PT Merdeka Copper and Gold Tbk.
IDX Code: MDKA

As at 31 December 2018

Capital structure
4,164,518,330 listed shares
Share price: IDR 3,300
Market capitalisation: US$ 940 m

Cash & bullion, debt
Cash and bullion: US$ 14 m
Restricted cash US$ 12 m
Senior Secured Loan facilities: US$ 245 m

Board of Commissioners
Edwin Soeryadjaya (President)
Garibaldi Thohir (Commissioner)
Mahendra Siregar (Independent Commissioner)
Dhohir Farisi (Independent Commissioner)
Heri Sunaryadi (Commissioner)
Sakti Wahyu Trenggono (Commisioner)

Board of Directors
Tri Boewono (President)
Richard Bruce Ness (Vice President & CEO)
Colin Francis Moorhead
Gavin Arnold Caudle
Hardi Wijaya Liong
Michael W.P. Soeryadjaya
David Thomas Fowler
Chrisanthus Supriyo (Independent)

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PT Merdeka Copper Gold is proudly an Indonesian owned and operated company and is listed on the Indonesian Stock Exchange.

PT Merdeka Copper Gold Tbk ("the Company") is pleased to report on December Quarter activities:

Tujuh Bukit - Going from strength to strength.

- Oxide mine delivers another strong, low cost, safe and sustainable quarter, producing 44,167 ounces of gold at AISC of US$702oz with no lost time injuries. Full year guidance achieved comfortably.
- Oxide Expansion Project ("OXP") on budget and schedule for completion and commissioning in H1 2019.
- Tujuh Bukit Porphyry Project (TPP) Exploration Decline and Pre-Feasibility work continues, with more strong drilling results from the Upper High Grade Zone ("UHGZ"). Including 347m @ 0.62 g/t Au and 0.60% Cu from hole GTD-18-646

Wetar – Improvement & Growth Initiatives Underway.

- December quarter copper production was at the lower end of expectations at 4,000 tonnes at an AISC of US$ 1.48/lb.
- Focus on increasing fresh ore stacking and maximizing area under irrigation to improve leaching rates and initiatives to reduce free acid to improve SX-EW efficiency expected to deliver improved performance in 2019.
- Lerokis haul road one third complete with first ore expected to be mined during Q2 2019.
- Exploration drilling at the Partalong (Meron) prospect delivered strong near surface copper grades over widths exceeding 30m; including a best result of 36.1m @ 3.28% Cu from 14.5m from hole PTD003.

Corporate – Position Strengthened.

- Merdeka acquired a 66.7% interest in the Pani Project in North Sulawesi for US$ 55 million.

- PT Bumi Suksesindo ("BSI") refinanced and upsized its debt facilities with a new loan of US$ 200 million.

Tujuh Bukit Operations

Mining and ore stacking during the December quarter was in line with the life-of-mine ("LOM") plan that shows the 2018 production rate at 4 million dry tonnes per annum of ore, ramping up to a maximum production rate of up to 8 million dry tonnes per annum of ore once the Oxide Expansion Project ("OXP") is completed. The expansion works include a second Ore Preparation Plant ("OPP") circuit that essentially replicates the current circuit, expansion of the total heap leach pad area ("HLP") capacity from 36 Mt to 56 Mt and debottlenecking of the adsorption, desorption and recovery ("ADR") gold plant. Mining is sequenced to continually deliver the highest available grades over the first three years of the mine life. Total estimated LOM production of 0.9 million recoverable ounces of gold is planned over the remaining 6 years of mine life, bringing total LOM gold produced including 2017 and 2018 production to 1.2 million ounces of gold.

Table 1: Tujuh Bukit Mine – Key Production Statistics

	Unit	Mar Quarter 2018	Jun Quarter 2018	Sep Quarter 2018	Dec Quarter 2018	Year 2018
Open Pit Mining						
Ore Mined	t	986,562	1,500,036	1,284,451	1,525,317	5,296,366
Waste Mined	t	1,626,048	2,340,723	2,942,628	2,514,816	9,424,215
Mined Gold Grade	Au g/t	1.48	1.68	1.54	1.41	1.53
Mined Silver Grade	Ag g/t	9.29	14.03	7.62	15.11	11.90
Contained Gold Metal	Au oz	47,021	81,073	63,789	69,257	261,140
Contained Silver Metal	Ag oz	294,660	676,447	314,731	740,997	2,026,835
ROM Stockpiles						
Ore	t	195,804	420,979	380,316	560,213	560,213
Gold Grade	Au g/t	1.22	0.87	1.00	1.04	1.04
Silver Grade	Ag g/t	4.77	5.96	6.85	9.13	9.13
Heap Leach Production						
Ore Crushed and Stacked	t	999,515	1,274,861	1,325,111	1,345,421	4,944,908
Gold Grade Stacked	Au g/t	1.49	1.88	1.49	1.45	1.05
Silver Grade Stacked	Ag g/t	9.31	15.27	7.32	15.27	0.89
Recovered Gold	Au oz	28,661	46,349	48,329	44,167	167,506
Recovered Silver	Ag oz	19,727	35,418	44,601	40,992	140,738

Mining

Ore mined for the quarter was 1,525 kt with waste mined of 2,515 kt. Total tonnes mined was 4% below the previous quarter but still in line with the operational mine plan. Mining operations achieved total material movement of 4,110 kt including rehandling ore stockpiles during the quarter.

Reconciliation of grade control sampling against the Ore Reserve for the full year shows positive ore tonnes (6%) but at negative grade (4%) for slightly higher contained gold ounces (1%). This has resulted in additional ore tonnes at lower grades being mined and processed during the year and December quarter to deliver around the same gold ounces. Additional waste mining also resulted from geotechnical assessment of weak clay zones that were modelled in the pit walls of Pit B East and Pit B West, with a reduction in the pit wall overall slope angle by changing the interim and final wall bench height from 15 metres to 7.5 metres in high clay zones. Both the

reconciliation and additional waste movement negatively impacted operating costs.

