

## Exploration Report – October 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 October 2020 is approximately Rp 16.64 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 October 2020, with three underground rigs conducting Resource Definition drilling totalling 1,773.9m. A fourth underground rig was commissioned at the end of October, expected to start drilling on the 2<sup>nd</sup> November. No surface exploration drilling occurred in October.

Hole Id	From	To	Interval	Comment
UHGZ-20-022A	326.2	800.2	474	Res Def
UHGZ-20-023	466.7	828.4	361.7	Res Def
UHGZ-20-024	259.2	652.4	393.2	Res Def
UHGZ-20-026	0	287.9	287.9	Res Def
UHGZ-20-027	0	212.5	212.5	Res Def
UHGZ-20-028	0	44.6	44.6	Res Def

Table 1: Tujuh Bukit underground project drilling statistics October 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in October is Rp 5.1 billion for decline development, Rp 6.5 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 11.6 billion. All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

**Copper:** The Wetar Island exploration program continued to focus on targets surrounding the recently defined Partolang resource. Field activities included further exploration and geotechnical drilling between Barumanu and Kali Kuning. Seven diamond drill holes were completed for 488.5m, including 4 holes on EM targets at Barumanu for 440m (BMD019-022), and 3 shallow holes on proposed waste dump areas for 48.5m (WD01-03).

Drill Type	Holes Completed	Metres Drilled	Drill Samples	Comments/Hole_ID
DDH	7	488.5	140	Drill samples are for BMD019-021 with a further 30 samples taken from WD01-03 (for geotechnical tests)
<b>Totals</b>	<b>7</b>	<b>488.5</b>	<b>140</b>	

Table 2: Wetar drilling statistics October 2020

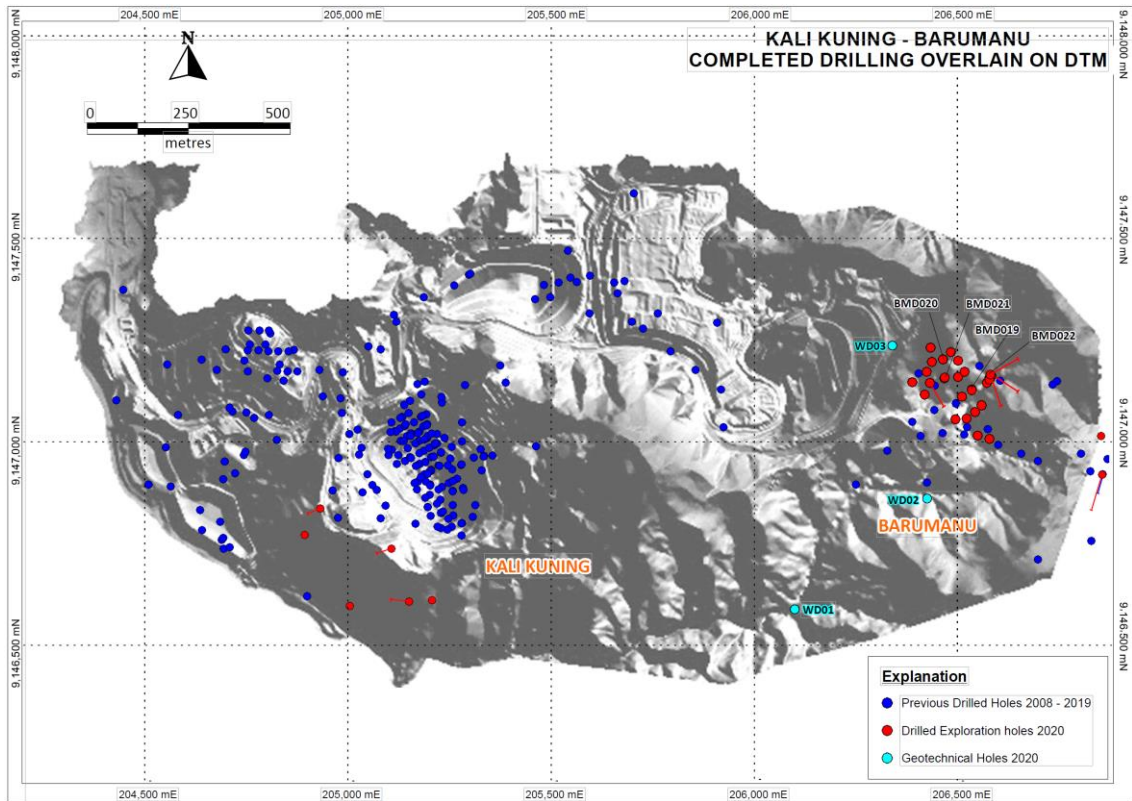


Figure 2: Drill hole locations for October overlain on topography

Total estimated costs for October are Rp 2.39 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 3 below.

Total expenditure for exploration activities on the Pani property in October 2020 is Rp 2.65 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

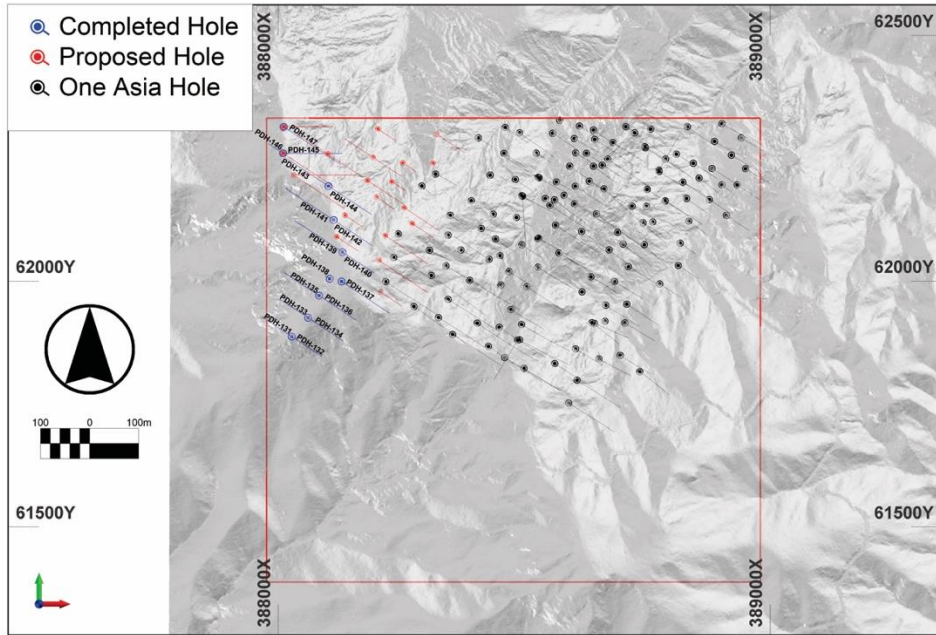


Figure 3: Pani proposed and completed drill holes overlain on topography