



# Indonesia's World Class Copper Gold Champion

February 2020

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## Forward Looking Statements

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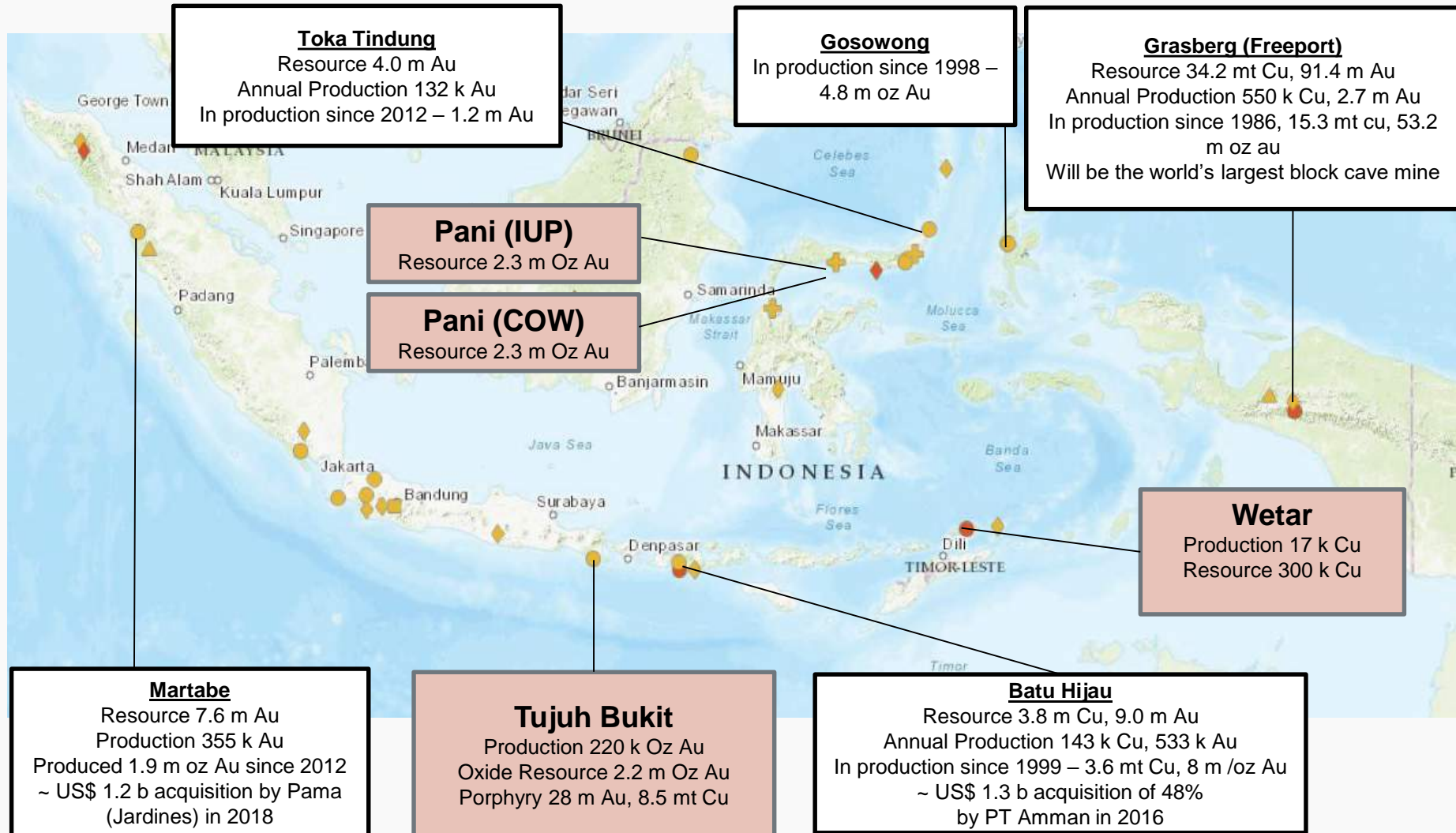
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# Indonesia - right geological address for copper and gold

