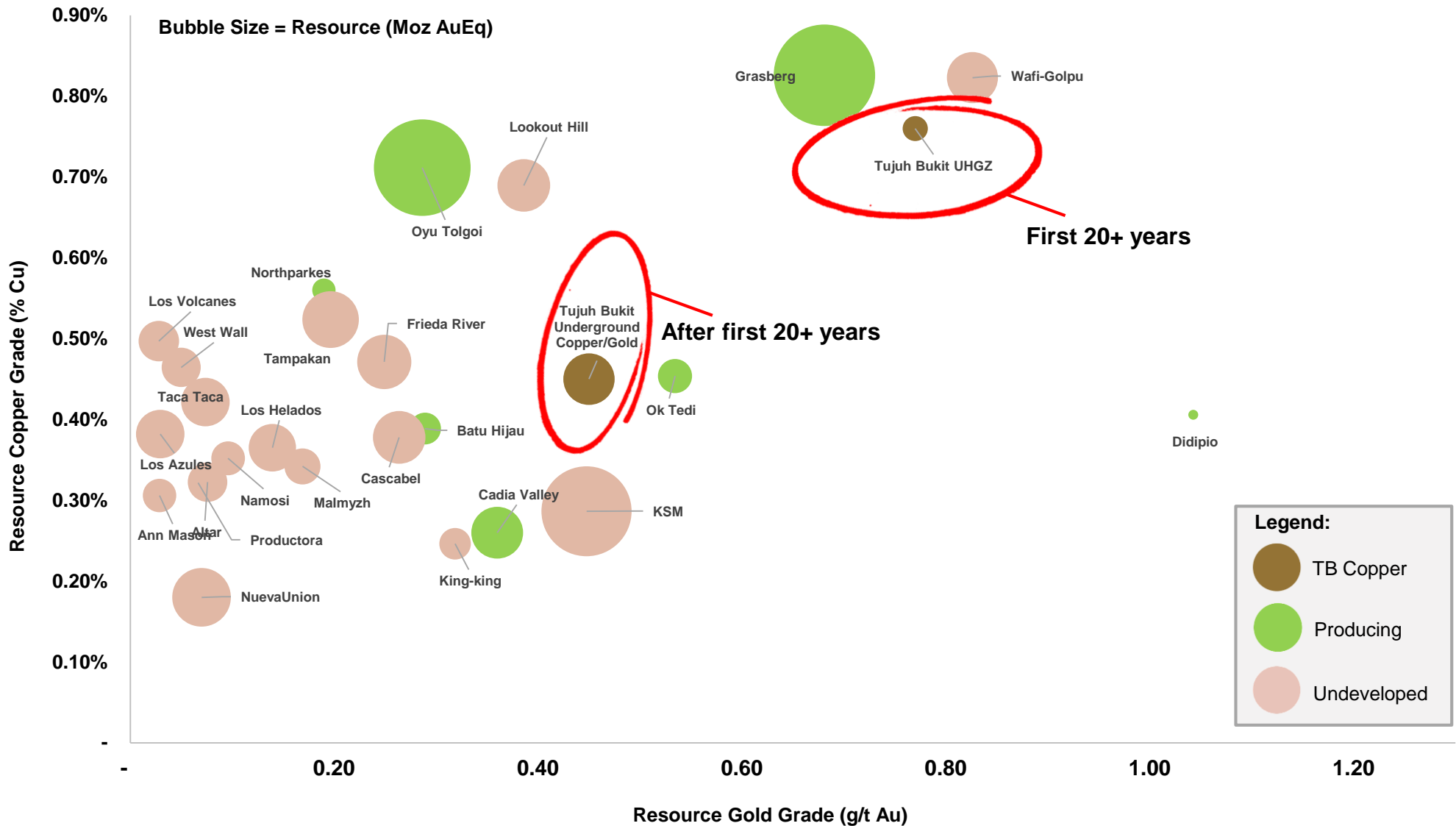
## Latest Drill Results (December 2020)

UHGZ Drilling Results							Comments
Hole ID	End of Hole Depth (metres)	From (metres)	To (metres)	Interval (metres)	Cu %	Au g/t	
UHGZ-20-022A	800.2	428	732	304	0.4	0.5	<ul style="list-style-type: none"> <li>The most recent four holes of the current infill drilling program have all returned intercepts in line with, or exceeding expectations.</li> </ul>
	<i>including</i>	568	600	32	1.2	1.3	
	and	650	702	52	0.6	0.4	
UHGZ-20-023	828.4	310	824	514	0.6	0.4	<ul style="list-style-type: none"> <li>A hydrogeology hole, MBH-20-041, (designed for water monitoring purposes and drilled outside the known mineralised envelope) also returned a mineralised intercept, which has extended known mineralisation to the west.</li> </ul>
	<i>including</i>	468	758	290	0.7	0.5	
UHGZ-20-024	652.4	378	530	152	0.8	0.6	
	<i>including</i>	400	526	126	0.9	0.7	
UHGZ-20-026	490	254	408	154	1.0	1.2	
MBH-20-041	792.5	172	324	152	0.4	0.2	
	and	422	790	368	0.5	0.5	
	<i>including</i>	502	632	130	0.7	0.8	



