

## Exploration Report – November 2019

**Summary:** PT Merdeka Copper Gold (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 November 2019 is approximately Rp 28.6 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 November 2019, the total underground metres drilled were 1,200.1 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. Three LM110 UG rigs are currently in operation, with a fourth rig planned to start 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 664.9 metres, as summarised in the table below. The underground exploration decline advanced 129 metres, taking the chainage to 1,565 metres at the end of November. Total underground development for the month was 142.1 metres, taking the overall development to 2,172 metres.

SITE_ID	From	To	Total	Comment
MBH-19-026	84.8	749.7	664.9	Hydro
UGTH-19-013	710.6	833.8	123.2	Geotech / Res Def
UGTH-19-014	0	217.5	217.5	Geotech / Res Def
UHGZ-19-003	722.7	731.6	8.9	Res Def
UHGZ-19-004	10	250.7	240.7	Res Def
UHGZ-19-004A	0	61	61	Res Def
UHGZ-19-005	0	477	477	Res Def
UHGZ-19-006	0	71.8	71.8	Res Def

Table 1: Tujuh Bukit underground project drilling statistics November 2019

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in November is Rp 19.5 billion for decline drift development, Rp 4.2 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 23.7 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. November's activities included infill RC, diamond geotechnical and piezometer drilling in the resource and scout RC drilling on EM targets outside of the resource. Seventeen drill holes were completed, including eleven RC holes (PTR132-142) and six diamond geotechnical/piezometer holes (PTDG051-056) for 1320m and 725.2m respectively (Table 2 & Figure 2 below).

Total estimated costs for the November drill program are Rp 2.5 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	11	1320	1098	PTR0132 to PTR142 (incl standard, dup, blank)
DDH	6	725.20*	208**	PTDG051 to PTDG053, there are geotechnical sample collected by Golders selectively, PTDPZ054 to PTDPZ56, exploration will determine sample collection later, within mineralized interval
<b>Totals</b>	<b>17</b>	<b>2045.2</b>	<b>1306</b>	

Table 2: Wetar drilling statistics November 2019

Note:

\*Metres drilled including with PTDPZ056 open hole up to 102.4m depth.

