



# Indonesia's Next World Class Mining Company

Colin Moorhead, CEO  
London Mines & Money November 27, 2017

# Disclaimer

---



PT Merdeka Copper Gold Tbk (“PT MCG”) make no representation or warranty (express or implied) as to the accuracy, reliability or completeness of the information. All statements in this document, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although PT Merdeka Copper Gold, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, future technical assessments for mine developments, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions. PT MCG and its directors, employees, agents, advisers and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (express or implied) arising out of, contained or derived from, or for any omissions from this document. The information disclosed relates to the proposed business of PT MCG at the date of this document.

Neither the provision of this document nor any information contained in this document or subsequently communicated to any person in connection with this document is, or should be taken as, constituting the giving of investment advice to any person.

By accepting this document you acknowledge and agree to be bound by each of the foregoing statements.

PT Merdeka Copper Gold - Tujuh Bukit Mineral Resources; Spiers Geological Consultants (SGC):

The information in this document that relates to Mineral Resources at Tujuh Bukit is based on information compiled by Mr Robert Spiers of SGC who is a Member of The Australian Institute of Geoscientists (The AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves, “The JORC Code”.

PT Merdeka Copper Gold - Tujuh Bukit Ore Reserves; CSA Global Pty Ltd:

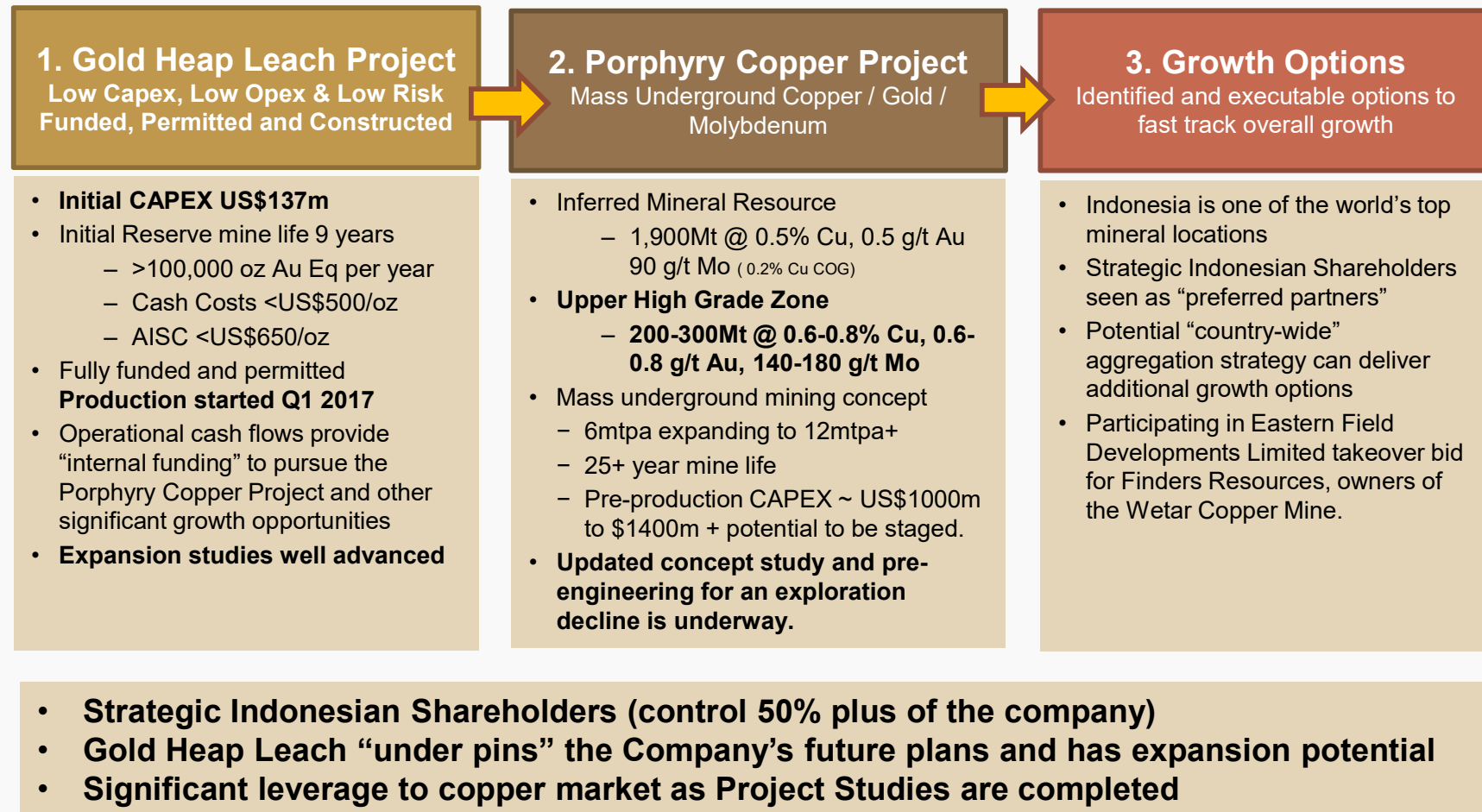
The information in this document that relates to Ore Reserves at Tujuh Bukit is based on information compiled by Mr Paul O’Callaghan of CSA Global Pty Ltd, who is a Member of The Australasian Institute of Mining and Metallurgy (The AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves, “The JORC Code”.



1. Company Overview
2. Q3 2017 Update
3. Tujuh Bukit Mine
4. Development Projects
5. FND Takeover Bid

# 1. Company Overview

Listed Indonesian Stock Exchange - MDKA



LT Price Assumptions: Gold \$1,250/oz, Copper \$3.00/lb

# Corporate Overview

## Capital, Ownership & Management Structure

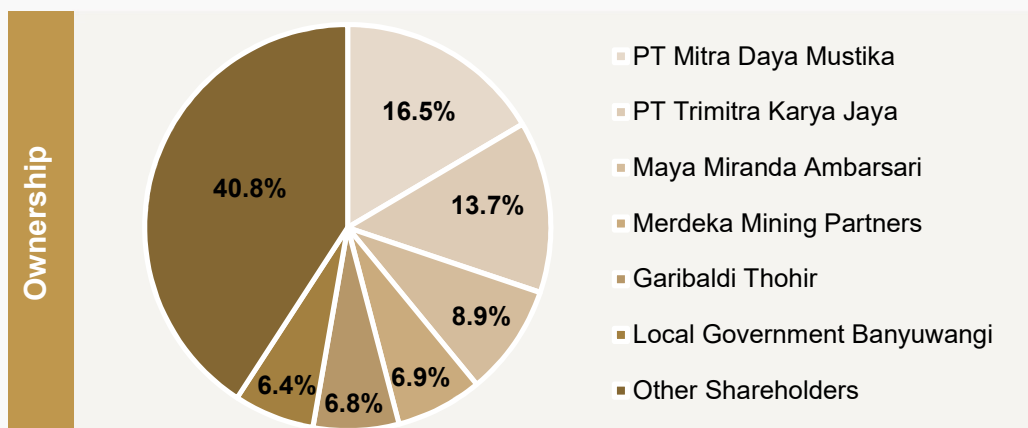


Corporate Structure	
Primary Listing	<ul style="list-style-type: none"> <li>Indonesia Stock Exchange (MDKA.IJ)</li> <li>Listed in June 2015, first IDX non-production mining company IPO</li> <li>Issue Price of Rp 2,000 / share</li> </ul>
Shares	3,569,587,140
Share Price	Rp 2,350
Market Capital <sup>1</sup>	US\$622m
Cash & Bullion	US\$46m
Debt <sup>2</sup>	US\$137m
Enterprise Value	US\$713m
52 Week Share Price Range	Rp 1,625 – 2,530