# TB Copper Project Leading Mineral Resource

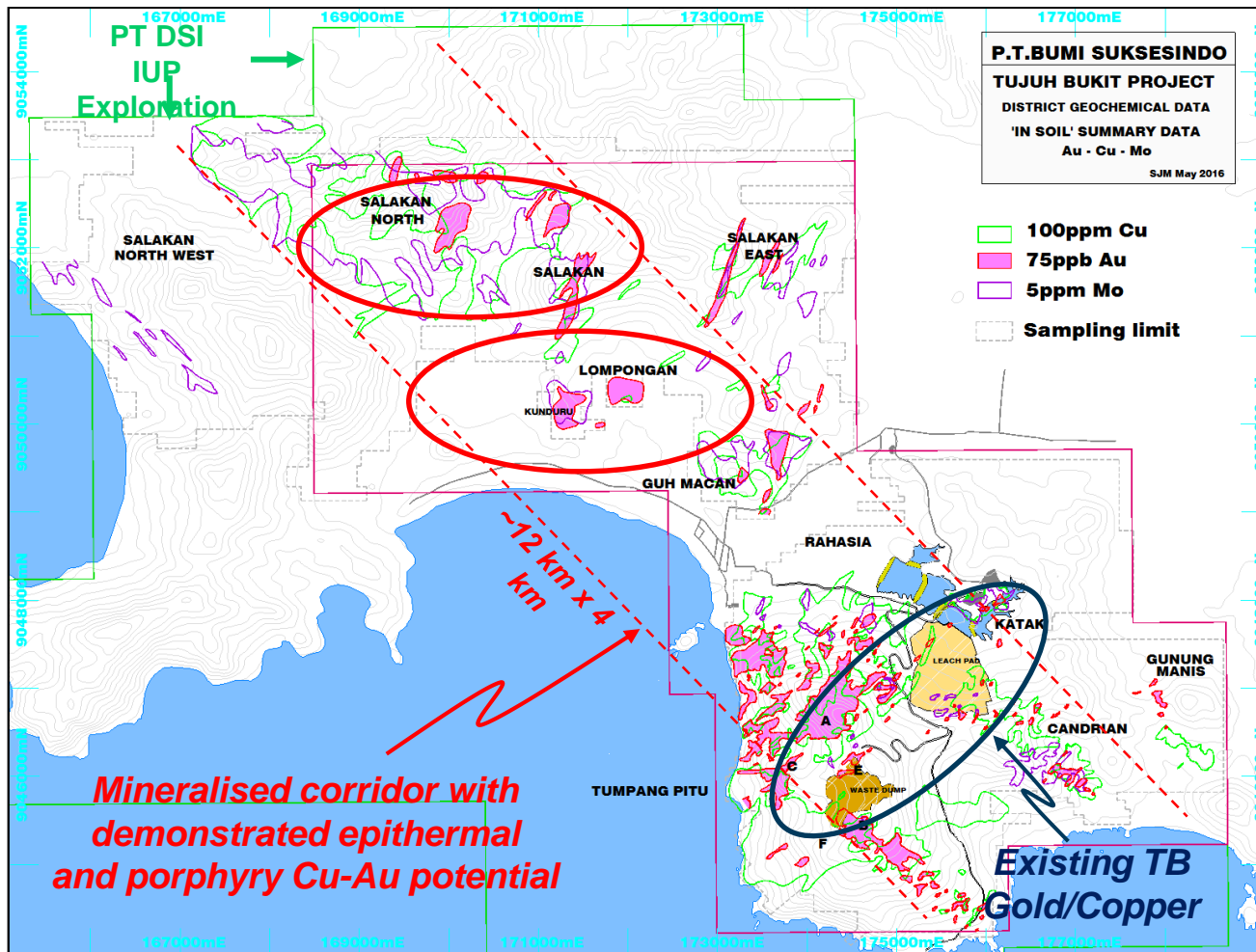
## Significant Porphyry Deposits



# TB Near Mine Exploration

## Open Pit Targets Could De-Risk Copper Project Ramp Up

### Open Pit Mineralisation Targets



### Comments

#### Salakan Porphyry Prospect

- Historical drilling including SDN-12-01: 604m @ 0.22% Cu
- Exploration to re-commence in 2021

#### Lompongan Porphyry Prospect

- Cu-Au-Mo soil anomaly defined over 400m x 400m
- Stockwork mineralisation in rock samples assaying >1% Cu and >1g/t Au
- Exploration to re-commence in 2021

#### Katak Porphyry Prospect

- Historical drilling
  - WB-15-11: 94m @ 0.35% Cu & 0.67 g/t Au
  - KTD-18-06: 76m @ 0.35% Cu & 0.96 g/t Au

# Wetar Copper Mine

## Production Information

Mining Method	Conventional Open Pit
Metals	Copper
Mineralisation Type	Volcanogenic Massive Sulphide (“VMS”)
Process Method	Sulphide Heap Leach
Plant Capacity - Crushing & Stacking - SX / EW	2.5 mt 25,000 tpa
Copper Mineral Reserves <sup>1</sup>	114 kt Cu contained
Copper Mineral Resources <sup>1</sup>	289 kt Cu contained
Workforce	1,100 employees and contractors

## Operational & Financial Performance

	Unit	2018 Actual	2019 Actual	YTD Q3 2020 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	1.6	2.3	0.2
Waste Mined	M Tonnes	1.4	3.8	0.2
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	M Tonnes	1.7	1.9	0.2
Recovered Metal	Cu t	17,071	16,777	4,360
<b>Financials</b>				
Cash Costs	US\$/ lb	1.49	1.29	3.31
All-in Sustaining Costs	US\$/ lb	1.73	1.86	4.27
Sales	US\$m	112	101	24
Operating EBITDA	US\$m	38	41	(11)

