

Exploration Report – Quarter 2 2022

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 and gold-silver resources, 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 two 2022 is approximately Rp300.78 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 Copper Project in Q2 2022 is Rp179.81 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:

Eight underground rigs conducted Resource Definition drilling totalling 11,410.3m, and two surface rigs completed a total of 1,842.9m as shown in Table 1.

G. Action Plan:

Underground diamond drilling will continue using eight diamond drill rigs, with an additional three underground rigs planned to commence in Q3 2022.

Table 1: Tujuh Bukit copper project drilling statistics Q2 2022

RIG ID	HOLE ID	From	To	Interval	comments
ID1800 A	GTD-22-698	351.6	927.8	576.2	Surface
ID1800 A	GTD-22-704	0	530.5	530.5	Surface
ID1800 B	GTD-22-694	791.1	1147.3	356.2	Surface
ID1800 B	GTD-22-701	0	380	380	Surface
ID150DE-A	UHGZ-22-088	154.6	720.8	566.2	UG
ID150DE-A	UHGZ-22-093	0	635.4	635.4	UG
ID150DE-A	UHGZ-22-098	0	649.5	649.5	UG
ID150DE-B	UHGZ-22-083	835.2	1116.7	281.5	UG
ID150DE-B	UHGZ-22-091	0	853.6	853.6	UG
ID150DE-B	UHGZ-22-096	0	965.5	965.5	UG
ID150DE-C	UHGZ-22-085	706.6	932.5	225.9	UG
ID150DE-C	UHGZ-22-090	0	823	823	UG
ID150DE-C	UHGZ-22-099	0	288.1	288.1	UG
ID150DE-D	UHGZ-22-086	350.8	683.1	332.3	UG
ID150DE-D	UHGZ-22-092	0	776.1	776.1	UG
ID150DE-D	UHGZ-22-097	0	924.8	924.8	UG
ID150DE-D	UHGZ-22-102	0	358	358	UG
ID150DE-E	UHGZ-22-084	842.5	842.5	0	UG
ID150DE-E	UHGZ-22-089	0	896.9	896.9	UG
ID150DE-E	UHGZ-22-094	0	704.5	704.5	UG
ID150DE-F	UHGZ-22-087	476.1	1203.1	727	UG
ID150DE-F	UHGZ-22-095	0	833	833	UG
ID150DE-G	UHGZ-22-101	0	351	351	UG
LM110-05	UHGZ-22-100	0	218	218	UG