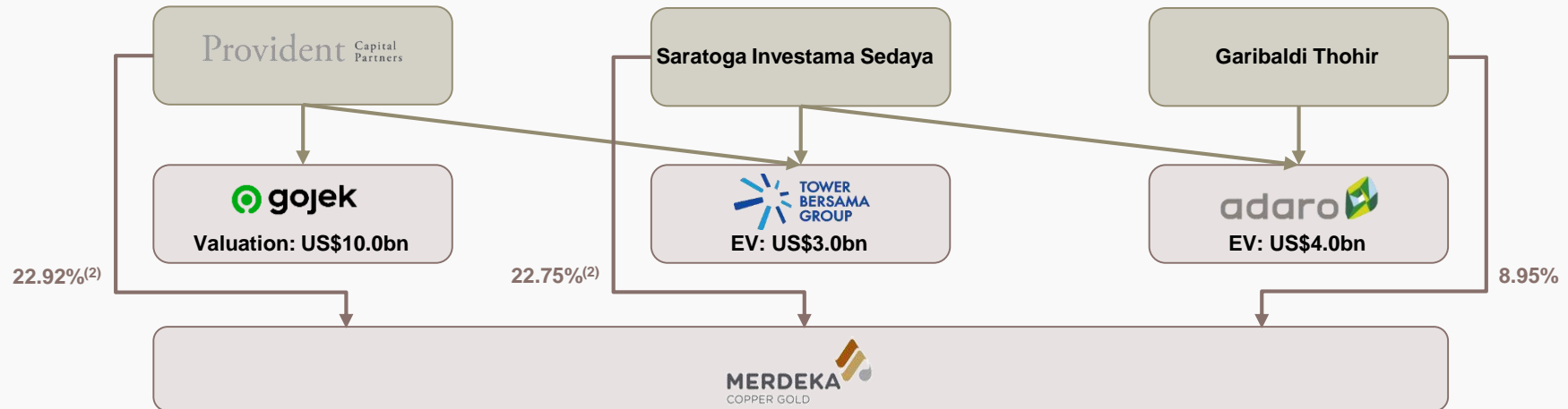
## Big profits have / are being made



# A better way to Invest in Indonesian With Strong and Reliable Indonesian Shareholders



## Existing Shareholding Structure



<p>1 <b>Track Record in Growing and Financing Indonesian Corporates</b></p>	<p>The shareholders collectively have rich experience in leading and growing businesses in Indonesia, ranging from dynamic tech platforms (Gojek) to entrenched corporates (i.e. Tower Bersama and Adaro). As a result, the shareholders have established strong relationships with key external stakeholders and gathered valuable experience to lead companies to growth within the country</p>
<p>2 <b>Strong Governmental, Regulatory and Local Ties</b></p>	<p>The shareholders have decades of experience in obtaining permits across Indonesia for their various operating companies including Adaro (portfolio of coal mines), Tower Bersama (tower development in all 34 provinces) and Provident Agro (with over 40,000 Ha of palm oil plantations), demonstrating their ability to resolve community issues and work with national and local governments to develop projects across multiple industries</p>
<p>3 <b>Excellent Corporate Governance and Investor Relations</b></p>	<p>The team's reputation in maintaining excellent corporate governance and reporting standards (voluntary adoption of ASX reporting requirements for Reserves and Resources) have attracted quality investors globally in both debt and equity capital markets, achieving overall lower cost of funds and strong support</p>
<p>4 <b>No Risk of Divestment under Indonesia Mining Law</b></p>	<p>The Indonesian Mining Law requires foreign shareholders to gradually divest portions of their shareholdings by making initial offers to the Central Regional or Municipal Governments. With the shareholders being 100% Indonesian-incorporated or by citizenship, it minimizes the risk of divestment requirements.</p>

1. Post recent 215mn shares rights issue.  
2. Including indirect interests via PT Provident Agro.

# Growth delivery with sound financial position

## Built on operational performance



### Corporate Structure

Ticker	MDKA.IJ
Shares Outstanding	21,897 m
Share Price <sup>(1)</sup>	IDR 1,170
Market Capitalization	US\$ 1.88 b
Cash & Cash Equivalents	US\$ 50 m
Total Debt <sup>(2)</sup>	US\$ 287 m
Enterprise Value	US\$ 2.12 b

### Outstanding Debt

<b>Tujuh Bukit Opco (PT Bumi Suksesindo)</b>	<ul style="list-style-type: none"> <li>• US\$ 140 m</li> <li>• Syndicate of 8 international banks</li> <li>• 3 year amortizing corporate facility maturing in Q1 2022</li> <li>• Libor + 3.5%</li> </ul>
<b>Merdeka Holdco</b>	<ul style="list-style-type: none"> <li>• US\$100 m</li> <li>• Club facility of 4 international banks</li> <li>• Maturing in Sep 2020</li> <li>• Libor + 4.25%</li> </ul>

### Hedging

Gold Hedge	2020	78,506 oz at US\$ 1,411 / oz
Copper Hedge	2019	Nil
	2020	Nil

- Strong cash flow generation with consolidated EBITDA in excess of US\$ 220 m for 2019
- Successful issuance of US\$ 300 m debt during H2 2018 and 2019 – US\$ 60 m already repaid in 2019.
- Modest hedging with significant exposure to upside in gold and copper given resource base.
- Building profile of Merdeka in international equity markets to support growth – completion of US\$60m equity raise in July 2019.
- New institutional investors have improved liquidity.
- Analyst coverage from Citi, Credit Suisse, Argonaut, Ciptadana, BNI, Indopremier & Mandiri.

1. Share price as of 6 February, 2020 (after stock split).

2. Debt information as of 31 December 2019. Total debt includes finance leases.

# Operating Assets

## Tujuh Bukit Oxide Project

### Production Information

Mining Method	Conventional Open Pit
Metals	Gold and Silver
Mineralisation Type	High Sulphidation Epithermal
Process Method	Oxide Heap Leach
Plant Capacity - Crushing & Stacking - HLP & ADR	Expanded to 22,500 t/day Max. 8.2 Mtpa
Recovery	Gold 79% and Silver 13%
Oxide Mineral Reserves (1)	1.1 Moz Au contained; 32 Moz Ag contained.
Oxide Mineral Resources (1)	2.2 Moz Au contained; 53 Moz Ag contained.
Workforce	2,477 employees and contractors



