

PT Merdeka Copper Gold Tbk.

IDX Code: MDKA

As at 30 June 2021

Capital Structure

22,904,850,815 listed shares

Share price: IDR 2,940

Market capitalisation: \$4.4 billion

Cash & Debt

Cash: \$278 million

Bank Debt: \$100 million

IDR Bond \$222 million

Board of Commissioners

Edwin Soeryadjaya (President)

Garibaldi Thohir

Richard Bruce Ness

Heri Sunaryadi

Muhamad Munir (Independent)

Budi Bowoleksono

(Independent)

Board of Directors

Albert Saputro (President)

Simon Milroy (Vice President)

David Thomas Fowler

Titien Supeno

Gavin Arnold Caudle

Hardi Wijaya Liong

Michael W.P. Soeryadjaya

Chrisanthus Supriyo

(Independent)

Executive Management

Boyke Poerbaya Abidin

Devin Antonio Ridwan

Gerick Mouton

Zach Casley

Doug Jones

Peter Scanlon

Registered Office

The Convergence Indonesia,
20th Floor, Rasuna Epicentrum
Boulevard, HR Rasuna Said
Jakarta 12940 - Indonesia
T: +62 21 – 2988 0393

PT Merdeka Copper Gold is proudly an Indonesian owned and operated company and is listed on the Indonesian Stock Exchange.

PT Merdeka Copper Gold Tbk (“MDKA”) is pleased to report on its June Quarter 2021 activities.

Since the time of its IPO in June 2015, MDKA has transformed from a company with a single undeveloped gold project into a multi asset diversified group with exciting long life development projects.

With the successful execution of its strategy, MDKA management expects MDKA will become a globally significant copper and gold producer.

MDKA today consists of five main assets, which are in order of importance, as follows:

- 1) Tujuh Bukit Copper Project (“TB Copper Project”)
- 2) Wetar / Morowali Acid Iron Metal Project (“AIM Project”)
- 3) Pani Joint Venture (“Pani JV Project”)
- 4) Tujuh Bukit Gold Mine
- 5) Wetar Copper Mine

A significant part of MDKA’s value is attributable to the TB Copper Project, however, the other projects will provide long-term stable cash flows.

At the Tujuh Bukit Gold Mine, gold produced for the quarter was 37,779 ounces at an all-in sustaining cost (“AISC”) of \$575/oz. No Lost Time Injury (“LTI”) occurred during the quarter. Remediation of the heap leach pad was substantially complete.

At the Wetar Copper Mine, after mining operations commenced at the Partolang pit in October 2020, copper production has steadily increased in line with expectations. Copper produced in the quarter was 5,003 tonnes at an AISC of \$1.86/lb, representing a significant improvement compared to copper production in Q1 2021. No LTI occurred during the quarter, with the site achieving 11.75 million hours without an LTI.

At Tujuh Bukit Copper, recent drilling results have continued to return intercepts in line with, or exceeding expectations. These include some of the thickest high-grade intersections ever recorded at the Tujuh Bukit Copper Project, with UHGZ-21-046 returning 636 metres @ 0.8% Cu and 1.0 grams/tonne Au from 0 metres down hole.

During the quarter, the execution of the AIM Project continued with detailed design/engineering and long lead procurement on critical equipment. A total of \$40 million (13.8% of project value) has been committed to date. The agreement for ore supply from Wetar to AIM Project was signed in May 2021. An expansion of acid production from 1 million tonnes, to up to 1.2 million tonnes per annum is under investigation.

During the quarter, MDKA’s subsidiary, PT Bumi Suksesindo, successfully refinanced its outstanding Senior Secured Facility of \$85 million with a \$100 million Secured Bullion Forward Hedge and Financing Transaction from ING Bank NV. A Revolving Credit Facility Agreement for \$10 million (with an accordion option to take the facility up to \$50 million) was also agreed with ING Bank N.V., Singapore Branch.

