

INFORMATION DISCLOSURE TO SHAREHOLDERS RELATED TO AFFILIATED TRANSACTION PT MERDEKA COPPER GOLD TBK. (the "COMPANY")

This Information Disclosure to the shareholders (as defined below) is made to provide an explanation to the public in connection with the loan agreement made by and between the Company and PT Pani Bersama Jaya ("PBJ"), which is the Company's Controlled Company.

The transaction is an Affiliated Transaction as stipulated in the Regulation of the Financial Services Authority of the Republic of Indonesia No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions.

THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU HAVE DIFFICULTIES TO UNDERSTAND THE INFORMATION AS SET FORTH IN THIS INFORMATION DISCLOSURE YOU SHOULD CONSULT WITH A LEGAL COUNSEL, A PUBLIC ACCOUNTANT, FINANCIAL ADVISOR OR ANY OTHER PROFESSIONAL.

BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY, EITHER SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY REPRESENTS THE COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION CONTAINED IN THIS INFORMATION DISCLOSURE ARE TRUE AND THERE ARE NO IMPORTANT MATERIAL AND RELEVANT FACTS THAT HAVE NOT BEEN DISCLOSED OR REMOVED IN THIS INFORMATION DISCLOSURE CAUSING THE INFORMATION PROVIDED ON THIS INFORMATION DISCLOSURE TO BE UNTRUE AND/OR MISLEADING.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THAT THIS AFFILIATED TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.



PT MERDEKA COPPER GOLD Tbk.

Business Activities

Mining of gold, silver, copper and other associated minerals, and mining services through its subsidiaries

Domiciled in South Jakarta, DKI Jakarta, Indonesia

Headquarter Office:

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This Information Disclosure is issued in Jakarta on 12 April 2022

DEFINITIONS

- “Affiliate”** : Affiliate means
1. family relations due to marriage and descent up to the second degree, both horizontally and vertically;
 2. relationship between a party and employees, directors, or commissioners of the party;
 3. relationship between 2 (two) companies where there is 1 (one) or more same members of the board of directors or board of commissioners;
 4. the relationship between a company and a party, both directly or indirectly, controlling or being controlled by the said company;
 5. relationship between 2 (two) companies that are controlled, both directly or indirectly, by the same party; or
 6. the relationship between a company and the principal shareholders.
- “Conflict of Interest”** : The difference between the economic interest of a public company and the personal economic interest of members of board of directors, members of board of commissioners, principal shareholders, or Controllers that may be harmful to the public company concerned.
- “Indonesia Stock Exchange”** : Stock exchange as defined in Article 1 point 4 Capital Market Law, in this case held by PT Bursa Efek Indonesia, domiciled in Jakarta.
- “MOLHR”** : Minister of Law and Human Rights of Republic of Indonesia.
- “OJK”** : Financial Services Authority, an independent institution, which has the functions, duties, and authorities of regulating, supervising, examining and investigating as referred to in Law No. 21 year 2011 concerning the Financial Services Authority (“**OJK Law**”). Since 31 December 2012, the functions, duties and authorities of regulating and supervising financial services activities in the capital market sector, and insurance, pension funds, financing institutions and other financial service institutions have shifted from Bapepam-LK to OJK and since 31 December 2013, the functions, tasks and authorities of regulating and supervising financial service activities in the banking sector shifts from Bank Indonesia to OJK, in accordance with Article 55 of OJK Law.
- “PBJ”** : PT Pani Bersama Jaya, domiciled in South Jakarta, a limited liability company established and operating under the laws of the Republic of Indonesia.
- “Shareholders”** : Parties who have the benefit of the Company’s shares, both in the form of scripts and in collective custody which are kept and administered in the securities account at Indonesia Central Securities Depository, registered in the Shareholder Register of the Company which is administered by the Securities Administration Bureau appointed by the Company.
- “Controller”** : Has the meaning as defined in OJK Regulation on acquisition of publicly listed company.
- “Appraiser”** : Individuals whom with their expertise carry out valuation activities in capital market.