### Operational & Financial Performance

	Unit	2017 Actual	2018 Actual	2019 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	3.3	5.3	7.4
Waste Mined	M Tonnes	4.1	9.4	8.4
Mine Grade	Au g/t	2.11	1.53	1.18
Contained Metal	Au oz	224,784	261,140	279,680
<b>Heap Leach Production</b>				
Ore Stacked	M Tonnes	3.2	4.9	7.4
Grade Stacked	Au g/t	2.16	1.58	1.19
Recovered Metal	Au oz	141,468	167,506	223,042
<b>Financials</b>				
Operating cost	US\$/ t	15.8	16.5	13.4
Cash Costs	US\$ / oz	297	374	430
AISC	US\$ / oz	425	596	640
Sales	US\$ m	133	235	312
Operating EBITDA	US\$ m	100	155	210

# Operating Assets

## Wetar Project



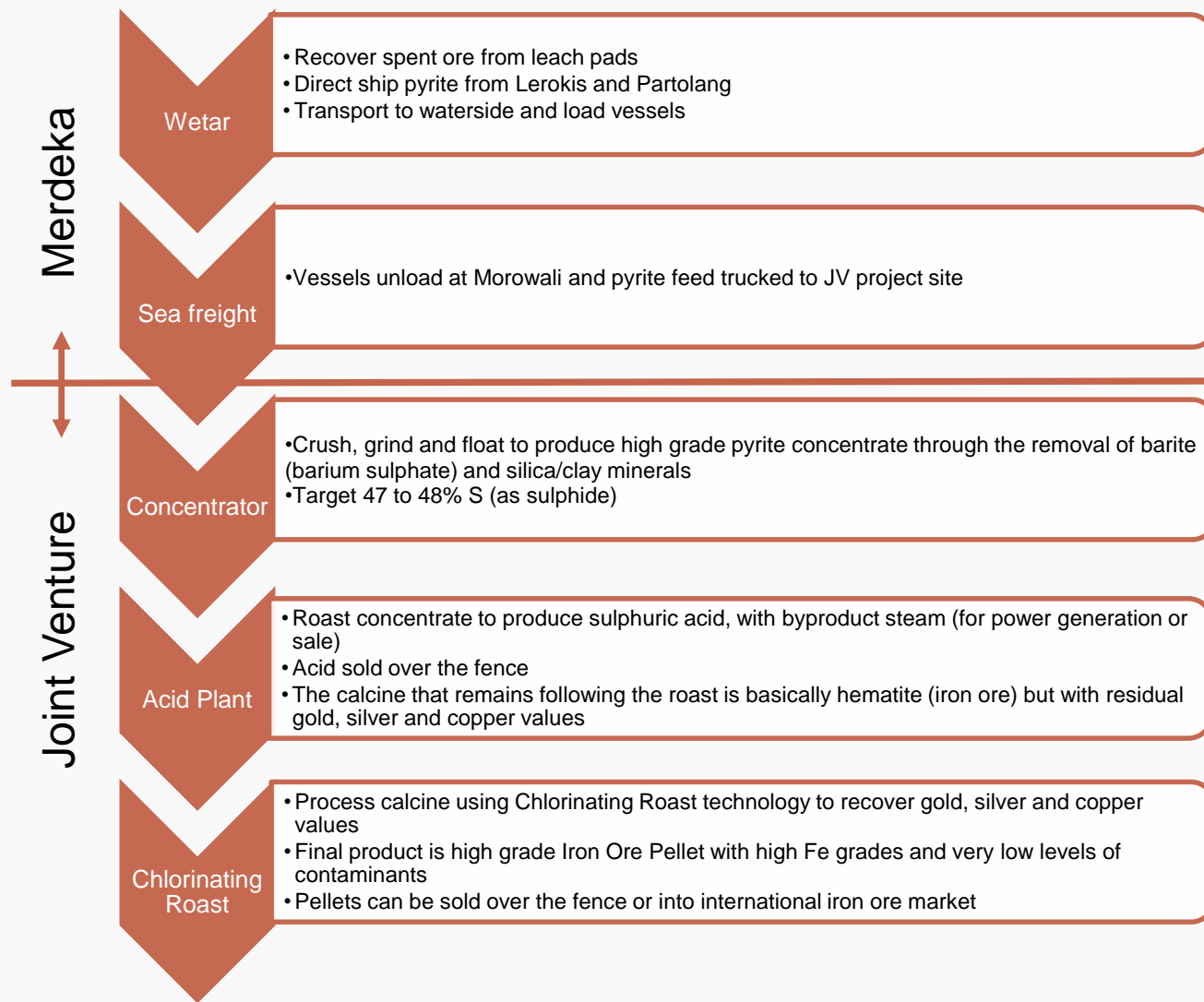
### Production Information

Mining Method	Conventional Open Pit
Metals	Copper
Mineralisation Type	Volcanogenic Massive Sulphide (“VMS”)
Process Method	Sulphide Heap Leach
Plant Capacity	
- Crushing & Stacking	2.5 mt
- SX / EW	25,000 tpa
Recovery Expected	
- Kali Kuning	73%
- Lerokis	50%
Copper Mineral Reserves	93 kt Cu (1)
Copper Mineral Resources	303 kt Cu (1)
Workforce	873 employees and contractors

### Operational & Financial Performance

	Unit	2017 Actual	2018 Actual	2019 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	1.9	1.6	2.3
Waste Mined	M Tonnes	1.4	1.4	3.8
Mine Grade	Cu %	2.09	2.98	2.82
Contained Metal	Cu t	39,384	47,272	66,018
<b>Heap Leach Production</b>				
Ore Stacked	M Tonnes	1.9	1.7	1.9
Grade Stacked	Cu %	2	2.58	2.85
Recovered Metal	Cu t	23,160	17,071	16,777
<b>Financials</b>				
Operating cost	US\$ / t	29.8	35.4	42.0
Cash Costs	US\$ / lb Cu	1.05	1.49	1.29
All-in Sustaining Costs	US\$ / lb Cu	1.56	1.73	1.86
Sales	US\$ mn	154	112	101
Operating EBITDA	US\$ mn	73	38	41

