

Exploration Report – Period of Quarter 2 2021

Summary: PT Merdeka Copper Gold (Merdeka) is continuing with exploration activities at 3 (three) locations in Indonesia (Tujuh Bukit at West Java, Wetar Island at West Maluku, and Pani at Gorontalo), as per Figure 1 below. At Tujuh Bukit the focus is on a copper and gold resources, at Wetar the focus is on copper, and at Pani Merdeka is exploring a gold resource.

The total spending on exploration in Indonesia by Merdeka in Quarter 2 2021 is approximately Rp 90.5 billion.



Figure 1: Merdeka Exploration Project Locations in Indonesia

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 Quarter 2 2021 is Rp 68.2 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 with associated test work. No surface exploration drilling occurred in Quarter 2 2021.
- E. Election of Assessment Area:
The area was selected for the current drilling program as it is an area of the UHGZ 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:

5 (five) underground rigs conducted resource definition drilling totalling 7,447.8 metre as shown in Table 1.

G. Action Plan:

Further drilling is required and underground drilling will continue using 5 (five) diamond drill rigs. Drilling will also commence from surface in Quarter 3 2021.

Hole ID	From	To	Interval	Comment
UHGZ-21-059	0	217.7	217.7	Res Def
UHGZ-21-056	0	308.8	308.8	Res Def
UHGZ-21-055	0	553.8	553.8	Res Def
UHGZ-21-054	0	33.3	33.3	Res Def
UHGZ-21-053	0	731.4	731.4	Res Def
UHGZ-21-052	0	987.2	987.2	Res Def
UHGZ-21-051W	565.1	586.4	21.3	Res Def
UHGZ-21-051	0	820.1	820.1	Res Def
UHGZ-21-050	0	870.1	870.1	Res Def
UHGZ-21-049	0	898.4	898.4	Res Def
UHGZ-21-048	0	579.5	579.5	Res Def
UHGZ-21-047	258.9	608.7	349.8	Res Def
UHGZ-21-046	57	636.1	579.1	Res Def
UHGZ-21-045W	509	539.3	30.3	Res Def
UHGZ-21-045	260	612	352	Res Def
UHGZ-21-043	518.5	633.8	115	Res Def

Table 1: Tujuh Bukit Underground Project Drilling Statistics Quarter 2 2021

Copper: Wetar Project

A. Expenditure:

Total estimated exploration costs for the Wetar Project in Quarter 2 2021 are Rp 9.9 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, and planning for ground geophysics and drilling on regional airborne EM targets. Completion of geotechnical drilling at Lerokis, continuation of metallurgical drilling on leach pads, and commencement of infill and extension resource drilling at Partolang.

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:

Results were received for around 197 rock chip samples on EM targets near previous gold mining areas. Around 38% of the samples returned >1.0g/t Au. Later on, 2 (two) rigs operated during the

quarter with 3,457.8 meter of drilling completed as shown in Table 2 and Figures 2-5. Final assays are not yet available from the drilling programs.

G. Action Plan:

Further exploration planned around the anomalous rock chip samples, including scout exploration drilling. Resource drilling at Partolang will target western and northerly extensions of the planned pit to convert inferred resources to reserve and extend known mineralisation. Resource delineation drilling will commence at Partolang Barat (previously Barumanu) and metallurgical drilling will continue on the leach pads.

Drill Type	Holes Completed	Metres Drilled	Hole_ID	Details
RC	17	654	LKR604 - 620	Resource Drilling in Lerokis Pit, and outside western margin
DDH	15	1,863	PTR152 -166	Infill Resource Drilling around edge of Partolang Pit
SONIC	56	940.8	LPD023-077	Metallurgical Drilling on leach pads
Totals	88	3,457.8		