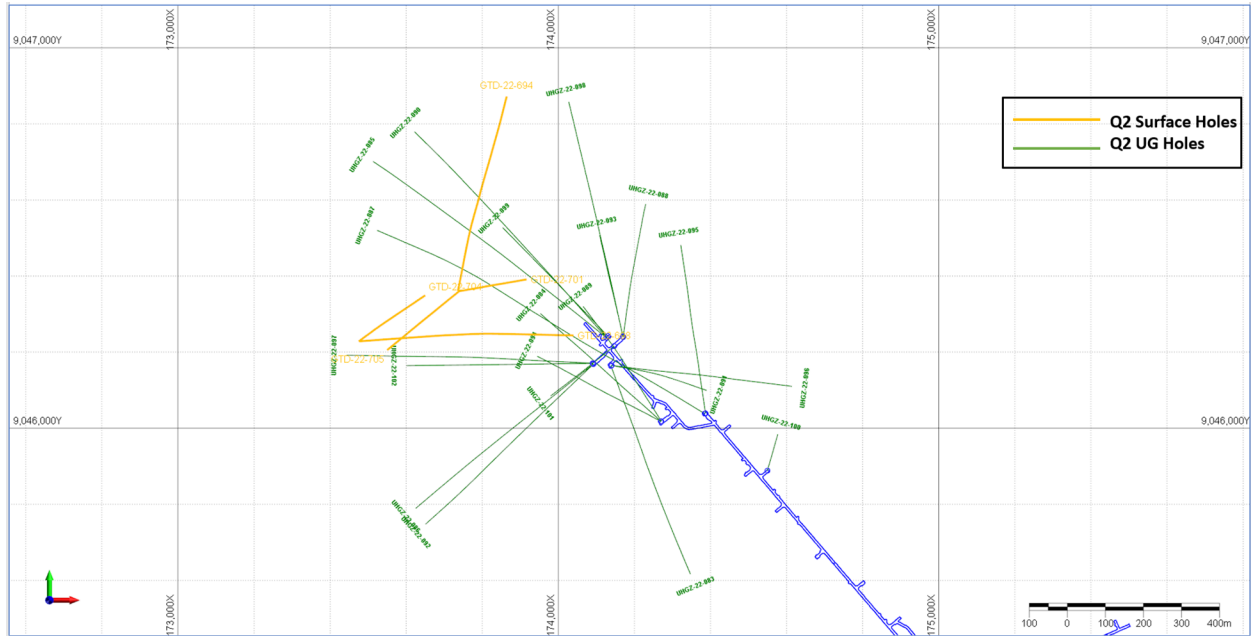


Figure 2: Tujuh Bukit – underground and surface drill holes

Gold and Silver: Tujuh Bukit Project

- A. Expenditure:
The total expenditure for exploration-related activities for the Tujuh Bukit gold and silver project in Q2 2022 is Rp25.9 billion consisting of near-mine resource definition drilling and regional exploration work.
- B. Area:
Tujuh Bukit gold and silver project, 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 surface, regional mapping, sampling, and geophysical survey.
- E. Election of Assessment Area:
The areas were selected for the near-mine drilling programs and regional work as they are areas of the Tujuh Bukit licence close to the current pits and with anomalous geochemical results.
- F. Results of Exploration:
One reverse circulation (RC) rig and four diamond drilling (DD) rigs conducted drilling with a total of 8,465.70m.
- G. Action Plan:
Resource definition drilling will continue using two RC rigs and four DD rigs. A drone magnetic survey over the Tujuh Bukit deposit will continue and regional geological mapping and sampling will commence.

Table 2: Tujuh Bukit surface drilling project statistics Q2 2022

Rig ID	Hole_ID	From	To	Interval	Comments
ID 500E	GTD-22-699	151.6	178.6	27.0	Surface
ID 500E	GTD-22-700	0	207.4	207.4	Surface
ID 500E	GTD-22-702	0	170.7	170.7	Surface
ID 500E	GTD-22-703	0	432.1	432.1	Surface
ID 500E	GTD-22-708	0	261.5	261.5	Surface
ID 500E	GTD-22-711	0	186.1	186.1	Surface
IDT1000	GTD-22-707	0	223.7	223.7	Surface
IDT1000	GTD-22-710	0	203.6	203.6	Surface
ID1800 B	GTD-22-705	0	388.6	388.6	Surface
ID350 D	GTD-22-706	0	190.9	190.9	Surface
ID350 D	GTD-22-709	0	260.1	260.1	Surface
ID 450RC	GTR-22-478	0	199	199	Surface
ID 450RC	GTR-22-479	0	184	184	Surface
ID 450RC	GTR-22-480	0	180	180	Surface
ID 450RC	GTR-22-481	0	126	126	Surface
ID 450RC	GTR-22-482	0	130	130	Surface
ID 450RC	GTR-22-483	0	134	134	Surface
ID 450RC	GTR-22-484	0	160	160	Surface
ID 450RC	GTR-22-485	0	145	145	Surface
ID 450RC	GTR-22-486	0	165	165	Surface
ID 450RC	GTR-22-487	0	150	150	Surface
ID 450RC	GTR-22-488	0	175	175	Surface
ID 450RC	GTR-22-489	0	186	186	Surface
ID 450RC	GTR-22-490	0	186	186	Surface
ID 450RC	GTR-22-491	0	186	186	Surface
ID 450RC	GTR-22-492	0	150	150	Surface
ID 450RC	GTR-22-493	0	139	139	Surface
ID 450RC	GTR-22-494	0	150	150	Surface
ID 450RC	GTR-22-495	0	96	96	Surface
ID 450RC	GTR-22-496	0	100	100	Surface
ID 450RC	GTR-22-497	0	175	175	Surface
ID 450RC	GTR-22-498	0	189	189	Surface
ID 450RC	GTR-22-499	0	175	175	Surface
ID 450RC	GTR-22-500	0	175	175	Surface
ID 450RC	GTR-22-501	0	175	175	Surface
ID 450RC	GTR-22-502	0	100	100	Surface
ID 450RC	GTR-22-503	0	150	150	Surface