## Open Pit Mining



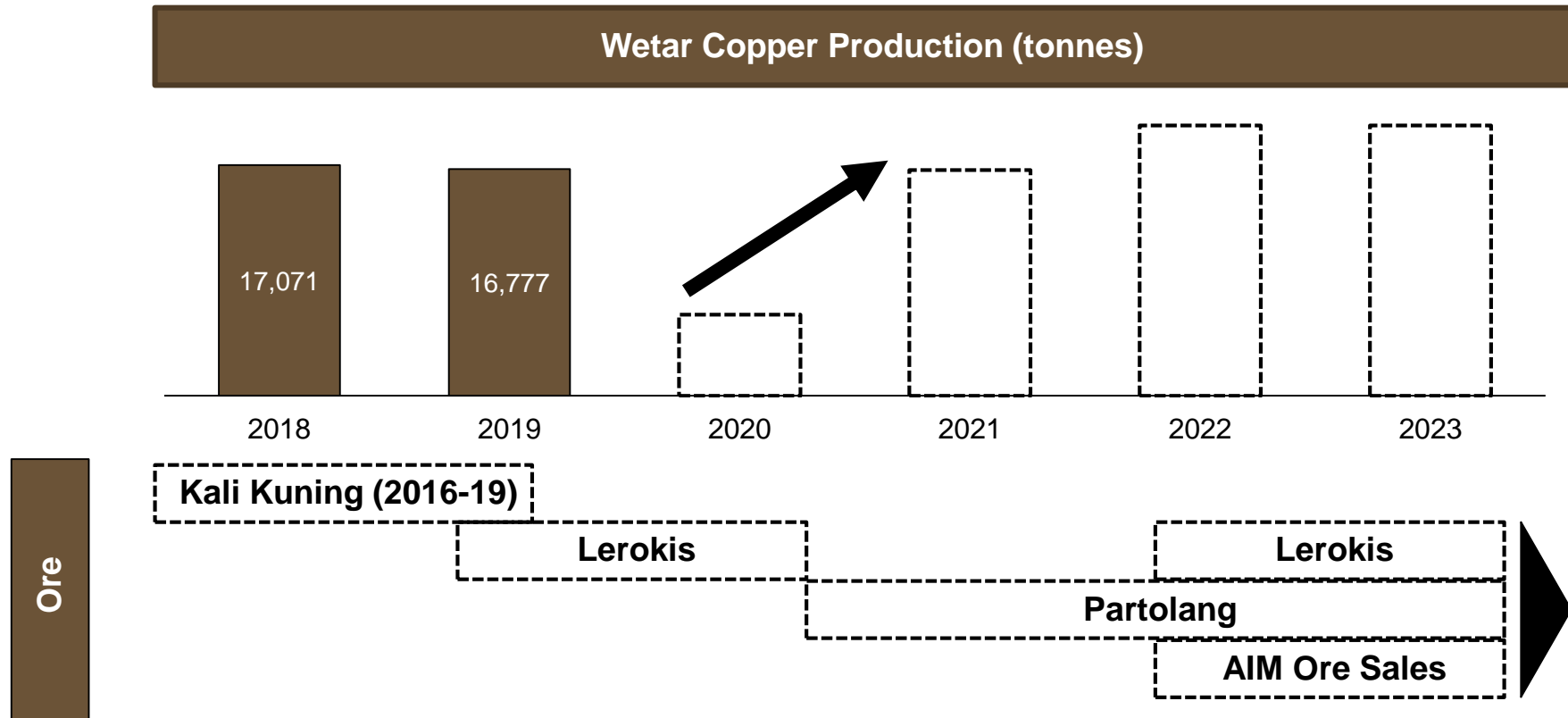
## Process Plant



<sup>1</sup> Source: Company filings. Resources and reserves information as at 31 December 2019 (<http://www.merdekaoppergold.com/en/assets/resources-and-reserves>)

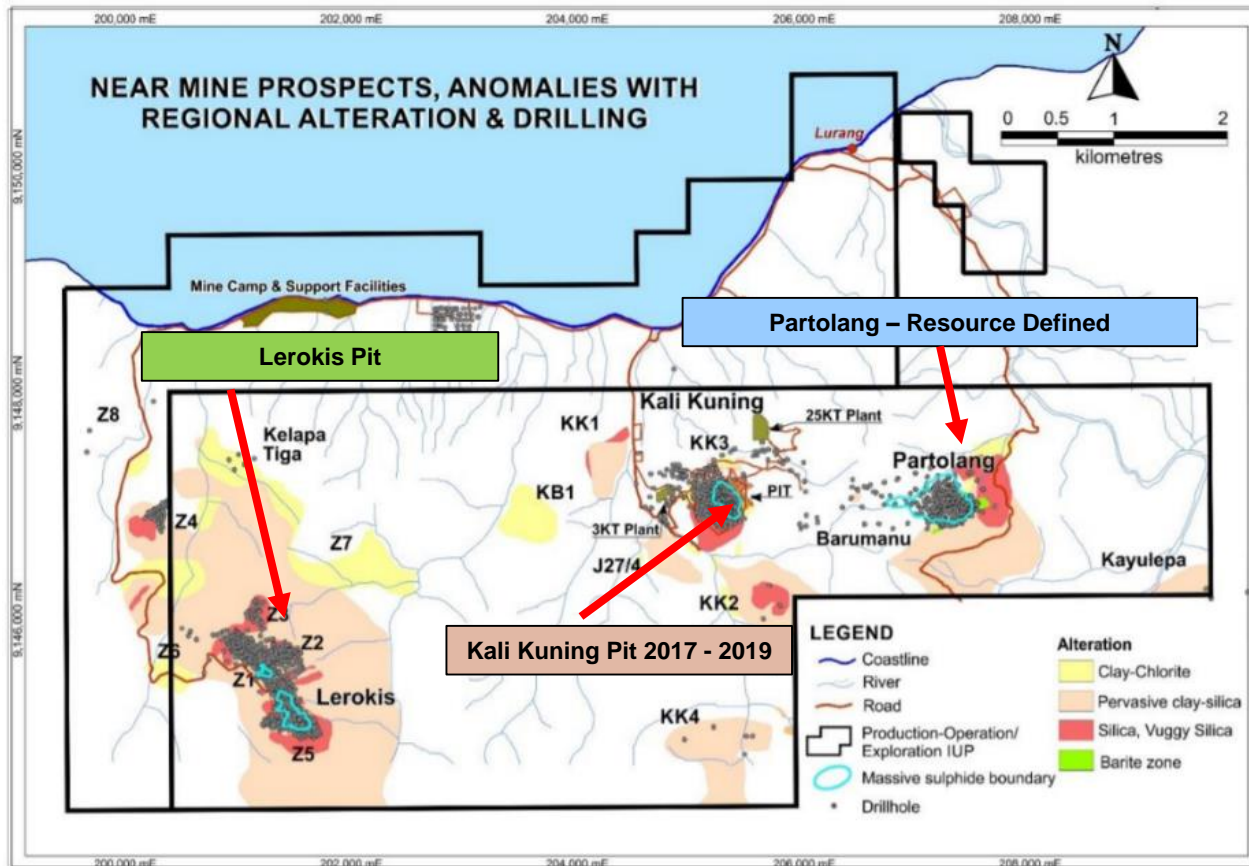
# Wetar Copper Mine: Strategic Review

Development of the Partolang open pit is continuing with mining operations commencing in October 2020, leading to improved copper production in 2021



- Leaching started to slow in 2019 driven by high levels of iron in the leach solutions. This co-incident with the transition to Lerokis as an ore source. Due to its metallurgical characteristics, Lerokis does not leach well with high iron levels
- Partolang was a new discovery with resources defined in 2019. Metallurgical testwork in 2020 showed that Partolang will leach with high iron leach solutions. Mining is therefore being transitioned to Partolang where mining operations commenced in October 2020 with ore mining expected to ramp up in November 2020. Stacking of Partolang ore commenced in November 2020 and will be ramped up to full stacking rates in Q1 2021.
- Feasibility study work is expected to be completed on a metals precipitation plant to reduce iron levels and recovery of other metals. Detailed engineering has commenced with construction of the expanded plant expected to commence in 2021. Lerokis ore expected to leach as iron levels reduced. Remaining Lerokis ore will then be mined.