“Independent Appraiser” or “KJPP”	:	Public Appraisal Office of Desmar, Ferdinand, Hentriawan and Partners, independent appraisers registered with the OJK who have been appointed by the Company to conduct an assessment of the fair value and/or fairness of the Transaction.
“Company”	:	PT Merdeka Copper Gold Tbk., domiciled in South Jakarta, a public company whose shares are listed on the Indonesia Stock Exchange, which is established and operating under the laws of the Republic of Indonesia.
“Controlled Company”	:	A company that is controlled either directly or indirectly by a public company.
“POJK 17/2020”	:	OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
“POJK 42/2020”	:	OJK Regulation No. 42/POJK.04/2020, enacted on 1 July 2020 regarding Affiliated Transaction and Conflict of Interest Transaction.
“Affiliated Transaction”	:	Any activity and/or transaction conducted by a public company or a controlled company with an Affiliate of a public company or an Affiliate of a member of board of directors, a member of board of commissioners, the principal shareholders, or the Controller, including any activity and/or transaction conducted by a public company or controlled company for the benefit of an Affiliate of public company or an Affiliate of a member of board of directors, member of board of commissioners, principal shareholders or the Controller.
“Conflict of Interest Transaction”	:	Transactions that are carried out by public companies or controlled entities with any party, both with Affiliates and parties other than Affiliates that contain a Conflict of Interest.
“Capital Market Law”	:	Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 Year 1995, as amended from time to time.

INTRODUCTION

In order to comply with the provisions of POJK 42/2020, the Board of Directors of the Company announces Information Disclosure to provide information to the Shareholders of the Company that on 8 April 2022, the Company and PBJ has signed a loan agreement (“**Agreement**”) to provide a revolving loan funds from the Company to PBJ with the total amount up to USD125,000,000.00 (one hundred twenty-five million United States of America Dollar) for the purpose of including but not limited to, general corporate purposes, including for the capital and operational expenditure and the working capital of PBJ, and other purposes as required by the PBJ (“**Transaction**”).

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which PBJ is the Company’s Controlled Company and there is similarity of members of the Board of Commissioners and the Board of Directors of PBJ with the Board of Directors of the Company. However, this Affiliated Transaction is not a Transaction with Conflict of Interest as set forth in POJK 42/2020.

The Affiliated Transaction carried out by the Company has complied with the procedures as set forth in Article 3 of POJK 42/2020 and has been executed in accordance with generally accepted business practices.

In accordance with the provisions of Article 4 paragraph 1 of POJK 42/2020, this Transaction is an Affiliated Transaction that is required to use an Appraiser in determining the fairness of the Affiliated Transaction in which the fairness of the transaction needs to be announced to the public. The Company has received the fairness value for this Transaction based on Appraisal Report from KJPP Desmar, Ferdinand, Hentriawan Iskandar and Partners No. 00050/2.0142-00/BS/02/0089/1/III/2022 dated March 30th, 2022 on Fairness Opinion ("**Appraiser's Report**").

Moreover, the Company is obliged to announce Information Disclosure to the public and submit the appraisal report along with other supporting documents to OJK no later than the end of the 2nd (second) business days after the date of the Transaction as referred to Article 4 of POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. PBJ

PBJ is a limited liability company established based on Deed of Establishment No. 87 dated November 20th, 2015, made before Humberg Lie, S.H., S.E., M.Kn, Notary in North Jakarta, which has been approved by MOLHR by virtue of Decree No. AHU-2467705.AH.01.01.TAHUN 2015 dated November 20th, 2015, and has been registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-3582576.AH.01.11.TAHUN 2015 dated November 20th, 2015 ("**Deed of Establishment of PBJ**"), whose articles of association were last amended based on Deed of Circular Resolutions in Lieu of General Meeting of Shareholders No. 6 dated March 1st, 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR as evidenced by the Letter of Notification Receipt of the Amendment of Articles of Association No. AHU-AH.01.03-0134545 dated March 1st, 2022 and Letter of Notification Receipt of Changes of Data No. AHU-AH.01.03-0134547 dated March 1st, 2022 which has been registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0041374.AH.01.11.TAHUN 2022 dated March 1st, 2022 ("**PBJ Deed No. 6/2022**").