Processing

During the quarter, the OPP crushed 1,348 kt of ore at a gold grade of 1.45 g/t. The OPP continued to perform at above nameplate design throughput rates in the quarter. A total of 1,355 kt of crushed and agglomerated ore was hauled and stacked onto the HLP, with hauled during the 4th quarter material containing 62.7 koz of gold. Stacking of bays on the Stage 1B expansion (pads 5B to 9) has commenced and stacking of Lift 2 up to Bay 8A was completed during the quarter. Irrigation of these bays also commenced with Bay 7B under active irrigation at the end of the quarter. The HLP continues to perform as per design with project-to-date recoveries at the end of December in line with forecast leach recovery curves that indicate average gold recoveries of between 78% and 82% for oxide ore and 52% for transition ore blends after the 150 day leach cycle, even though as a result of increased stacking rates, the leach cycle times have since been reduced to an average of 110 days. An independent review of leach pad performance was completed during the quarter which confirmed these recoveries.

Construction activities during the quarter related to increasing pump capacity for the increased solutions flows required to irrigate the expanded leach pad area, and are still ongoing at the end of this quarter.

The ADR plant operated at full capacity during the quarter, while operation of the detoxification heavy metal precipitation circuit was brought on line at the end of November 2018 to coincide with the start of the wet season. Total volume of solution neutralized and discharged to Dam 3 was 246,201 m^3. Construction of the new carbon scavenging circuit to reduce precious metals losses is ongoing. Precious metal production for the quarter was 44,167 ounces of gold and 40,992 ounces of silver.

Environmental, Safety and Social Performance

By the end of the December quarter Tujuh Bukit operations achieved a record of 12.1 million hours without a lost time injury, whilst the mine's total year to date recordable injury frequency rate per million hours worked was 0.81 at the end of December, with two recordable medical treatment injuries during the quarter.

The workforce at the mine including all employees and contractors is currently 2,467 people, comprising over 99% Indonesian Nationals and less than 1% Expatriates. Of the workforce, 58% comes from the Regency of Banyuwangi, including approximately 38% from the local Sub-District of Pesanggaran.

During the quarter, management continued to implement corporate social responsibility ("CSR") programs covering health, education, livelihood and infrastructure development. The major projects undertaken by the CSR team included ongoing renovations to local kindergartens and primary schools. In addition work was completed on a project to repair land resurface 3.5km of local roads near the mine site.

A total of 2,094 environmental samples were taken during the quarter, encompassing statutory based sampling requirements as well as company driven internal monitoring. As part of the Company's rehabilitation program, during this quarter a total of 15.1 hectares of cover crop as well as 0.1 hectares of tree planting (63 seedlings) was completed.

Operational Cost Summary

The operational cost performance achieved during the December quarter is slightly higher than forecast. The Cash Costs per tonne were higher than planned as a result of the higher mining production rate and higher administration costs.

The Cash Costs per ounce were US$ 413/oz and the All-in Sustaining Costs were US$ 702/oz.

The majority of the sustaining capital expenditure during the quarter related to tree compensation, mitigation of harmonics in the power system, and the ADR debottlenecking project including the carbon scavenging circuit, water softening plant, and detoxification thickener and water clarifier. The ADR debottlenecking project is expected to be completed in Q1 2019.

Table 2: Tujuh Bukit Mine – Cash Costs per tonne Ore Crushed and Stacked

Tujuh Bukit		Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	Unit	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018
Mining costs	US$m	8.487	11.172	12.647	13.611	$/t	8.49	8.76	9.42	10.12
Processing costs	US$m	4.584	4.895	5.016	5.410	$/t	4.59	3.84	2.90	4.02
General & admin costs	US$m	2.551	3.751	5.390	3.909	$/t	2.55	2.94	4.07	3.06
Operating Cash Cost	US$m	15.621	19.818	23.052	23.136	$/t	15.63	15.55	17.40	17.09

Table 3: Tujuh Bukit Mine – Cash Costs and All-in Sustaining Costs

Tujuh Bukit	Unit	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	Unit	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018
Mining costs	US$m	8.487	11.172	12.481	13.611	$/oz	296	241	262	308
Processing costs	US$m	4.584	4.895	3.849	5.410	$/oz	160	106	104	122
General & Admin costs	US$m	2.551	3.751	5.39	4.115	$/oz	89	81	112	93
Inventory movements	US$m	-2.810	-7.750	-1.840	-4.382	$/oz	-98	-167	-38	-99
Silver credits	US$m	-0.480	-0.310	-0.810	-0.527	$/oz	-17	-7	-17	-12
Cash Costs	US$m	12.331	11.763	20.401	18.227	$/oz	430	254	422	413
Royalties	US$m	2.783	1.407	2.565	1.971	$/oz	97	30	55	45
Post employment provision	US$m			-	0	$/oz	-	-	-	0
Total Cash Costs	US$m	15.114	13.17	23.056	20.198	$/oz	521	284	477	457
Sustaining capital	US$m	2.88	3.819	4.404	7.965	$/oz	100	82	42	180
Reclamation & Remediation	US$m	-0.099	-0.068	-0.120	-0.016	$/oz	-3	-1	-2	0
Corporate costs	US$m	1.037	0.605	4.168	2.839	$/oz	36	9	86	64
All-in Sustaining Costs *	US$m	19.932	17.526	31.509	30.986	$/oz	661	374	652	702
All-in Costs	US$m	28.972	32.787	44.963	44.869	$/oz	1,011	707	930	1,016

Operating Outlook

Guidance for 2019 is at 180,000 to 200,000 ounces of gold at an All-in Sustaining Cost of US$ 675 to 750/oz net of silver credits.