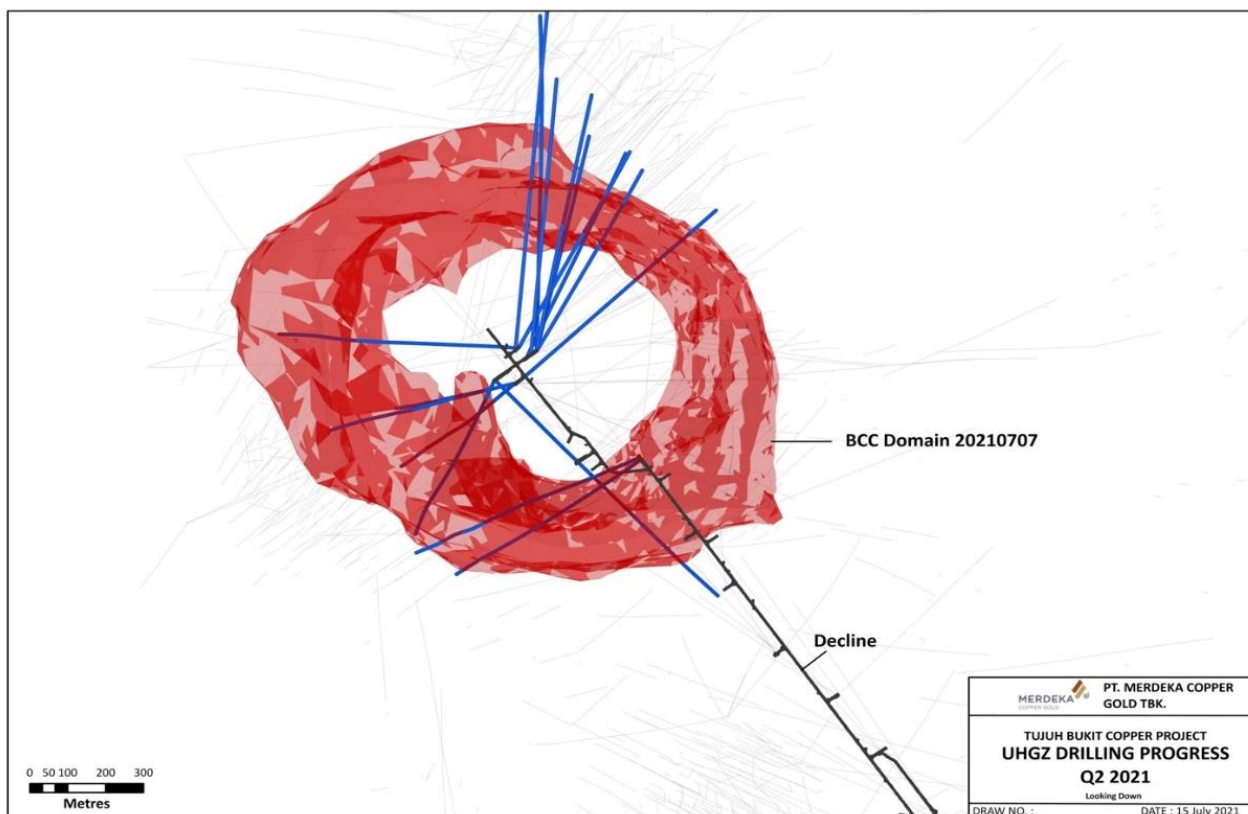
1) **Tujuh Bukit Copper Project**

World Class Resource: This project is 100% owned by MDKA. Located beneath the existing Tujuh Bukit Gold Mine, the global Inferred resource is 1.9 billion tonnes of ore at a grade of 0.45% copper and 0.45 g/t gold containing approximately 8.7 million tonnes of copper metal and 28 million ounces of gold.

As previously reported, current resource definition drilling is focused on the Upper High Grade Zone (“UHGZ”) exploration target (which is a subset of the global Inferred resource within the top 500 meters of the deposit) of between 250 and 300 million tonnes at 0.7% to 0.9% copper and 0.7 g/t to 0.9 g/t gold.

Pre-Feasibility Study (“PFS”): MDKA has invested \$82 million to date on a PFS programme, which is planned for release in Q1 2022. The majority of the investment relates to the underground development of a 1,890 metre exploration decline which was successfully completed in June 2020 as well as ongoing resource definition drilling. The bulk of the PFS expenditure during the quarter was spent on resource definition drilling and mine planning. No lost time injury (“LTI”) occurred during the quarter.

Figure 1: View showing Q2 2021 drill holes, high grade Bornite-Chalcocite-Covelite (“BCC”) domain and underground decline



At the end of Q2 2021, five underground drill rigs were operating. Total drilling for the quarter was 7,448 metres from underground, with record productivity during May (3396.1m vs forecast of 3,100m). Unfortunately, productivity in April and June was affected by two separate COVID-19 outbreaks in the drilling team which resulted in metres drilled over the whole quarter being lower than forecast (-24%). At the end of the quarter, drilling crew availability was back to 80%, and should be back to 100% during July.

Selected results from the latest drilling announced on 14 June 2021 include¹:

- 636.1 metres @ 0.8% Cu and 1.0 grams / tonne Au from 0 metres in UHGZ-21-046, (including 406 metres @ 1.0% Cu and 1.4 grams / tonne Au from 10 metres)
- 516 metres @ 0.9% Cu and 0.9 grams/tonne Au from 14 metres in UHGZ-21-045, (including 418 metres @ 1.1% Cu and 1.0 grams / tonne Au from 74 metres)

- 316.7 metres @ 0.7% Cu and 1.0 grams/tonne Au from 292 metres in UHGZ-21-047, (including 138 metres @ 0.9% Cu and 1.4 grams / tonne Au from 442 metres)
- 269.8 metres @ 1.2% Cu and 0.8 grams/tonne Au from 364 metres in UHGZ-21-043, (including 116 metres @ 1.8% Cu and 1.2 grams / tonne Au from 484 metres)
- 163.5 metres @ 0.8% Cu and 1.2 grams/tonne Au from 286 metres in UHGZ-21-042, (including 128 metres @ 0.9% Cu and 1.3 grams/tonne Au from 288 metres)
- 176 metres @ 0.8% Cu and 0.8 grams/tonne Au from 244 metres in UHGZ-21-044, (including 104 metres @ 1.1% Cu and 1.2 grams/tonne Au from 258 metres)

¹ Results reported using a 0.2% Cu cut-off, and a minimum intercept length of 30 metres.

The most recent eleven holes of the current infill drilling program have returned intercepts in line with, or exceeding expectations. These latest drilling results were reported previously on 14 June 2021: (<https://www.merdekaoppergold.com/en/download/june-2021-tujuh-bukit-copper-drill-results-released-2/>).

Figure 2: Underground drill rig and associated equipment



Other disciplines of PFS preparation work is ongoing with mine optimization work focusing on the latest geological block model. MDKA has contracted the following world-class engineering consultants to undertake the PFS and ongoing trade-off related work:

- Mining - Orewin (Pty) Ltd
- Hydrology and hydrogeology - Piteau Associates Engineering Ltd
- Metallurgical test work and infrastructure - DRA Global Ltd
- Port - PT Hatch Indonesia
- Underground/Surface geotechnical and tailings storage facility - PT Geotechnical & Environmental Services Indonesia (Golder)
- Environmental and Social - PT Lorax

Metallurgical Test Work: Metallurgical test work at ALS Metallurgical Laboratory (Australia) during this quarter focused on testing the robustness of the proposed flowsheet where the flotation circuit is able to produce saleable copper and gold rich pyrite concentrates. The results are satisfactory with average total copper and gold recoveries of 87% and 76%, respectively. These results underline the robustness of the current flowsheet with further room for improvement.

Metallurgical test work also includes the possibility of employing the Albion Process™ to recover pure copper metal from the copper concentrate. The Albion Process™ is an established and industrially proven process to extract gold and base metals from sulfide concentrates. Among the known advantages are the capital and operational costs, plus the process simplicity where copper sulfate is extracted from copper concentrate through a two stage process consisting of ultrafine grinding followed by oxidative leaching. This process enables the copper sulfate liquor to then advance through to a conventional solvent extraction and electro-winning (SX/EW) circuit to produce copper cathode. The precious metals remain in the leaching residue for further extraction through a conventional process.

2) AIM Project

Overview: The ore at the Wetar copper mine is primarily pyrite (FeS_2) which hosts Cu, Au, Ag and Zn. Since 2018, MDKA has investigated opportunities to realise additional value from the Wetar ore, as the existing heap leaching process at Wetar only recovers a portion of the Cu and does not recover any of the Au, Ag, Zn, Fe or S (a component of sulphuric acid) contained in the ore.

As part of this initiative, MDKA worked with Eternal Tsingshan Group Limited (“Tsingshan”) to conduct metallurgical test work on the Wetar ore as well as developing a preliminary process flowsheet in late 2019.