# Pyrite Project



- Significant value in spent ore at Wetar (residual Cu, pyrite, Au and Ag). Resources being defined in H1 – targeting 20 m tonnes.
- Opportunity to optimise long term production profile across Wetar and Pyrite project. Only Soluble Cu recovered at Wetar and other products recovered with Pyrite project.
- MOU signed with Tsingshan to develop a pyrite processing plant at the Morowali Indonesian Industrial Park
- Initial production rate is 1 mt pa.
- Metallurgical test work confirming process route and recoveries. Concept study complete Q1 2020.
- Feasibility study complete Q3



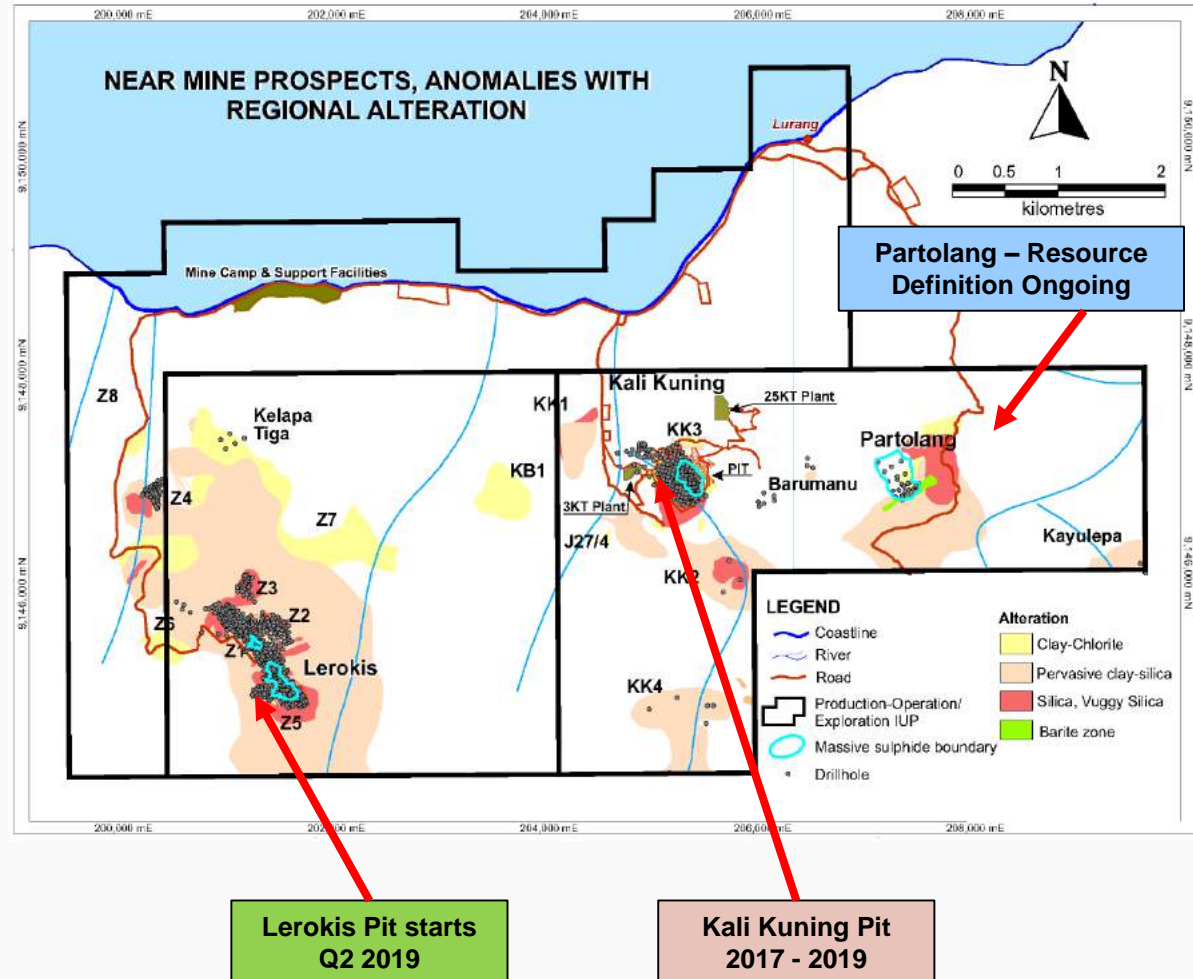
# Increasing Wetar Mine Life

## Exploration model successful

- Kali Kuning pit finished in Q2 2019.
- Lerokis pit commenced Q2 2019
- Significant resource defined at Partolang June 2019.