Table 2: Wetar Project Drilling Statistics in Quarter 2 2021

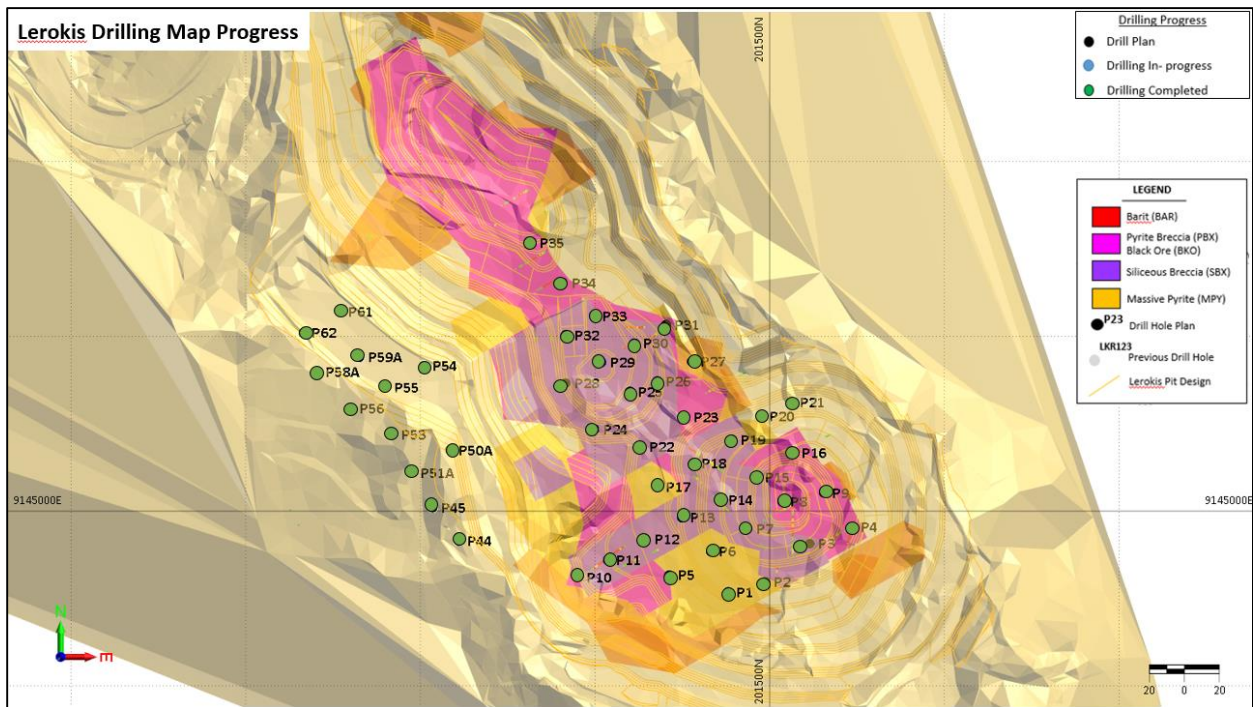


Figure 2: Completed Resource Drilling in Lerokis Pit

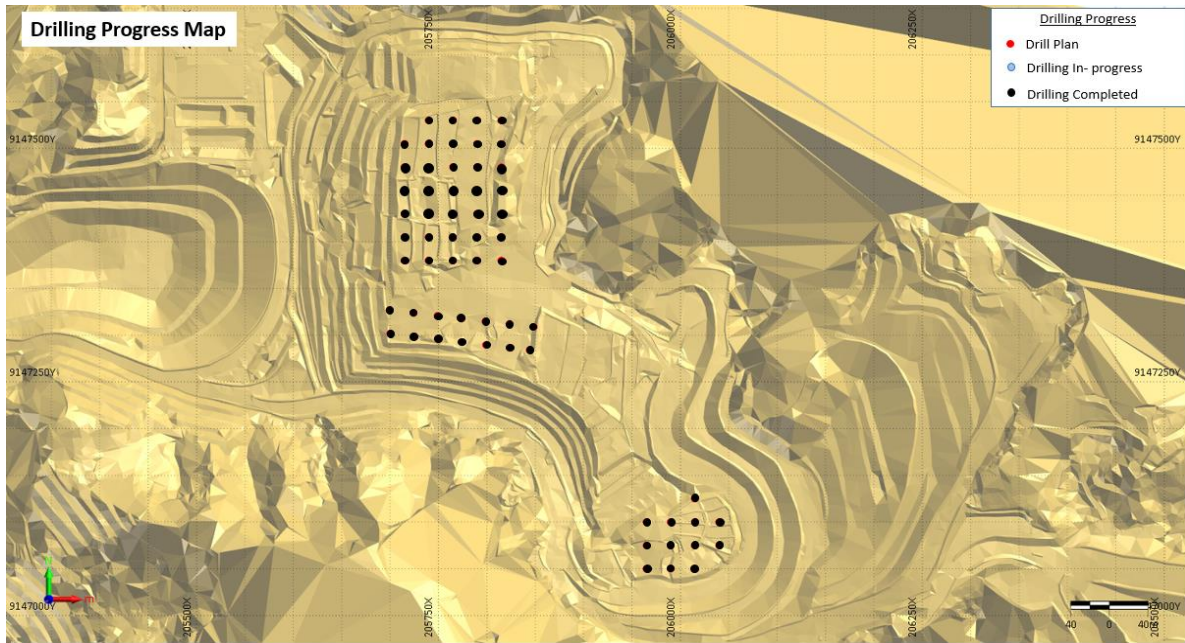


Figure 3: Completed Drill Holes with Sonic Rig on Heap Leach Pads – Kali Kuning Valley