Rig ID	Hole_ID	From	To	Interval	Comments
ID 450RC	GTR-22-504	0	130	130	Surface
ID 450RC	GTR-22-505	0	175	175	Surface
ID 450RC	GTR-22-506	0	150	150	Surface
ID 450RC	GTR-22-507	0	140	140	Surface
ID 450RC	GTR-22-508	0	180	180	Surface
ID 450RC	GTR-22-509	0	185	185	Surface
ID 450RC	GTR-22-510	0	190	190	Surface
ID 450RC	GTR-22-511	0	200	200	Surface
ID 450RC	GTR-22-512	0	200	200	Surface
ID 450RC	GTR-22-513	0	200	200	Surface
ID 450RC	GTR-22-514	0	84	84	Surface

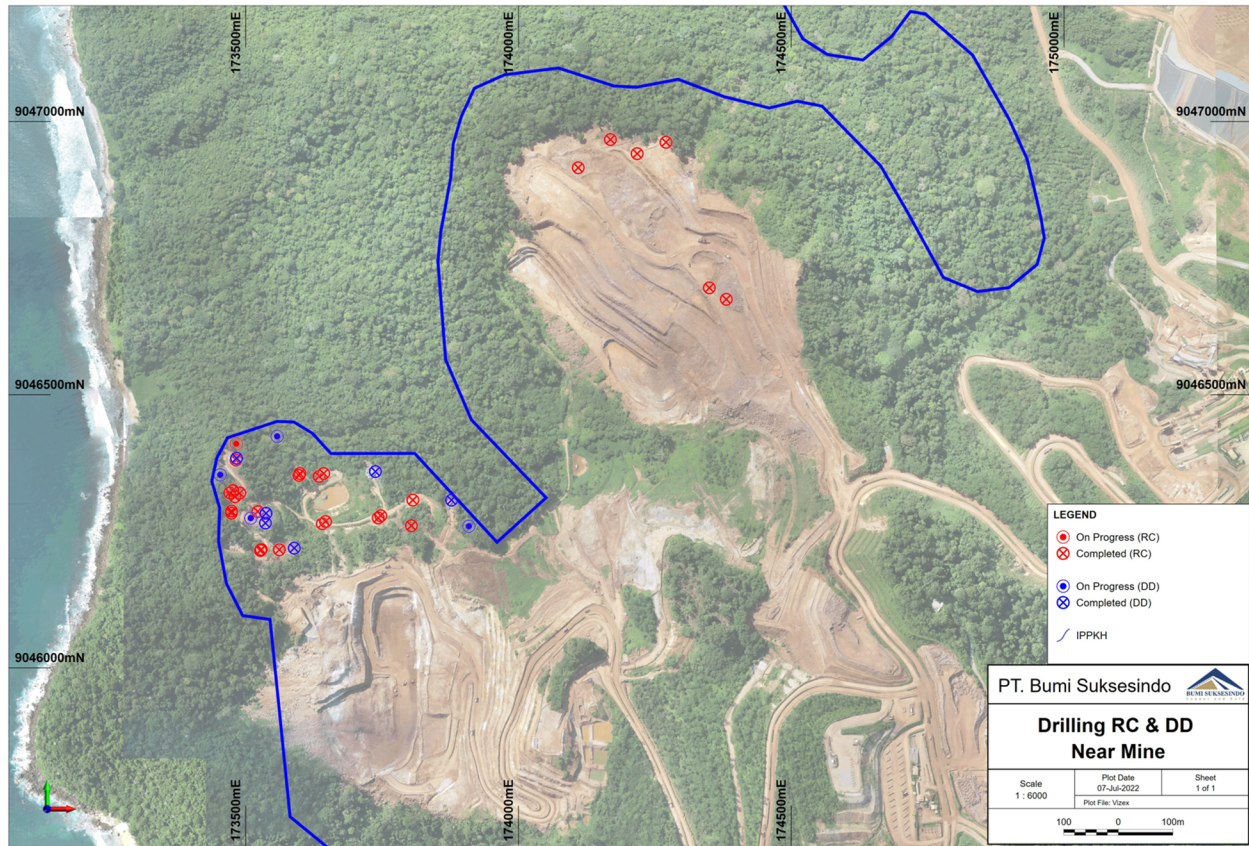


Figure 3: Tujuh Bukit surface drilling map – Quarter 2, 2022

Copper: Wetar Project.

- A. Expenditure:
Total estimated exploration costs for the Wetar Project in Q2 2022 are Rp37.29 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, line surveying, and continuation of ground geophysics on regional airborne EM targets. Infill and extension drilling in Partolang and Partolang Barat, scout drilling in Partolang North and Northeast, and drilling of targets in the Lerokis region defined from EM work and previous rock sampling and significant assay in historical drill holes.
- E. Election of Assessment Area:
The exploration areas were selected from ground and airborne electromagnetic (EM) geophysical surveys, and historical mining activity and drilling which identified features with potential for VMS deposits.
- F. Results of Exploration:
Four drill rigs operated during the quarter with 9,471.6 metres of drilling completed as shown in Table 3 and Figures 4-5.
Twenty-four scout diamond drill holes were completed at Lerokis on regional targets from electromagnetics anomalies and follow-up historical drill hole results. At Partolang seven drill holes were completed as part of Northeast extension drilling. At Partolang Bridge twenty-six reverse circulation scout (RC) holes were completed to identify new resources.
- G. Action Plan:
Regional exploration will continue around 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. Infill and extension resource drilling will be completed in the Partolang Barat area in the east and scout drilling will continue in the Partolang North and Northeast.

Table 3: Wetar project drilling statistics Q2 2022

Drill Type	Holes Completed	Metres Drilled	Hole_ID	Details
DDH Lerokis EM	24	4,441.60	KTD006-KTD008, LKD098-LKD117	Scout EM drilling on targets in the Lerokis Corridor
DD Partolang	7	630	PTD084-PTD090	Extension drilling to define resources
RC Partolang Bridge	26	4,400	PTR208-PTR233	Scout drilling between Partolang and Partolang Barat to identify new resources
Totals	57	9,471.60		