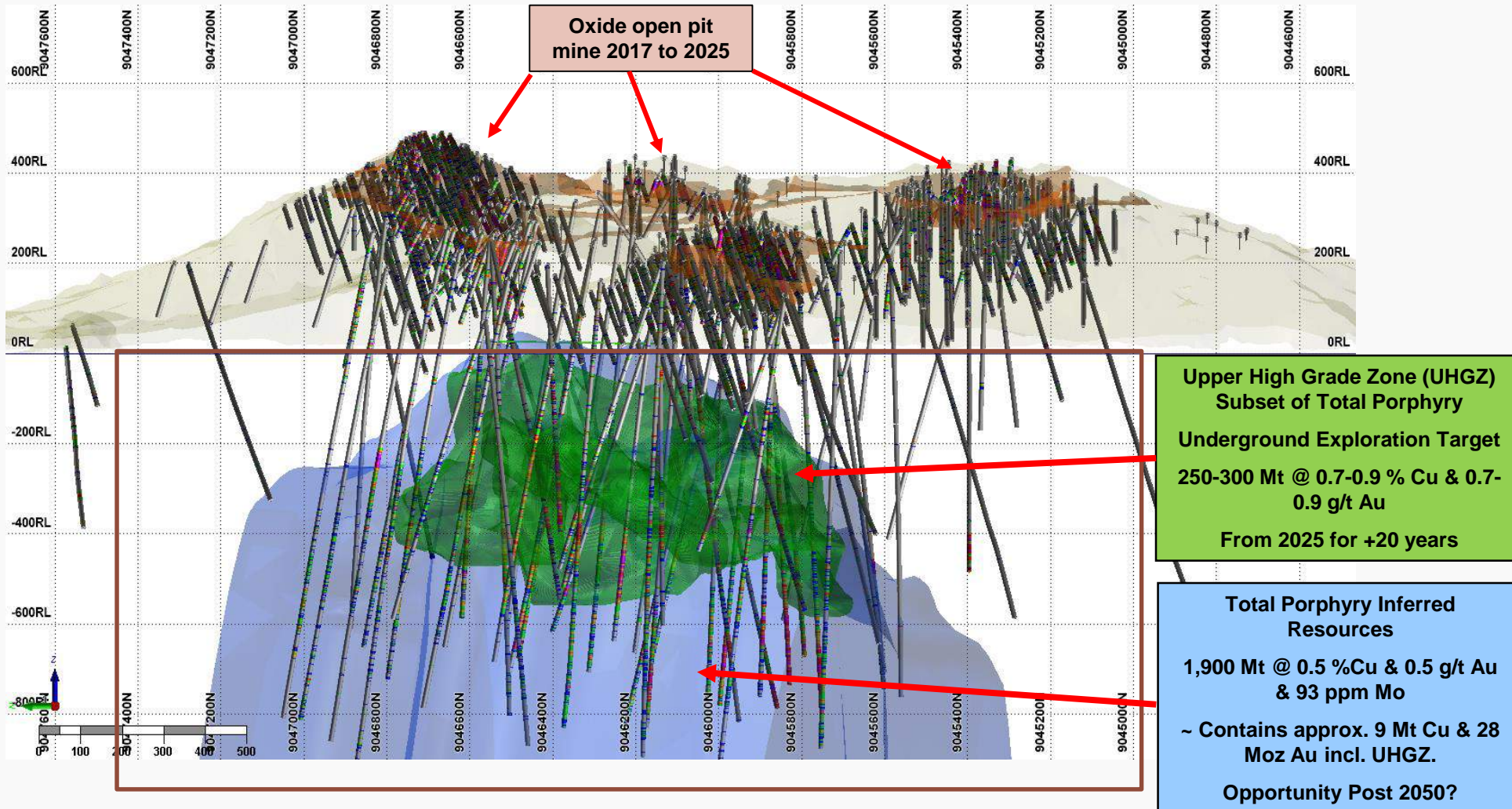
Classification	Tonnes (Mt)	Grade (Cu %)	Cont. Metal (Cu t)
Measured	-	-	-
Indicated	3.45	1.4	48,100
Inferred	5.24	1.1	58,600
<b>Total</b>	<b>8.69</b>	<b>1.2</b>	<b>106,700</b>

- Drilling completed to upgrade inferred and expand Partolang. Resource updated Q1 2020
- Target 3-5 year mine life extension. Reserves defined in H2 2019. Diagnostic leach tests show copper 80% to 90% soluble. (higher than other pits)
- Partolang confirms success of exploration model. Targets from geophysical survey completed in Q1 2019 defined – drill testing commenced in Q4.