Wetar Operations

Summary

Wetar production performance during the quarter was at the lower end of expectations. A significant number of legacy issues have impacted production performance during the quarter and the year. These include:

- Reliability of existing crushing plants, shortage of spare parts and the use of truck dumping (as opposed to grasshopper stacking) which negatively affects tonnes stacked and irrigation rates.
- The need to rehandle significant portions of historically placed heap leach material as the ore

was placed without being crushed or with inadequate aeration and reticulation systems. This in turn resulted in reticulation being turned off to significant portions of the heap leach pads, reducing the area under irrigation, and suppressing copper leaching.

- Lack of neutralization capacity which allowed free acid levels to build up to the point where they affect SX efficiency, effectively restricting plating capacity.

The strategies being implemented to address these issues are explained in the processing section below. The results of these strategies are expected to be realized in the first half of 2019.

Pit-slope instability has also impacted mining with two pit wall failures in Kali Kuning during 2018. The second failure in October 2018 required the removal of around 630,000 tonnes of waste material and has temporarily buried approximately 60,000 tonnes of ore. Additional equipment has been mobilized to remove this waste. Strategies have been implemented to reduce the risk of further failure, in conjunction with the installation of a continuous pit slope monitoring system that will be in-place and operational until the completion of the Kali Kuning pit in Q3 2019.

Table 4: Wetar Mine – Key Production Statistics

Wetar	Unit	Mar Quarter 2018	Jun Quarter 2018	Sep Quarter 2018	Dec Quarter 2018	Year 2018
Open Pit Mining						
Ore Mined	Tonnes	431,663	232,386	497,230	426,672	1,587,951
Waste Mined	BCM	65,699	73,422	559,381	710,170	1,408,672
Mined Copper Grade	% Cu	2.69	2.87	3.26	3.00	2.98
Contained Copper Metal	Tonnes	11,591	6,659	16,201	12,821	47,272
Heap Leach Production						
Fresh Ore Crushed	Tonnes	376,738	247,536	460,504	379,366	1,464,144
Dump Ore Crushed	Tonnes	25,921	198,773	26,769	-	251,463
Total Ore Crushed	Tonnes	402,659	446,310	487,273	379,366	1,715,607
Copper Grade Stacked	% Cu	2.77	2.07	3.09	3.08	2.58
Recovered Copper	Tonnes	4,339	4,273	4,459	4,000	17,071
Recovered Copper	Lbs	9,566,503	9,419,492	9,830,601	8,819,446	37,636,042
Copper Sold	Tonnes	4,501	4,207	4,611	4,228	17,547
Copper Sale Price	US$/lb	3.12	3.10	2.82	2.43	3.01

Mining

During the quarter, ore supply from the Kali Kuning open pit totaled 426,672 tonnes at a grade of 3.0% copper. A major slip occurred on the north wall of the Kali Kuning pit. Remediation works to remove approximately 300,000 bcm of waste were substantially completed over the quarter and are expected to be completed early Q1 2019. Additional dump trucks were mobilized to complete these works. No injuries were sustained during this incident.

The Ore Reserve to actual ore mined reconciliation continues to remain positive. As at 31 December 2018, the project-to-date reconciled copper tonnes mined (grade control model) are 111% of ore reserve tonnes depleted (a positive variance of 625,003 tonnes of ore). The project-to-date reconciled copper metal mined also continues to show a positive variance, now at 123% of

the reserve model (a positive variance of 28,603 tonnes of copper metal) driven by better than expected grades in the deeper part of the pit and additional ore tonnes identified at the margins. This trend is expected to continue until the end of mining at the Kali Kuning pit expected in Q3 2019.

Processing

During the quarter 376,473 tonnes of fresh ore was crushed and stacked resulting in 11,595 tonnes of copper being placed on the heap leach pads. Wetar currently has two crushing plants that have operated throughout 2018. During the December quarter tonnes crushed were affected by low crusher availability, with for example a 21 day outage on crusher 31 during December and an average daily runtime of 5 and 13 hours per day respectively for the 2 operating units during December. During quarter 3 plans were made to return a third second hand crusher plant to site to provide back-up capacity and to purchase a new crushing plant capable of processing up to 8,000 tonnes of ore per day. The back-up crusher is expected to be returned to service in Q1 2019 and a new crusher is expected to be in service in Q3 2019.

Copper leached for the quarter was 3,947 tonnes. Leaching was negatively affected by irrigation disruptions with a low percentage of the leach pads being under irrigation. Total copper leached over 2018 was 19,236 tonnes, significantly lower than anticipated. As a result the Wetar and Merdeka technical teams undertook a comprehensive review identifying and implementing a number of performance initiatives including:

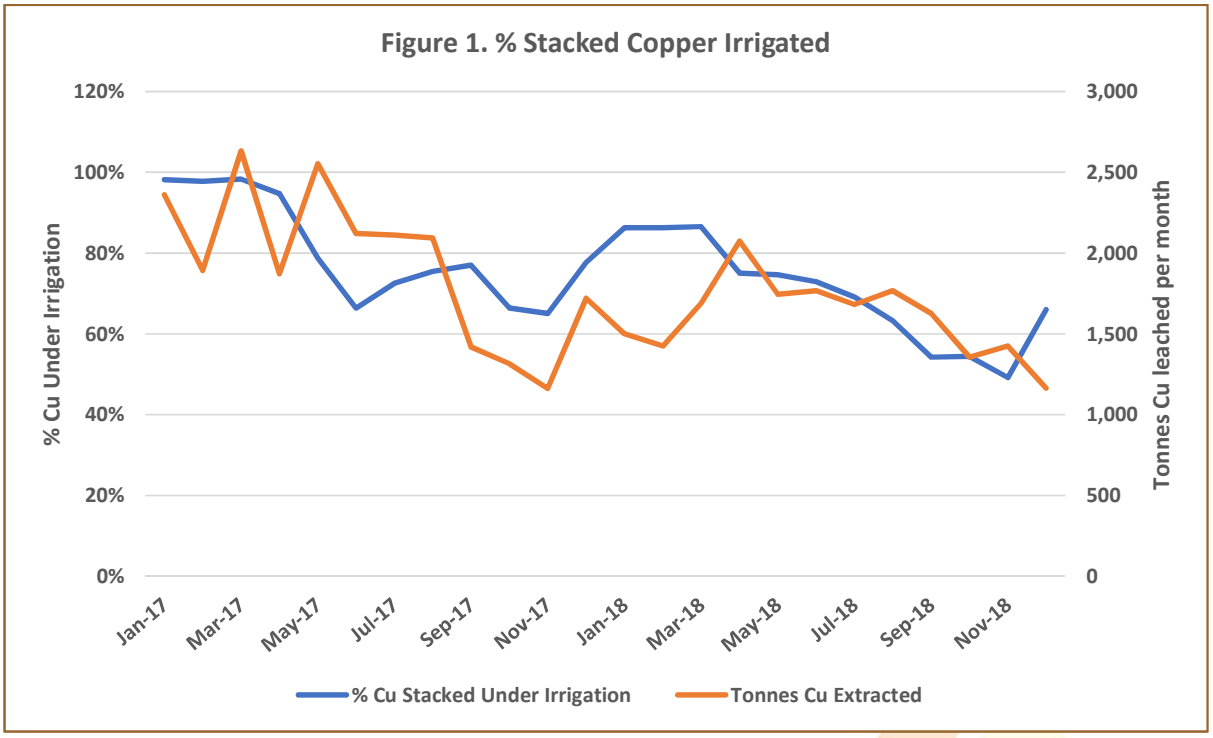
- Re-mining of leach pads to allow enhanced aeration systems to be installed;
- Changes in operating practices to maintain higher permeability by avoiding blinding by fines and precipitates.
- Re-mining and crushing approximately 830,000 tonnes of historically dump leached ore
- Creating additional heap leach pad capacity to minimise over stacking and pad irrigation being turned off; and
- Better planning and increased use of grasshoppers to maximise the pad area under irrigation.

Whilst it was necessary to correct the legacy issues identified above the percent of total stacked copper under irrigation has been negatively affected as shown in Figure 1. The area under irrigation has declined over 2018 to as low as 50% in the fourth quarter. Additional pad space is currently being prepared with plans to continue expanding pad space over 2019. The operation is targeting a minimum of 85% of copper stacked under irrigation for 2019. Column leach tests assume irrigation rates of 100%. Encouragingly actual leach performance is close to expectations when adjusted for days under irrigation.

Copper stripped was 4,000 tonnes over the quarter versus 4,459 tonnes in the September quarter. This was the lowest quarterly production year to date. Copper stripped for the whole of 2018 was 17,071 tonnes. The key constraint to increasing copper stripped continues to be the level of free acid, which impacts SX plant extraction efficiencies. The free acid level in the PLS solution was high, ranging between 45 g/L to 50 g/L resulting in SX plant efficiencies around 47% to 51%. Improvements are being realised through optimising neutralization and SX operations and managing the leaching circuit solution based on both copper and free acid grades.

The neutralising plant upgrade is progressing with the filter press expected to be installed during Q1 2019 . The existing neutralization plant performance has improved from an average 70t/d acid neutralized and 12 filtration cycles/day in January 2018 to an average of 147 t/d acid neutralized and 23 filtration cycles/day in November 2018.

Figure 1 – Relationship between pad space under irrigation and copper leached



Intensive housekeeping continues at the 25,000 t electrowinning plant improving the current efficiency in both cell houses. An anode replacement program commenced in December and an acid mist suppression system was also fully implemented.

Environmental, Safety and Social Performance

At the end of the December quarter Wetar operations had achieved 2.9 million hours (333 days) without a lost time injury resulting in the twelve month rolling Lost Time Injury Frequency Rate (LTIFR) at the end of the December 2018 quarter falling to 0.30 versus 0.74 in the corresponding December 2017 quarter. There were no lost time injuries recorded during the quarter and the Total Recordable Injury Frequency Rate (TRIFR) has reduced to 1.20, versus 3.34 in the corresponding December 2017 quarter. Restricted Work Injury Frequency Rate ("RWIFR') reduced from 0.74 to zero during the corresponding periods.

The company continues to be actively engaged with its government and community stakeholders in a number of areas. Over the last quarter, executive meetings have been held in the Maluku Provincial centre of Ambon to jointly recognise the significant contribution of Wetar operations, cement regulatory and administrative relationships and progress permitting approval processes. Positive and collaborative Lurang and Uhak local community and landowner relations have been maintained.

There were no reportable environmental incidents during the quarter.

Operational Cost Summary

Cash cost for the December 2018 quarter was US$1.23 per pound of copper produced and the AISC cost was US$1.48 per pound of copper produced. Costs for the Wetar Copper Project are summarised in Tables 2 & 3 below:

Costs for the Wetar Copper Project are summarised in Tables 5 & 6 below:

Table 5: Wetar Mine – Cash Costs per tonne Ore Crushed and Stacked

Wetar	Unit	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Unit	Mar 2018	Jun 2018	Sep 2018	Dec 2018
Mining costs	US$m	2.87	2.15	3.29	3.60	$/t	6.65	9.25	6.62	8.43
Processing costs	US$m	8.83	9.65	10.25	10.73	$/t	20.46	41.53	20.61	25.14
General & admin costs	US$m	4.99	4.92	4.73	5.13	$/t	11.55	21.17	9.51	12.03
Inventory movements	US$m	-4.68	-0.19	-1.86	-8.65	$/t	-10.85	-0.80	-3.73	-20.26
Operating Cash Costs	**US$m**	**12.00**	**16.91**	**16.41**	**10.81**	**$/t**	**27.81**	**72.75**	**33.01**	**25.33**

Mining costs increased for the quarter due to removal of additional waste from the pit wall slip. Processing cost increases over the September and December quarters have mainly been driven by high reagent usage due to the high free acid concentration.