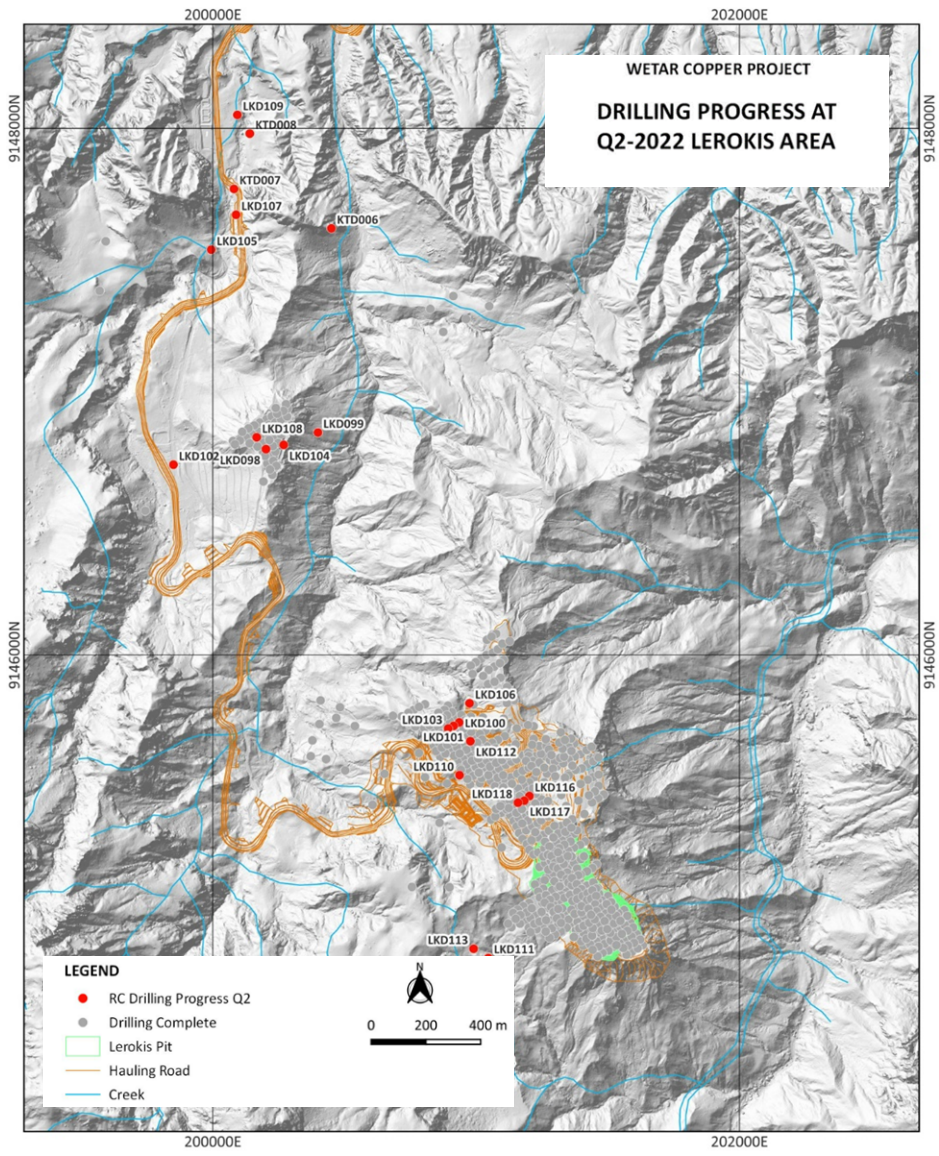


Figure 4: Completed and planned scout drilling at Lerokis on electromagnetic targets and rock chip anomalies