Tsingshan is involved in a number of projects that have been and are being developed at the Indonesia Morowali Industrial Park (“IMIP”) located in Sulawesi, Indonesia. Some of these projects will require large amounts of sulphuric acid, steam and Fe pellets for their production process.

MDKA / Tsingshan Joint Venture Agreement (“JV”): On 11 February 2021, MDKA, Tsingshan and their respective affiliates signed a JV for the AIM project. The AIM project will be constructed at the IMIP and will process pyrite ore from the Wetar Copper Mine. Subsequently, on 18 March 2021 a joint venture company, PT Merdeka Tsingshan Indonesia (“MTI”) was established with MDKA (through its subsidiary) owning 80% and Tsingshan, through its affiliate, owning 20%.

JV Overview: The AIM Project will purchase high-grade pyrite (FeS_2) spent ore from MDKA’s Wetar Copper Mine. The spent ore, which also contains copper, gold, silver and zinc, will be transported by barge from Wetar Island to IMIP.

MDKA is pleased to announce that in May 2021 it has concluded negotiations of an agreement to supply ore from the Wetar Copper Mine to the AIM Project.

The AIM plant will be constructed at IMIP and is designed to treat the spent pyrite ore from the Wetar Copper Mine at a nominal rate of 950,000 tonnes per year. The plant will produce sulphuric acid, saturated steam, iron ore pellets, sponge copper, lead-zinc hydroxides, gold and silver doré. Significant growth in acid demand is expected as additional high pressure acid leach (“HPAL”) plants are planned to be constructed in Indonesia.

Figure 3: Ongoing earthworks in the Pyrite Concentrator Plant Area at IMIP



Detailed design, engineering and the procurement of long lead time critical mechanical equipment are underway with a total commitment of \$40 million to date. The project development will focus on expediting the first stream of acid and steam production to meet off-take demand. The AIM Project commenced with earthwork construction in Q2 2021 and is targeted to deliver first acid in Q4 2022.

An expansion of acid production from 1 million tonnes up to 1.2 million tonnes per annum is also under investigation. This potential increase in acid capacity also translates to a corresponding increase in iron pellet and metals production also.

Feasibility Study: The FS was completed by DRA Pacific in March 2021 and was supported by specialist input from various other consultants, including Beijing General Research Institute of Mining and Metallurgy (“BGRIMM”), PT Lorax, Orewin, CRU and PT Hatch.

The Study confirmed the technical, economic, and environmental feasibility of the AIM Project and supports the certification of a Class 3 Association for the Advancement of Cost Engineering (“ACE”) cost estimate. Based on project capital costs of \$290 million, the AIM Project yields a compelling net present value (“NPV”) of \$407 million at 8% discount rate with an internal rate of return (“IRR”) of 26%.

The results of the FS were reported previously on 26 April 2021:

<https://www.merdekcoppergold.com/en/download/april-2021-completion-of-fs-for-the-aim-project-3/>

MDKA completed a study on a new barge jetty at Wetar Copper Mine that will be used to load the pyrite spent ore. PT Hatch Indonesia has commenced with the detailed design and engineering which will support the permit applications.

3) Pani JV Project

Pani Joint Venture Agreement: An agreement was signed on 25 November 2019 between PT J Resources Asia Pasifik Tbk (“PSAB”) and MDKA in relation to the combination of MDKA’s Pani Mining IUP (“Pani IUP”) and one of the three mining blocks, that is the Pani block (“Pani Project”) within PT Gorontalo Sejahtera Mining’s (“GSM”, a subsidiary of PSAB) Contract of Work (“GSM COW”), together referred to as the “Pani Joint Venture”.

MDKA's subsidiary, PT Pani Bersama Tambang ("PBT"), has instituted an arbitration claim against a subsidiary of PSAB, PT J Resources Nusantara ("JRN"), to enforce PBT's rights under the Conditional Shares Sale and Purchase Agreement ("CSPA"). Included within PBT's claims are a request for damages in the range of \$500 million to \$600 million or specific performance in the form of an order to complete the transaction. On 1 February 2021, JRN submitted its Response to the Notice of Arbitration indicating its intention to oppose the claim. Neither party has terminated the CSPA.

Joint development of the Pani project generates maximum value for all participants and MDKA continues to pursue this outcome.

Through its 66.7% ownership of PT Pani Bersama Jaya ("PBJ"), MDKA controls the Pani IUP in Gorontalo Province, Sulawesi. Through its 99.999% ownership of PT J Resources Nusantara ("JRN"), PSAB controls a 100% interest in the Pani Project located in Gorontalo Province, Sulawesi.

Adjacent Resources: The Pani IUP and the Pani Project are located adjacent to each other in Gorontalo. One Asia Resources Limited has previously reported that the Pani IUP contains mineral resources of 89.5 million tonnes at a gold grade of 0.82 g/t for 2.37 million contained ounces of gold and PSAB has previously reported that the Pani Project contains a mineral resource of 72.7 million tonnes at a gold grade of 0.98 g/t for 2.3 million contained ounces of gold.

The Pani Joint Venture has paused its ongoing work program pending completion of the Pani Joint Venture Agreement.

4) Tujuh Bukit Gold Mine

Summary: After completion of the remediation works, mining and ore stacking was in line with the life-of-mine plan that shows a target production rate of up to 8.4 million dry tonnes per annum of ore. Heap leach recoveries were in accordance with expectations. Gold produced during the quarter was 37,779 ounces at an AISC of \$575/oz net of silver credits, representing a significant increase compared to gold production in Q1 2021 of 16,585 ounces. YTD gold production was 54,364 ounces at an AISC of \$796/oz net of silver credits.

Heap Leach Slump Incident and Remediation: Remediation works including reinstatement of the heap leach pad ("HLP") to enable normal operations was completed during the quarter. Leaching across both pads A and B also re-commenced during the quarter.

Insurance Claim from Heap Leach Slump Incident: As previously reported in April 2021, the loss adjuster appointed by insurers, has determined that the cover for property damage and business interruption are triggered under the Company's insurance policy, subject to certain policy terms and conditions. The Company is currently working with the insurers and their advisors to quantify the value of the claim and bring this matter to a satisfactory conclusion. An interim payment amounting to \$20 million is expected to be received in August 2021. Negotiations on total claim value are in progress.