PBJ is domiciled in South Jakarta, with the office address at The Convergence Indonesia, 21st Floor, Jl. H.R. Rasuna Said, Karet Kuningan Sub-district, Setiabudi District, South Jakarta City, DKI Jakarta.

According to Article 3 of Articles of Association of PBJ, the objectives and purposes of the PBJ is carrying out activities of holding companies. To carry out the main business activity above, PBJ may carry out the supporting activities as follows:

1. carrying out activities of holding companies where the main activity is ownership and/or control of assets of a group of subsidiary companies both domestic and overseas among others including but not limited to, those engaged in the mining sector;
2. provide funding and/or financing required by the companies in which PBJ participates its equity, both directly and indirectly; and/or
3. provide funding and/or financing required by other companies, including companies engaging in mining activities, in order to carry out the equity participation in such company or group companies or in the investment framework of any other assets in such company or group companies.

Capital Structure and Shareholders Composition of PBJ

Pursuant to the Deed of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 61, dated July 15th, 2019, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR as evidenced by the Letter of Notification Receipt of Amendment of Articles of Association No. AHU-AH.01.03-0298076 dated July 15th, 2019, which has been registered in the Company Register at the Ministry of Law and Human Rights of Republic of Indonesia under No. AHU-0110656.AH.01.11.TAHUN 2019 dated July 15th, 2019 *juncto* Deed of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 37 dated December 14th, 2021, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR as evidenced by the Letter of Notification Receipt of the Amendment of Articles of Association No. AHU-AH.01.03-0485714 dated December 14th, 2021 which has been registered in the Company Register at the Ministry of Law and Human Rights of Republic of Indonesia under No. AHU-0221506.AH.01.11.TAHUN 2021 dated December 14th, 2021 *juncto* PBJ Deed No. 6/2022, PBJ's capital structure and shareholding composition are as follows:

Authorized Capital : IDR200,000,000,000
Issued Capital : IDR60,110,000,000
Paid up Capital : IDR60,110,000,000

The authorized capital of the Company is divided into 200,000 shares each with a par value of IDR1,000,000.

Thus, the shareholders' composition of PBJ are as follows:

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
1.	The Company	50,103	50,103,000,000	83.35
2.	PT Kapital Emas Nusantara	10,007	10,007,000,000	16.65
Total		60,110	60,110,000,000	100
Shares in Portfolio		139,890	139,890,000,000	-

Composition of the Board of Commissioners and Board of Directors of PBJ

Pursuant to the PBJ Deed No. 6/2022, the composition of the Board of Directors and the Board of Commissioners of PBJ is as follows:

Board of Commisioners

President Commissioner : Simon James Milroy
Commissioner : Januarius Felix Lumban Gaol

Board of Directors

President Director : Syamsul Bahri Ilyas
Director : Cahyono Seto
Director : David Thomas Fowler
Director : Boyke Poerbaya Abidin

2. The Company

The Company, established under the name of PT Merdeka Serasi Jaya, pursuant to the Deed of Establishment No. 2 dated September 5th, 2012, drawn up before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by MOLHR by virtue of its Decree No. AHU-

48205.AH.01.01.Tahun 2012 dated September 11th, 2012, which has been registered in the Company Register at the Ministry of Law and Human Rights of Republic of Indonesia under No. AHU-0081346.AH.01.09.Tahun 2012 dated September 11th, 2012, and has been published in the State Gazette of the Republic of Indonesia No. 47 dated June 11th, 2013, Supplement No. 73263.

The Company's Articles of Association has been amended several times, most recently by the Deed of Statement of Meeting Resolution on Amendment to Articles of Association No. 125 dated May 25th, 2021, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to the MOLHR by virtue of the Letter of Notification Receipt of Amendment of the Articles of Association No. AHU-AH.01.03-0336093 dated May 28th, 2021 and has been registered in the Company Register in the Ministry of Law and Human Rights of Republic of Indonesia under No. AHU-0094735.AH.01.11.TAHUN 2021 dated May 28th, 2021.

