

Exploration Report – February 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 February 2020 is approximately Rp 30.4 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.

In February 2020, the total underground metres drilled were 2,019.3 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.

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 102.3 metres, as summarised in the table below.

The underground exploration decline advanced 37.54 metres, taking the chainage to 1,684.19 metres at the end of February. Total underground development for the month was 107.65 metres, taking the overall development to 2,416 metres.

SITE_ID	From	To	Interval	Comment
GTH-19-221	754.7	857	102.3	Hydro
UGTH-20-017	12.5	193.9	181.4	Geotech / Res Def
UHGZ-19-007A	535.7	654.6	118.9	Res Def
UHGZ-20-010	264.3	525.5	261.2	Res Def
UHGZ-20-011	173.4	303.1	129.7	Res Def
UHGZ-20-012	0	556	556	Res Def
UHGZ-20-012W	373.3	480.3	107	Res Def
UHGZ-20-013	0	442.2	442.2	Res Def
UHGZ-20-014	0	222.9	222.9	Res Def

Table 1: Tujuh Bukit underground project drilling statistics February 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in February is Rp 21 billion for decline drift development, Rp 4.9 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 25.9 billion. All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

Copper: The Wetar Island exploration program focussed on initial drilling of EM targets southwest of the Kali Kuning pit before drilling activities were suspended due to heavy rain. Final datasets, including geological interpretations were also compiled for resource estimation at Partolang, and further samples were collected from Partolang for mineralogical work. Three reverse circulation drill holes were completed at Kali Kuning for 335m in KKR130-132 (Table 2 and Figure 2).

Total estimated costs for the February drill program are Rp 2 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	3	335	599*	KKR130, 131 and 132, and PTD060-062 (incl standard, dup, blank)
DDH	0	0	0	
Totals	3	335	599	