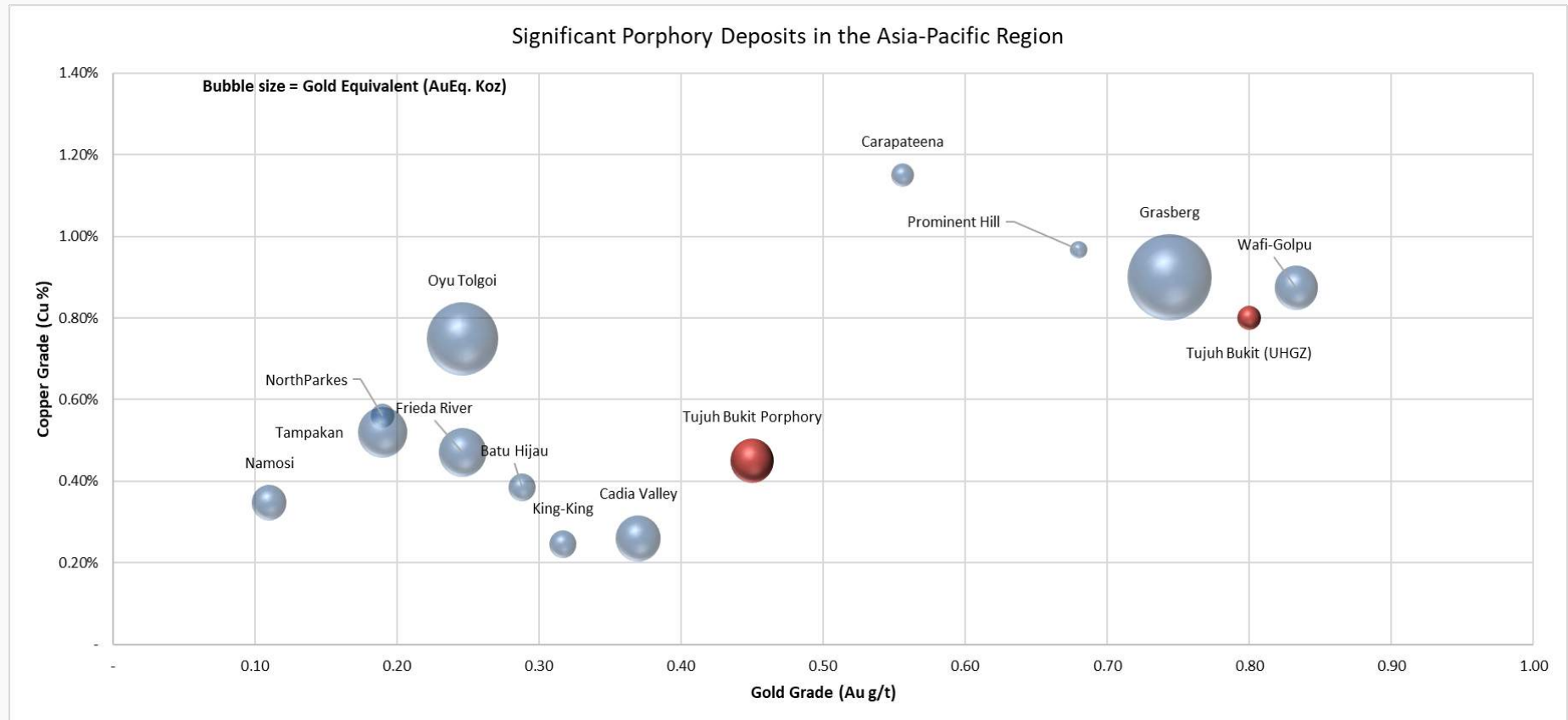
# Tujuh Bukit Porphyry Project

## PFS underway - mass underground mine development



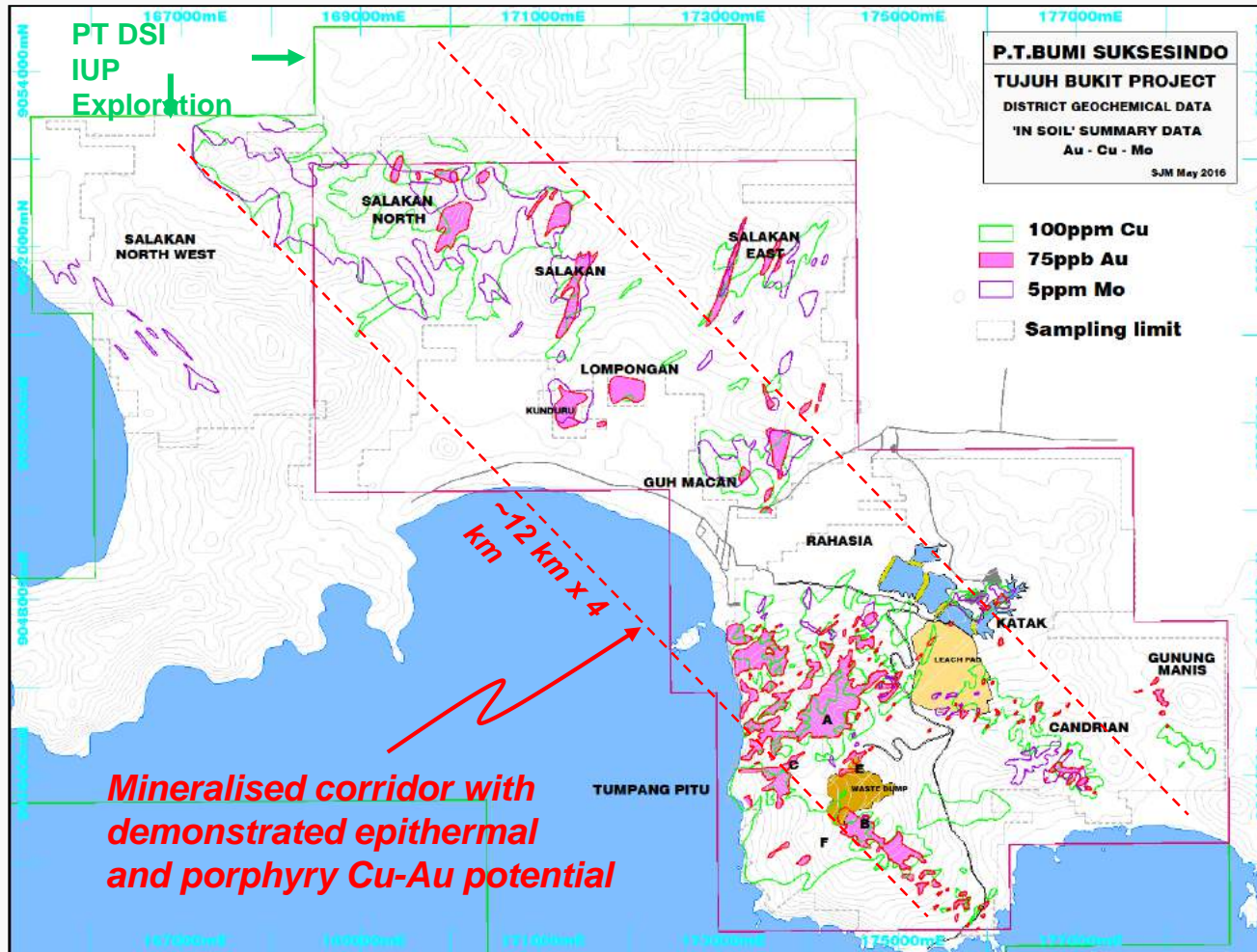
# World Class Mineral Resource

## Initial >20 years target Upper High Grade Zone



# Tujuh Bukit Near Nine Exploration

## Targeting open pit mineralisation to de-risk Porphyry Ramp Up



### Salakan Porphyry

- Historical drilling including SDN-12-01 : 604m @ 0.22 % Cu
- Exploration to re-commence in 2020