Table 6: Wetar Mine – Cash Costs and All-in Sustaining Costs

Wetar	Unit	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Unit	Mar 2018	Jun 2018	Sep 2018	Dec 2018
Mining costs	US$m	2.87	2.15	3.29	3.60	$/lb	0.30	0.23	0.33	0.41
Processing costs	US$m	8.83	9.65	10.25	10.73	$/lb	0.92	1.02	1.04	1.22
General & admin costs	US$m	4.99	4.92	4.73	5.13	$/lb	0.52	0.52	0.48	0.58
Inventory movements	US$m	4.68	(0.19)	1.86	8.65	$/lb	0.49	(0.02)	0.19	0.98
Cash Costs	**US$m**	**12.00**	**16.91**	**16.41**	**10.81**	$/lb	**1.25**	**1.79**	**1.67**	**1.23**
Royalties	US$m	0.39	0.21	0.47	0.38	$/lb	0.04	0.02	0.05	0.04
Marketing & sales	US$m	0.99	1.09	0.85	1.19	$/lb	0.10	0.12	0.09	0.14
Sustaining Capital	US$m	0.38	0.09	0.29	0.18	$/lb	0.04	0.01	0.03	0.02
Reclamation	US$m	0.29	0.26	0.18	(0.13)	$/lb	0.03	0.03	0.02	(0.01)
Corporate costs	US$m	0.52	0.38	0.51	0.63	$/lb	0.05	0.04	0.05	0.07
All-in Sustaining Costs	**US$m**	**14.57**	**18.94**	**18.71**	**12.88**	**$/lb**	**1.52**	**2.01**	**1.90**	**1.48**

Operating Outlook

Guidance for 2019 is 21,000 to 24,000 tonnes of copper at an All-in Sustaining Cost of US$ 1.30/lb to US$ 1.50/lb. The second half is expected to have stronger production as improvement initiatives are implemented and sustaining capital reduces.

Exploration and Development

Tujuh Bukit Oxide Expansion Project ("OXP")

The OXP construction schedule is currently 6% ahead of schedule and remains on budget.

All OXP design works are now complete. Mine infrastructure construction works are complete including Pit A and Pit C haul roads, and Pit C sediment sump. Final civil construction works for the Ore Preparation Plant No.2 continues in parallel with structural works and the commencement of mechanical and electrical installations. Heap leach pad expansion Stage 1B and 2B are now complete, with works handed over to the operations team one month ahead of schedule. Stacking on Stage 1B, Bays 6-9 commenced in September 2018. Debottlenecking and expansion of the existing ADR plant continues with completion of civil works allowing structural, mechanical and electrical works to get underway. Dam-1 embankment 2.5 m raise was completed during the quarter with final permitting underway. Expansion of the camp is on target to be completed by January 2019.

At completion of the current OXP works, the current 4 million tonnes per annum production capacity will increase to eight million tonnes per annum of ore crushed to 75 mm, stacked and placed under irrigation, whilst maintaining the required 150 day leach cycle at the higher stacking rate. Once installed, the production constraint moves temporarily from crushing rate to the leach pad. Therefore to maintain the leach cycle and to maximise recoveries, ore will be crushed to a smaller size than 75 mm at less than 8 Mtpa until pad geometry allows. It is anticipated that approximately >6.0 million tonnes of ore shall be processed in financial year 2019 with OXP commissioning expected in Q1 2019.

Estimated capital expenditure for the OXP is $US 41 million. This expansion will deliver an additional 350 koz (+37%) of gold and 2,650 koz (+95%) of silver over the remaining life-of-mine. The mine operating life remains at 9 years from December 2016 with ore mining ending Q1 2025 to fit strategically with the potential commencement of the Tujuh Bukit Porphyry underground copper gold mine.

Tujuh Bukit Porphyry Project ("TPP")

PT Macmahon Mining Services continued the construction of the Exploration Decline, progressing 303m to the 796 metre mark (of total 1,990 metres) with the decline anticipated completion date in Q4 2019 dependent on ground conditions. Underground resource definition drilling is expected to commence in Q2 2019 and will include approximately 50,000 metres of drilling.

Following the success of the deep directional drilling program into the East Block (reported June Quarterly Report) a second series of deep drill holes was proposed targeting the North Block of the UHGZ. This program is in progress, drilling commenced on the 24th of September and by the end of the December quarter two holes had been completed for a total of 1,979m. Figure 2 and 3 below shows a plan and long section with drill holes completed and in progress.

Highly significant results have been received from the first of three drill holes that has intersected a broad zone of continuous copper-gold mineralization;

GTD-18-646: 660 – 1,007m = 347m @ 0.62 g/t Au, 0.60 % Cu, 97 ppm Mo, 44 ppm As.

Preliminary structural and geological analyses (2 of 3 holes completed) shows that the dominant structural orientation in this section of the UHGZ is WNW striking with a secondary conjugate set and a sub vertical to steep dip indicating a true width of mineralization in this section of the North Quadrant is in the order of 300 metres.

Figure 2 – Plan view of the Upper High Grade Zone (-300 mRL) with completed drill holes and recent assay results from the North and East Blocks.