Mining: Ore mined for Q2 2021 was 2.1 million tonnes with waste mined of 1.1 million tonnes. Mining operations achieved total material movement of 3.4 million tonnes including rehandling ore stockpiles during the quarter.

Processing: During Q2 2021 the ore preparation plant ("OPP") operated in line with expectation with throughput of 2.1 million tonnes of crushed and agglomerated ore, at a grade of 0.89 g/t Au (containing 59,863 ounces of gold), hauled and stacked onto the HLP for the quarter.

After the resumption of processing activities, the HLP continued to perform as per design with project to date gold recoveries of 79%. The adsorption, desorption and recovery ("ADR") plant continued to operate at full throughput design rates after the resumption of processing activities.

Environmental, Safety and Social Performance: At the end of Q2 2021, Tujuh Bukit had achieved 3,528,425 man-hours without a Lost Time Injury, whilst the mine's year-to-date recordable injury frequency rate per million hours worked was 0.60 at the end of June, with 2 medical treatment injury cases during the quarter.

The workforce at Tujuh Bukit, made up of employees and contractors, is 2,466 people, comprising 99.3% Indonesian nationals and 0.7% expatriates. Of the workforce, 1,656 are Banyuwangi District residents, including 1,093 from the local sub-district of Pesanggaran.

A total of 4,671 environmental samples was taken during Q2 2021, encompassing statutory based sampling requirements as well as company driven internal monitoring. In addition, tree planting of native species covering 2.1 hectares was completed..

During the quarter, MDKA continued to coordinate with the 5 villages in the Pesanggaran sub-district surrounding its operation, as well as the Banyuwangi administration, to integrate the Master Plan of the Community Development and Empowerment Program 2019-2023 (PPM), which includes education, health, economic development, environment, social culture, community institution, and infrastructure.

Exploration: In the near mine region, surface exploration commenced for the “Pit D” area at the end of the quarter. The Pit D area has the potential to contribute near surface gold resources which will add to the mine life of the existing Tujuh Bukit gold mine. A program of 51 reverse circulation holes totalling approximately 7,000 meters will be drilled in the third quarter. Results will be incorporated into the next resource update (target completion Q4 2021) for the Tujuh Bukit Gold Mine.

Figure 4: Reverse circulation rig undergoing commissioning prior to commencing drilling at Pit D

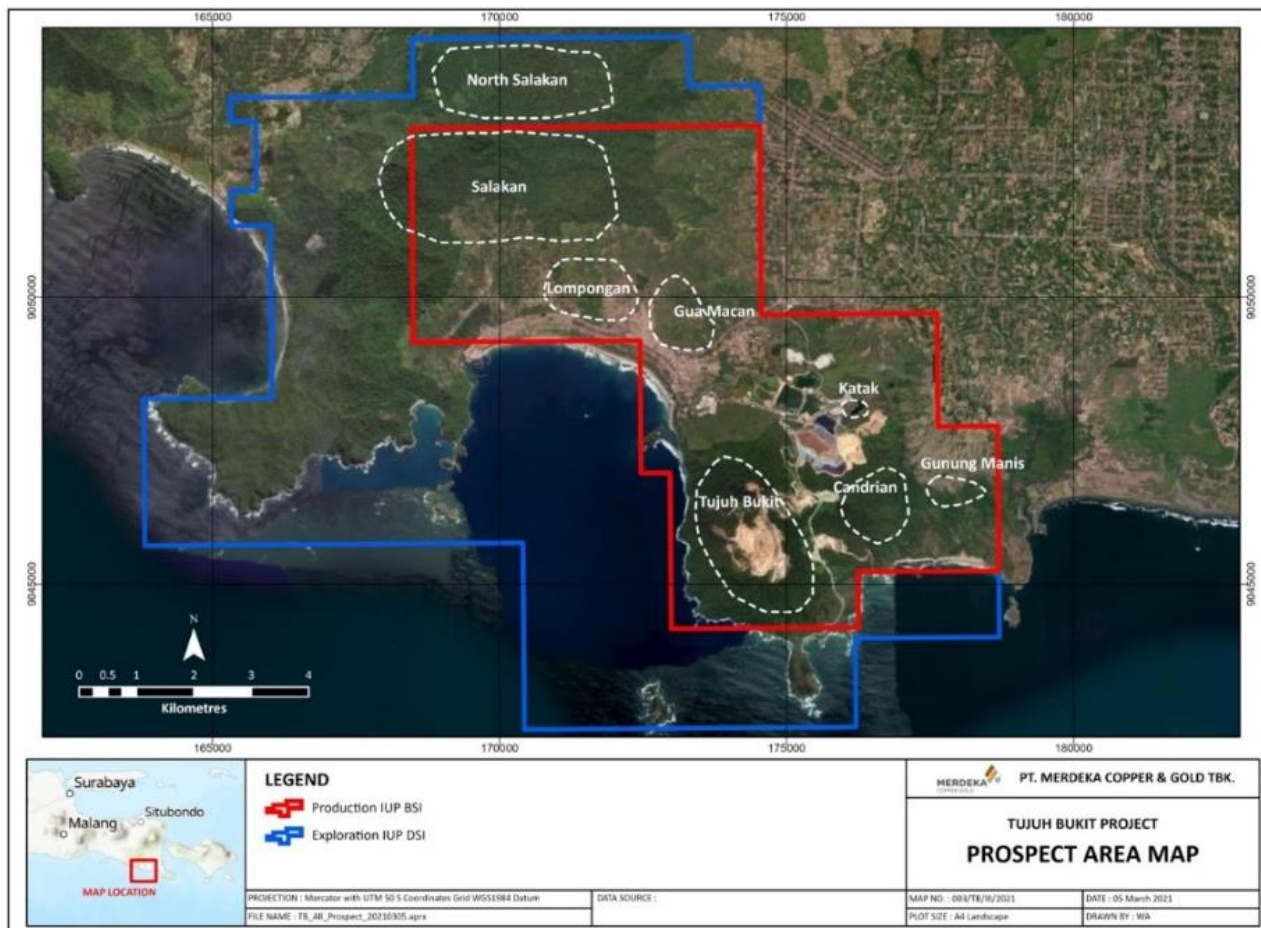


Regional exploration in the lease surrounding the Tujuh Bukit Gold Mine will restart in Q3 2021 after the conclusion of negotiations with local land holders, with the dual objectives of (a) defining near surface oxide gold resources to supplement the existing Tujuh Bukit Gold Mine operations, and (b) testing for potential sulphide copper and gold targets which may provide additional ore for the future Tujuh Bukit Copper Project processing plant.