The Company is domiciled at The Convergence Indonesia Building, 20th Floor, Jl. HR. Rasuna Said, Karet Kuningan, Setiabudi, South Jakarta 12940, DKI Jakarta.

According to Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are as follows:

1. carrying out activities of holding companies where the main activity is ownership and/or control of assets of a group of subsidiary companies both domestic and overseas among others including but not limited to, those engaged in the mining sector; and
2. conducting other management consulting activities, to provide advice, guidance and business operations for various management functions, strategic and organizational scheming, human resources planning, practices and policies, management consulting of agronomist processing and agricultural economist including but not limited to mining, agriculture, and the like, design of accounting methods and procedures, cost accounting programs, budget control supervision procedures, providing advice and assistance to businesses and community services in planning, organizing, efficiency and control, management information, processing and tabulating all types of data covering all stages processing and writing reports from data provided by customers, or only part of the processing stages and others.

To carry out the main business activities above, the Company may carry out the supporting activities as follows:

1. provide funding and/or financing required by the companies in which the Company participates its equity, both directly and indirectly; and
2. provide funding and/or financing required by other companies in order to carry out the equity participation in such company or group companies or in the investment framework of any other assets in such company or group companies.

Capital Structure and Shareholders Composition of the Company

Pursuant to the Deed of Statement of Meeting Resolution of Amendments of Articles of Association No. 144 dated July 29th, 2020, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been approved by MOLHR under Decree No. AHU-0055973.AH.01.02.TAHUN 2020 dated August 13th, 2020 and has been notified to the MOLHR based on Letter of Notification Receipt of Amendments to Articles of Association No. AHU-AH.01.03-0347407 dated August 13th, 2020 and has been registered in the Company Register at the Ministry of Law and Human Rights of Republic of Indonesia under No. AHU-133514.AH.01.11.TAHUN 2020 dated August 13th, 2020, *juncto* Deed of Statement of Meeting Resolution of Amendments of Articles of Association No. 38

dated March 5th, 2021, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to MOLHR by virtue of the Letter of Notification Receipt of Amendment of the Articles of Association No. AHU-AH.01.03-0144571 dated March 5th, 2021, and has been registered in the Company Register in the Ministry of Law and Human Rights of Republic of Indonesia under No. AHU-0042187.AH.01.11.TAHUN 2021 dated March 5th, 2021, the Company's capital structure and shareholding composition are as follows:

Authorized Capital	:	IDR1,400,000,000,000
Issued Capital	:	IDR458,097,016,300
Paid up Capital	:	IDR458,097,016,300

The authorized capital of the Company is divided into 70,000,000,000 shares each with a par value of Rp20.00.

According to the Shareholders Register of the Company dated March 31st, 2022 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

Description	Nominal Value of Rp20 per Shares		
	Number of Shares	Nominal Value (Rp)	(%)
A. Authorized Capital	70,000,000,000	1,400,000,000,000	
B. Issued and Paid up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,189,971,184	83,799,423,680	18.293
2) PT Mitra Daya Mustika	2,948,833,595	58,976,671,900	12.874
3) Garibaldi Thohir	2,010,647,705	40,212,954,100	8.778
4) PT Suwarna Arta Mandiri	1,386,733,708	27,734,674,160	6.054
5) Gavin Arnold Caudle	79,526,728	1,590,534,560	0.347
6) Hardi Wijaya Liong	69,276,728	1,385,534,560	0.303
7) Andrew Phillip Starkey	500,000	10,000,000	0.002
8) Richard Bruce Ness	1,633,500	32,670,000	0.007
9) Simon James Milroy	157,700	3,154,000	0.001
10) Public (respectively under 5%)	12,216,972,867	244,339,457,340	53.338
	22,904,253,715	458,085,074,300	99.997
Treasury Stock	597,100	11,942,000	0.003
Total of Issued and Fully Paid up Shares	22,904,850,815	458,097,016,300	100.000
C. Portofolio Shares	47,095,149,185	941,902,983,700	