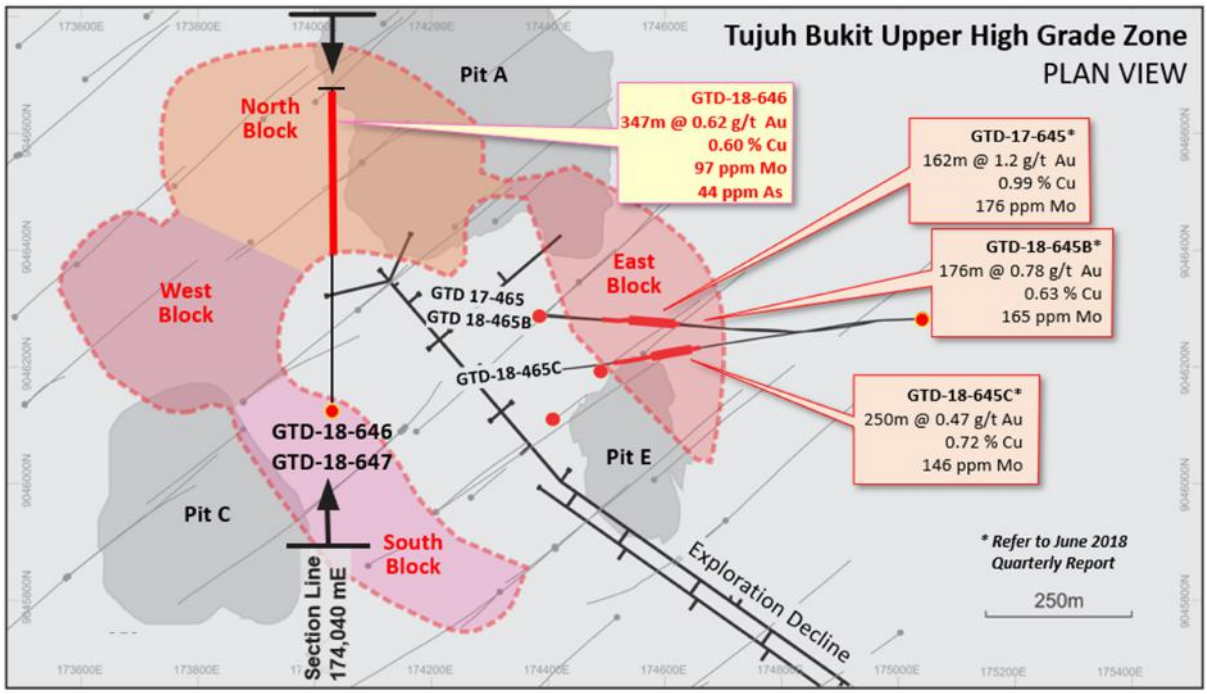
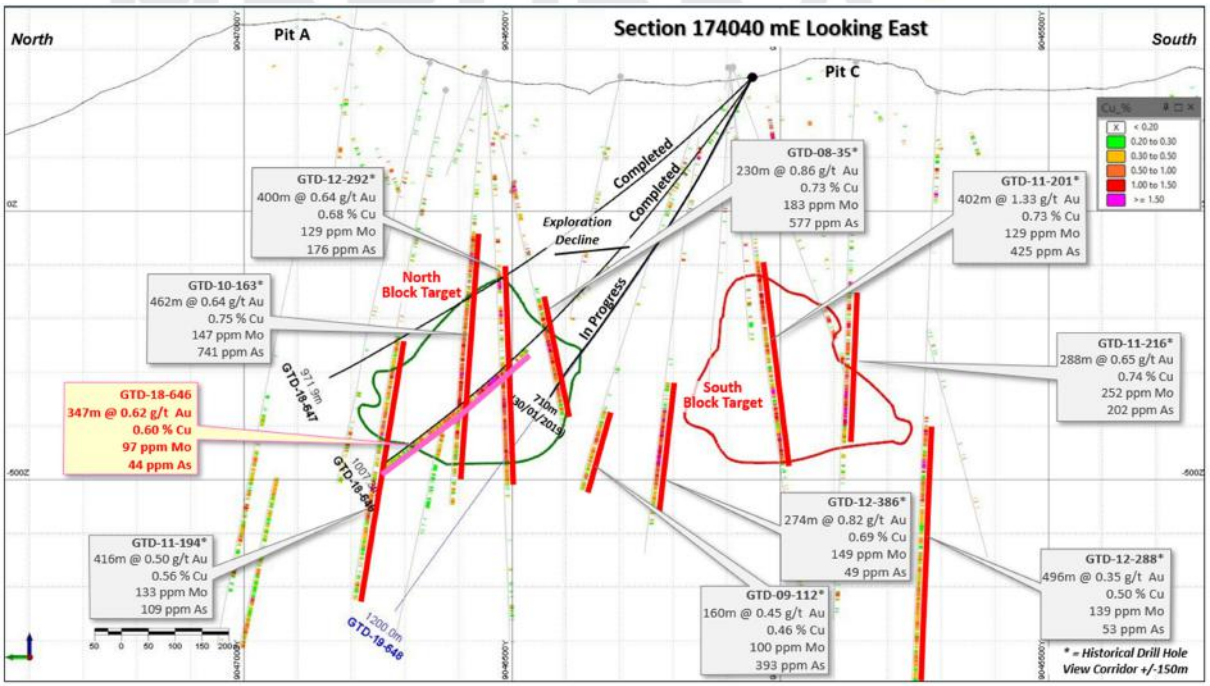


Figure 3 – Long section 174,040 mE looking due east showing new and selected historical assay results and completed directional drilling targeting the North Block of the Upper High Grade Zone.



Wetar Copper Project

The Lerokis development commenced during the quarter. Lerokis will be the second deposit to be mined at the Wetar Copper Project. The copper mineralization is similar to Kali Kuning deposit occuring within a coherent massive sulphide unit, with a lesser amount of generally lower grade material occurring within the intensely altered footwall and lateral extensions of the massive sulphides. The Lerokis deposit also has a significantly higher zinc content (average 1.05% Zn as sphalerite), compared to Kali Kuning (average 0.24% Zn as sphalerite).

The company released a mineral resource and reserve upgrade for Lerokis on 22 October 2018. The Lerokis reserves comprise 2.71 million tonnes of ore at a grade of 2.81% Cu for total contained copper of 76 thousand tonnes. Open cut mining is scheduled to commence in April 2019 following the construction of a 14-kilometre haul road at a cost of around US$12.0 million plus the installation of a fixed crushing facility.

The mobilisation of manpower and heavy equipment commenced over the quarter. The key activities to date have included land clearing and grubbing along the haul road route, cut and fill of the haul road, sediment ponds installation and the crushing of rock. The upper section of the Lerokis haul road is around one third complete as at 31 December 2018.