Several encouraging targets have been defined from a detailed target ranking review of historic geophysical and surface geochemical data sets. Once access is finalised early in the next quarter, ground truth mapping and sampling will be undertaken to validate the target definition work before initial scout drilling. Depending on results from initial scout drilling, a more aggressive campaign may be undertaken in subsequent quarters.

The region surrounding the Tujuh Bukit mining operations is highly prospective along a well-defined “mineralised corridor” for both oxide and sulphide hosted gold and copper-gold resources, and MDKA is budgeting an expenditure of \$4 million during the 2021 year on regional and surface exploration at Tujuh Bukit.

Figure 5: Tujuh Bukit regional exploration areas and IUP areas



Operational Cost Summary: The Q2 2021 cash cost was \$361/oz and the AISC was \$575/oz. YTD cash cost was \$524/oz and the AISC was \$796/oz.

Operating Outlook: Guidance for 2021 is expected to be in the range of 100,000 to 120,000 ounces of gold at an AISC of \$825 to \$900/oz.

5) **Wetar Copper Mine**

Summary: After mining operations commenced at the Partolang pit in October 2020, copper production has steadily increased. Copper produced in Q2 2021 was 5,003 tonnes at an AISC of \$1.86/lb representing a significant improvement compared to copper production in Q1 2021 totalling 2,489 tonnes.

With the development of the AIM project, the focus going forward will be on extracting maximum value from the Wetar ore including production of copper at Wetar and the sale of ore to the AIM Project.

Mining: Ore mined for Q2 2021 was 0.4 million tonnes with waste mined of 2.9 million tonnes. Mining operations achieved total material movement of 3.3 million tonnes during the quarter. Based on the grade control model project to date, Partolang ore mined totalled 1.28 million tonnes or approximately 9% lower than the reserve model of 1.41 million tonnes. On the other hand, contained copper mined totalled 27,231 tonnes or approximately 18% higher against the reserve model of 23,034 tonnes.

Processing: During Q2 2021, 0.6 million tonnes of ore were crushed, at a grade of 2.32% Cu (containing 12,869 tonnes of copper), hauled and stacked onto the HLP for the quarter. Total copper leached was 5,071 tonnes with 5,003 tonnes of copper produced.

During the quarter, an expanded crusher system was commissioned at Wetar Copper Mine. This includes the commissioning of a new agglomerator for Wetar's largest crusher in May 2021. This has been an important milestone to improve the reliability of future copper production at Wetar. Stacking has fully ramped up with Wetar achieving full stacking rates in May 2021.

To maintain long term copper production at the Wetar Copper Mine, a water treatment plant ("WTP") will be built to treat wetar leach solutions to reduce iron, acid and other dissolved metals and manage the site water balance. Detailed engineering design for the WTP has started with the construction expected to commence early Q3 2021. Once built, copper leaching is expected to improve further.

Environmental, Safety and Social Performance By the end of the Q2 2021, Wetar Copper Mine achieved a record of 11,751,216 man-hours without Lost Time Injury since the last LTI in January 2018, whilst the mine's total year-to-date recordable injury frequency rate per million hours worked, was 0.66, with 1 recordable injury during the quarter.

Related to the environmental permit (AMDAL), environmental monitoring was conducted for water quality (river, ground, drinking, and seawater), air ambient monitoring and air emission monitoring. Water quality monitoring was conducted in June 2021, with a total of 39 water samples shipped to PT Intertek for further laboratory analysis. Daily and weekly water quality monitoring onsite has been conducted in Q2 2021 with a total of 4,278 samples of water taken. As part of slope protection, jute netting with total coverage area of 0.41 hectares was installed.

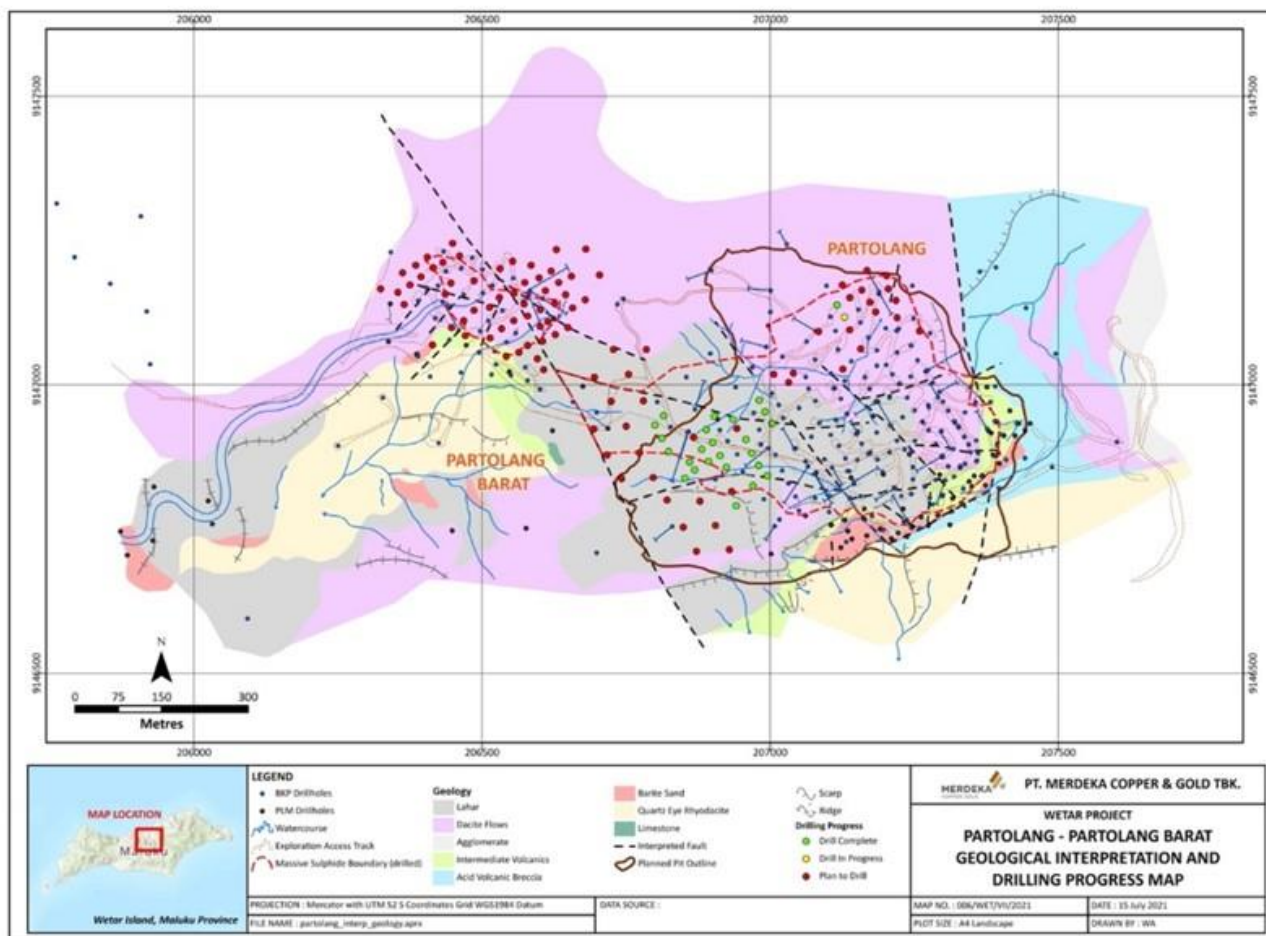
The Wetar Copper Mine operation has 967 total direct and contract employees comprising 3 expatriates and 964 Indonesians. National employees comprise 461 local (Maluku) and 493 non-local employees, while contractors' employees comprise 135 local (Maluku) and 307 non-local.