**\*\*Drill samples including PTR130, PTR131, PTDG041, PTDG042, PTDG044 and PTDG049**

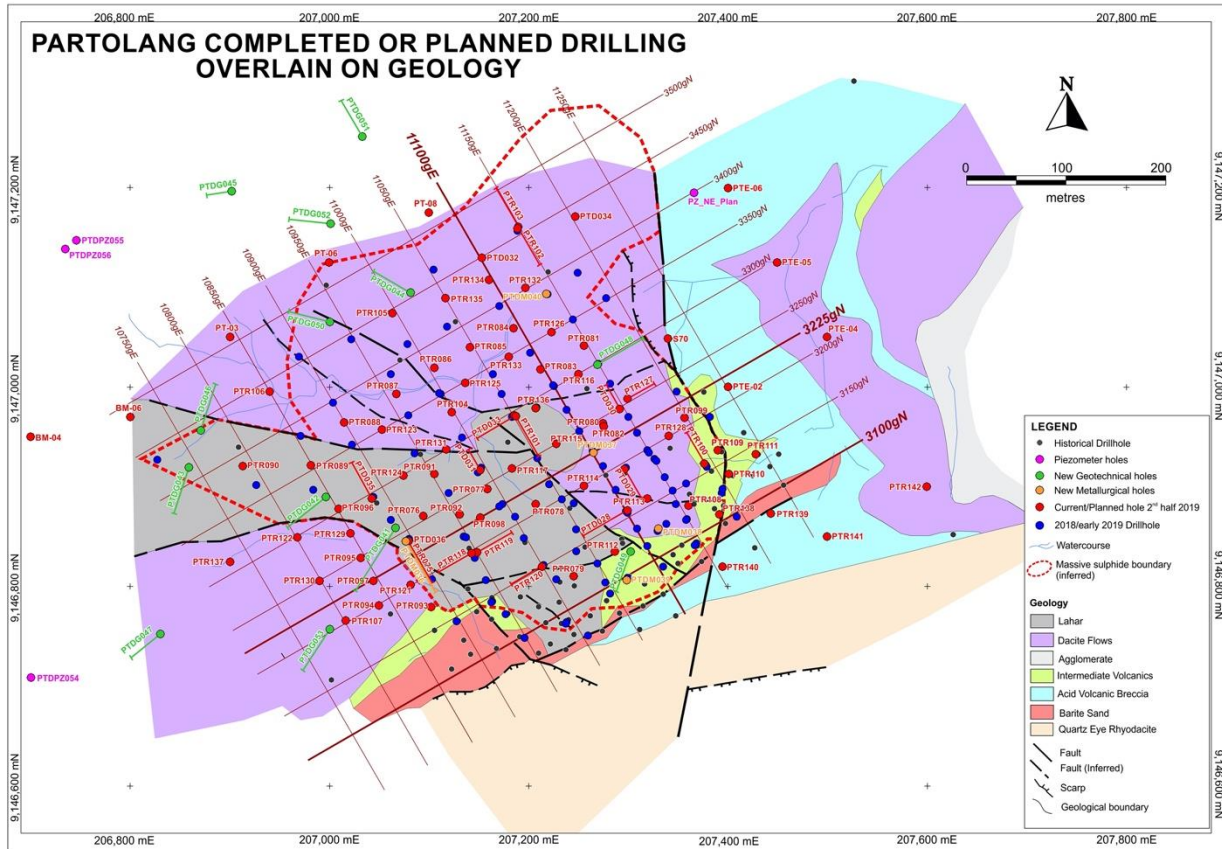


Figure 2: Partolang proposed and completed drill holes overlain on geology

**Gold:** Diamond drilling at the Pani Project commenced on the 7<sup>th</sup> 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.

Soon after commencing, all drilling activities were suspended on the 14<sup>th</sup> November due to a lack of water. Drilling will recommence when a secure water supply line is established.

For the month of November only 40.3 metres of drilling was completed in the first drill hole (PDH-131) which is still in progress.

Total expenditure for exploration activities on the Pani property in November 2019 is Rp 2.4 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

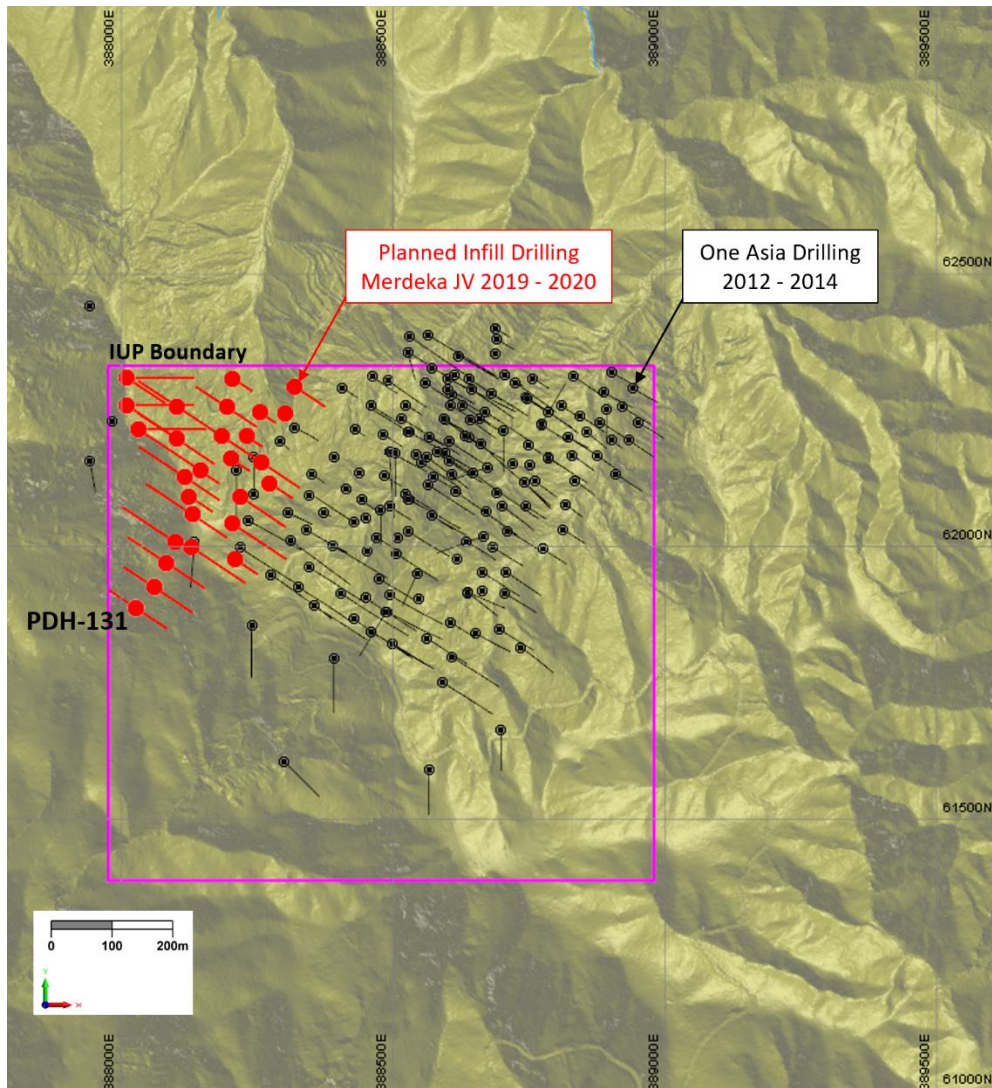


Figure 3: Pani proposed and completed drill holes overlain on topography