

Exploration Report – Period of Quarter 1 2021

Summary: PT Merdeka Copper Gold (Merdeka) is continuing with exploration activities at 3 (three) locations in Indonesia (Tujuh Bukit at West Java, Wetar Island at West Maluku, and Pani at Gorontalo), as per Figure 1 below. At Tujuh Bukit the focus is on a copper and gold resource, at Wetar the focus is on copper, and at Pani the company is exploring a gold resource.

The total spending on exploration in Indonesia by Merdeka in Quarter 1 2021 is approximately Rp 50.8 billion.



Figure 1: Merdeka Exploration Project Locations in Indonesia

Copper and Gold: Tujuh Bukit Project

- A. Expenditure:
The total expenditure for exploration related activities for the Tujuh Bukit Upper High Grade Zone (UHGZ) in Quarter 1 2021 is Rp 37.1 billion consisting of decline maintenance, underground resource definition drilling and associated test work.
- B. Area:
Tujuh Bukit copper and gold resource, Banyuwangi, East Java.
- C. Exploration Party:
All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.
- D. Assessment Method:
Drilling from underground with associated test work. No surface exploration drilling occurred in Quarter 1 2021.
- E. Election of Assessment Area:
The area was selected for the current drilling program as it is an area of the UHGZ which 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 decline location.

F. Results of Exploration:

Four underground rigs conducted resource definition drilling totalling 6,850.6 metre as shown in Table 1.

G. Action Plan:

Further drilling is required, and underground drilling will continue using five diamond drill rigs.

Hole ID	From	To	Interval	Comment
UHGZ-20-031	700.5	759	58.5	Res Def
UHGZ-20-032	702.8	706.6	3.8	Res Def
UHGZ-20-033	424.1	525.2	101.1	Res Def
UHGZ-20-034	281.9	713.5	431.6	Res Def
UHGZ-21-035	0	680	680	Res Def
UHGZ-21-036	0	680.9	680.9	Res Def
UHGZ-21-037	0	640	640	Res Def
UHGZ-21-038	0	547.8	547.8	Res Def
UHGZ-21-039	0	655	655	Res Def
UHGZ-21-040	0	483.2	483.2	Res Def
UHGZ-21-041	0	462.3	462.3	Res Def
UHGZ-21-042	0	449.5	449.5	Res Def
UHGZ-21-043	0	515.8	515.8	Res Def
UHGZ-21-044	0	565.2	565.2	Res Def
UHGZ-21-045	0	260	260	Res Def
UHGZ-21-046	0	57	57	Res Def
UHGZ-21-047	0	258.9	258.9	Res Def

Table 1: Tujuh Bukit Underground Project Drilling Statistics Quarter 1 2021

Copper: Wetar Project

A. Expenditure:

Total estimated exploration costs for the Wetar Project in Quarter 1 2021 are Rp 5.9 billion.

B. Area:

Wetar Project, Wetar Island, West Maluku

C. Exploration Party:

All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

D. Assessment Method:

Mapping, rock chip sampling and planning for ground geophysics and drilling on regional airborne EM targets. Completion of geotechnical drilling around the Kali Kuning pit, commencement of additional resource drilling at Lerokis, and metallurgical drilling on leach pads.

E. Election of Assessment Area:

The exploration areas were selected from ground and airborne Electromagnetic (EM) geophysical surveys, and historical mining activity which identified features with potential for VMS deposits.

F. Results of Exploration:

Results received for around 144 rock chip samples on EM targets near previously mined areas for gold. More than 50% of the samples returned >0.5g/t Au. Three rigs operated during Quarter 2021 with 1,592.3 metre of drilling completed as shown in Table 2 and Figures 2 until 4. Assays are not yet available from the drilling.

G. Action Plan:

Further exploration planned around the anomalous rock chip samples, including scout exploration drilling. Additional resource drilling will target outside the western edge of the pit, and in the north of the Lerokis pit, along the northern and western margins of the planned pit at Partolang and in the Barumanu area. Metallurgical drilling will also continue on leach pads.

