

Exploration Report – June 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 June 2020 is approximately Rp 34.85 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 underground exploration decline is now complete at a total chainage of 1,890m, with the total development at 2,859 metres. The total development during June was 120.4m.

A total of 823m were drilled as Resource Definition drilling during June. These underground drill holes are designed to test the continuity of mineralisation, as well as for geotechnical, metallurgical, structural, and hydrological information. Three PT Pontil Indonesia LM110 UG rigs were operating during June. PT Pontil Indonesia are expected to demobilise during early July, and PT Indodrill Indonesia are expected to commence drilling in mid July.

No surface drilling occurred during June, the next surface holes are expected to start in early August.

HOLE_ID	From	To	interval	comment
UHGZ-20-019	566.7	887.3	320.6	Res Def
UHGZ-20-020	464.7	894.5	429.8	Res Def
UHGZ-20-021	414	486.6	72.6	Res Def

Table 1: Tujuh Bukit underground project drilling statistics June 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in June is Rp 20.1 billion for decline drift development, Rp 8.4 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 28.5 billion. All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

Copper: On Wetar no drilling activities were completed but mapping and surface sampling continued on 2 targets from last month and an additional target defined from previous geophysical surveys near Lerokis.

Total estimated costs for the exploration program are Rp 0.15 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 2 below.

Drilling continued as normal throughout June using a single man portable drill rig with 2 holes completed or underway for 647.1m. This brings total drilling in the current program to 13 holes for 3,407.6 metres.

Total expenditure for exploration activities on the Pani property in June 2020 is Rp 6.2 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

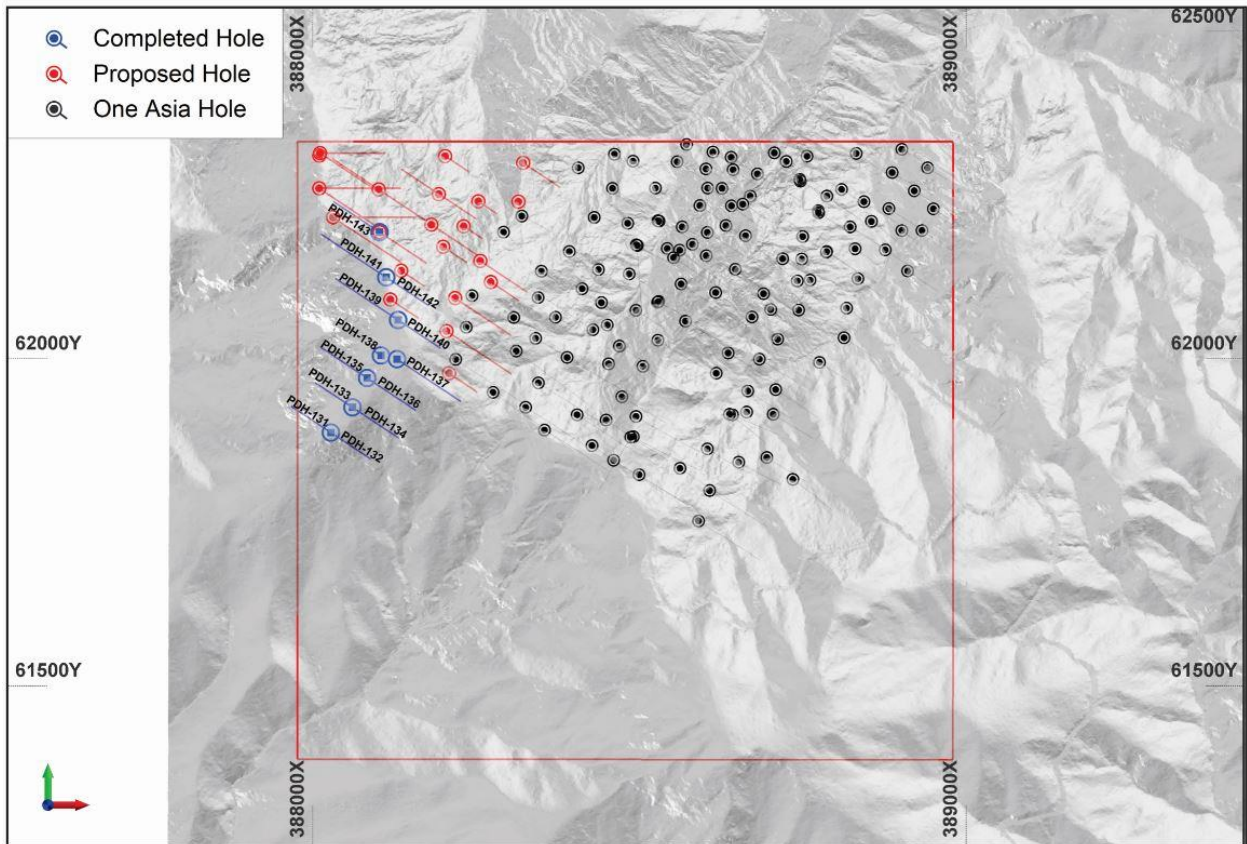


Figure 2: Pani proposed and completed drill holes overlain on topography