# Wetar: Significant Potential to Extend Mine Life



## Prospective Geology

- Resources at Wetar are Volcanogenic Massive Sulfide (VMS) deposits
- The deposits generally appear in clusters and as such it would not be surprising to discover more resources over time
- A geophysical survey was completed during 2019 with approximately 20 targets identified within the mining lease. VMS targets are generally easily identified with geophysics
- Historical regional exploration work done by Billiton shows many targets that are yet to be tested

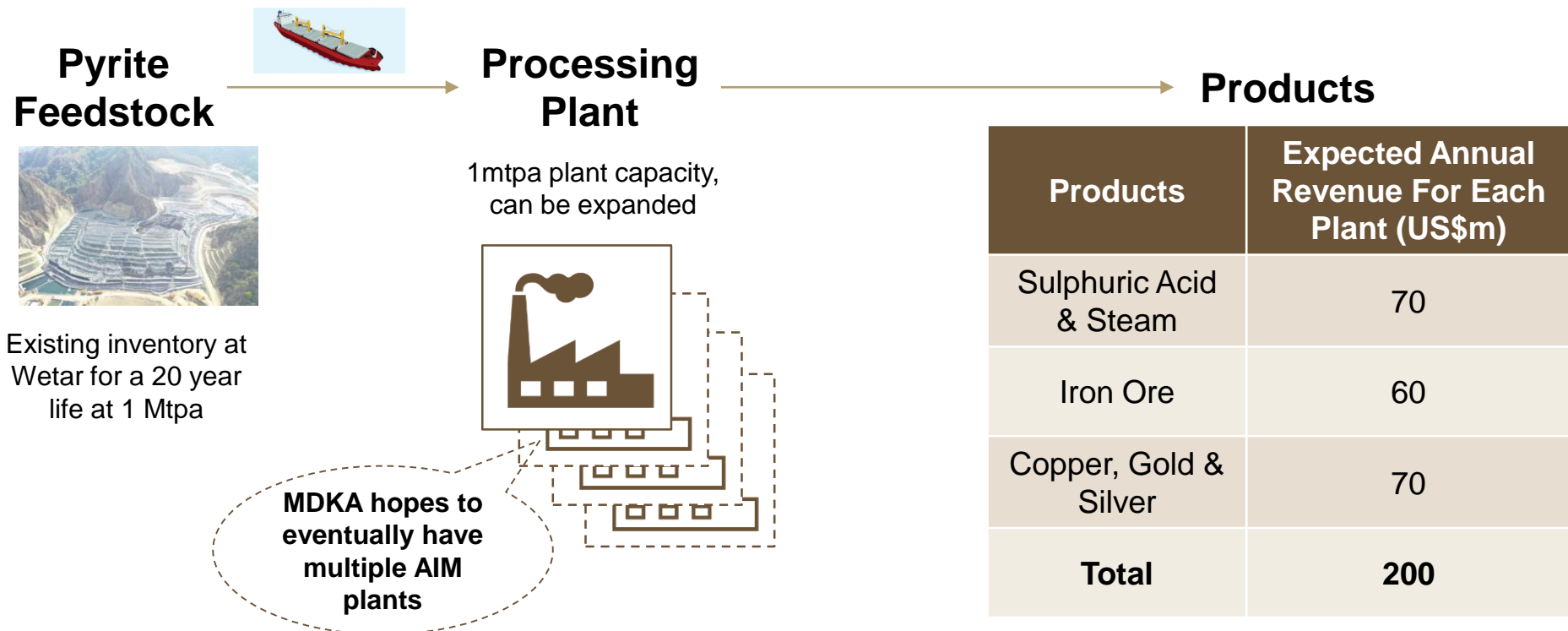
## Successful exploration campaign defines new resource

Exploration work has been very successful in finding and developing additional copper and pyrite resources:

- A significant new resource has been defined at Partolang
- Drilling after the cut-off date for the resource update has intercepted high grade mineralisation that is expected to further expand resources

# AIM Project

**AIM Project is a multi-commodity development project expected to produce more than US\$200m of revenue per annum over 20 years**