During the quarter, Wetar continued to implement a community development and empowerment program and a corporate social responsibility program, which includes education, health, social and culture, cash income generating or occupation, local institutional development and infrastructure development.

Exploration: Exploration during the quarter focused on resource definition RC drilling at Partolang and Lerokis, sonic drilling on the Kali Kuning heap leach pads to support the AIM Project, geological mapping and surface rock sampling at multiple near mine and regional targets, and preparation for additional geotechnical drilling at the sediment ponds.

The objective of the resource definition RC drilling at Partolang is to convert inferred resources within the ultimate pit shell to indicated to support an upgrade of ore reserves, as well as extending the known Partolang resources to the northwest. At the end of the quarter, 15 holes for 1863 metres had been completed, with all holes returning encouraging results from geological logging. No assay results had been received at the end of the quarter due to the impact of COVID-19 at both of the company's contracted analytical laboratories.

Figure 6: Partolang, Partolang Barat 2021 drilling, geological interpretation and Partolang pit outline



Following on from this drilling, the program will continue, stepping out into the “bridge” zone to the immediate west of Partolang, before moving into Partolang Barat (formerly known as Barumanu).

The work at Partolang Barat is focused on the area previously defined by scout drilling (as reported in 2020) and will involve an accelerated RC and diamond drilling campaign. The aim of this campaign is to:

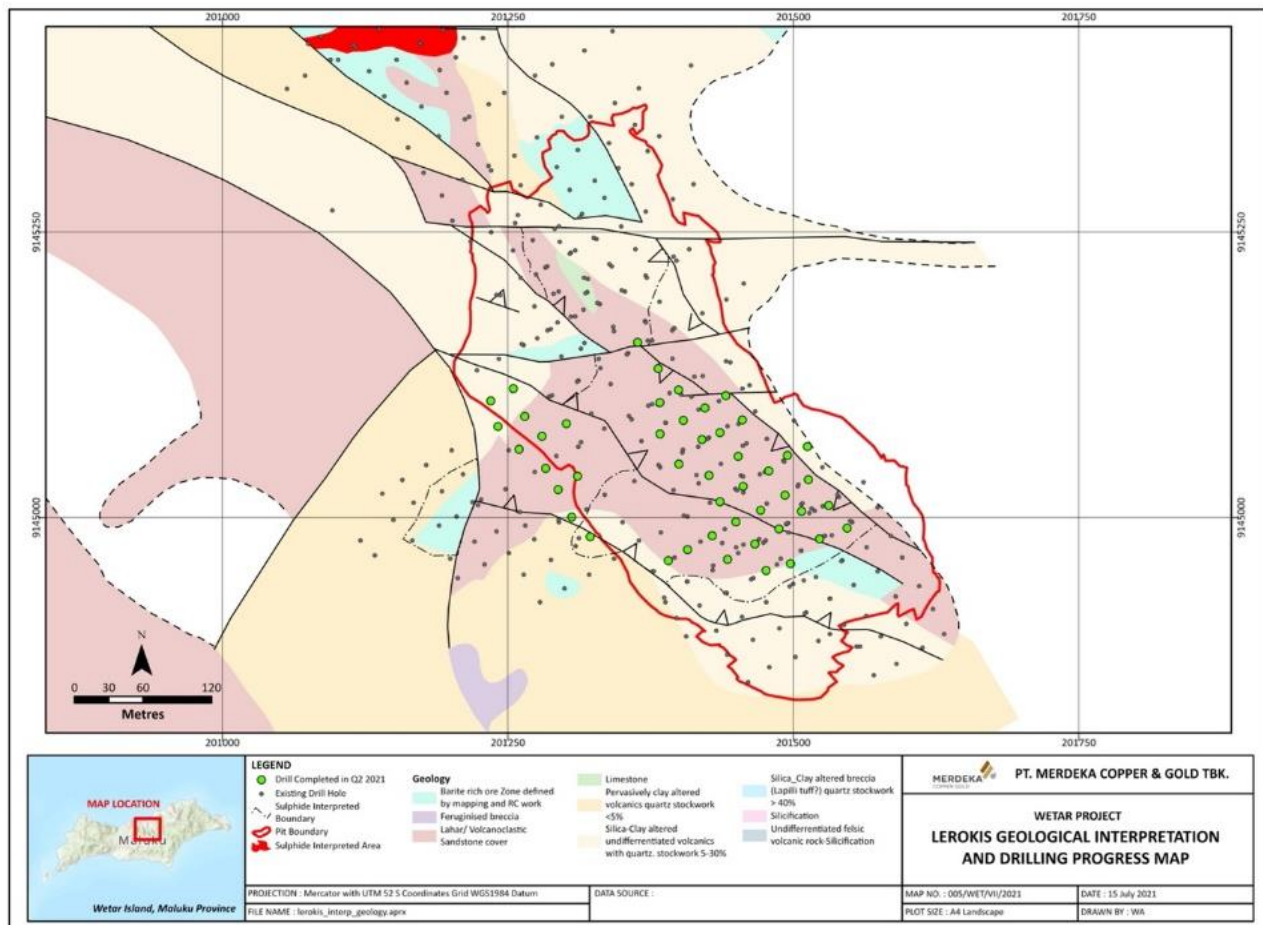
- (a) Drill out the Partolang Barat deposit so that a maiden Resource can be calculated; and
- (b) Define any mineralisation in the “bridge” zone between the Partolang and Partolang Barat deposits to assist in long term mining infrastructure planning in this area.