### Lompongan Porphyry Prospect

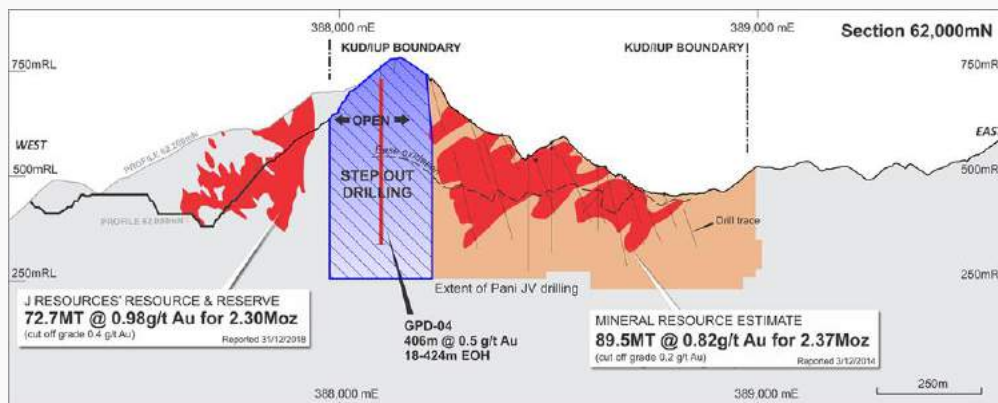
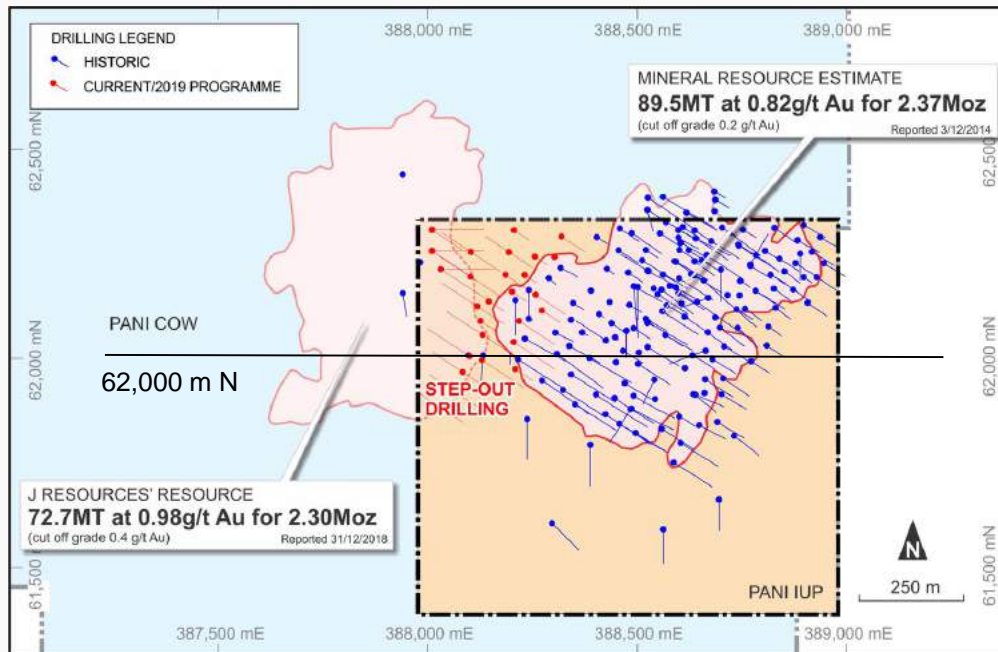
- Cu-Au-Mo soil anomaly defined over 400m x 400m
- Stockwork mineralisation in rock samples assaying >1 %Cu and >1g/t Au
- Drone MAG and 3D IP surveys Q4 2019
- Diamond drilling Q1 2020

### Katak Porphyry Prospect

- Historical and BSI drilling
- WB-15-11: 94m @ 0.35 %Cu & 0.67 g/t Au
- KTD-18-06 : 76m @ 0.35 %Cu & 0.96 g/t Au

