

Exploration Report – December 2019

Summary: PT Merdeka Copper Gold Tbk (Merdeka) is continuing with exploration activities at three locations in Indonesia (Tujuh Bukit, East Java, Wetar Island, West Malukus, and Pani, Gorontalo), as per Figure 1 below. At Tujuh Bukit the focus is on a copper-gold porphyry 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 2019 is approximately Rp 37.9 billion.



Figure 1: Merdeka Exploration Project Locations

Copper and Gold: The Upper High Grade Zone (UHGX) of the Tujuh Bukit copper and gold porphyry Resource is being explored through a combination of surface and underground drilling.

In December 2019, the total underground metres drilled were 1,682.5 metres for both geotechnical (Geotech) and 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, with the fourth rig starting in December.

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 171 metres, as summarised in the table below. The underground exploration decline advanced 115.5 metres, taking the chainage to 1,600.8 metres at the end of December. Total underground development for the month was 136.46 metres, taking the overall development to 2,308.35 metres.

Site_Id	From	To	Interval	Comment
MBH-19-026	749.7	920.7	171	Hydro
UGTH-19-014	217.5	225.6	8.1	Geotech / Res Def
UGTH-19-015	0	276.7	276.7	Geotech / Res Def
UHGZ-19-006	71.8	782.1	710.3	Res Def
UHGZ-19-007	0	11.7	11.7	Res Def
UHGZ-19-007A	0	178.1	178.1	Res Def
UHGZ-19-008	0	459.6	459.6	Res Def
UHGZ-19-009	0	38	38	Res Def

Table 1: Tujuh Bukit underground project drilling statistics December 2019

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in December is Rp 19.3 billion for decline drift development, Rp 5.3 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 24.6 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 the Partolang resource and surrounds. December activities included infill RC to confirm geology and RC piezometer drilling at Partolang and scout RC and diamond drilling on EM targets outside of the resource at Partolang and Barumanu. Fourteen drill holes were completed for 1945.9m, including ten RC holes for 1264m, comprised of one piezometer hole (PTRPZ143), five scout holes targeting EM features (PTR144-147 & BMR008 (in progress)), four confirmation geology holes (PTR148-151) and four scout diamond holes for 681.9m, targeting EM features (PTD057, PTD058, PTD059, PTD060 (in progress)). Details on the drilling and sampling are provided in Table 2 and Figure 2.

Total estimated costs for the December drill program are Rp 10.4 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

Drill Type	Holes Completed	Metres Drilled	Drill Samples	Comments/Hole_ID
RC	10	1264	944*	PTRPZ143, PTR144 to PTR151, BMR008 (incl standard, dup, blank)
DDH	4	681.9	215**	PTD057-PTD060 (inclusive)
Totals	14	1945.9	1159	

Table 2: Wetar drilling statistics December 2019

Note: *in progress drilling (PTD060 at 28m and BMR008 at 90m depth)