Current Board of Directors	
Adi Sjoekri	President Director
Colin Moorhead	Vice President Director & CEO
Gavin Caudle	Executive Director
Hardi Liong	Director
Michael Soeryadjaya	Director
David Fowler	Director
Rony Hendropriyono	Director
Chrisanthus Supriyo	Independent Director

Board of Commissioners	
Edwin Soeryadjaya	President Commissioner
Garibaldi Thohir	Commissioner
Dhohir Farisi	Independent Commissioner
Richard Bruce Ness	Independent Commissioner

Executive Management Team	
Colin Moorhead	CEO
David Fowler	Finance Director
Peter Scanlon	GM Projects & Studies
Gavin Caudle	Executive Director
James Francis	GM Tujuh Bukit Operations



# Company Overview

## Strategic Indonesian Shareholders



### Merdeka is over 50% owned by three strategic Indonesian shareholders

- Saratoga Group (Edwin Soeryadjaya), Garibaldi “Boy” Thohir and Provident Group
  - Permitting, Government & Community Relations, Project Funding
  - Resolved and settled all historical project ownership and forestry issues

### Shareholders demonstrated track record with international banks and equity funds via two outstanding IDX listed companies:



- Indonesia’s second largest thermal coal producer, with annual production in excess of 50 million tonnes
- Market Capital of US\$3.48 Billion<sup>1</sup>
- Long term customers include all the major Asian based power utilities
- Recently moved to 100% ownership of the world class IndoMet Coking Coal Project (was previously a JV with BHP Billiton)
- Debt providers include major international banks and equity holders include global funds management names
- + 10% owned by the Strategic Shareholders



- Major independent telecommunications infrastructure company, one of the lowest cost Indonesian issuers of corporate bonds
- Market Capital of US\$2.27 Billion<sup>1</sup>
- Founded by Provident Group in 2004 and subsequent significant early stage investment by Saratoga Group
- IPO by UBS in 2010 and very strong EBITDA growth delivered yearly
- Debt providers include major international banks and equity holders include global funds management names
- + 50% owned by the Strategic Shareholders

# Company Overview

## Experienced and Proven Management Team

---



- **Mr. Colin Moorhead, Chief Executive Officer**

- 30 years mining industry experience, formerly EGM Resources Newcrest Mining Limited
- Heap Leach, Open Pit, Underground, Gold and Gold / Copper experience (Telfer, Gosowong, Cadia / Ridgeway)
- Current President of The Australasian Institute of Mining & Metallurgy (The AusIMM) and former member of The Joint Ore Reserves Committee (JORC) Australia

- **Mr. James Francis, GM Operations**

- 30 years international gold industry experience, formerly GM Copler Mine (Heap Leach), Turkey (Alacer Gold)
- Previously with Newcrest Mining in Indonesia, PNG and Australia

- **Mr. Peter Scanlon, GM Projects & Studies**

- 23 years construction experience mostly with Theiss, (Civil Engineer specializing in heavy civils, mechanical, process and environmental)
- 16 years direct Asian experience (13 years in Indonesia)
- Key strength: Multi-discipline, complex projects in remote locations

- **Mr. Noel Rollo, Mining Manager**

- 40 years international hard rock mining experience
- Specializes in pioneering operations in difficult terrains including Indonesia, Philippines, PNG and West Africa

- **Mr. Karl Smith, Technical Services Manager**

- 30 years plus international hard rock mining experience including North America, West Africa, Australia and SE Asia
- Highly skilled technical services manager specializing in strategic mine planning and resource geology