Composition of the Board of Commissioners and Board of Directors of the Company

Pursuant to the Deed of Statement of Meeting Resolution No. 142 dated January 27th, 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to the MOLHR as reflected in the Letter of Notification Receipt of Changes of Data No. AHU-AH.01.03-0067009 dated January 28th, 2022 and has been registered in the Company Register in the Ministry of Law and Human Rights of Republic of Indonesia under No. AHU-0020622.AH.01.11.TAHUN 2022 dated January 28th, 2022, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this Disclosure of Information are as follows:

Board of Commissioners

President Commissioner	:	Edwin Soeryadjaya
Commissioner	:	Garibaldi Thohir
Commissioner	:	Richard Bruce Ness
Commissioner	:	Yoke Candra
Independent Commissioner	:	Muhamad Munir
Independent Commissioner	:	Budi Bowoleksono

Board of Directors

President Director	:	Albert Saputro
Vice President Director	:	Simon James Milroy
Director	:	Gavin Arnold Caudle
Director	:	Hardi Wijaya Liong
Director	:	Andrew Phillip Starkey
Director	:	David Thomas Fowler
Director	:	Titien Supeno
Director	:	Chrisanthus Supriyo

Transaction Value

Pursuant to the Agreement, the total value of the Transaction is at amount of up to USD125,000,000.00 (one hundred twenty-five million United States of America Dollar). Therefore, the Transaction is not a material transaction as referred to POJK 17/2020 considering that the value of Transaction does not reach 20% (twenty percent) of the Company's equity value in accordance with the Company's Consolidated Financial Statements for period ended on 31 December 2021 which was audited by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm.

Nature and Affiliated Relation

As for the nature of the affiliation relationship between the Company and PBJ is as follows:

- a. PBJ is a Controlled Company of the Company with shares owned directly in the amount of 83.35% (eighty-three point three five percent); and
- b. There are similar members of the Board of Commissioners and the Board of Directors of PBJ with the Board of Directors of the Company.

Summary of Transaction Agreement

Loan Agreement dated 8 April 2022

Parties:

1. PBJ; and
2. The Company.

Hereinafter shall be collectively referred to as the "**Parties**".

Scope of the Agreement:

Under the Agreement, the Company, as the shareholder of PBJ, have agreed to provide a revolving loan funds to PBJ with the total amount up to USD125,000,000.00 (one hundred twenty-five million United States of America Dollar) ("**Financing Fund**") for the purpose of, including but not limited to, general corporate, including for the capital and operational expenditure, and working capital of PBJ, and other purposes as required by PBJ, which was previously provided by the Company to PBJ in the form of provision of advance paid-up capital.

The Financing Fund under this Agreement shall bear an Interest which shall accrue on the outstanding Financing Fund until all amount owing under this Agreement have been repaid in full at a rate of LIBOR

(3 months) plus 5.5% (five point five percent) per annum, which shall be payable at the 5th year as of the date of the Agreement (“**Maturity Date**”).

The Financing Fund period is commenced from the date of execution of the Agreement and will expire on the Maturity Date and can be extended based upon the written agreement between the Company and PBJ.

PBJ may utilize the Financing Fund by borrowing, prepaying and re-borrowing the Financing Fund up to US\$125,000,000.00 (one hundred twenty-five million United States of America Dollars) in whole or in part, provided that the PBJ shall fully and finally pay off the outstanding Financing Fund on the Maturity Date at the latest.

Transaction Value:

The Transaction Value is up to USD125,000,000.00 (one hundred twenty-five million United States of America Dollars).

Applicable Law:

Laws of the Republic of Indonesia.

Dispute Resolution:

Indonesian National Arbitration Board (BANI).

SUMMARY OF APPRAISER’S REPORT

KJPP Desmar, Ferdinand, Hentriawan Iskandar and Partners who has been appointed by the Company’s Board of Directors as independent appraisers in accordance with the proposal letter/contract work agreement No. 005/DFH-MHT/PB-FO/III/2022 dated March 9th, 2022, has been requested to provide an assessment of and provide an opinion of the Transaction’s fairness.

