

Exploration Report – December 2020

Summary: PT Merdeka Copper Gold (Merdeka) is continuing with exploration activities at three locations in Indonesia (Tujuh Bukit, Wetar Island – West Malukus, and Pani – Gorontalo), as per Figure 1 below. At Tujuh Bukit the focus is on a copper-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 the month of December 2020 is approximately Rp 24.93 billion.



Figure 1: Merdeka Exploration Project Locations

Copper and Gold: The Upper High Grade Zone (UHGX) of the Tujuh Bukit copper and gold resource is being explored through a combination of surface and underground drilling. The focus of the current drilling program is an area of the Upper High Grade Zone (referred to as the Initial Mining Area – “IMA”) 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.

Drilling from underground continued in December 2020, with four underground rigs conducting Resource Definition drilling totalling 2,706m. No surface exploration drilling occurred in December.

Hole Id	From	To	Interval	Comment
UHGZ-20-030	269.7	443	173.3	Res Def
UHGZ-20-033	0	424.1	424.1	Res Def
UHGZ-20-029	572.7	650	77.3	Res Def
UHGZ-20-032	0	702.8	702.8	Res Def
UHGZ-20-028	465.4	535.7	70.3	Res Def
UHGZ-20-031	0	700.5	700.5	Res Def
UHGZ-20-025	500.4	776.2	275.8	Res Def
UHGZ-20-034	0	281.9	281.9	Res Def

Table 1: Tujuh Bukit underground project drilling statistics December 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in December is Rp 22 billion consisting of decline development, underground resource definition drilling and surface hydrology drilling. All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

Copper: The Wetar Island exploration program focussed on mapping and rock chip sampling of regional EM targets near Lerokis, compilation of new assays, and collection of petrology samples from Barumanu, integration of regional mapping data, GIS and database updates.

Total estimated costs for December are Rp 0.53 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

Gold: Diamond drilling at the Pani project remains on hold, while a review of historic information and results to date is undertaken for program optimisation. Seventeen drill holes for 4,543.95 metres from the planned forty drill holes for approximately 10,500m have been completed, as shown in Figure 2 below.

Total expenditure for exploration activities on the Pani property in December 2020 is Rp 2.4 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

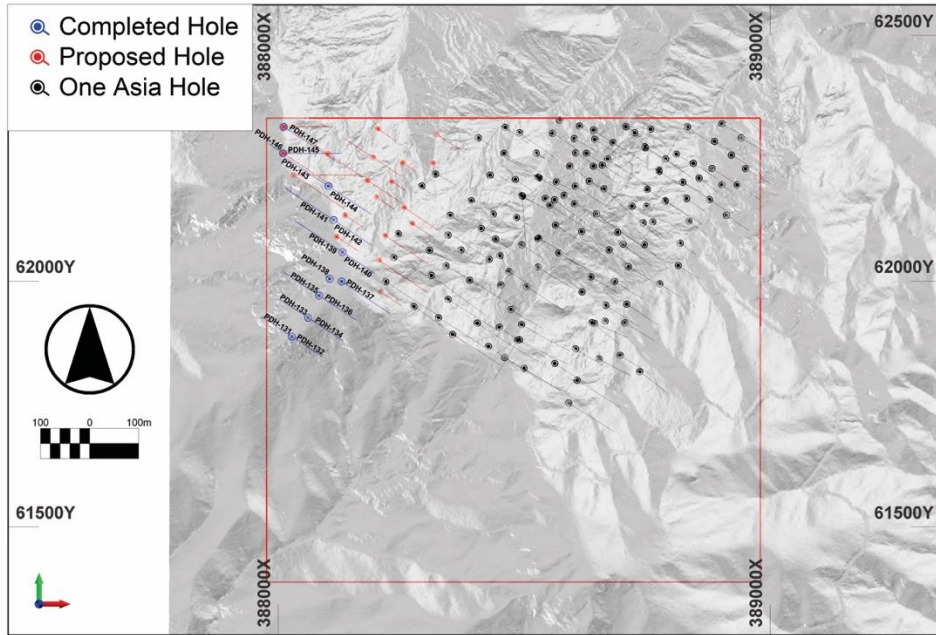


Figure 2: Pani proposed and completed drill holes overlain on topography