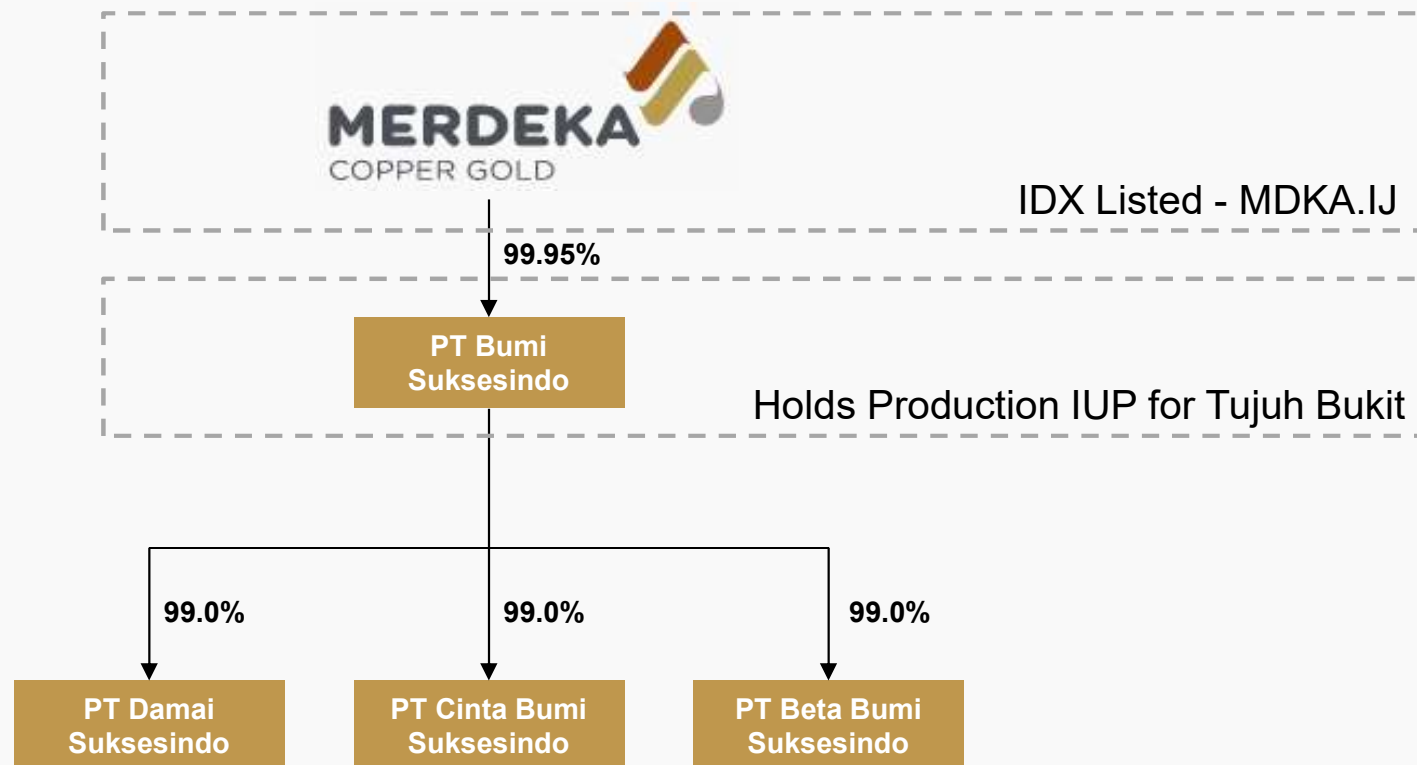
# Tenure

## Merdeka's ownership structure is transparent



### Merdeka have unequivocal and clear title over the Tujuh Bukit Project

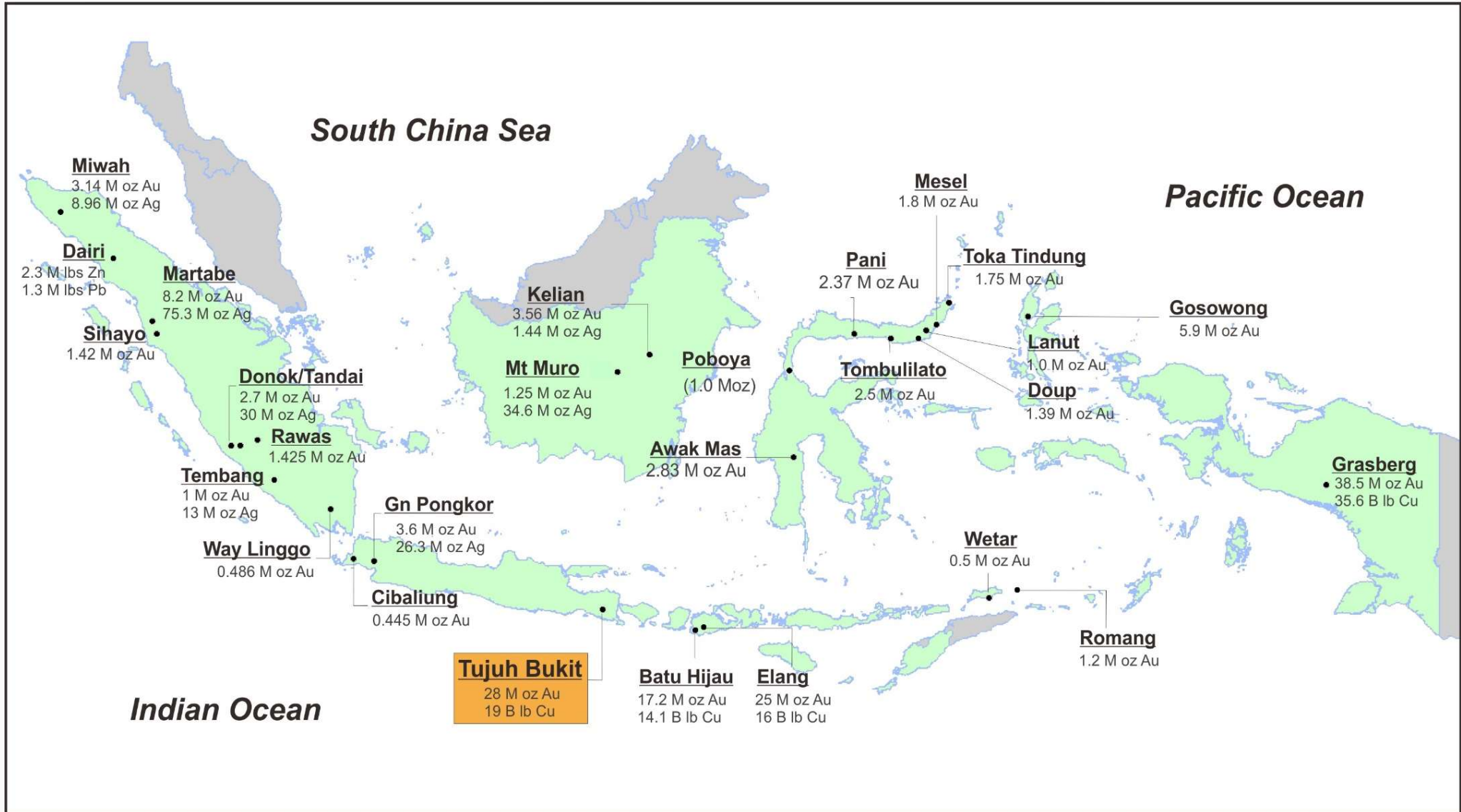
- Very different ownership structure compared to Intrepid which was a nominee agreement with two individuals
- Global banks have completed Due Diligence and lent US\$150 million to support development of the Gold Heap Leach
  - BNP Paribas, HSBC, SocGen, Pierfront (Tamasek Holdings and Sumitomo Mitsui Banking Corporation)
- Listed on the Indonesian Stock Exchange (IDX)