Fairness Assessment Report on Transaction

The following is summary of the KJPP’s fairness assessment on the Transaction as stated in its report No. 00050/2.0142-00/BS/02/0089/1/III/2022 dated March 30th, 2022 as follows:

a. Transacting Parties

The transacting Parties are as follows:

1. the Company, which is a holding company of the borrower as the lender; and
2. PBJ, as the subsidiary of the Company which carries out holding business activities as the borrower.

b. Appraisal Object

The Appraisal Object is the proposed shareholders loan facility to PBJ as the affiliated party. The amount of Transaction is up to USD125,000,000.00 (one hundred twenty-five million United States of America Dollars) which will be received by PBJ.

Fairness appraisal was conducted for the date of appraisal of December 31st, 2021, using the Company’s Consolidated Financial Statements for period ended on December 31st, 2021 as its parameter.

c. Purpose and Objective of Appraisal

The purpose and objective of the appraisal is to provide a fairness opinion on the proposed Transaction of the Company, as well as in order to comply with the provision in the POJK 42/2020.

d. Assumptions and Limited Conditions

1. This Appraiser's Report is a non disclaimer opinion.
2. KJPP has reviewed the documents used in the appraisal/fairness opinion process.
3. The data and information obtained come from trustworthy sources.
4. The financial projection used are adjusted financial projection that reflects the fairness of the financial projections made by management with the ability to achieve (fiduciary duty).
5. KJPP is responsible for the implementation of fairness appraisal.
6. This Appraisal Report is disclosed to public.
7. KJPP has obtained information on the legal status of the (loan agreement) Appraisal Object from the assignor.
8. KJPP is responsible for this Fairness Opinion as a whole.

e. Methods of Fairness Analysis and Proposed Transaction

In accordance with the OJK Regulation No. 35/POJK.04/2020 regarding Appraisal and Presentation of the Fairness Opinion in Capital Market Sector, the analysis of Fairness Opinion, the approach and methods used are as follows:

1. transaction analysis;
2. qualitative and quantitative analyses of the proposed Transaction;
3. analysis of the fairness of the transaction value.
4. analysis of other relevant factors.

f. Conclusion of the Fairness Opinion

By considering the fairness analysis on the proposed Transaction was including analysis of the proposed Transaction, qualitative and quantitative analyses, analysis of the fairness of the transaction value, incremental analysis, as well as sensitivity analysis, therefore KJPP opines that the Transaction to PBJ is **fair**.

**THE EFFECT OF THE TRANSACTION ON THE COMPANY'S
FINANCIAL CONDITION (PRO-FORMA).**

The Effect of the Transaction on the Company's Financial Condition

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 31 December 2021 before and after carrying out the Transaction, where this Transaction does not have an impact towards the Company since the Transaction is a transaction between a subsidiary and its parent company. Therefore, the Transaction will be eliminated on a consolidated basis by the Company.

Information	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	185,470,530	-	185,470,530
Trade receivables	592,526	-	592,526
Other receivables	5,212,746	-	5,212,746
Inventories - current portion	131,417,430	-	131,417,430
Claims for tax refund	21,235,114	-	21,235,114
Advances and prepayments - current portion	18,890,103	-	18,890,103
Investment in equity instrument and other securities	47,065,590	-	47,065,590