Table 2: Wetar drilling statistics February 2020

Note: *Drill samples include 220 from holes (PTD060-062) completed in January

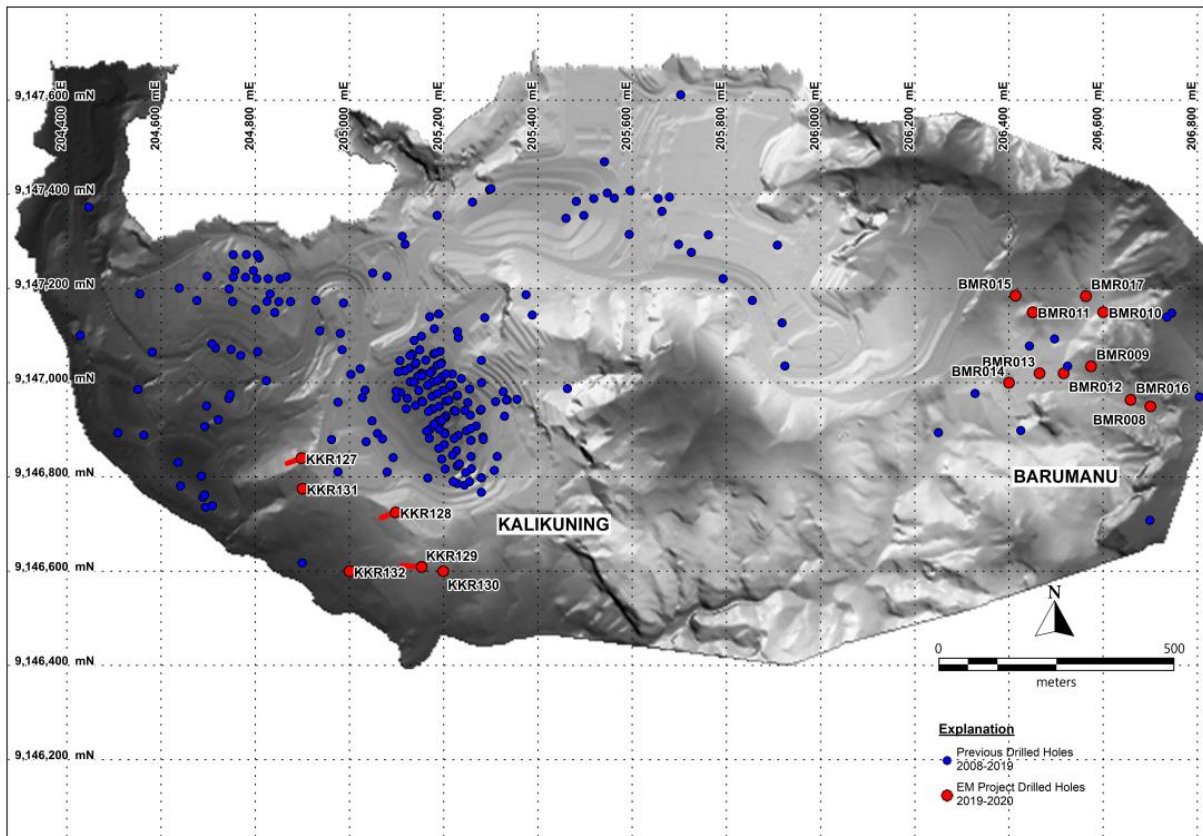


Figure 2: Wetar Island drill holes overlain on topography

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.

Drilling continued as normal throughout February using a single man portable drill rig with 2 holes completed or underway for 419.5m. This brings total drilling in the current program to 6 holes for 1390.9 metres.

Total expenditure for exploration activities on the Pani property in February 2020 is Rp 2.5 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

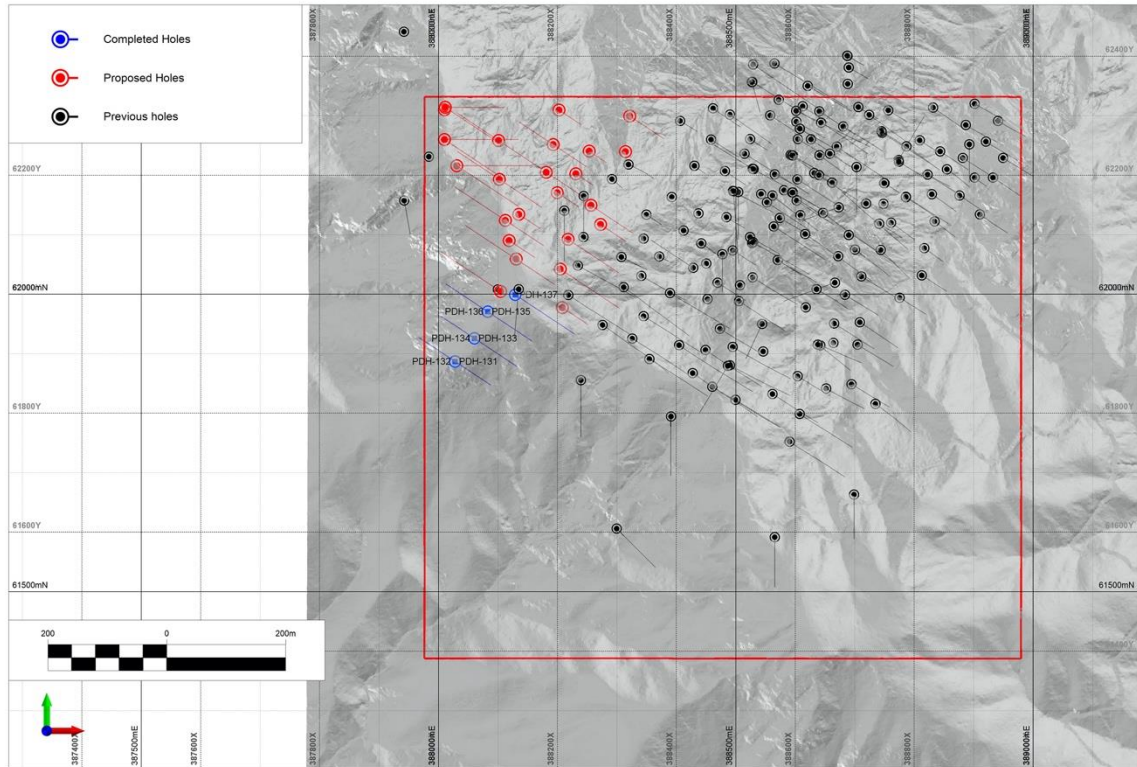


Figure 3: Pani proposed and completed drill holes overlain on topography