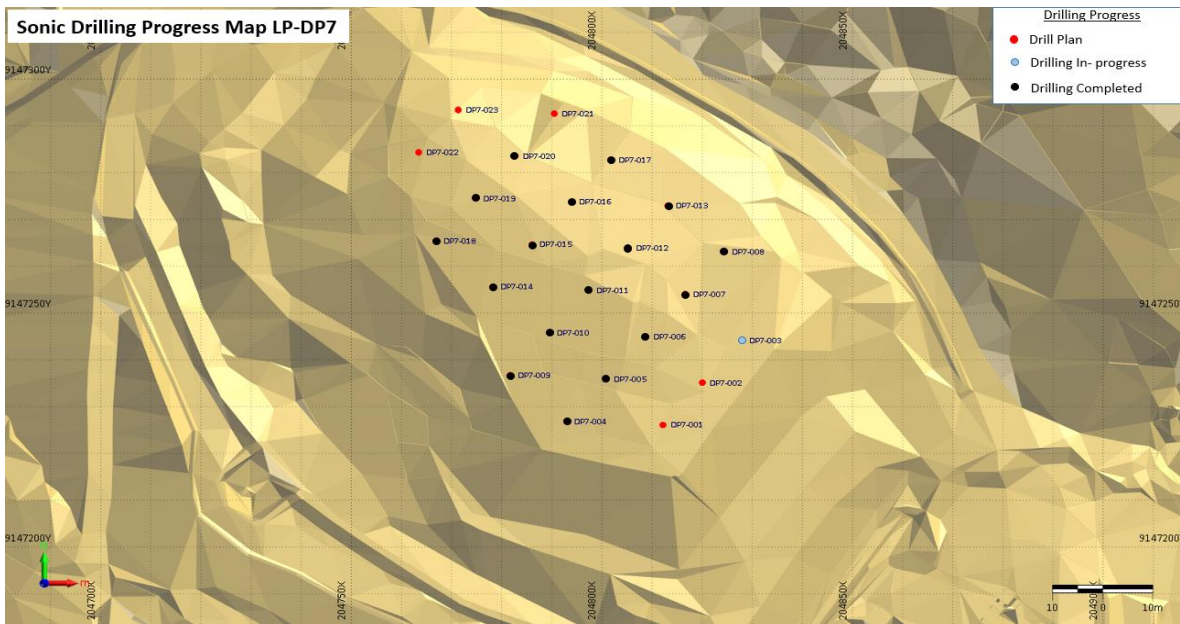


Figure 4: Completed Drill Holes with Sonic Rig on DP 7 – Leach Pad

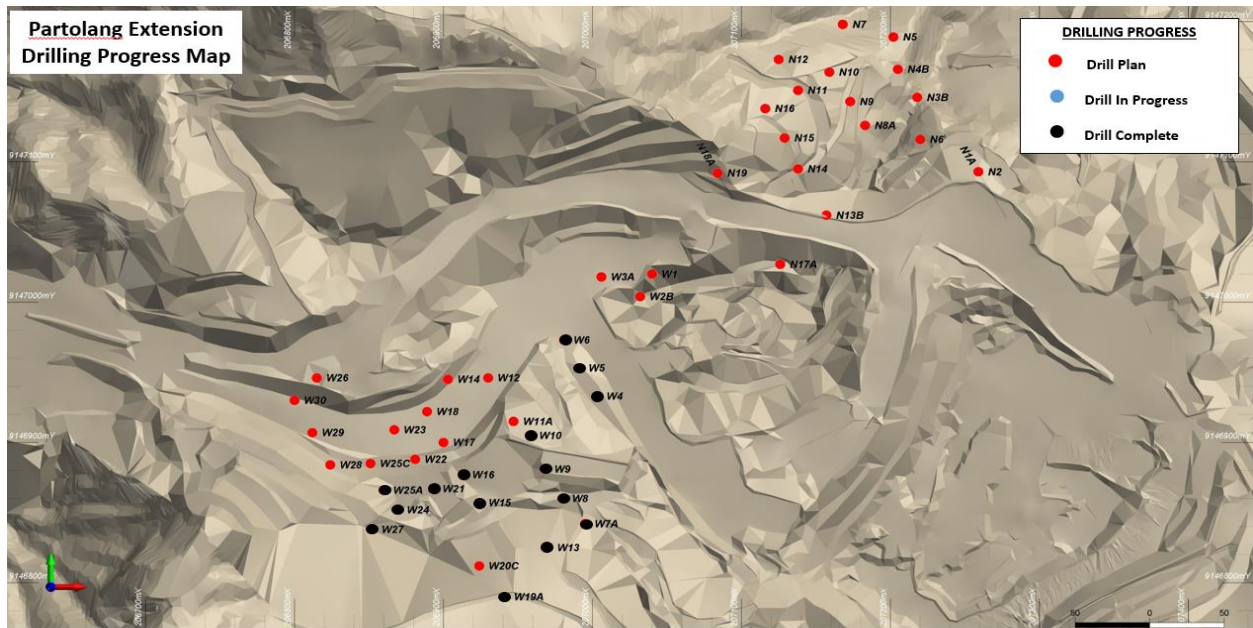


Figure 5: Completed Resource Holes with RC Rig Along Western Edge of Partolang

Gold: Pani Project

- A. Expenditure:
Total estimated exploration costs for the Pani Project in Quarter 2 2021 are Rp 12.4 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 