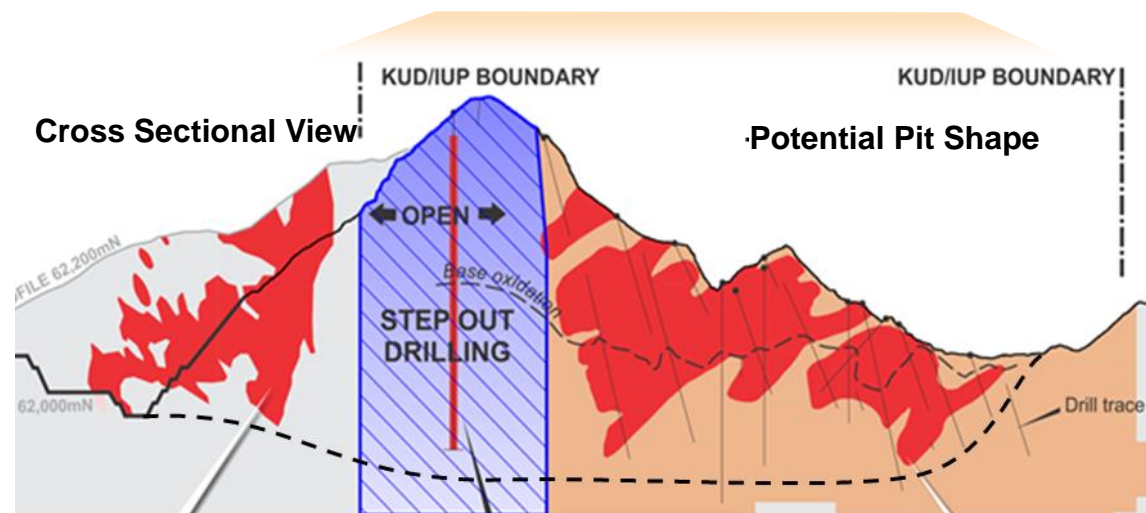
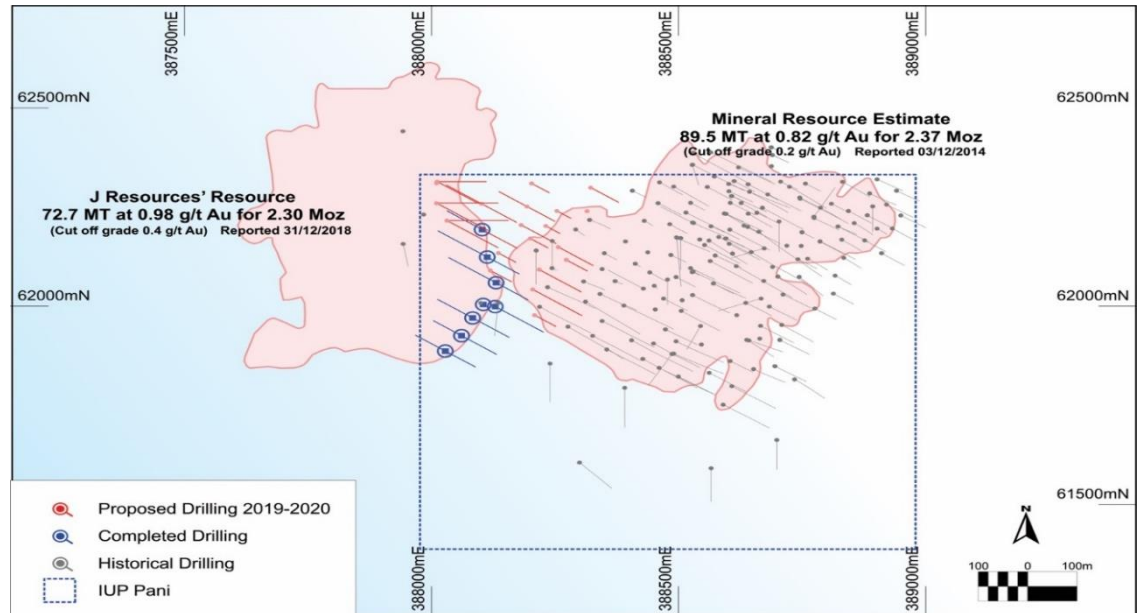
- Opportunity to optimise long-term production profile across Wetar and AIM Project
- MOU signed with Tsingshan to develop a pyrite processing plant at the Indonesia Morowali Industrial Park
- Results of the feasibility study are expected to be announced in January 2021 with a decision to proceed with the project expected early in 2021

# Pani JV Gold Project

## Comments

- JV with J Resources to develop a combined project. Pending regulatory and J Resources' lenders' approvals – Merdeka's economic share is 40% and Merdeka controls the JV
- Expect greater resources to reserve conversion and better economics from combined project
- Outcrops, thick, low strip implying low cost mining
- Initial metallurgical testing shows high recoveries from CIL, heap leach and gravity
- Drilling has been paused up pending completion of the JV agreement

## Overhead & Cross Sectional Illustration of Planned Step-Out Drilling Between PANI COW & PANI IUP



Note:

1. Two holes drilled by Utah International in 1982 between the two resources, assayed 406m @ 0.5g/t (GPD-04) and 154m @ 0.57g/t (GPD-05)
2. Pani IUP Resource estimate from SRK Report dated December 2014 based on 137 Diamond Drill holes, 26,000m drilling and using cut off grade of 0.2g/t Au

# Appendix

---

**MERDEKA**  
COPPER GOLD





# Key Financial Figures

## 2016 – YTD Q3 2020

	In US\$m	2016	2017	2018	2019	YTD Q3 2020
<b>P&amp;L</b>	Revenue	0	129	294	402	297
	EBITDA	(6)	99	158	228	150
	Net Profit	(3)	43	58	69	51
<b>BS</b>	Cash	43	35	14	50	84
	Other current assets	5	59	141	155	149
	Fixed assets	240	268	593	647	632
	Other non-current assets	17	9	50	100	87
	Total Assets	304	371	798	951	952
	Borrowings – current portion	10	67	95	154	127
	Borrowings – non-current portion	118	64	159	133	140
	Other current liabilities	13	37	88	100	65
	Other non-current liabilities	4	14	33	40	47
	Total Liabilities	145	181	376	427	379
	Equity	159	190	422	524	573
	Total Liabilities & Equity	304	371	798	951	952
	<b>CFS</b>	Cash flow from operation	(11)	72	51	123
Capex		(79)	(61)	(56)	(134)	(25)
Investment/acquisition		-	(0)	(59)	(19)	(4)
Cash flow from financing		114	(19)	42	65	(33)

# Key Shareholders

With a Track Record and Proven Financing Capabilities



Provident, Saratoga and Thohir Group have a history of co-investment over many years with a distinguished track record in building value as well as attracting blue chip international institutional investors and high-quality banks. They also have deep and wide access to global, regional and local banks



### Provident Lenders

### Saratoga, Thohir Group and Adaro Lenders

Note:

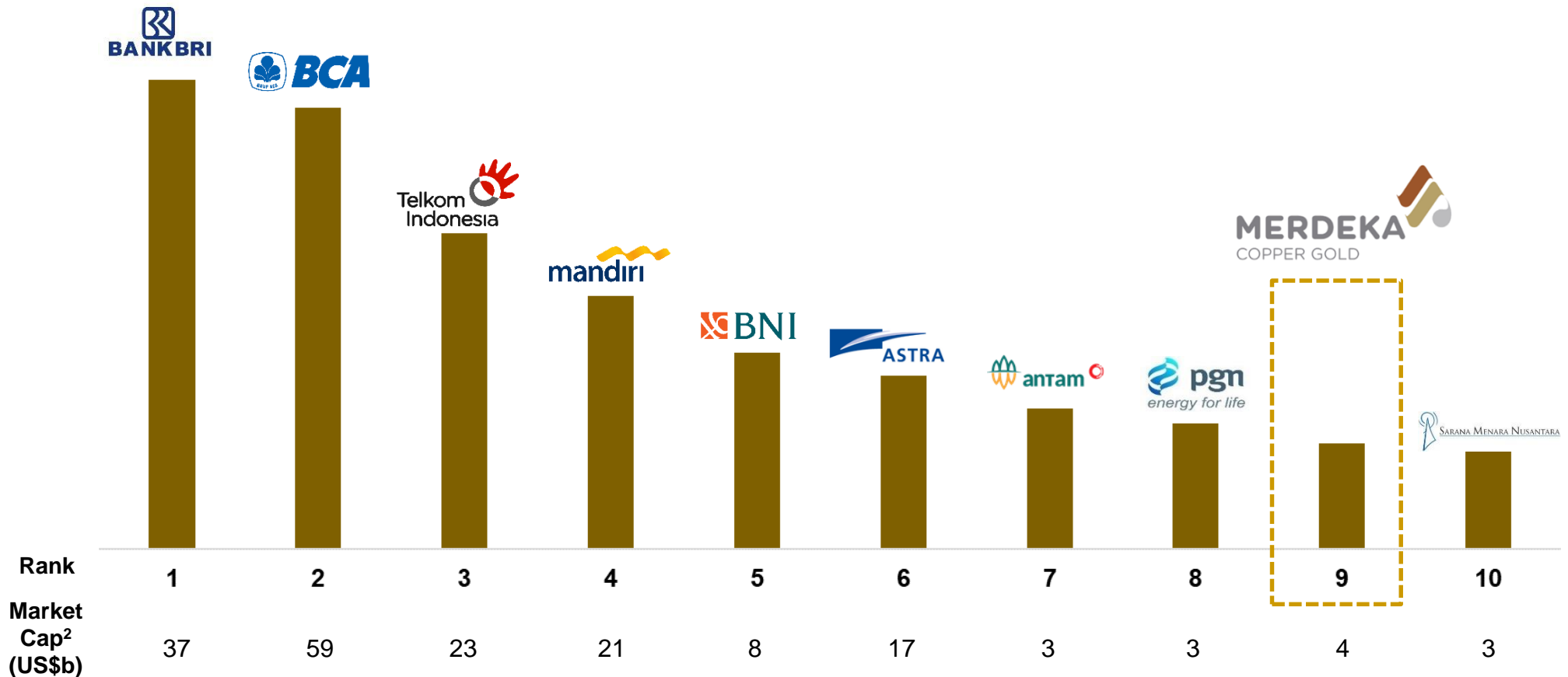
1. Market cap as at 31 December 2020; net debt as at 30 September 2020
2. Market cap as at 31 December 2020; net debt as at 30 June 2020

# Merdeka is in the Top 10 of the Jakarta Composite Index (JCI) By Trading Volume



With IDR 37 trillion of total turnover, Merdeka is within the top 10 of JCI movers YTD to December 2020

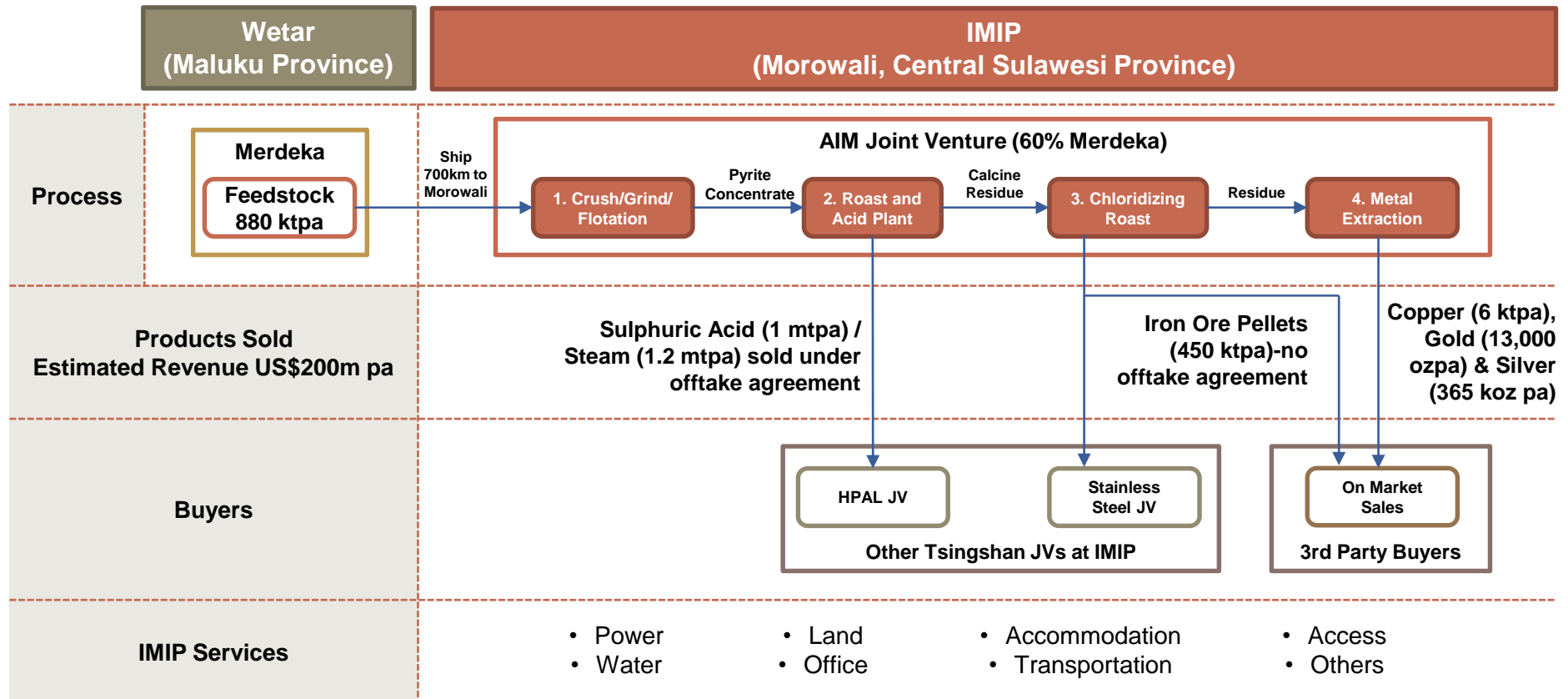
Top 10 JCI movers in terms of turnover<sup>1</sup> (IDRt)



