

Exploration Report – Quarter 4 2021

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 Quarter Four 2021 is approximately Rp 169.4 billion.



Figure 1: Merdeka Exploration Project Locations

Copper and Gold: Tujuh Bukit Project

- A. Expenditure:
The total expenditure for exploration related activities for the Tujuh Bukit Upper High Grade Zone (UHGZ) in Q4 2021 is Rp 126.5 billion consisting of decline maintenance, underground resource definition drilling and associated test work.
- B. Area:
Tujuh Bukit copper and gold resource, Banyuwangi, East Java.
- C. Exploration Party:
All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.
- D. Assessment Method:
Drilling from underground and surface with associated test work.
- E. Election of Assessment Area:
The area was selected for the current drilling program as it is an area of the Tujuh Bukit porphyry deposit 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.

F. Results of Exploration:

Five underground rigs conducted Resource Definition drilling totalling 8,044.4m, and two surface rigs completed a total of 987.8m as shown in Table 1.

G. Action Plan:

Underground diamond drilling will continue using six diamond drill rigs, with an additional three underground rigs planned to commence in Q1 2022.

RIG ID	HOLE ID	From	To	Interval	comments
ID1800B	GTD-21-679	1010.3	1169.7	159.4	Surface
ID1800B	GTD-21-680	0	709.9	709.9	Surface
ID1800A	GTH-21-283	0	118.5	118.5	Surface
ID150DE-D	UHGZ-21-058	5.5	795.4	789.9	UG
ID150DE-D	UHGZ-21-058W	657	670.4	13.4	UG
ID150DE-A	UHGZ-21-065	600.9	600.9	0	UG
ID150DE-C	UHGZ-21-066	351.3	965.4	614.1	UG
ID150DE-B	UHGZ-21-067	491.2	1011	519.8	UG
ID150DE-A	UHGZ-21-068	400.1	920.6	520.5	UG
ID150DE-E	UHGZ-21-069	151.5	887.3	735.8	UG
ID150DE-B	UHGZ-21-070	0	978.7	978.7	UG
ID150DE-A	UHGZ-21-071	0	850	850	UG
ID150DE-E	UHGZ-21-072	0	693.1	693.1	UG
ID150DE-C	UHGZ-21-073	0	723.2	723.2	UG
ID150DE-D	UHGZ-21-074	0	802.3	802.3	UG
ID150DE-B	UHGZ-21-075	0	730.8	730.8	UG
ID150DE-A	UHGZ-21-077	0	72.8	72.8	UG

Table 1: Tujuh Bukit underground project drilling statistics Q4 2021

Copper: Wetar Project.

A. Expenditure:

Total estimated exploration costs for the Wetar Project in Q4 2021 are Rp 36.3 billion.

B. Area:

Wetar Project, Wetar Island, West Maluku

C. Exploration Party:

All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

D. Assessment Method:

Mapping, rock chip sampling, line surveying and commencement of ground geophysics on regional airborne EM targets. Resource drilling at Partolang and Partolang Barat to help define resources and metallurgical drilling on leach pads.

E. Election of Assessment Area:

The exploration areas were selected from ground and airborne electromagnetic (EM) geophysical surveys, and historical mining activity which identified features with potential for VMS deposits.

F. Results of Exploration:

Fourteen scout diamond drill holes were completed at Lerokis on ground electromagnetic targets, with additional holes planned. Results are awaited for most of this work.

Results were received for around 96 rock chip samples collected from around EM targets near previous gold mining areas. Around 16% of the samples returned >0.1g/t Au.

Three drill rigs operated during the quarter with 8,043.9m of drilling completed as shown in Table 2, and Figures 2-6.

Results were received from previous metallurgical drilling on the leach pads, several diamond twin at Partolang, and for some of the Partolang Barat RC drilling. Assays from the leach pads and from the Partolang twin holes were generally in line with expectation. At Partolang Barat, assay results continue to be encouraging, with 11 holes returning grades between 1.0-4.3% Cu, over interval widths ranging from 5 m to 29 m.

G. Action Plan:

Regional exploration is planned around the anomalous rock chip samples and ground geophysical targets in the Lerokis region, including scout exploration drilling, and ground geophysics will continue to define new regional drill targets. Resource and metallurgical drilling at Partolang and Partolang Barat will continue to enable resource estimation and scout drilling will continue between these in the Partolang Bridge zone.

