

Exploration Report – April 2020

Summary: PT Merdeka Copper Gold Tbk (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 April 2019 is approximately Rp 29 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.

In April 2020, the total underground metres drilled were 2,226.8 metres for Resource Definition (Res Def) drilling. The underground drill holes are designed to test the continuity of mineralisation, as well as for geotechnical and hydrological information. Four LM110 UG rigs are currently in operation.

Total drilling from surface, primarily for hydrologic holes (i.e. to understand the nature of water movement and the presence of water transmitting fault structures in and around the resource) was 426 metres, as summarised in the table below.

The underground exploration decline advanced 73.43 metres, taking the decline chainage to 1830.09 metres at the end of April, with the overall development at 2,639 metres.

SITE_ID	from	to	interval	comment
MBH-20-033	0	113	113	Hydro
MBH-20-034	0	31	31	Hydro
MBH-20-035	0	151	151	Hydro
MBH-20-036	0	101	101	Hydro
MBH-20-037	0	30	30	Hydro
UHGZ-20-011	336.8	784.8	448	Res Def
UHGZ-20-014	789.6	881.5	91.9	Res Def
UHGZ-20-015	462.2	470.2	8	Res Def
UHGZ-20-016	0	541.5	541.5	Res Def
UHGZ-20-017	0	639.8	639.8	Res Def
UHGZ-20-018	0	497.6	497.6	Res Def

Table 1: Tujuh Bukit underground project drilling statistics April 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in April is Rp 18.3 billion for decline drift development, Rp 8.0 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 26.3 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 compilation of datasets to support resource and reserve estimation at Partolang. No drilling activities were completed but, mapping and surface sampling continued on 3 targets defined from previous geophysical surveys to the west of Kali Kuning.

Total estimated costs for the exploration program are Rp 0.6 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. 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 April using a single man portable drill rig with 2 holes completed or underway for 543m. This brings total drilling in the current program to 10 holes for 2,372.1 metres.

Total expenditure for exploration activities on the Pani property in April 2020 is Rp 2.1 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

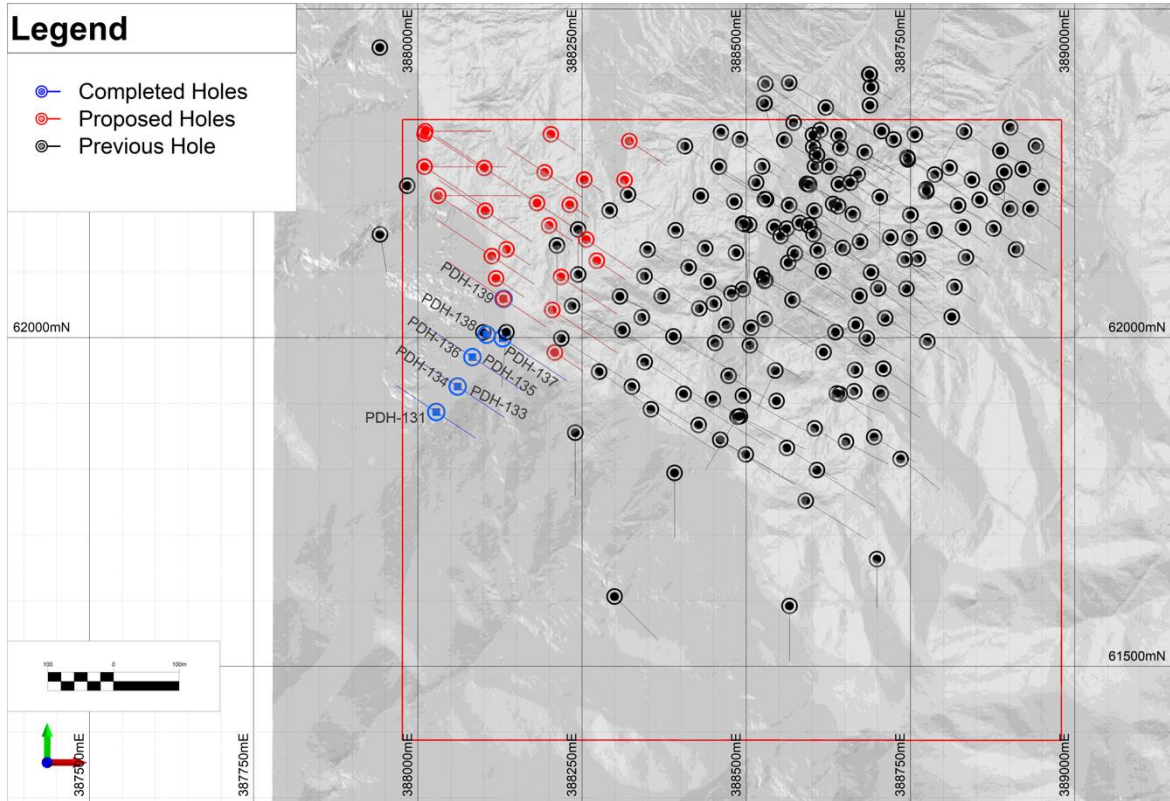


Figure 2: Pani proposed and completed drill holes overlain on topography