Derivative financial instrument - current portion	1,431,005	-	1,431,005
Total Current Assets	411,315,044	-	411,315,044
Non-Current Assets			
Advances and prepayments – non-current portion	33,492,919	-	33,492,919
Advance of investment	80,160,000	-	80,160,000
Investment in shares	1,603,100	-	1,603,100
Loan to related party	8,734,448	-	8,734,448
Inventories – non-current portion	59,093,115	-	59,093,115
Prepaid taxes	10,828,539	-	10,828,539
Property, plant and equipments	298,216,345	-	298,216,345
Right-of-use assets	18,056,266	-	18,056,266
Mining properties	79,378,252	-	79,378,252
Exploration and evaluation assets	253,482,867	-	253,482,867
Deferred tax assets	14,482,810	-	14,482,810
Derivative financial instrument – non-current portion	4,713,456	-	4,713,456
Other non-current assets	5,035,498	-	5,035,498
Total Non-Current Assets	867,277,615	-	867,277,615
TOTAL CURRENT ASSETS	1,278,592,659	-	1,278,592,659
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	29,609,241	-	29,609,241
Accrued expenses	29,190,451	-	29,190,451
Unearned revenue	5,468,036	-	5,468,036
Taxes payable	3,301,330	-	3,301,330
Other payable	19,618	-	19,618
Borrowings - current portion:			
Bank loans	63,966,178	-	63,966,178
Bonds payable	143,555,673	-	143,555,673
Lease liabilities	22,061,962	-	22,061,962
Provision for mining rehabilitation - current portion	68,970	-	68,970
Total Current Liabilities	297,241,459	-	297,241,459
Non-Current Liabilities			
Borrowings – net of current portion:			
Bonds payable	126,288,054	-	126,288,054
Lease liabilities	21,932,239	-	21,932,239
Deferred tax liabilities	699,533	-	699,533
Post-employment benefits liability – non-current portion	18,302,290	-	18,302,290

Provision for mining rehabilitation – non-current portion	34,718,787	-	34,718,787
Total Non-Current Liabilities	201,940,903	-	201,940,903
TOTAL LIABILITIES	499,182,362	-	499,182,362
Equity			
Share capital	36,112,298	-	36,112,298
Additional paid-in capital	454,779,498	-	454,779,498
Treasury stock	-113,972	-	-113,972
Cash flows hedging reserve	4,947,007	-	4,947,007
Other equity components	35,480,390	-	35,480,390
Retained earnings:			
Appropriated	1,200,000	-	1,200,000
Unappropriated	223,161,211	-	223,161,211
Equity attributable to owners of the parent entity	755,566,432	-	755,566,432
Non-controlling interests	23,843,865	-	23,843,865
Total Equity	779,410,297	-	779,410,297
TOTAL LIABILITIES AND EQUITY	1,278,592,659	-	1,278,592,659

(*) Expressed in US Dollars and refers to the Company's Interim Consolidated Financial Statements dated 31 December 2021.

DESCRIPTION, CONSIDERATIONS AND REASONS FOR THE TRANSACTION COMPARED WITH OTHER SIMILAR TRANSACTIONS WHICH ARE NOT PERFORMED WITH AFFILIATED PARTIES

By conducting the Transaction, the Company is able to provide funding facility to PBJ which was previously provided in a form of advance investment. The funding facility from this Transaction will be utilized by PBJ for the purpose of including but not limited to, general corporate purposes, including for the capital and operational expenditure and the working capital of PBJ and other purposes as required by the PBJ, hence PBJ is able to conduct its business activities optimally and provide positive impact to the Company.

Documents related to the Transaction between the Company and PBJ, have been made using similar terms and conditions which if done with an unaffiliated party, that the terms and conditions of the Transaction are carried out on an arm's length basis.

STATEMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY

The Board of Commissioners and Board of Directors of the Company, either individually or jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading and the Transaction is not considered a Conflict of Interest Transaction as referred to POJK 42/2020 and is not a material transaction as referred to POJK 17/2020 considering that the Transaction value does not reach 20% (twenty percent) of the Company's equity value in accordance with the Company's Consolidated Financial Statements for period ended on 31 December 2021 which was audited by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm.

The Board of Directors of the Company stated that the Transaction was carried out in accordance with the procedures owned by the Company as required in POJK 42/2020 to ensure that Affiliated

Transactions have been carried out in accordance with prevailing regulations and generally accepted business practices.

ADDITIONAL INFORMATION

For further information, you can contact the Company with the following address:

PT Merdeka Copper Gold Tbk.

Corporate Secretary

The Convergence Indonesia, Lantai 20

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