Drill Type	Holes Completed	Metres Drilled	Hole_ID	Details
DDH Lerokis EM	14	1816.8	LKD070-LKD083	Scout EM drilling on targets in the Lerokis Corridor
RC Partolang Barat	16	3009	BMR073-BMR088	Infill and extension drilling to define resources
RC Partolang Bridge	4	791	PTR200 – PTR203	Scout drilling between Partolang and Partolang Barat to identify new resources
DDH Twin hole	13	1599.8	BMD023-BMD028 & PTD063-PTD069	Diamond drilling to confirm RC assays and obtain additional geology, SG and recovery information for resource work
DDH Metallurgy	8	773.8	BMDM029-BMDM030 & PTDM070 - PTDM075	Metallurgical Drilling over known and potential resources
Sonic	8	53.50	LPD129-LPD136	Metallurgical Drilling on leach pads
Totals	63	8,043.90		

Table 2: Wetar project drilling statistics Q4 2021

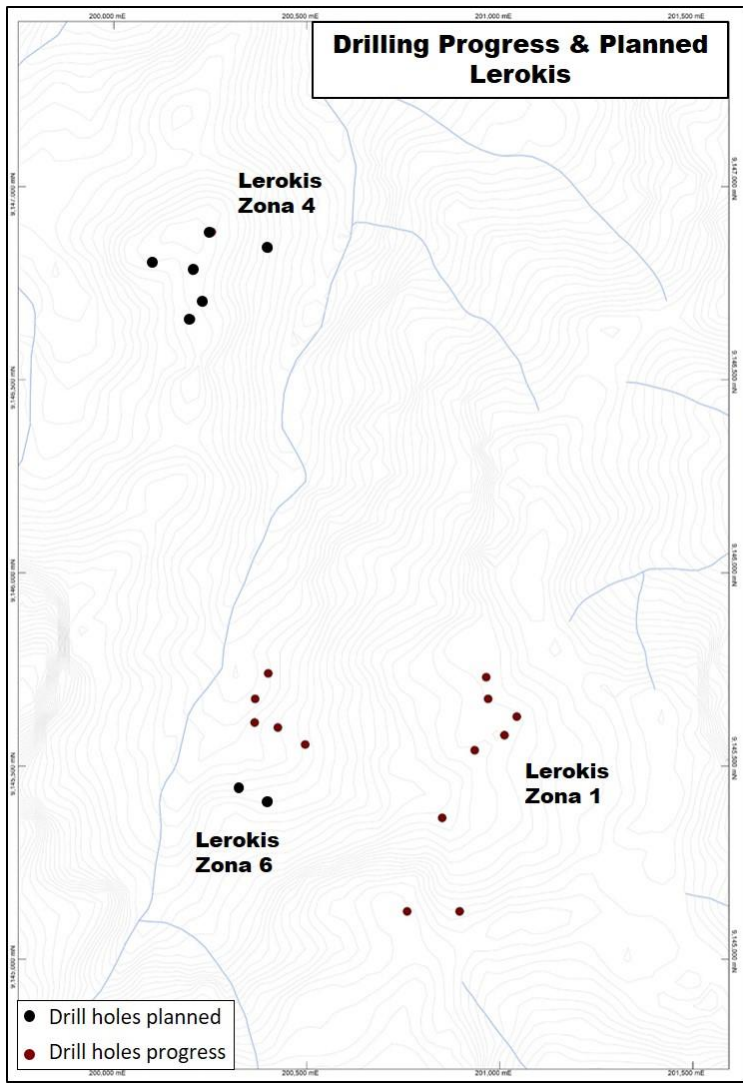


Figure 2: Completed and planned regional drilling at Lerokis electromagnetic anomalies