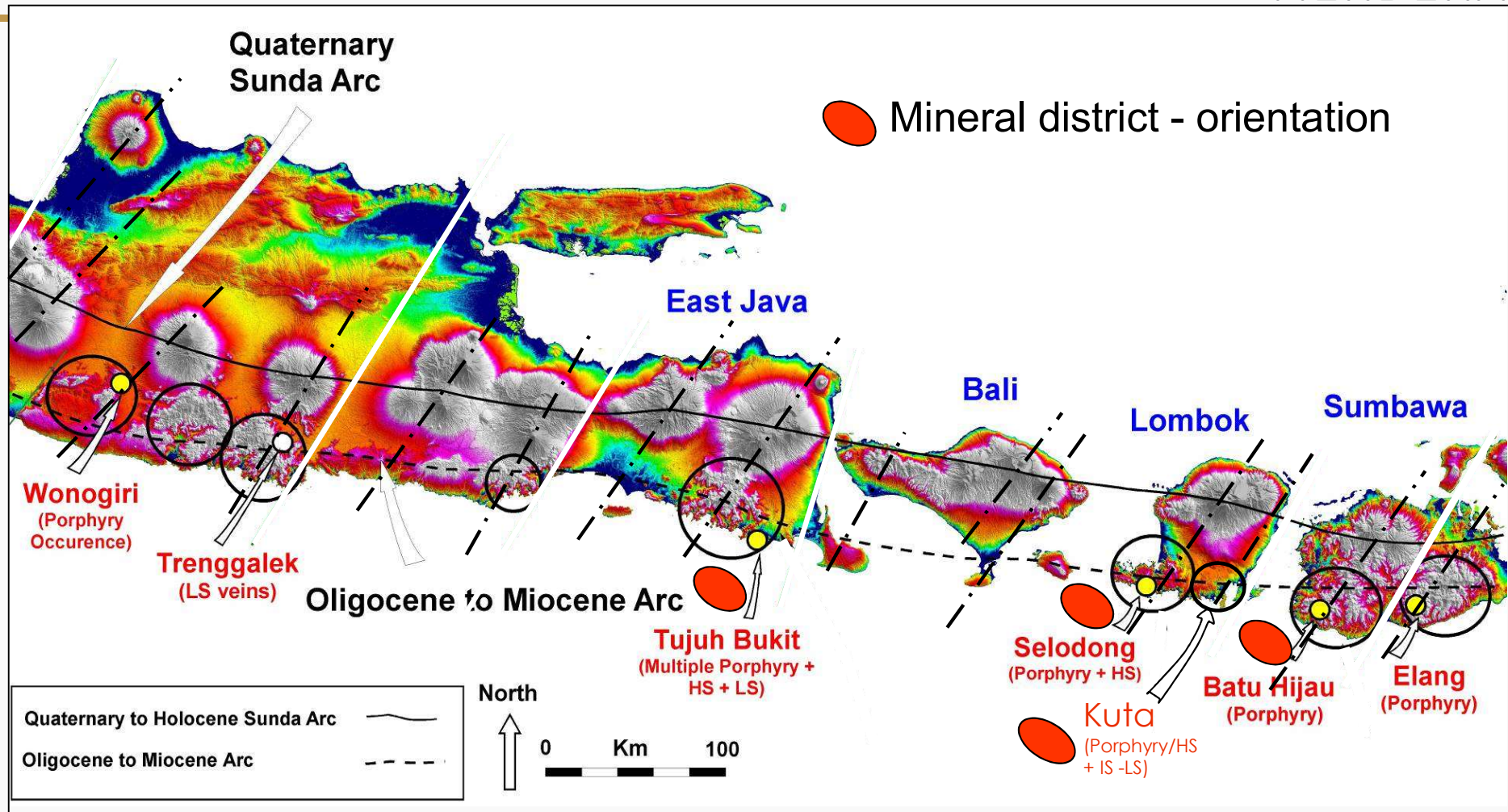


# Location

## Project Location, Banyuwangi Regency, East Java, Indonesia



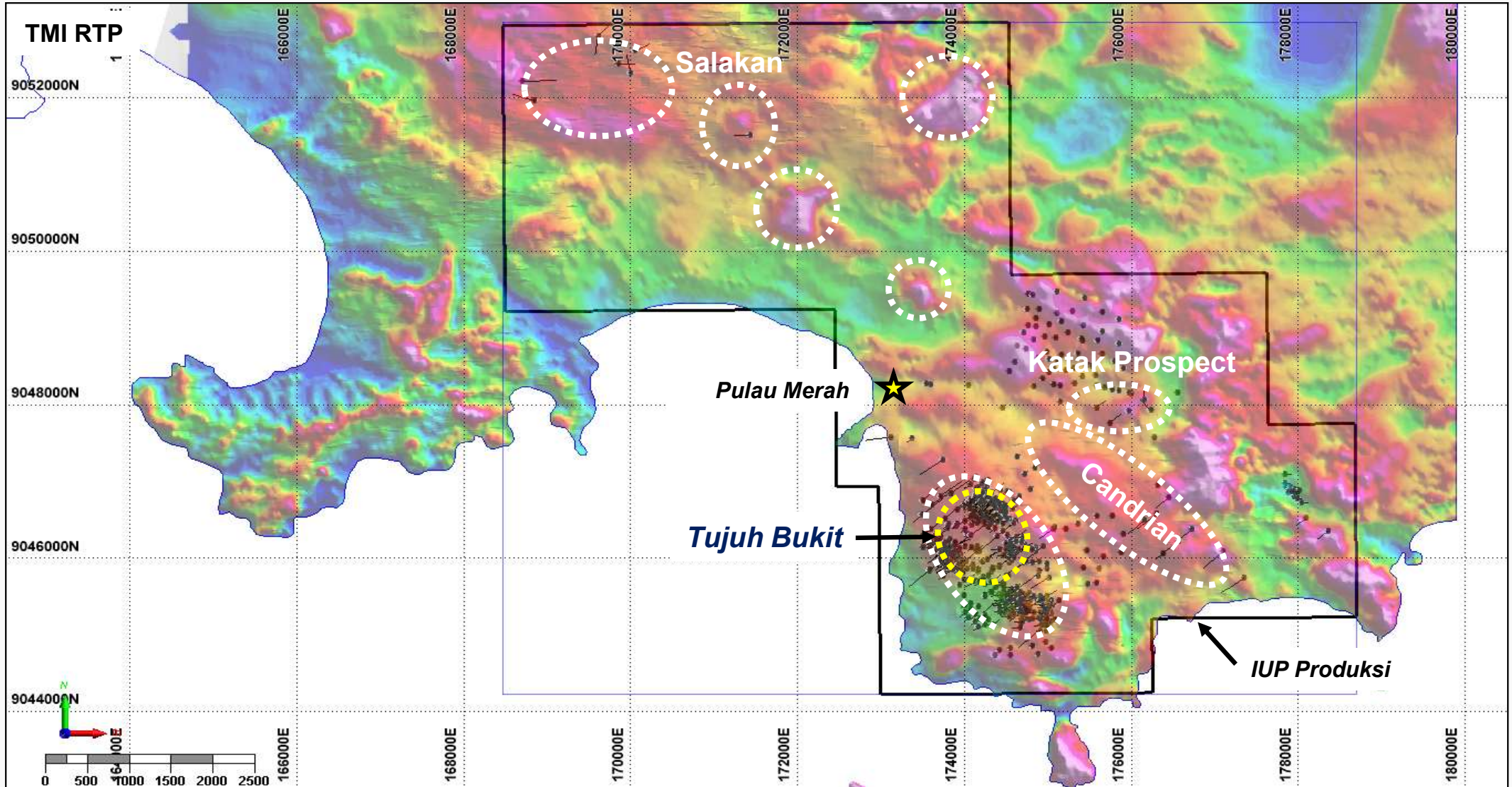
# A good post code for big deposits!



Sunda-Banda Volcanic Arc – arc normal structures and age defined mineral belt

# Tujuh Bukit IUP + Magnetics

- 4998 Ha, Initial currency through to 2030.