Mine life extension is a key object for Wetar. Drilling commenced at Partolang (formerly known as Meron) during the quarter targeting “buried” sulphides with copper mineralization intersected in historic drilling. These targets are also associated with geophysical electromagnetic anomalies. Based on initial drilling results the Partolang program was expanded to the south by an additional 16 shallow holes targeting barite and 14 infill sulphide holes to better define the sulphides intersected. To date the Partolang drill results have been very encouraging and an initial resource estimate is planned for Q1 2019.

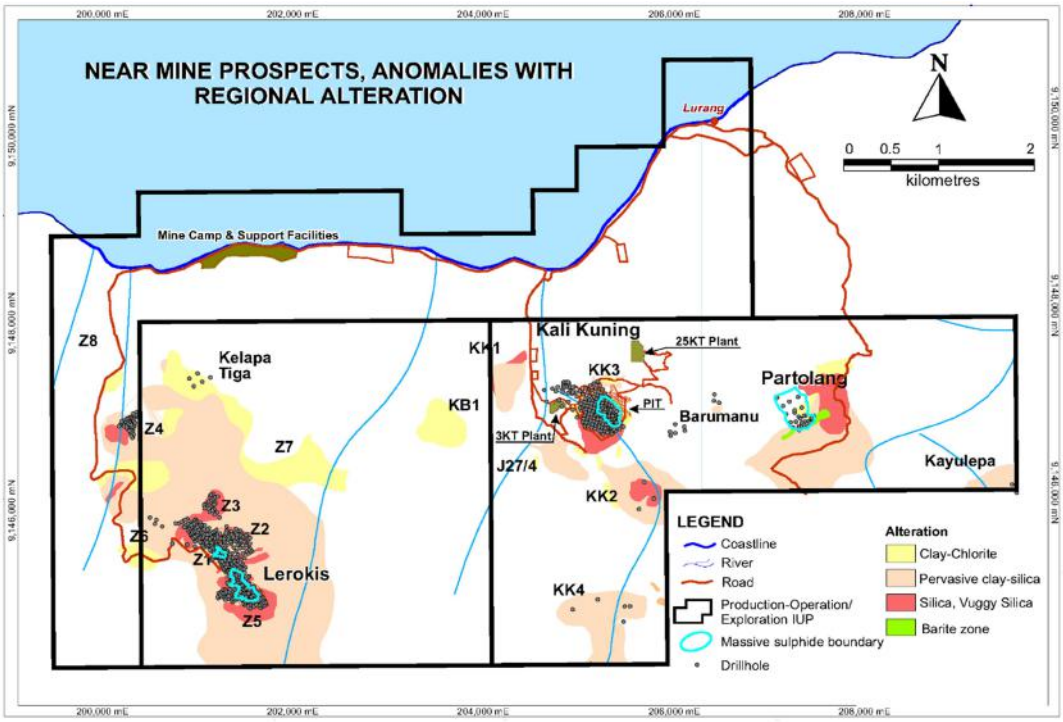
In total 71 drill holes were completed for 6,049m, comprising of 52 reverse circulation (“RC”) holes including 1 diamond tail (PTR001-052) and 19 diamond holes (PTD001-019) for 4,347m and 1,702m respectively. Except for 1 hole, all holes were vertical. Drill details are provided in Appendix 5 and hole locations are shown in Figure 5.

Initial step-out drilling was completed across the known electromagnetic conductor on a nominal 50m x 50m grid pattern with subsequent infill to a 50m x 25m pattern in the south to further delineate sulphide and barite zones intersected from the initial work. Due to deeper cover sequences, some of the planned step-out RC holes in the north were completed with diamond drilling and others were deferred until results are available from nearby holes. Some of the RC holes were also re-drilled after the holes collapsed, and two were twinned with diamond drilling.

Massive sulphides (dominated by pyrite) have been intersected in most of the step-out holes targeting the electromagnetic conductor, including the most northern hole completed to date (PTD008). However, not all sulphide is expected to be mineralized based on logging observations and available assays. The drilling has outlined a single massive sulphide body, which is 250m wide and has been traced along strike in a northerly direction for 350 to 400m. The average drilled thickness is 25m, but this varies considerably, from 1m (in PTR029) along the eastern margin to 12m (in PTR033) along the western margin. Along the northern margin the sulphide is 32.5m thick (in PTD008), and in the central portion it reaches up to 60m (in PTR050).

Where sulphides have been intersected, these are dominated by massive pyrite, with lesser amounts of brecciated pyrite and minor black sulphides identified to date.

Figure 4 – Wetar IUPs identifying the Kali Kuning pit, Lerokis development and Partolang/ and Barumanu exploration targets.



Final assay results have only been received for 8 of the diamond holes (PTD001-008) and 15 of the RC holes (PTR001-008, 010-011,013-016, 018). A complete listing of significant assay results is provided in Appendix 5.

To date, the highest copper and some of the gold results have been intersected in the south, from PTD002-005 and PTR013-014 (refer Table 7). Based on visual core analysis, the copper minerals are comprised mainly of chalcocite and covellite with lesser amounts of chalcopyrite. The sulphide body is relatively shallow in this area and is overlain by significant gold and silver mineralization, associated with barite and/or gold bearing “ferruginous” material i.e. containing iron oxides often with a characteristic reddish-brown colour.

The top parts of PTD002-006 twinned historic diamond drilling to verify results and RC holes PTR013 and PTR014 partly twinned new diamond drill holes PTD002 and PTD004 respectively for comparison.

Where results are available from the historic drilling, in the barite, and in the top of the sulphide, there is good correlation on intercept widths and, to a lesser extent, grade between the previous NQ drilling, the current HQ drilling and the 5 ½-inch RC. Where assay data is available between the new RC and diamond drilling over similar depth intervals, there is generally good correlation on intercept widths, and to a lesser extent grade.

Geological results are still being compiled and interpreted for much of the drilling, but a representative section showing interpreted geology and some of the recently received assays is provided in Table 7.

Figure 5 – Plan of Partolang showing drilling overlain on geology.