Drill Type	Holes Completed	Metres Drilled	Hole_ID	Details
RC	30	756	LKR574-603	Resource Drilling in Lerokis Pit
DDH	7	462	KKDG080-086	Geotechnical Drilling at Kali Kuning
SONIC	22	374.3	LPD001-022	Metallurgical Drilling on leach pads
Totals	59	1592.3		

Table 2: Wetar Project Drilling Statistics in Quarter 1 2021

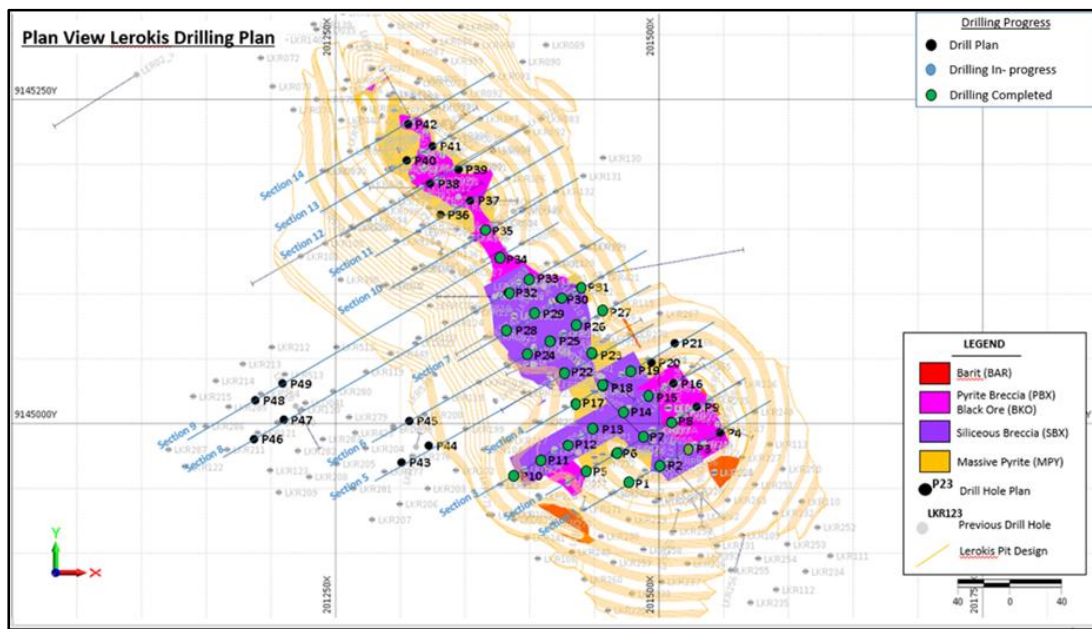


Figure 2: Completed Resource Drilling in Lerokis Pit

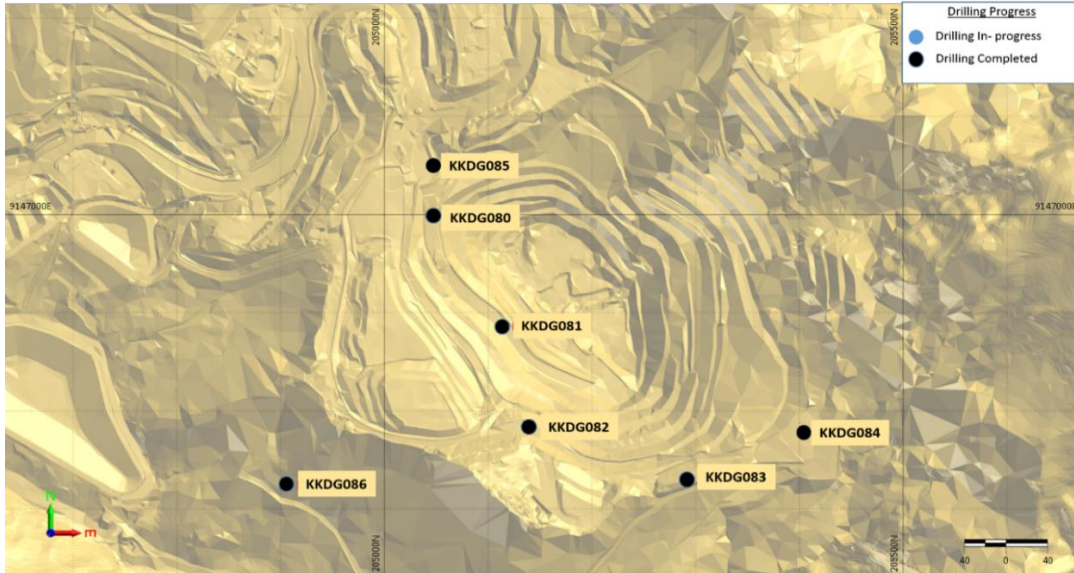


Figure 3: Completed Geotechnical diamond holes around Kali Kuning pit

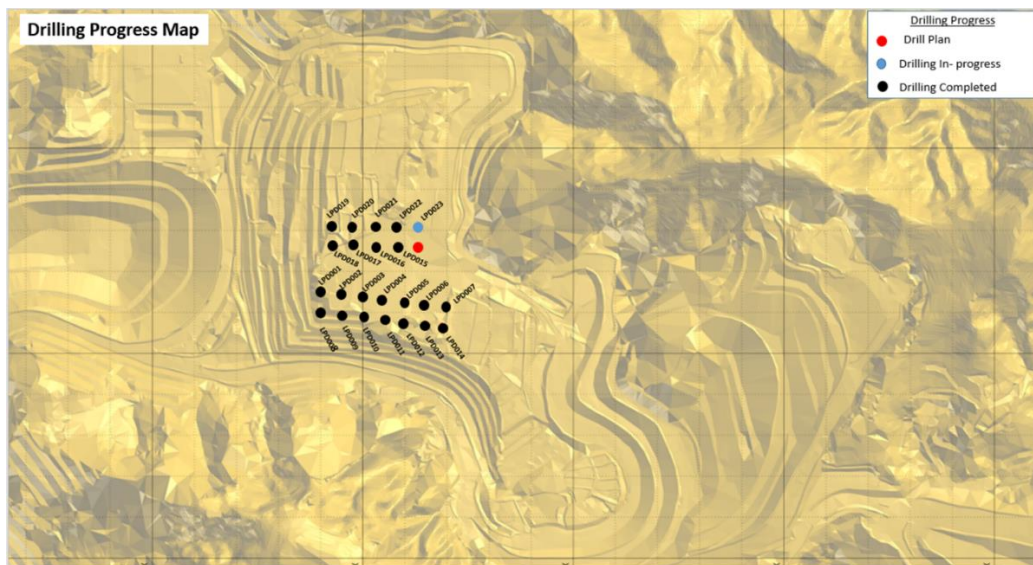


Figure 4: Completed Metallurgical holes with Sonic Rig on Leach pads

Gold: Pani Project.

- A. Expenditure:
Total estimated exploration costs for the Pani Project in Quarter 1 2021 are Rp 7.8 billion.
- B. Area:
Pani Project, Gorontalo Province, Sulawesi