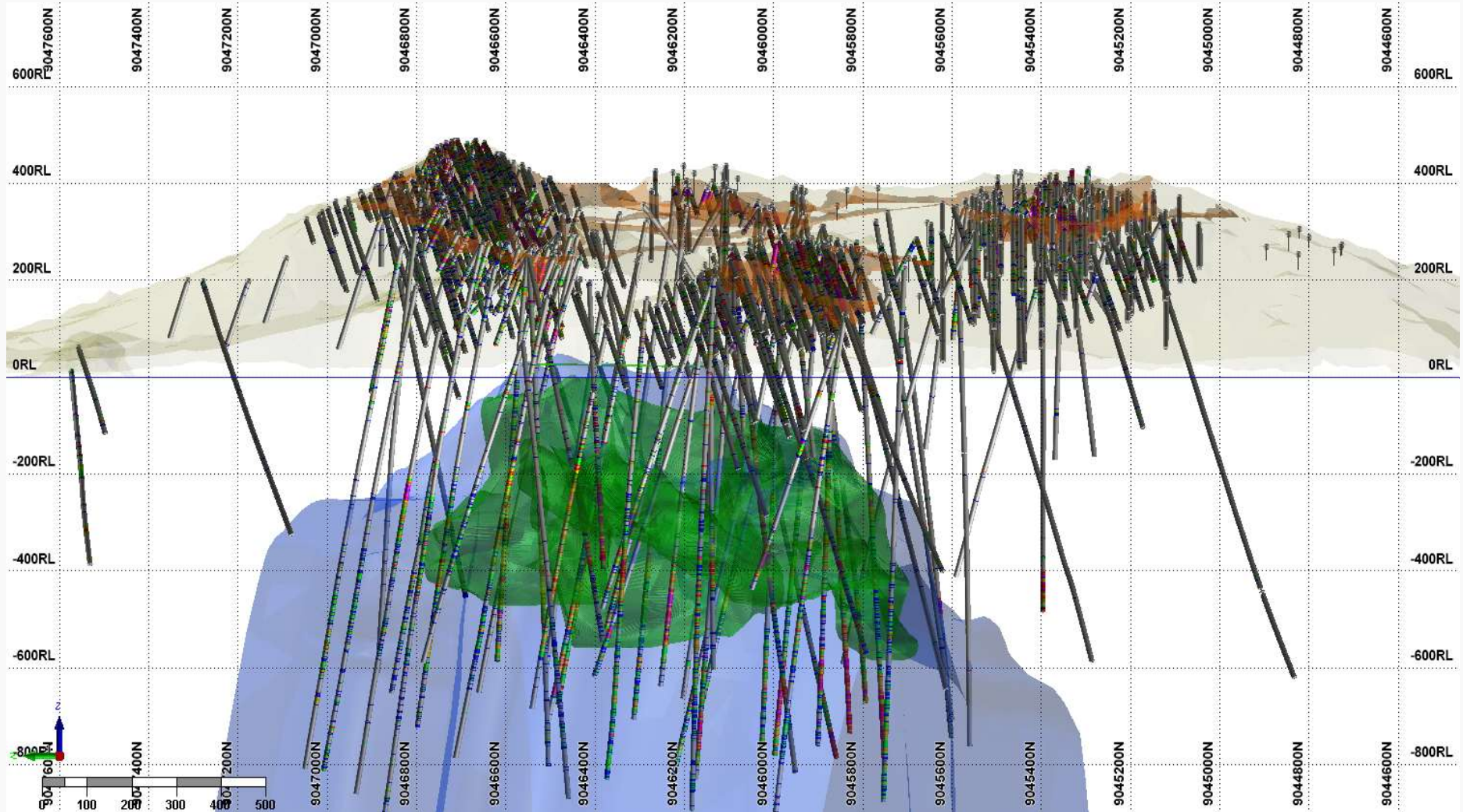


**Oxide Project – P+P Reserves**

**36 Mt @ 1.03 g/t Au & 21 g/t Ag**

**“UHGZ” - Subset of Porphyry Inferred Resource**

**200-300 Mt @ 0.7-0.9 % Cu + 0.7-0.9 g/t Au**



**Tujuh Bukit Porphyry – All Inferred Resources**

**1.9 Bt @ 0.5 %Cu + 0.5 g/t Au + 93 ppm Mo**

**~ 19 billion lbs Cu & 28 million oz Au**

## September Quarter Update - Highlights



1. Record production of 53,260 ounces of gold at an all in sustaining cost of US\$416 per ounce.
2. Nameplate production rate of 4 million dry tonnes crushed and staked achieved in August 2017.
3. All operating and cost parameters in line with or better than plan year to date.
4. Achieved 4.6 million hours lost time injury free with zero LTI's and no reportable environmental incidents.
5. Development projects including Oxide Expansion PFS and Porphyry Copper Concept Study progressed well.
6. Full year gold production guidance increased to 110-120 thousand ounces at an AISC of between US\$520-570/oz.
7. Merdeka joins takeover bid for Finders Resources Limited, owner of the Wetar copper mine.

# September 2017 Quarter – 53,230 Ounces Produced



	Unit	June Qtr 2017	September Qtr 2017	Variance
<b>Open Pit Mining</b>				
Ore Mined	Tonnes	924,263	1,172,340	2,429,488
Waste Mined	Tonnes	921,249	1,546,867	2,954,436
Mined Grade	Au g/t	1.78	2.64	2.12
	Au g/t	6.70	8.45	7.51
Contained Metal	Au oz	52,975	99,337	165,388
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	Tonnes	819,985	981,395	2,136,131
Grade Stacked	Au g/t	2.13	2.30	2.10
	Au g/t	7.46	7.69	7.47
Recovered Gold	Au oz	25,063	<b>53,230</b>	80,996
Recovered Silver	Ag oz	6,420	15,683	22,620

## September 2017 Quarter - US\$416/oz AISC



	Unit	Sep Qtr 2017	YTD 2017	Unit	Sep Qtr 2017	YTD 2017
Mining costs	US\$m	7.612	11.724	\$/oz	143	158
Processing costs	US\$m	3.939	6.271	\$/oz	74	84
General & admin costs	US\$m	2.578	4.208	\$/oz	48	57
Inventory movements	US\$m	(1.646)	(3.022)	\$/oz	(31)	(49)
Silver credits	US\$m	(0.170)	(0.198)	\$/oz	(3)	(3)
<b>Cash Costs</b>	<b>US\$m</b>	<b>12.313</b>	<b>18.984</b>	<b>\$/oz</b>	<b>231</b>	<b>247</b>
Royalties	US\$m	1.926	2.285	\$/oz	36	31
Post employment provision	US\$m	0.216	0.859	\$/oz	4	12
<b>Total Cash Costs</b>	<b>US\$m</b>	<b>14.455</b>	<b>22.127</b>	<b>\$/oz</b>	<b>272</b>	<b>289</b>
Capital works (sustaining)	US\$m	6.722	10.341	\$/oz	126	139
Corporate costs	US\$m	0.961	1.605	\$/oz	18	22
<b>All-in Sustaining Costs</b>	<b>US\$m</b>	<b>22.138</b>	<b>34.073</b>	<b>\$/oz</b>	<b>416</b>	<b>450</b>
<b>All-in Costs *</b>	<b>US\$m</b>	<b>25.553</b>	<b>38.692</b>	<b>\$/oz</b>	<b>480</b>	<b>512</b>

\* All-in Costs calculations commenced from May 2017 and as such the year to date reflects 74,258 oz of production compared with the full year production of 80,966 oz

### 3. Tujuh Bukit Oxide Mine - Update

Excellent Q3 Results confirm operational and cost parameters





# Oxide Heap Leach Mine

## World class financial and operating parameters



Capital Cost Summary	USD m
<b>Pre-production capital (incl. contingency)</b>	<b>137</b>
Sustaining (future) capital (incl. contingency)	61
<b>Total</b>	<b>198</b>
Operating Cost Summary	Value
Tonnes of ore treated (Mt)	36
Avg gold grade (g/t)	1.03
Gold contained ounces (Koz)	1200
<b>Recoverable gold ounces (Koz)</b>	<b>950</b>
Life of mine recovery (%)	79%
Waste tonnes (Mt)	26
<b>Strip ratio</b>	<b>0.7 : 1</b>

Operating Cost Summary	LOM (USD/t ore)
Mine & haulage	6.16
Process	4.77
Service & support	Included M&P
Site G&A & Corp HO	3.33
<b>Total</b>	<b>14.26</b>

Operating Statistics	Value
Mining rate (ore Mt per annum)	4
<b>Gold</b>	
<b>Met recovery oxide %</b>	<b>82</b>
Met recovery transition %	50
<b>Silver</b>	
Met recovery oxide %	12
Met recovery transition %	16
Cyanide consumption (kg/t)	0.40
Cement consumption (kg/t)	4.5

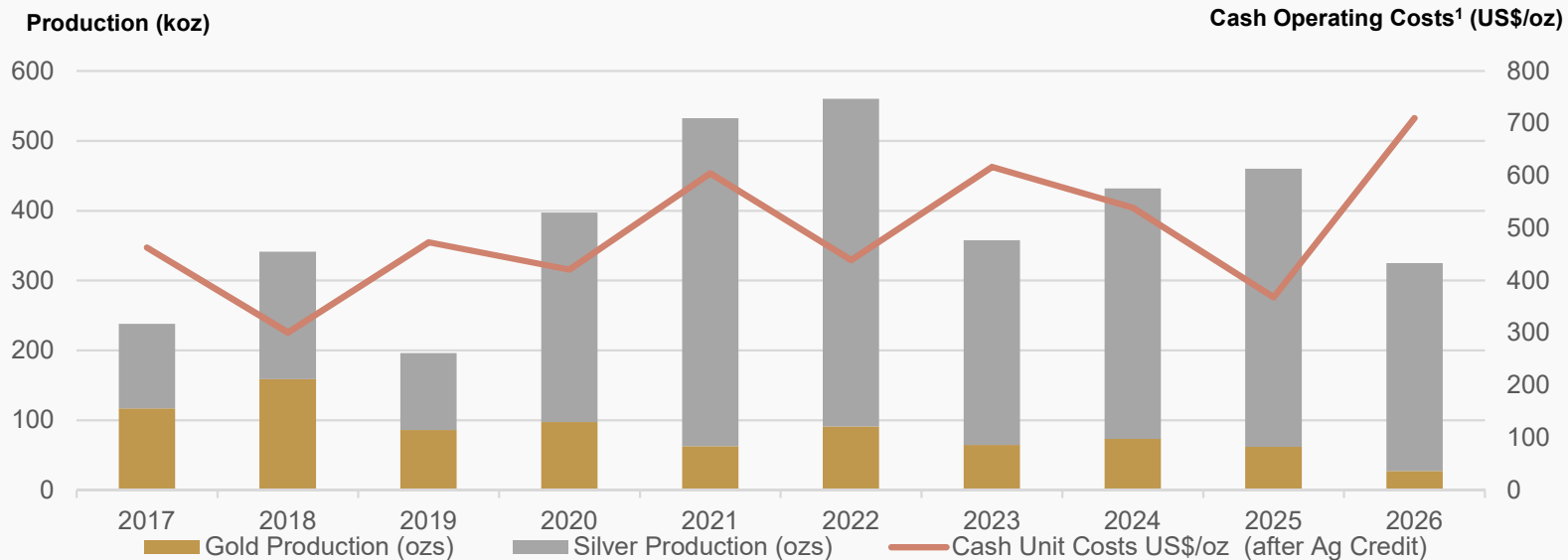
Financial Analysis	Value
<b>Internal Rate of Return (IRR), after tax</b>	<b>40%</b>
Avg EBITDA	USD 68 m
Gold Royalties (%)	3.75
Gold price assumption (USD/oz)	<b>1,200</b>
Silver price assumption (USD/oz)	<b>17</b>
<b>Payback period production yrs (after tax)</b>	<b>2.2</b>

