

Exploration Report – July 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 July 2020 is approximately Rp 11.7 billion.



Figure 1: Merdeka Exploration Project Locations

Copper and Gold: The Upper High Grade Zone (UHGZ) 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 depths have been affected by equipment failures and challenging ground conditions, with some holes ending in mineralisation. To address this issue, the company has mobilised larger drilling equipment to site, which are expected to start in August.

No surface or Underground drilling occurred during July – both surface and underground drilling will recommence in August.

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in July is Rp 7.1 billion for decline drift development, Rp 0.25 billion for underground resource definition drilling and

surface hydrology drilling, for a total of Rp 7.35 billion. All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

Copper: On Wetar, field activities were restricted due to staffing and travel restrictions associated with Covid-19 and focused on planning additional drilling around the edges of Partolang, collection of samples from Partolang and Lerokis for new metallurgical work, and preparation for planned drilling at Barumanu, which will start in August.

Total estimated costs for the exploration program are Rp 0.35 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

Gold: Diamond drilling at the Pani Project commenced on the 7th November 2019. The planned programme comprises 40 drill holes located on 29 drill pads for a total of approximately 10,500m as shown in Figure 2 below.

Drilling continued as normal throughout July using a single man portable drill rig with 4 holes completed or underway for 748.9m. This brings total drilling in the current program to 16 holes for 4,156.5 metres.

Total expenditure for exploration activities on the Pani property in July 2020 is Rp 4.0 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

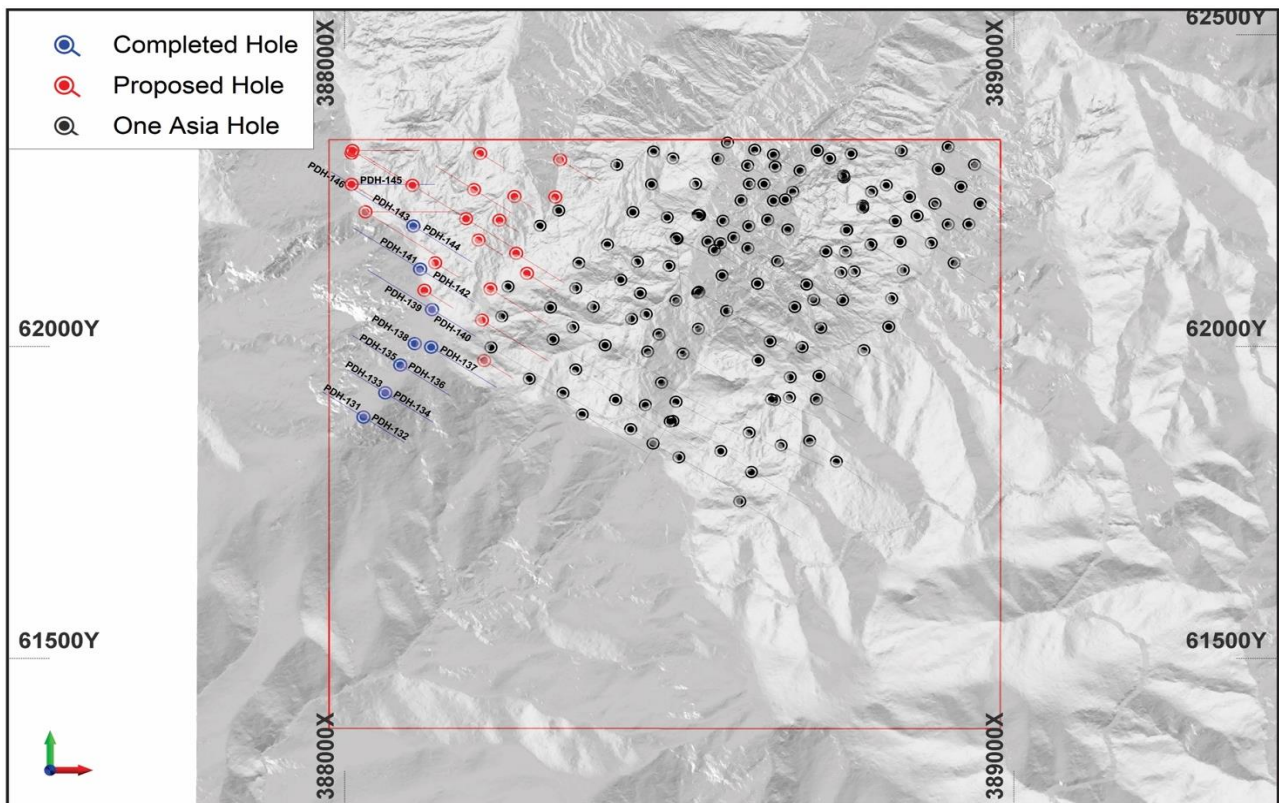


Figure 2: Pani proposed and completed drill holes overlain on topography