

Exploration Report – September 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 September 2020 is approximately Rp 16.45 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 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 continued in September 2020, with one surface rig conducting Hydrological monitoring holes totalling 414.9m, and three underground rigs conducting Resource Definition drilling totalling 1,031.1m. An additional underground rig is expected to be commissioned during October.

Hole Id	From	To	Interval	Comment
MBH-20-041	377.6	792.5	414.9	Surface Hydro
UHGX-20-022A	10.3	326.2	315.9	UG Resource Definition

UHGZ-20-023	10.7	466.7	456	UG Resource Definition
UHGZ-20-024	0	259.2	259.2	UG Resource Definition

Table 1: Tujuh Bukit underground project drilling statistics September 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in September is Rp 5.4 billion for decline development, Rp 5.5 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 10.9 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 further drilling on EM targets at Barumanu with the RC rig (Figure 2). Sixteen drill holes were completed for 2,026m of RC (BMR026-041).

Drill Type	Holes Completed	Metres Drilled	Drill Samples	Comments/Hole_ID
RC	16	2,026	840	BMR026(part) BMR027 - 041
Totals	16	2,026	840	

Table 2: Wetar drilling statistics September 2020

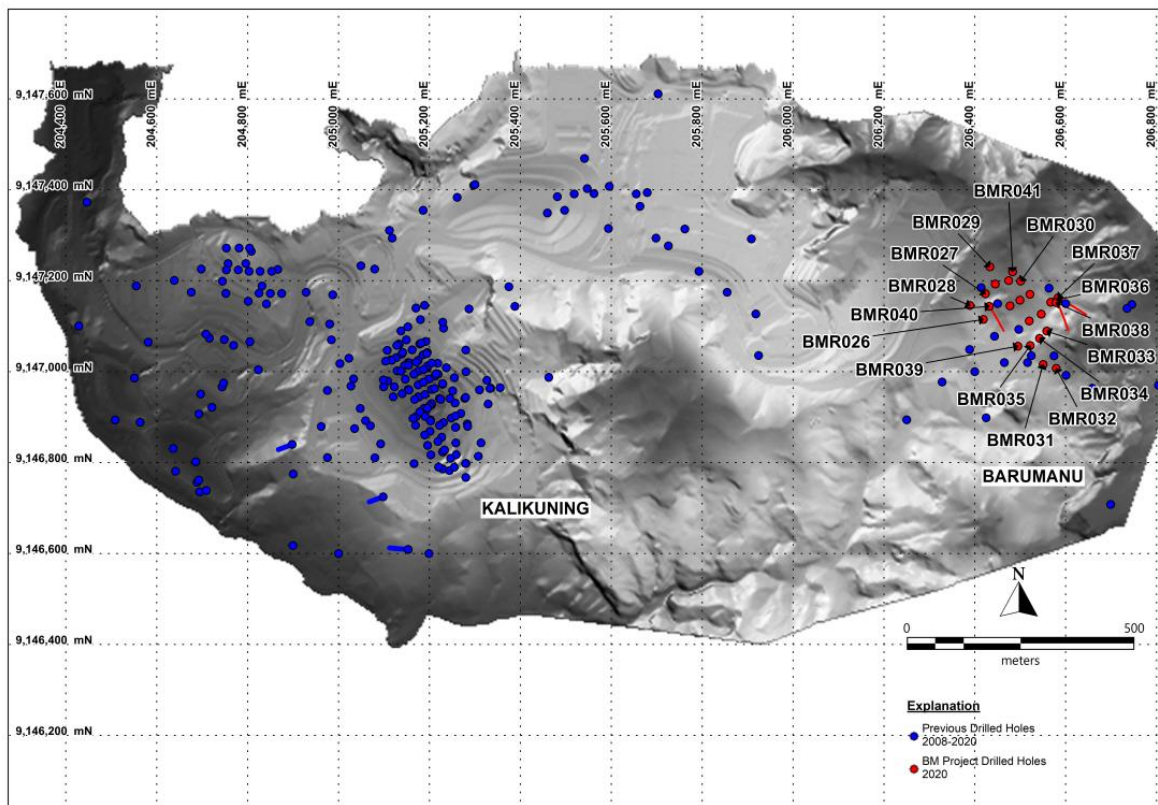


Figure 2: Barumanu proposed and completed drill holes overlain on topography

Total estimated costs for September are Rp 3.15 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

Gold: Diamond drilling at the Pani project remains on hold, while a review of historic information and results to date is undertaken for program optimisation. Seventeen drill holes for 4,543.95 metres from the planned forty drill holes for approximately 10,500m have been completed, as shown in Figure 3 below.

Total expenditure for exploration activities on the Pani property in September 2020 is Rp 2.4 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

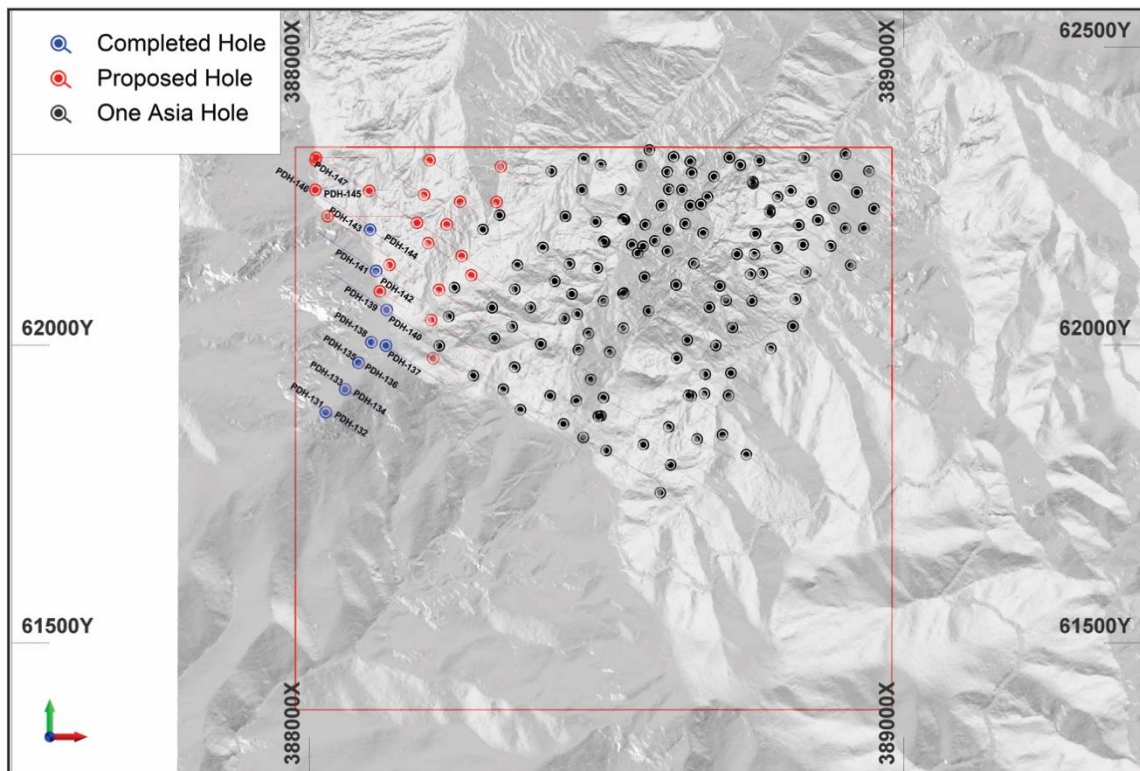


Figure 3: Pani proposed and completed drill holes overlain on topography