- C. Exploration Party:
All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.
- D. Assessment Method:
A review of historic information and results to date continued this quarter, along with updating the geological models.

E. Election of Assessment Area:

The area selected for the most recent drilling was chosen as there is a gap between historical drilling within the IUP and that of the adjoining CoW.

F. Results of Exploration:

Previously seventeen drill holes for 4,543.95 metre from the planned forty drill holes for approximately 10,500 metre have been completed, as shown in Figure 5 below.

G. Action Plan:

Further exploration and drilling will be undertaken once the review is complete and program is optimised.

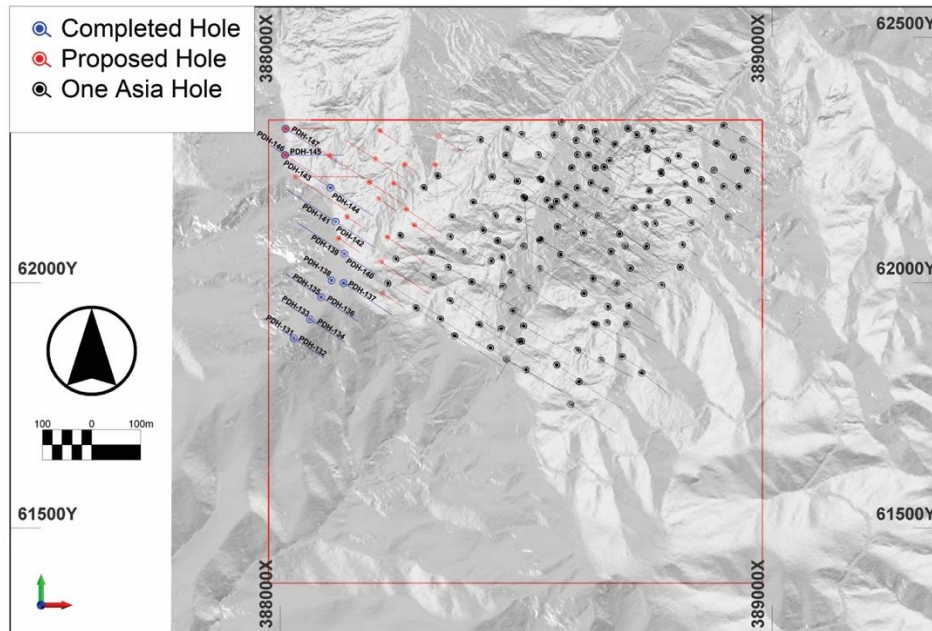


Figure 5: Pani Proposed and Completed Drill Holes Overlain on Topography