Infill RC resource definition drilling was conducted at the Lerokis deposit during the quarter. The objective of this drilling was to infill areas of potential high pyrite mineralisation under the existing Lerokis pit as potential feed for the AIM project, as well as following up potential extensions to the orebody to the west of the existing pit.

Seventeen drill holes for 654 metres were drilled during the quarter, with results pending at the end of the quarter. An update to the Lerokis resource model is scheduled for August once the assay results are received.

A plan showing the completed holes is given below.

Figure 7: Lerokis pit area showing 2021 drilling, geological interpretation and pit outline

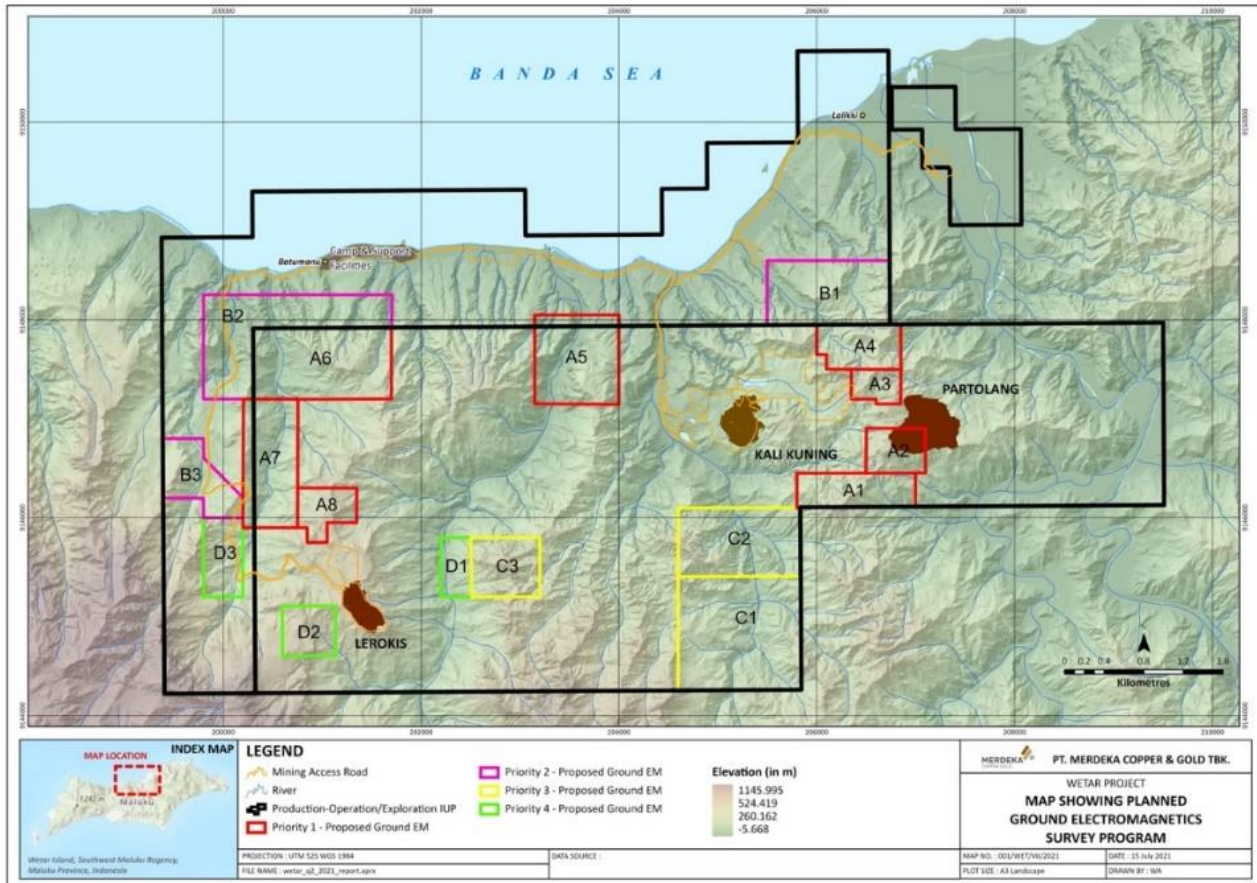


COPPER GOLD

QUARTERLY REPORT: JUNE 2021

The forestry permit for exploration (“IPPKH”) was approved covering activities within the entire Wetar Copper Mine IUP. The permit was issued on May 28th and is valid for 2 years. Areas for future ground geophysics were revised, with stations and lines planned for approximately 119 line km covering around 1,173ha. The survey areas were re-designed to avoid primary forest areas. The planned geophysics survey areas for 2021 and 2022 are shown in the plan below.

Figure 8: Wetar regional map showing planned areas for ground EM geophysics surveys in 2021/22



Operational Cost Summary: The cash cost in Q2 2021 was \$1.27/lb of copper produced and the AISC cost was \$1.86/lb of copper produced. YTD cash cost was \$1.59/lb and the AISC was \$2.13/lb.

Operating Outlook: Guidance for 2021 has increased to 15,500 to 18,500 tonnes of copper at an AISC of \$1.90/lb to \$2.40/lb. Production rates should increase further in subsequent years following the commissioning of the Water Treatment Plant.

6) COVID-19 Impact

MDKA has been monitoring the COVID-19 threat since the first official announcements from the World Health Organization (“WHO”) in January 2020. Preventative and mitigation measures have been progressively implemented to manage and respond to the risks associated with the COVID-19 virus to ensure the safety of our employees and surrounding communities where we work, while continuing to operate. This plan is continually being updated based on the severity of the pandemic in areas where we operate, the safety of our workforce, government restrictions, extensive community consultation, and global response measures.