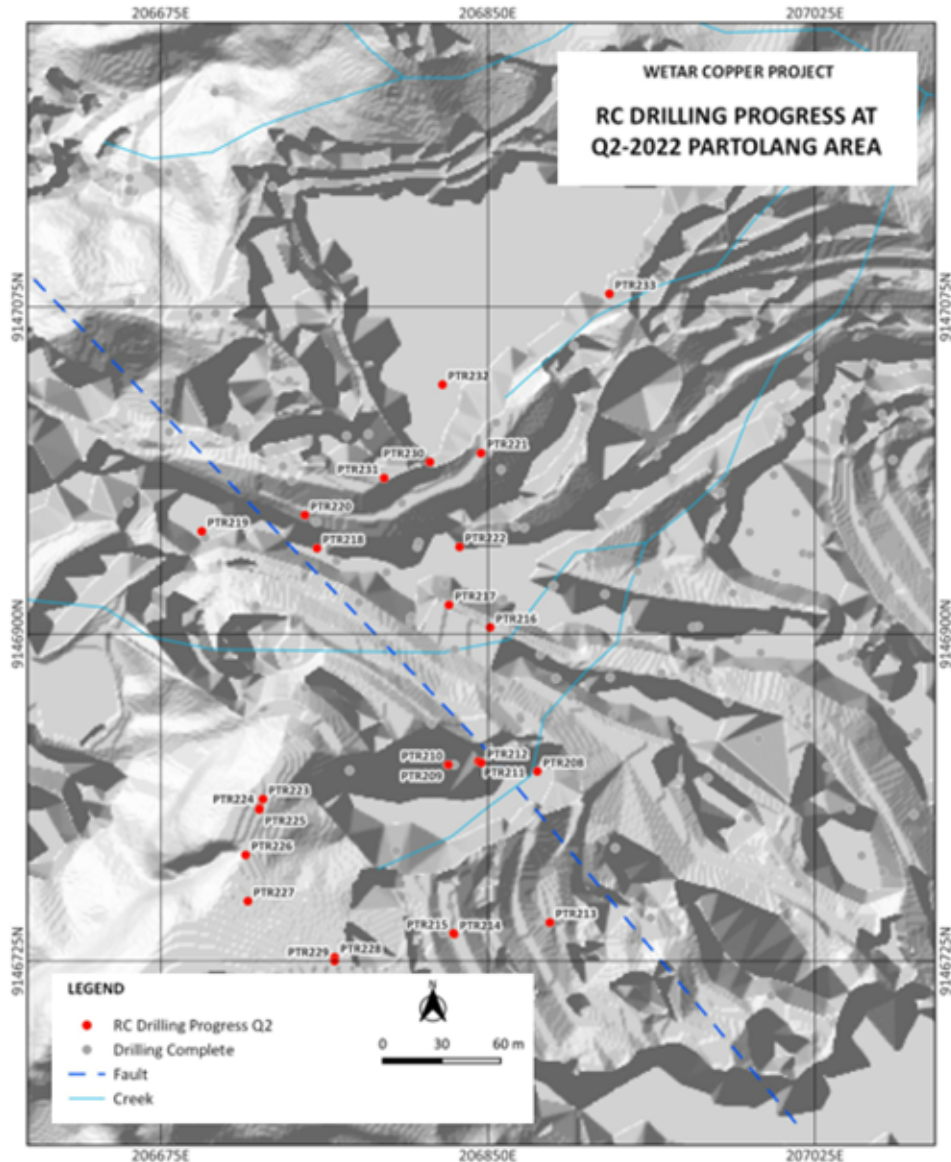


Figure 5: Completed and planned RC drilling at Partolang Bridge

Gold: Pani Project.

- A. Expenditure:
Total estimated exploration costs for the Pani Project in Q2 2022 are Rp57.78 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:
Diamond drilling started with eight drill rigs mobilised to site this quarter, further drill pads constructed and water pipelines laid. Datasets from the PETS IUP and the GSM CoW were

amalgamated and a revised and simplified geological code system developed for drill core logging.

E. Election of Assessment Area:

The area selected for drilling was chosen as there is a gap between historical drilling within the IUP and that of the adjoining CoW.

F. Results of Exploration:

Fourteen drill holes have been completed for 4,636.5m. A total of two hundred and twenty-three drill holes for 53,545m have been planned for the infill drilling and sterilisation program. The progress of current drilling program is shown in Figure 6. Drilling will continue in this area.

G. Action Plan:

The diamond drilling program will continue using eight diamond drill rigs with an additional four rigs planned to commence in Q3 2022.

Table 4: Pani project drilling statistics Q2 2022

Drill Type	Holes Completed	Metres Drilled	Hole_ID	Details
DD Ilota	9	3,191.0	ILD293 - ILD301	Infill drilling
DD Nanasi	4	1,145.5	NND312, NND314, NND315, NND317	Infill drilling
DD Sterilization	1	300.0	STD001	Sterilisation drilling
Totals	14	4,636.5		



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