17 (seventeen) drill holes for 4,543.95 metre from the planned 40 (forty) drill holes for approximately 10,500 metre have been completed, as shown in Figure 6 below.
- G. Action Plan:
Further exploration and drilling will be undertaken once the review is complete and program is optimised.

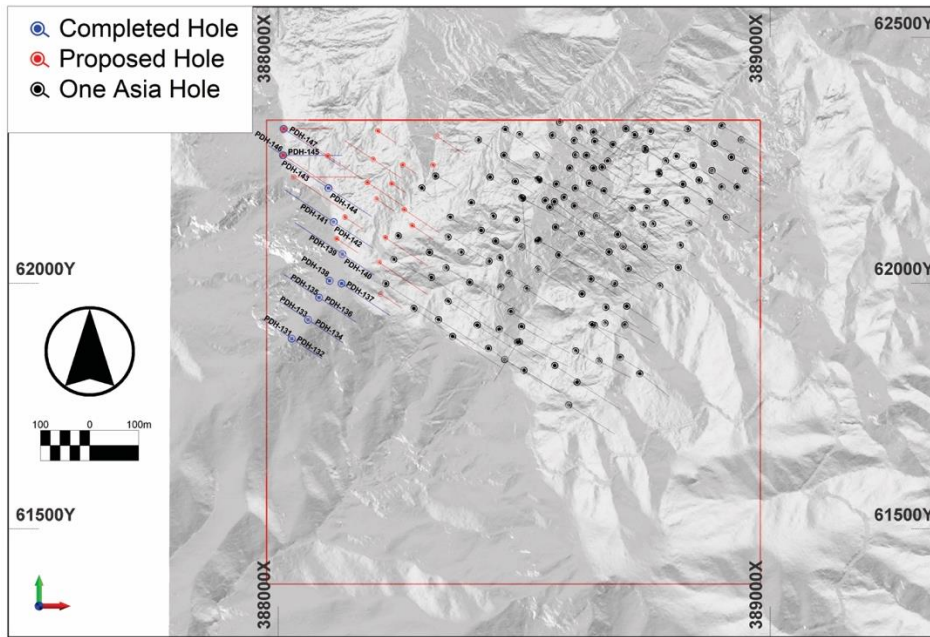


Figure 6: Pani Proposed and Completed Drill Holes Overlain on Topography