Note:  
 1. Turnover is calculated by the sum of daily trading value from 1 January 2020 to 31 December 2020  
 2. Market Cap as of 31 December 2020 using exchange rate of US\$/IDR 14,282  
 Source: RTI Business

# AIM Project: Overview

Initial plant to produce 1mtpa of sulphuric acid but expected to increase and demand could be 5 mtpa between IMIP and other sites



## Comments

- Significant value in spent ore at Wetar (Cu, pyrite (FeS<sub>2</sub>), Au and Ag)
- Opportunity to optimise long term production profile across Wetar and AIM Project. Only some of the Cu recovered at Wetar and remaining copper and other products recovered with AIM Project
- MOU signed with Tsingshan to develop a pyrite processing plant at the Morowali Indonesian Industrial Park
- Results of the feasibility study are expected to be announced in January 2021 with a decision to proceed with the project expected early in 2021

# AIM Project: Locations



Dual-location project at Wetar Island and IMIP at Sulawesi Island in Indonesia. Project include  $\pm 700$ kms of sea transport

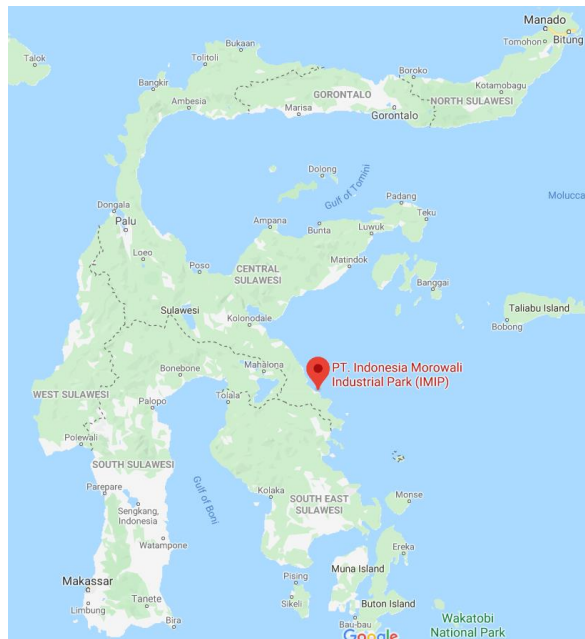
Sailing time is around 1.5 days direct from Wetar to IMIP