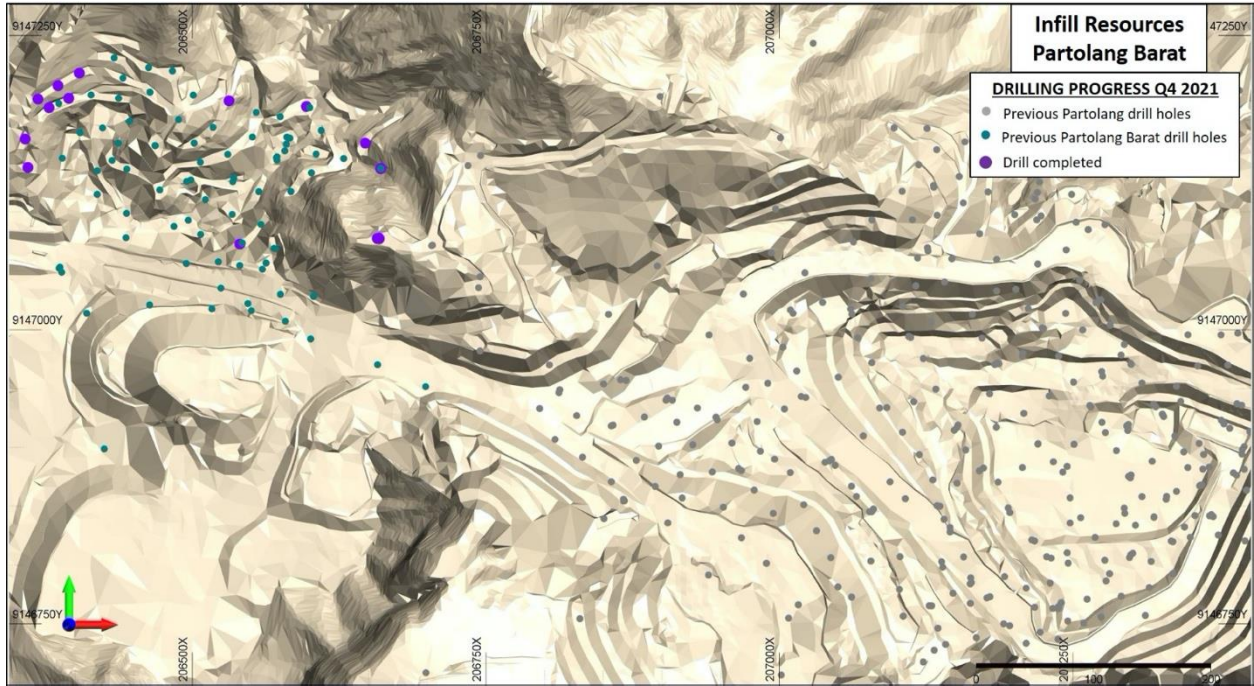


Figure 3: Completed RC drilling at Partolang Barat

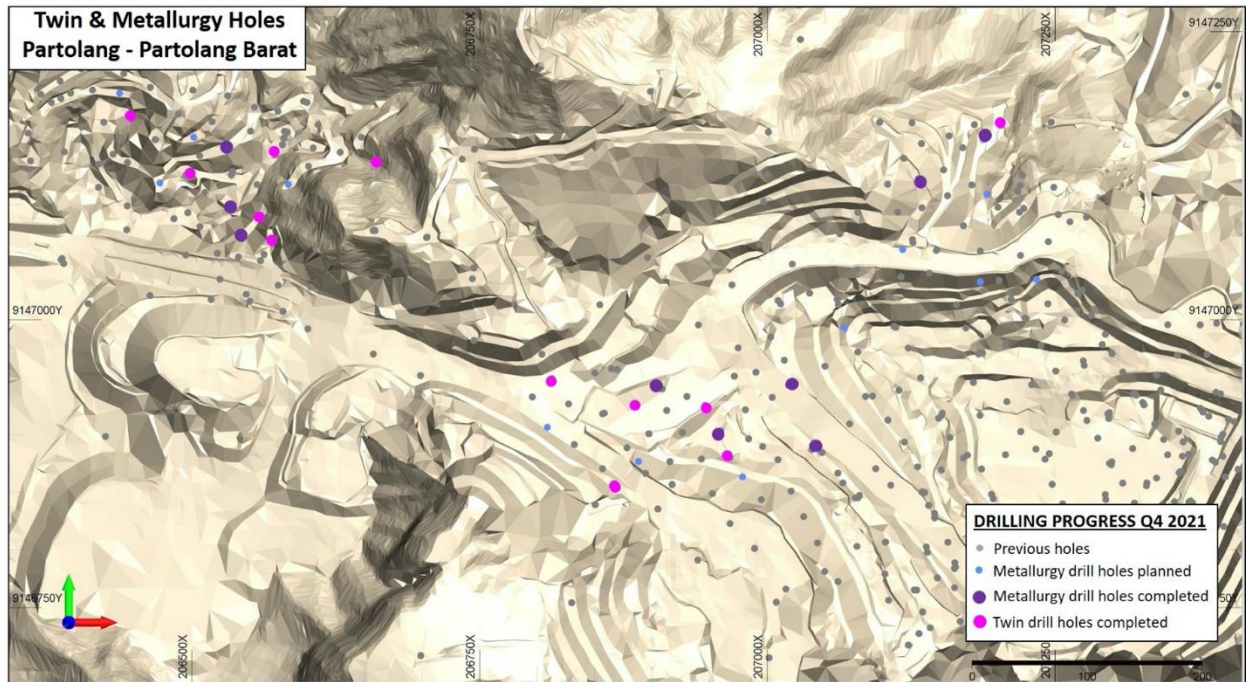


Figure 4: Completed and planned drilling for twinning and metallurgy at Partolang and Partolang Barat