MDKA continues to operate the Tujuh Bukit gold mine and Wetar copper mine and is continuing with ongoing expansion and development projects with some restrictions from preventative and precautionary COVID-19 measures. All supply lines, both domestic and international for all operations remain open to-date. Reviews have been conducted on supplies and planned mitigation measures developed to ensure critical supply stocks are sufficient to operate.



MERDEKA
COPPER GOLD

Appendix 1: Finance and Corporate

Cash and Cash Equivalents: Cash and cash equivalents, net of restricted cash, at 30 June 2021 was \$278 million. In addition to this, MDKA has \$35 million of undrawn debt facilities.

Debt: On 28 May 2021, MDKA's subsidiary, PT Bumi Suksesindo ("BSI") fully repaid its outstanding Senior Secured Facility of \$85 million. Subsequently, BSI entered into a new financing arrangement with ING Bank N.V., Singapore Branch ("ING"), with the signing of an agreement dated 10 June 2021 between BSI as the Borrower, ING as the Arranger, (Original Lender upon accession and Original Hedge Counterparty), and the Hong Kong and Shanghai Banking Corporation Limited ("HSBC") as Facility Agent and PT Bank HSBC Indonesia ("HBSC Indonesia") as Security Agent.

The new financing arrangement comprises two secured credit facilities as follows:

- 1) Secured Bullion Forward Hedge and Financing Transaction ("BSI Prepayment Facility") of \$100 million; and
- 2) Revolving Credit Facility ("BSI RCF") of \$10 million with an accordion option to increase the BSI RCF up to \$50 million.

The facilities were obtained, among others, to refinance BSI's indebtedness and fund BSI's general business activities.

The BSI Prepayment Facility incorporates a forward gold derivative. A total of 54,069 ounces of gold will be delivered over 18 months from July 2021 to December 2022 (monthly gold delivery of 3,004 ounces) at an average forward price of \$1,902/oz. The effective interest rate on the BSI Prepayment Facility is 3.42%

The BSI RCF has a final repayment date of 365 days from drawdown, subject to extension options. Each extension option can extend the final repayment date by an additional period of 12 months, provided that only two extension requests may be issued by BSI. The rate of interest for each interest period is the aggregate of the applicable margin of 3.0% per annum plus LIBOR. As of 30 June 2021, the BSI RCF has not been drawn.

The finance lease balance outstanding at 30 June 2021 was \$37 million. This resulted from the acquisition of owner mining equipment and implementation new Statements of Financial Accounting Standards no. 73 related to leases.

Sales and Hedging: During the quarter, at Tujuh Bukit, a total of 27,744 ounces of gold and 216,696 ounces of silver were sold at an average price of \$1,802/oz and \$26/oz, respectively, for total revenue of \$55.6 million.

At Wetar, 3,312 tonnes of copper were sold at an average price of \$9,871/t for total revenue of \$32.7 million. On 28 May 2021, MDKA's subsidiary, PT Batutua Tembaga Raya ("BTR") entered into copper price forward hedging, with 2,400 tonnes of copper to be delivered over 6 months from July 2021 to December 2021 (monthly copper delivery of 400 tonnes) at an average forward price of \$10,129/t.

Mark to market position for gold and copper hedge increase from a liability of \$0.4 million at 31 December 2020 to an asset of \$6.1 million at 30 June 2021, resulting in comprehensive income of \$6.5 million.

Table 1: Gold, Silver and Copper Sales for June 2021 Quarter

	Ounces	\$/oz	\$m
Gold	27,744	1,802	50.0
Silver	216,696	26	5.6
	Tonnes	\$/tonne	\$m
Copper	3,312	9,871	32.7
Total			88.3

Table 2: Details of Gold and Copper Hedge Profile as at 30 June 2021

Period	Gold Hedged		Copper Hedged	
	oz Au	\$/oz	t Cu	\$/t
2021 (July to December)	18,023	1,901	2,400	10,129
2022 (January to December)	36,046	1,903	-	-

Capital Structure: Total issued and paid-up capital of MDKA is 22,904,850,815 shares.

Table 3: Major Shareholders as at 30 June 2021

Shareholders	No. of shares	%
PT Saratoga Investama Sedaya Tbk	4,189,971,184	18.29
PT Mitra Daya Mustika	2,948,833,595	12.87
Garibaldi Thohir	2,028,836,137	8.86
PT Suwarna Arta Mandiri	1,386,733,708	6.05
Pemda Kabupaten Banyuwangi	973,250,000	4.25
Gavin Arnold Caudle	79,526,728	0.35
Hardi Wijaya Liong	69,276,728	0.30
Heri Sunaryadi	4,900,630	0.02
Richard Bruce Ness	2,783,500	0.01
Total Major Shareholders	11,684,112,210	51.00
Treasury Stock	1,485,000	0.01
Others	11,219,253,605	48.99
Total shares on issue as at 30 June 2021	22,904,850,815	100.00



For further information, please contact:

Mr. David Fowler (Director)
The Convergence Indonesia, 20th Floor,
Rasuna Epicentrum Boulevard, HR Rasuna Said
Jakarta 12940 - Indonesia
T: +62 21 2988 0393

E: investor.relations@merdekacoppergold.com

About PT Merdeka Copper Gold Tbk.

PT Merdeka Copper Gold Tbk (“Merdeka” or “the Company”), a holding company with operating subsidiaries engaging in mining business activities, encompassing: (i) exploration; (ii) production of gold, silver, copper (and other related minerals); and (iii) mining services.

The Company’s major assets are the: (i) Tujuh Bukit Copper Project; (ii) Pani Joint Venture; (iii) Wetar / Morowali Acid Iron Metal Project; (iv) Tujuh Bukit Gold Mine and; (v) Wetar Copper Mine.

The Tujuh Bukit Copper Project deposit is one of the world’s top ranked undeveloped copper and gold mineral resources, containing approximately 8.7 million tonnes of copper and 28 million ounces of gold.

As a world-class Indonesian mining company, Merdeka is owned by prominent Indonesian shareholders including: PT Saratoga Investama Sedaya Tbk., PT Provident Capital Indonesia and Mr. Garibaldi Thohir. Merdeka’s three major shareholders have exceptional track records in successfully identifying, building and operating multiple publicly listed companies in Indonesia.

Refer Annual Statements of Mineral Resources and Ore Reserves on www.merdekacoppergold.com