**Concentrate will be loaded onto vessels at Wetar for sea transportation to IMIP**

# Indonesian Morowali Industrial Park (IMIP) Substantial Facility

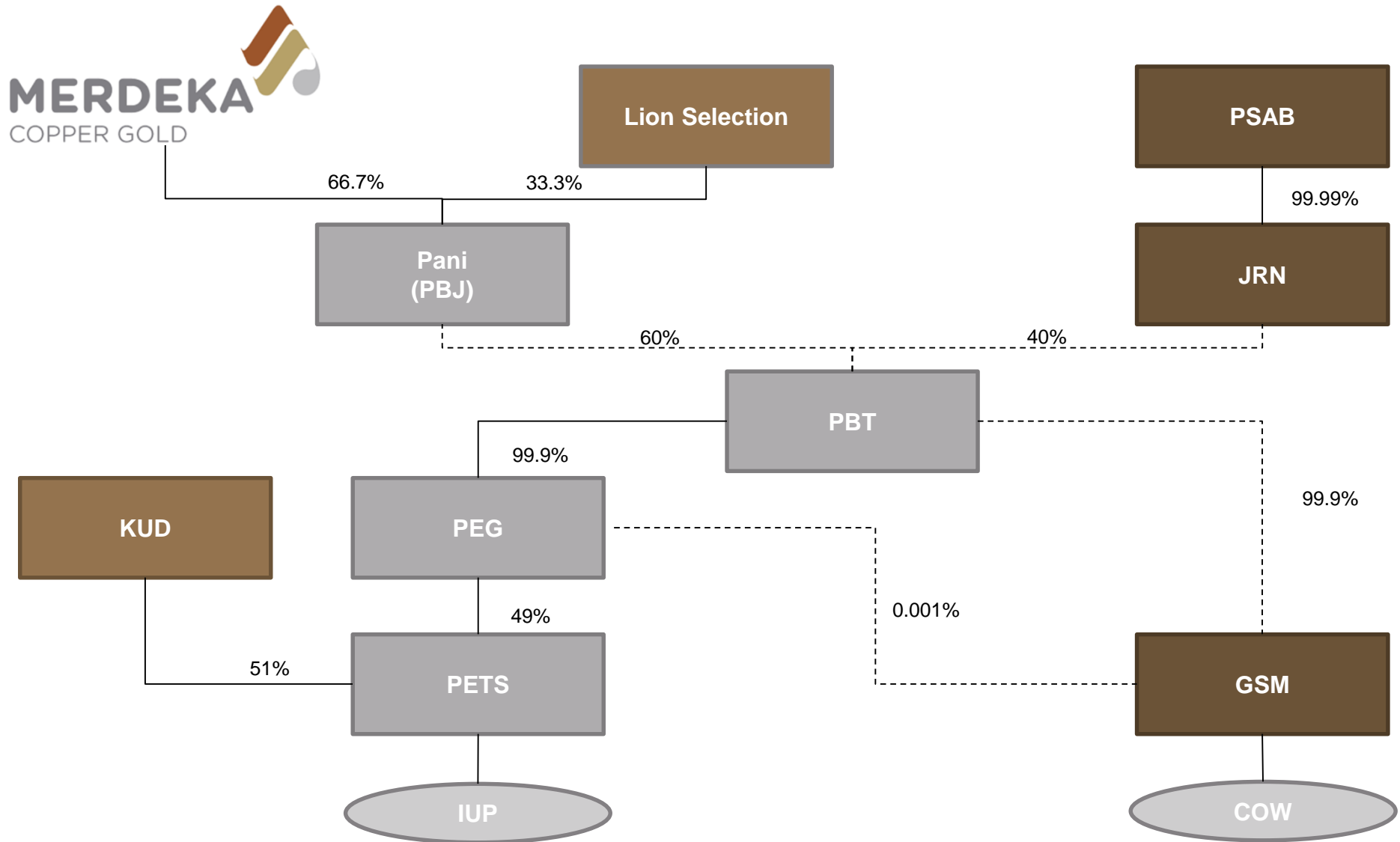
## Location and Size



## Comments

- Tsingshan owns 66.25% of IMIP
- Development started in 2014. Tsingshan's stated objective at the time was to create the world's largest fully integrated stainless steel facility
- This has now been achieved, with the site housing a number of separate Ni/stainless steel joint venture operations
- Total investment to date > \$6 billion
- IMIP currently comprises:
  - 2.0Mt pa stainless steel capacity (currently expanding to 3.0Mt pa)
  - 0.5Mt pa carbon steel capacity (currently expanding to 3.5Mt pa)
  - 0.6Mt pa high carbon ferrochrome
  - 1.5Mt pa NPI capacity (likely expanding to 1.95Mt pa)
  - 1.26GW coal-fired power plant (currently expanding to 1.96GW)
  - Airport with 2,000 m long runway
  - Port facilities
  - 5-star hotel
- 3,000 ha site in Bahodopi District, Morowali Regency, Central Sulawesi Province

# Pani JV Project Ownership Structure



# Merdeka Environmental, Safety and Social (ESS) Performance 2019



**Beyond operational and financial success, Merdeka places strong emphasis on ESS initiatives to ensure that the company has a positive influence on their stakeholders and minimize negative impact, if any**

## Safety at Work

### Key Stats

Strong safety, environmental and community relations credentials. 1 LTI in past 2 years with 27 million hours worked

### Key Initiatives

- Merdeka's safety framework includes:
  - Vehicle and heavy equipment inspection regimes
  - Project training
  - Competency assessment system
  - Safety inspections
  - Leading-indicator safety systems
  - Safety motivation schemes
- Throughout employees' recruitment and work, their health and fitness are constantly monitored; Personnel who are found to be unfit are barred from operating heavy equipment or working in hazardous conditions

## Community Development and Empowerment

### Key Stats

In 2019, annual Community Development and Empowerment expenditure was **US\$3m**

### Key Initiatives

- Education:
  - Scholarships to selected students from elementary school to university
  - Free school buses in two districts
  - School facilities improvement
- Healthcare
  - Mobile healthcare service
  - On-site clinic service
  - Training for local paramedics
  - Training for sanitary water
- Economic Empowerment
  - Home-scale industries: cultivation of freshwater fish, goat breeding, cash crops and product distribution
  - Empowerment of women
  - Local tourist destination promotion
- Public Infrastructure
  - Road developments

## Safeguarding the Environment

### Key Stats

In 2018 and 2019, there were **No Significant** environmental compliance issues

### Key Initiatives

- Environmental Safety Assurance:
  - Recycling of leached ores
  - Fully lined storm water pond to contain site water
  - Multiple check dams and sedimentation traps
  - Fully containing and re-circulation of all site solutions
- Environmental Monitoring:
  - Ground water monitoring
  - Noise monitoring
  - Energy consumption monitoring
  - Greenhouse gas emission monitoring
  - Weather monitoring
- Environmental Management:
  - Water management
  - Waste management
  - Mitigating air pollution
  - Maintaining ground quality
  - Revegetation

For more info, please check :

<https://www.merdekacoppergold.com/en/sustainability/sustainability-report/>



# Merdeka Mining Servis (MMS)



## Key Comments

About MMS	<ul style="list-style-type: none"> <li>Construction and contracting arm of Merdeka, responsible for all Merdeka development projects and servicing the wider shareholder group</li> </ul>
Leadership and Employees	<ul style="list-style-type: none"> <li>Led by Peter Scanlon, who set up MMS in 2015 after leaving his position as the Head of Construction at Thiess Indonesia                             <ul style="list-style-type: none"> <li>Thiess is the world's largest contract miner and is ultimately owned by the Spanish ACS Group<sup>1</sup></li> </ul> </li> <li>Employee base of over 80 staff, with a further 350 non-staff, a significant portion of whom have worked together previously at Thiess</li> </ul>
Demonstrated Track Record of Project Delivery	<ul style="list-style-type: none"> <li>Since its establishment over five years ago, MMS has delivered an extensive range of projects including haul roads, access roads, public roads, ponds, dams and major infrastructure and mechanical works on a range of complex mining sites</li> <li>MMS has delivered multi-disciplined works across:                             <ul style="list-style-type: none"> <li>EPC</li> <li>Design &amp; Construction</li> <li>Construction</li> <li>Fabrication</li> <li>Accurate project estimation</li> <li>Project studies</li> </ul> </li> <li>MMS maintains an HSE focus with proven systems and procedures and exceptionally skilled and experienced national staff</li> </ul>

## Select MMS Experience

#	Project	Location	Client
1	Tujuh Bukit Gold Project	Indonesia	
2	Wetar Copper Project	Indonesia	
3	Batu Hijau Copper and Gold	Indonesia	
4	Suban Gas 2	Indonesia	
5	Bontang Coal Project	Indonesia	IMM PT Indominco Mandari
6	Seruyung Gold Project	Indonesia	J Resources
7	Haju Coal Project	Indonesia	
8	Satui Muara Port Upgrade	Indonesia	
9	Saipem Topside Module	Indonesia	
10	Vale Nickel Project	Indonesia	

1. ACS Group reported 2019 revenue of Euro 39b

# Competent Person's Statement

---

The Annual Mineral Resources and Ore Reserves Statement and Explanatory Notes have been compiled by Mr Z Casley. Mr Casley is the Executive General Manager Geoscience, a full-time employee of Merdeka Copper Gold Tbk. He is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Casley has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr Casley consents to the inclusion of the material in this report in the form and context in which it appears.

The information in this report that relates to specific Mineral Resources and Ore Reserves is based on and fairly represents information compiled by the Competent Persons named in:

<http://www.merdekacoppergold.com/en/assets/resources-and-reserves>.

All the Competent Persons named are Members of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists, and have sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Each Competent Person consents to the inclusion in this report of the matters based on his or her information in the form and context in which it appears.