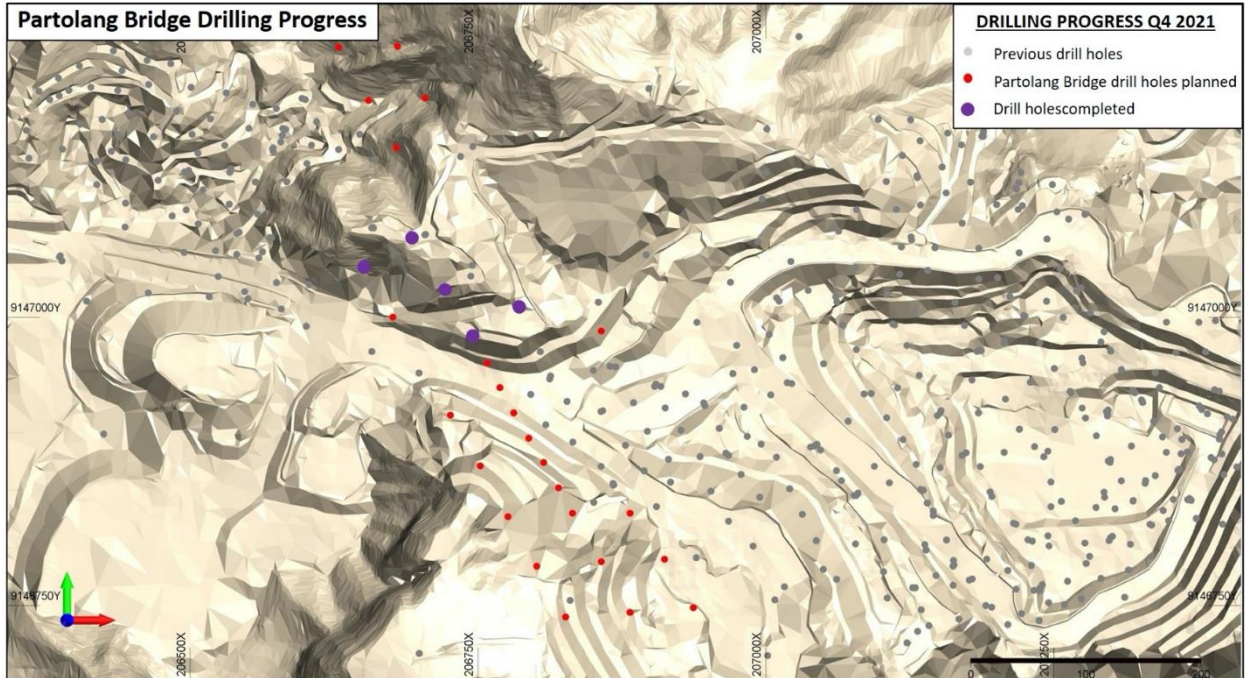


Figure 5: Completed and planned scout RC drilling at Partolang Bridge

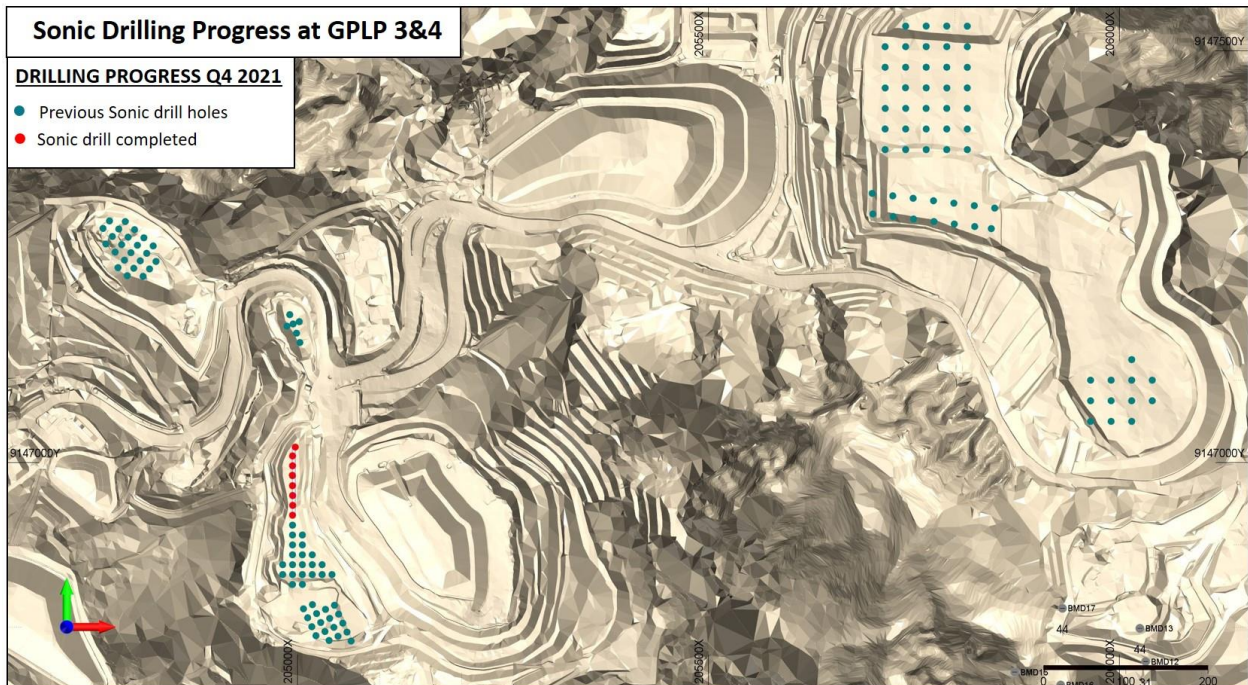


Figure 6: Completed drill holes with Sonic rig on Heap Leach Pads GPLP03&04

Gold: Pani Project.

A. Expenditure:

Total estimated exploration costs for the Pani Project in Q4 2021 are Rp 6.6 billion.

- B. Area:
Pani Project, Gorontalo Province, Sulawesi
- C. Exploration Party:
All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.
- D. Assessment Method:
A review of historic information and results to date continued this quarter, along with updating the geological models.
- E. Election of Assessment Area:
The area selected for the most recent drilling was chosen as there is a gap between historical drilling within the IUP and that of the adjoining CoW.
- F. Results of Exploration:
Previously 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 7 below.
- G. Action Plan:
At the end of the quarter, it was announced that Merdeka has invested US\$ 80.16 million to subscribe for a 50.1% interest in PT Andalan Bersama Investama (“Andalan”). Andalan has recently completed the acquisition of PT Gorontalo Sejahtera Mining (“GSM”) from PT J Resources Nusantara (“JRN”), a subsidiary of PT J Resources Asia Pasifik Tbk (“PSAB”). GSM holds the Contract of Work for the Pani Project (“Pani CoW”) located in Gorontalo Province, Sulawesi. The Pani IUP and Pani CoW mining properties are adjacent to each other and together form the complete Pani Gold Project. Future exploration work will focus on combining the two resources and drilling the area between them.

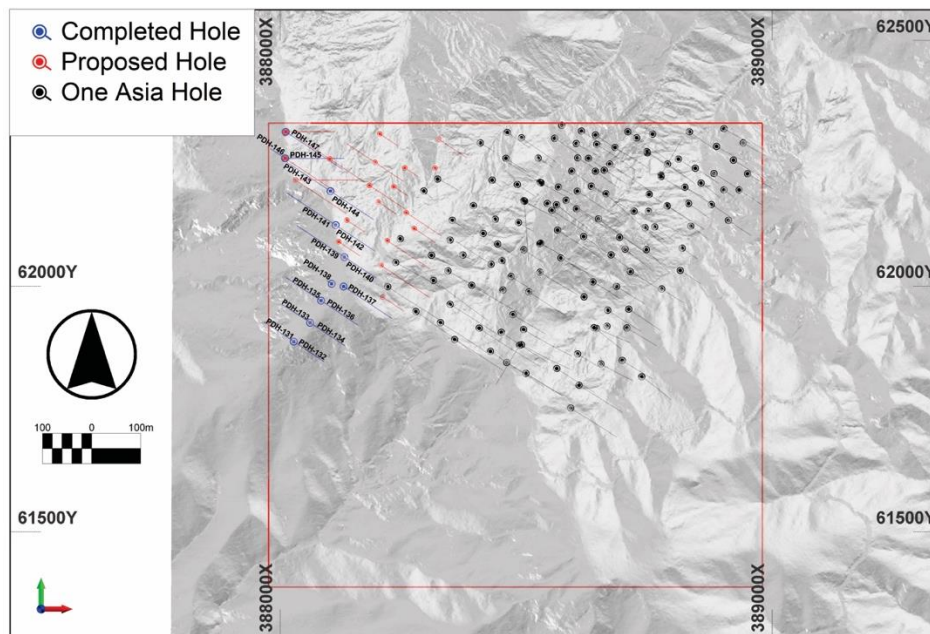


Figure 7: Pani proposed and completed drill holes overlain on topography