# Pani

## Significant addition to growth pipeline

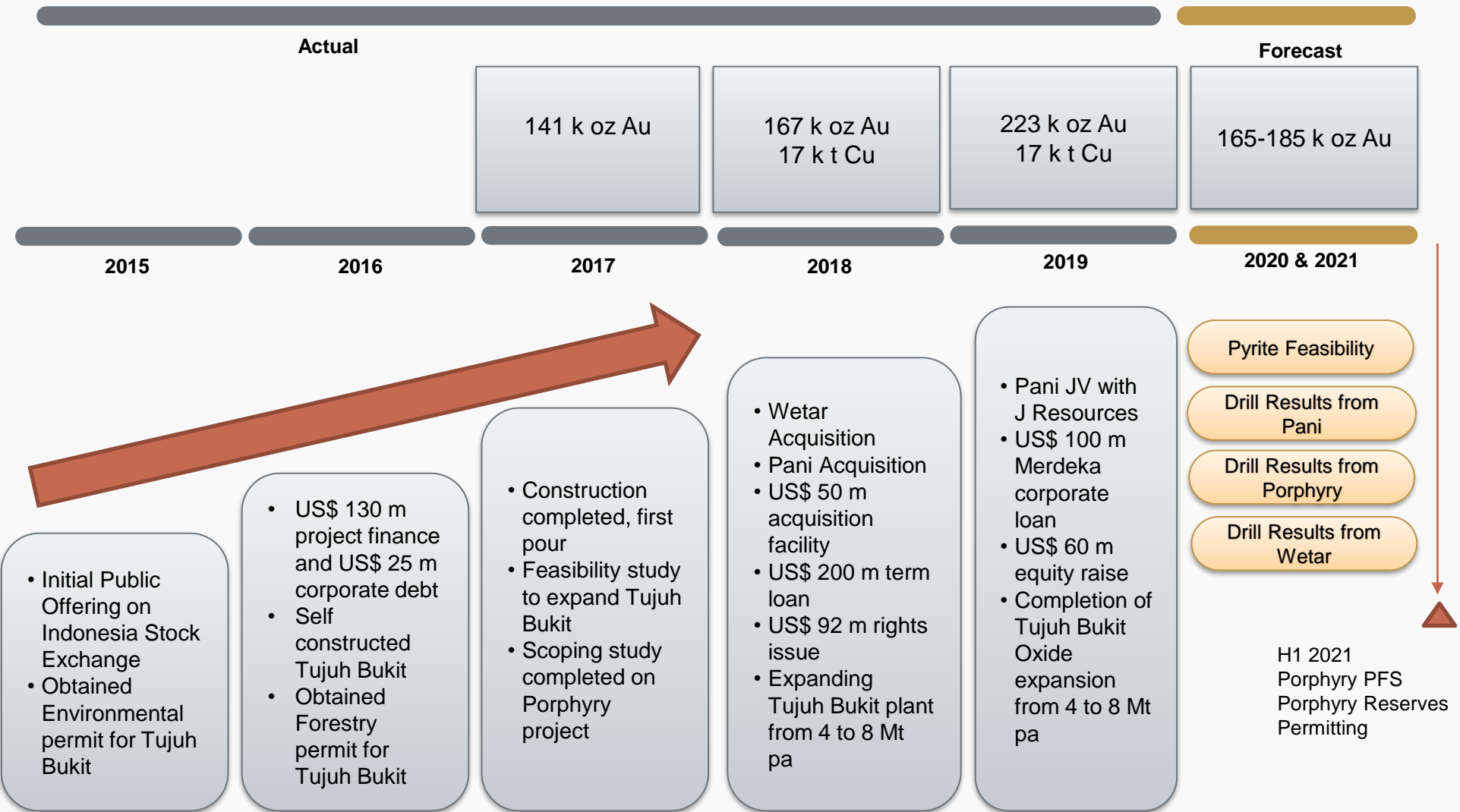


- Joint venture with J resources to develop a combined project. Expect to close H1 - Merdeka's economic share is 40% and controls the JV.
- Expect greater resource to reserve conversion and better economics from combined project.
- Outcrops, thick, low strip
- Initial metallurgical testing shows high recoveries from CIL, heap leach and gravity
- Currently drilling 11,000 meters in area between existing resources. Two historical drill holes show area is mineralised.
- Q1 consolidate data with drilling and feasibility to continue in Q2.

Pani IUP Resource estimate from SRK Report dated December 2014 based on 137 Diamond Drill holes, 26,000m drilling and using cut off grade of 0.2 g/t Au  
Pani COW Resource Estimate from

# Merdeka – Indonesia’s new World Class Mining Company

## Delivering its strategy



## Additional Slides

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# Background - Indonesian Morowali Industrial Park (IMIP)

World class facility



- Site is world's largest producer of Nickel Pig Iron, and largest stainless steel production facility. Low cash costs of production for SS with integrated iron and nickel production facilities.
- 2,800 MW of coal fired power generation. Very cheap industrial electricity supply.
- Modern port currently under expansion from 40 to 60 Mtpa total movement (in/out). Ability to expand to 100 Mtpa
- Plants are modern, efficient and well managed
- To date all projects constructed at very competitive cost and completed within very tight timeframes
- Major investments to date have been at Indonesian Morowali Industrial Park (IMIP)
  - \$5 billion to end 2018
  - Potentially up to \$10 billion
- Has started development (\$1 billion invested to date) at Weda Bay, Halmahera. Planning a similar scale of development as at IMIP