**Drill samples excluding BMR008, PTD059 and PTD060

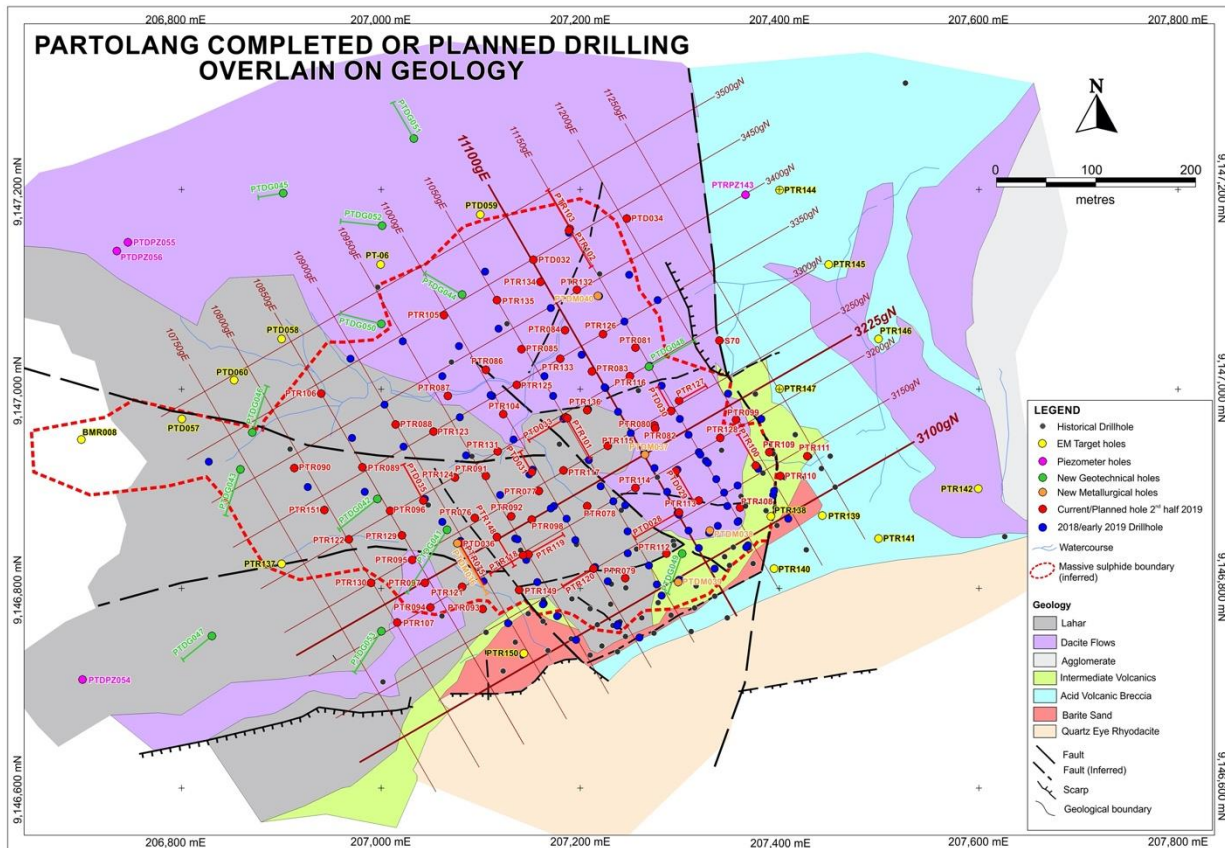


Figure 2: Partolang proposed and completed drill holes overlain on geology

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 3 below.

After a postponement of drilling in November due to water supply issues, water supply to the drill rig was re-established on the 13th December and drilling of PDH-131 continued. This hole was completed and a second hole started for a total of 357.4 metres drilled during December.

Total expenditure for exploration activities on the Pani property in December 2019 is Rp 2.9 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

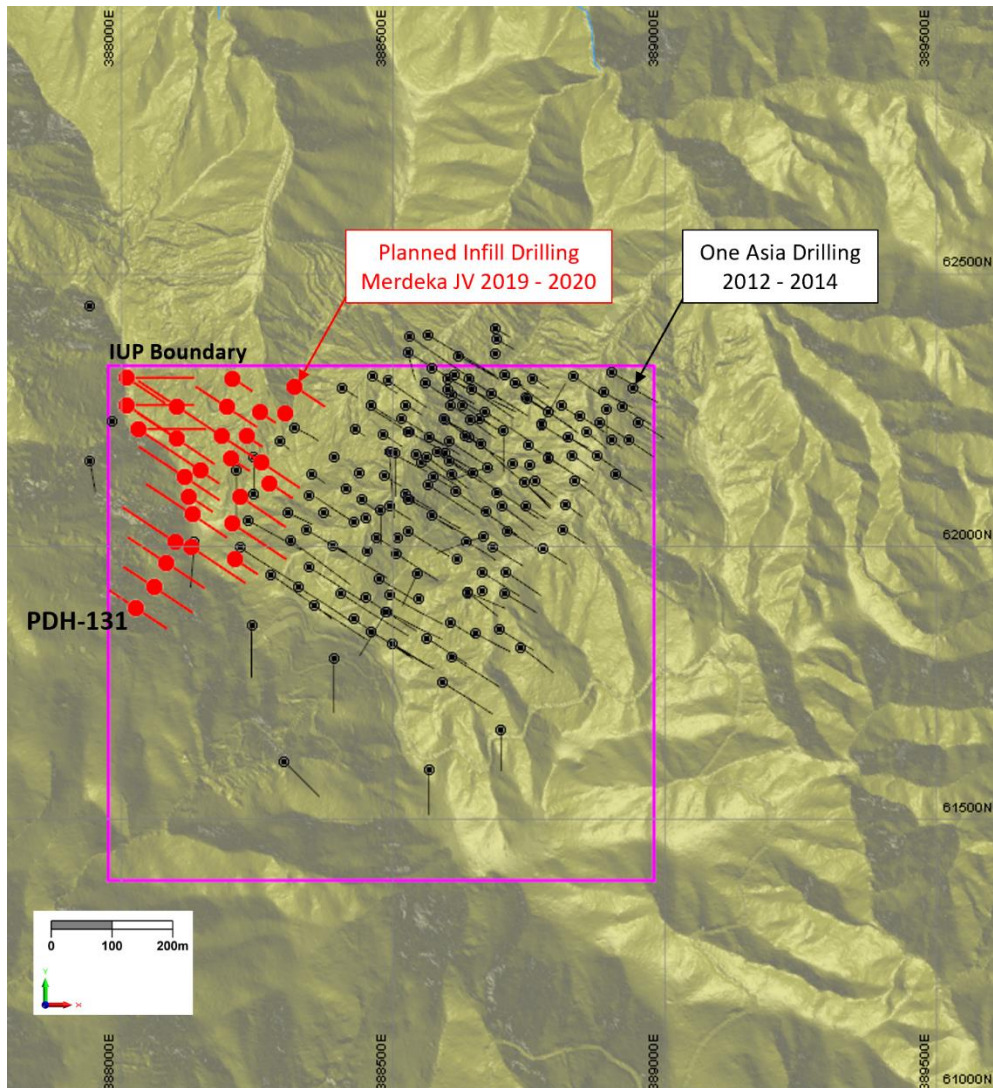


Figure 3: Pani proposed and completed drill holes overlain on topography