# Oxide Heap Leach Mine

## Indicative Production Profile and Cash Op. Costs incl. royalties



- The following table reflects a constrained 4Mtpa operation. Potential to grow the ore reserve and increase the production rate after year 3.



- Oxide ore metallurgy gold recovery 82.5%
  - Oxide ore approximately 93% of ore feed
  - 75mm crush size and cement agglomeration @ 4.5kg per tonne
  - ~ 50% - 80% of gold recovery achieved within 30 days of leaching

LT Price Assumptions: Gold \$1,250/oz, Silver \$15/oz  
 1. Including silver credit

# Open Pit Mining - Pit B West

---



# Aerial view of the Ore Preparation Plant

---



# Aerial view of the Heap Leach Pad

---



# Aerial view of the ADR Plant

---



# New employee recreational and messing facilities

---

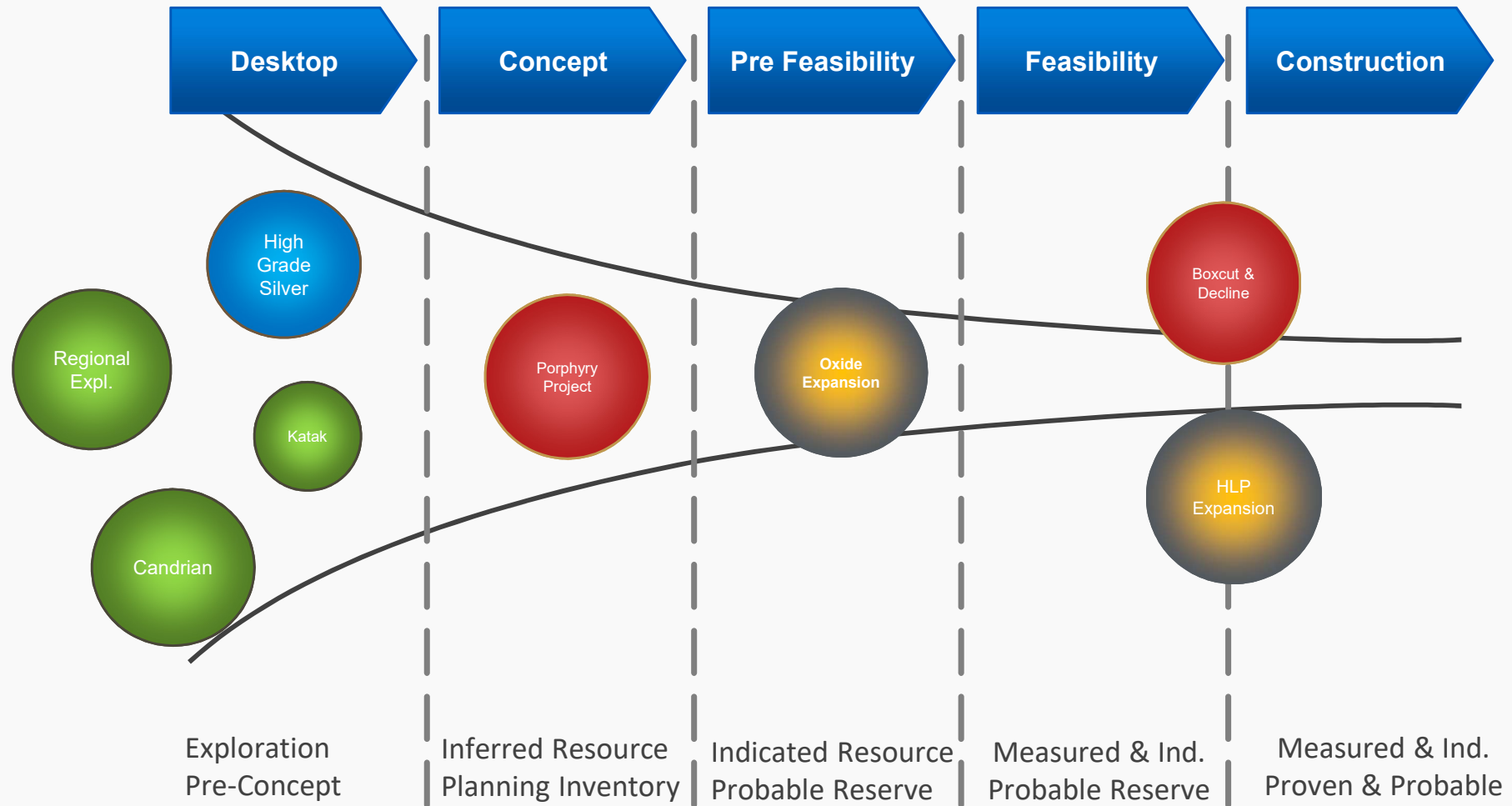


# Rehabilitation works well advanced across the site





# 4. Tujuh Bukit Development Projects Pipeline



# Oxide Expansion Study

---



## Current reserves only exploit 50% of the oxide resource

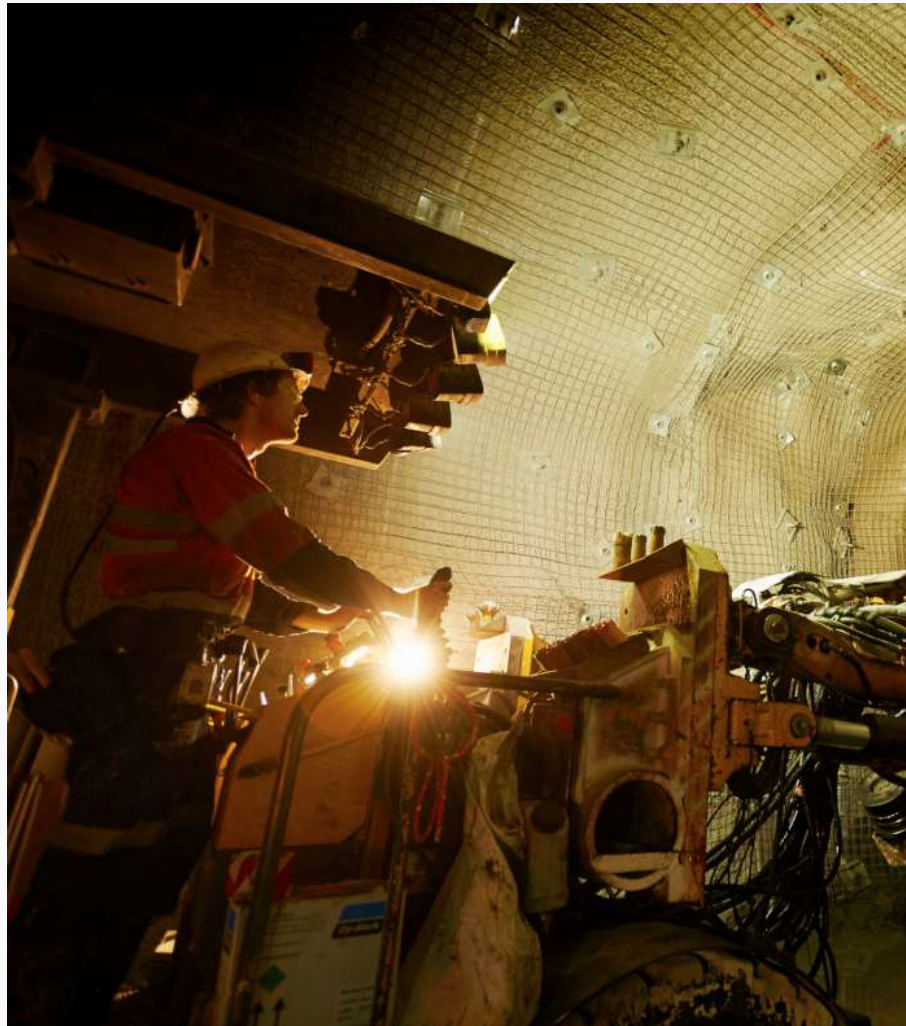
---



- Ore Reserves are constrained by the designed 36Mt heap leach pad capacity a 9 year mine life.
- Expanding the heap leach pad capacity to 50Mt is estimated to cost ~\$17M LOM and enable the ore stacking rate to be increased from 4 to 6Mtpa.
- The Oxide Expansion Project (OXP) was initiated to evaluate opportunities to increase the project value and the reserves based on a 50Mt leach pad.
- PFS Outcomes expected to be finalized in Q4 2017.

