

Exploration Report – August 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 August 2020 is approximately Rp 15.86 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 from Surface and Underground resumed in August 2020, with one surface rig conducting Hydrological monitoring holes totaling 479.9m, and two underground rigs commencing Resource Definition drilling totaling 11.9m. An additional two underground rigs are expected to be commissioned during September.

Hole Id	From	To	Interval	Comment
MBH-20-040	0	102.3	102.3	Surface Hydro
MBH-20-041	0	377.6	377.6	Surface Hydro
UHGZ-20-022	0	10.7	10.7	UG Resource Definition
UHGZ-20-023	0	1.2	1.2	UG Resource Definition

Table 1: Tujuh Bukit underground project drilling statistics August 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in August is Rp 5.3 billion for decline development, Rp 6.7 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 12.0 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, and near the Kali Kuning pit. Field activities included the re-commencement of drilling on EM targets at Barumanu with a RC rig (Figure 2). Eight drill holes were completed, and one is in progress, with 1,140m of RC drilled to date (BMR018-026).

Drill Type	Holes Completed	Metres Drilled	Drill Samples	Comments/Hole_ID
RC	9	1,140	479	BMR018-025 & BMR026 (in part)
Totals	9	1,140	479	

Table 2: Wetar drilling statistics August 2020

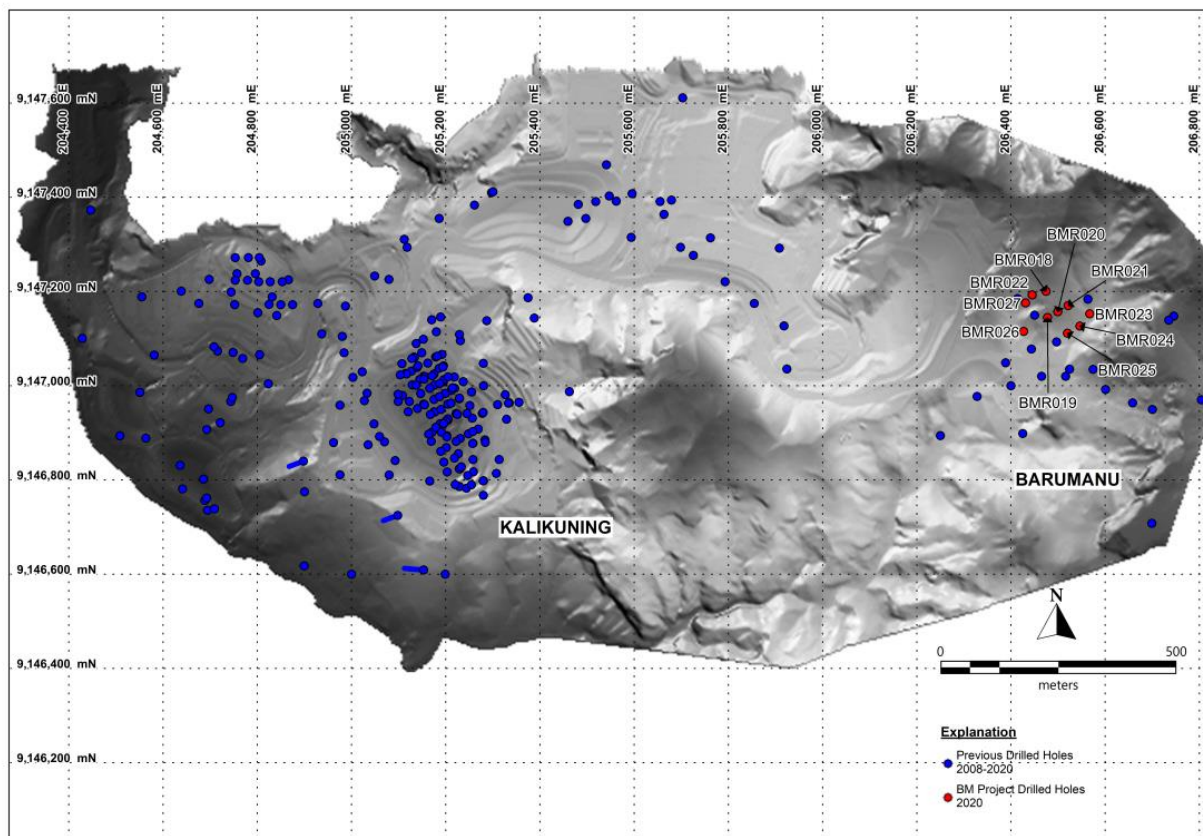


Figure 2: Barumanu proposed and completed drill holes overlain on topography

Total estimated costs for the August drill program are Rp 1.26 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 3 below.

Drilling continued as normal until the 15th August using a single man portable drill rig with 2 holes completed for 387.5m. This brings total drilling in the current program to 17 holes for 4,543.95 metres. Drilling has been put on hold while a review of historic information and results to date is undertaken for program optimisation.

Total expenditure for exploration activities on the Pani property in August 2020 is Rp 2.6 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

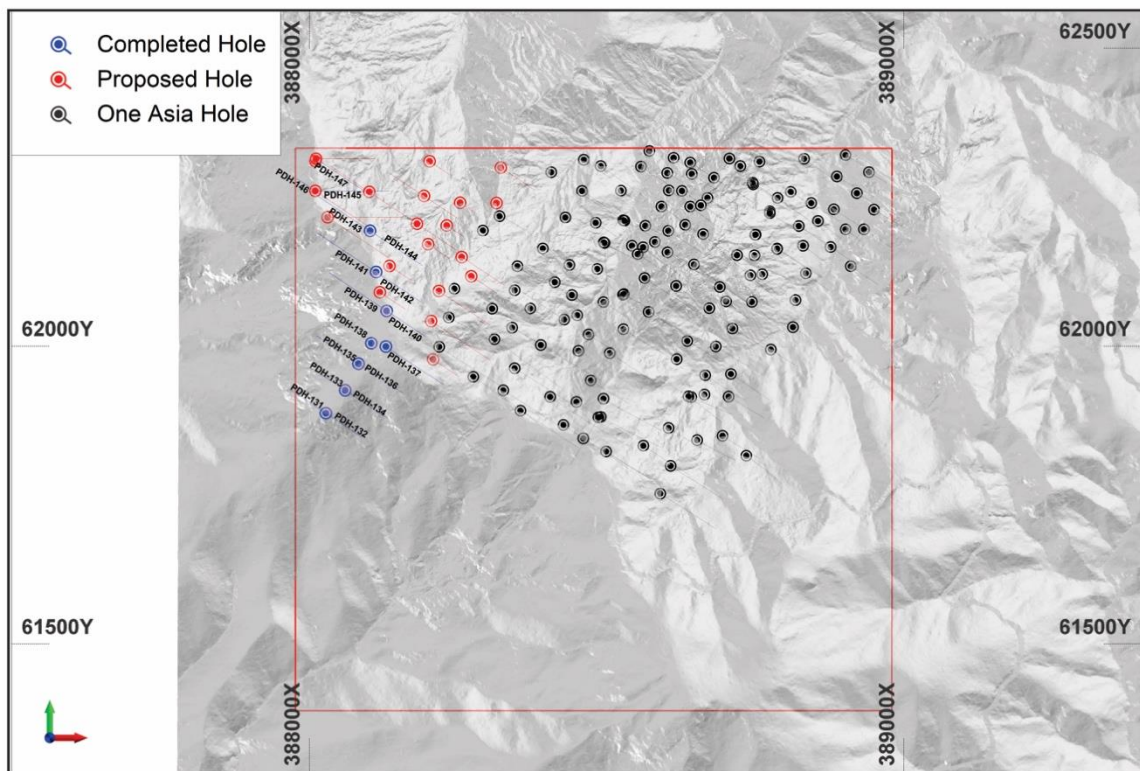


Figure 3: Pani proposed and completed drill holes overlain on topography