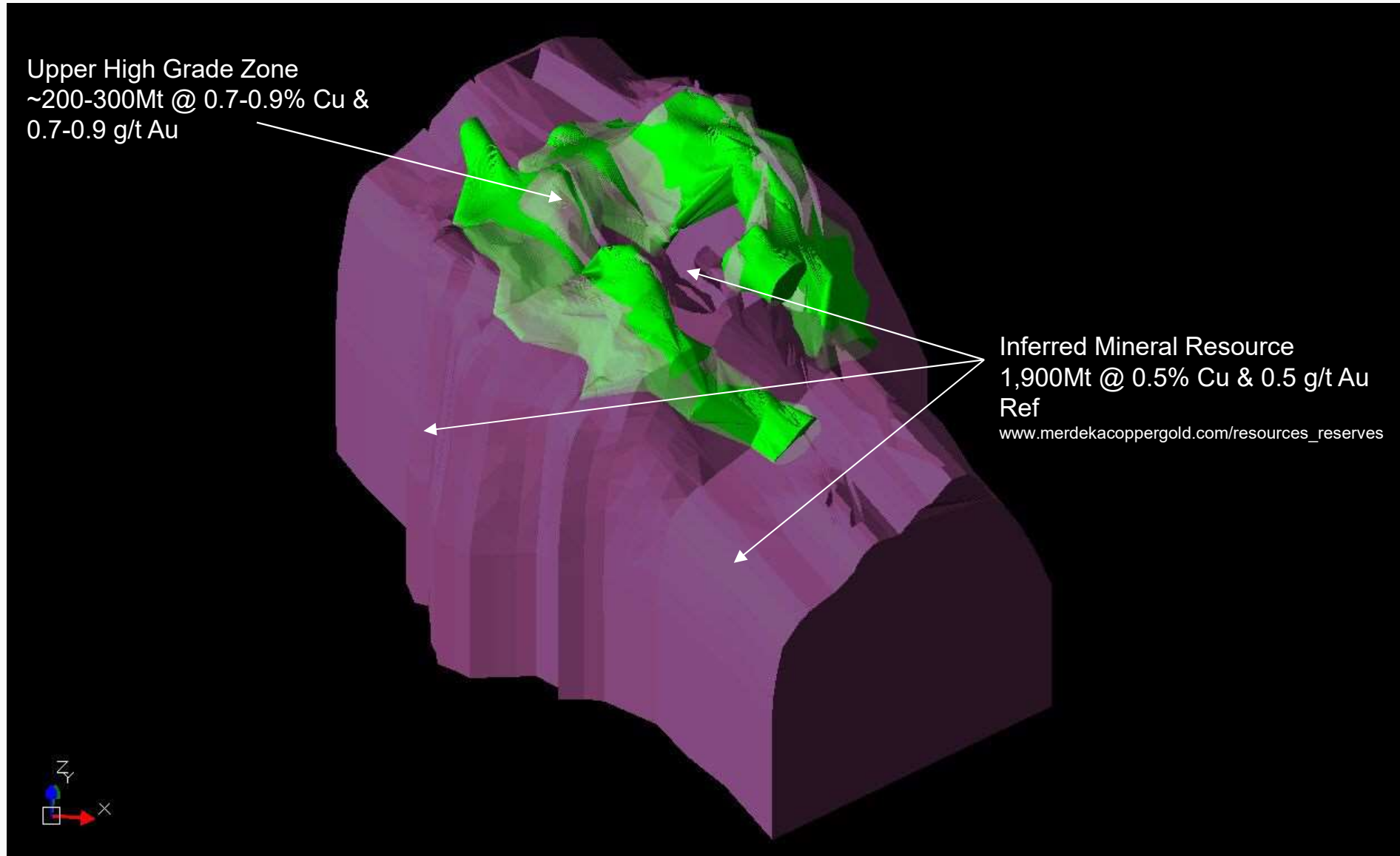
## 4. Porphyry Underground Project

---



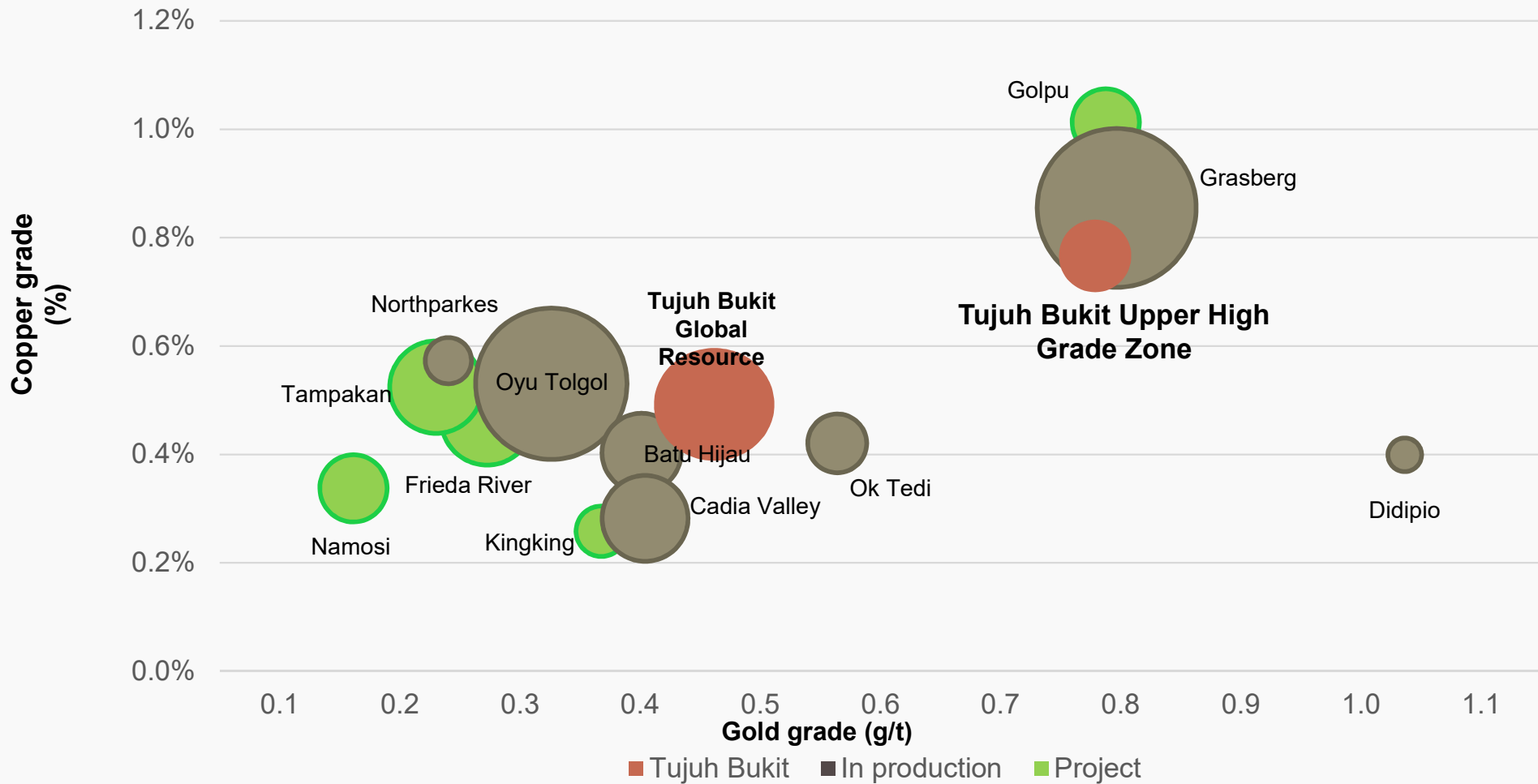
# Porphyry Project

Initial focus on Upper High Grade Zone within Global Resource



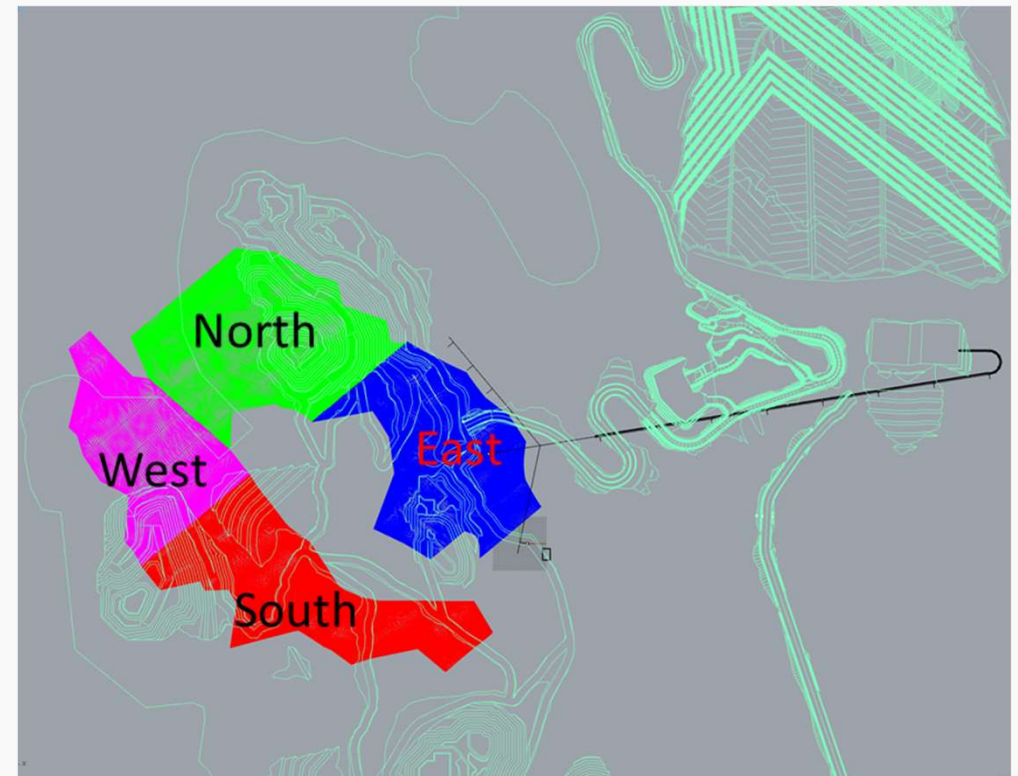
# World Class Mineral Resource

## Comparison with other regional projects



# Staged Development Concept

1. Subdivide UHGZ into 4 x “digestible chunks” of ~80Mt each
  - 4 Blocks (East, North, West, South)
  - Complete staged studies in to the Mining blocks
2. Prioritize highest value block (East)
3. Exploration decline designed to provide underground access for;
  1. Resource definition drilling
  2. Rock mass studies, met sampling and other data acquisition required to support a high quality PFS.
4. Initial focus on high value East block
5. Staged capital spend profile for mine, mill and surface infrastructure
  1. Concept 6Mtpa then expand to 12Mtpa



## Next Steps

---

1. Complete updated concept study (Q4,2017)
2. Pre-engineering, permitting and underground mining contract award (Q4,2017)
3. Boxcut establishment and contractor mobilization (Q4, 2017)
4. Decline development 2018
5. Drilling program and PFS 2018/2019
6. Maiden Ore Reserve supported by PFS targeted 2020





## 5. FND Takeover Bid



- Special Purpose Vehicle, Eastern Field Developments, jointly owned by Merdeka, Provident and Saratoga have launched a cash takeover bid for Finders Resources Limited (ASX:FND)
- Eastern Field believes it can utilise the experience and capabilities gained from the successful development of Tujuh Bukit to extract more value from the Wetar Project.
- Our participation in this takeover will not distract from our core focus of optimising value from Tujuh Bukit.
- Merdeka believes the A\$0.23 cash per share offer is fair value and provides Finders shareholders with the opportunity to lock in certain all cash value while removing the Indonesian operational and regulatory risks associated with the Wetar project.

# Terima kasih!



1. Record production of 53,260 ounces of gold at an all in sustaining cost of US\$416 per ounce.
2. Nameplate production rate of 4 million dry tonnes crushed and staked achieved in August 2017.
3. All operating and cost parameters in line with or better than plan year to date.
4. Achieved 4.6 million hours lost time injury free with zero LTI's and no reportable environmental incidents.
5. Development projects including Oxide Expansion PFS and Porphyry Copper Concept Study progressed well.
6. Full year gold production guidance increased to 110-120 thousand ounces at an AISC of between US\$520-570/oz.
7. Merdeka joins takeover bid for Finders Resources Limited, owner of the Wetar copper mine.