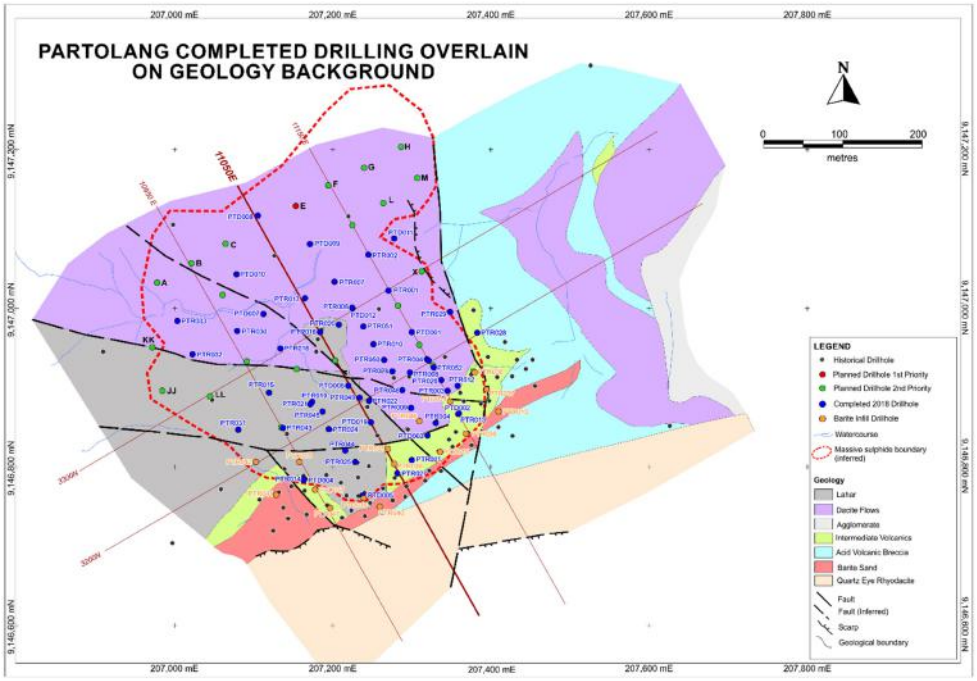
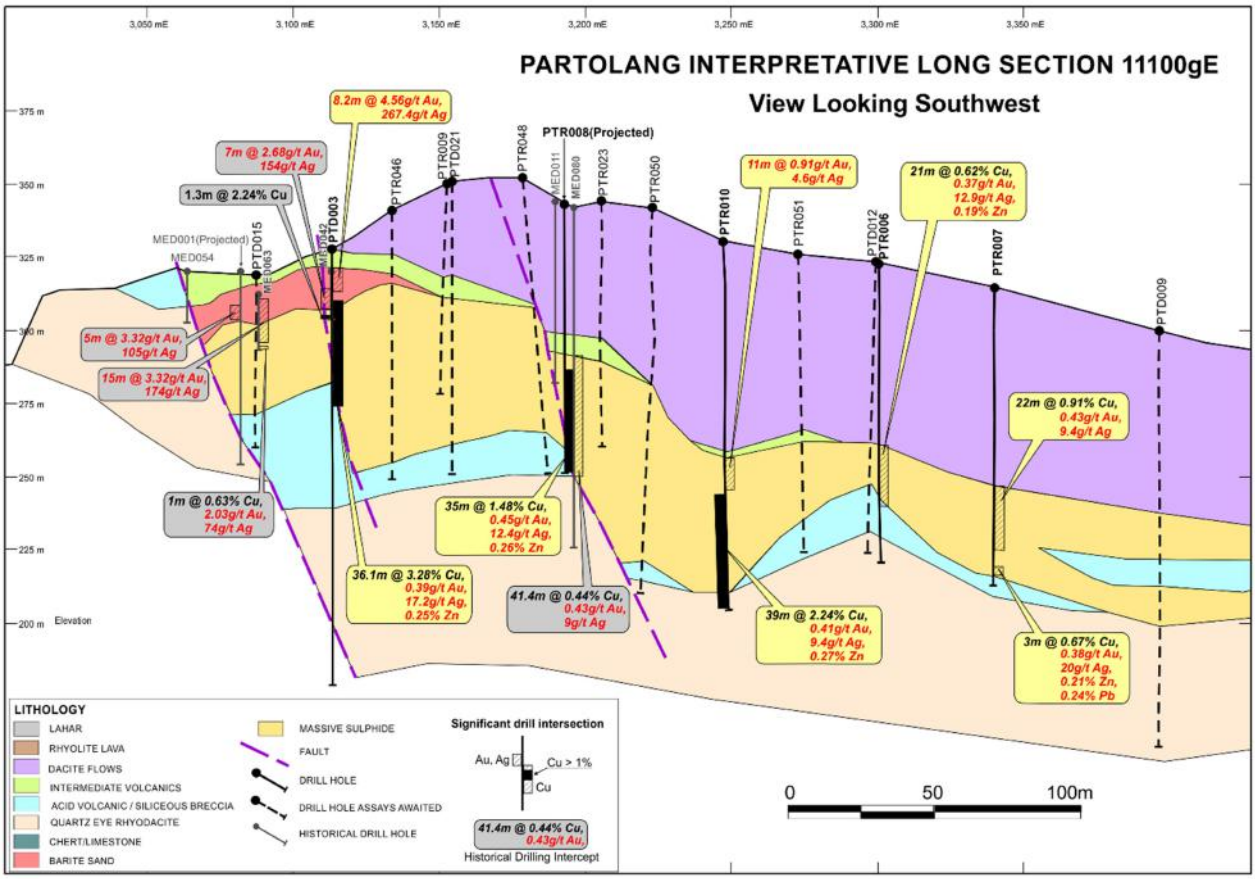


Table 7: Selected Assay Intersections from Partolang

Hole_ID	From (m)	To (m)	Interval (m)	Cu %	Au (ppm)	Ag (ppm)	Zn %
PTD002	14.8	19.0	4.2	-	2.90	171.9	-
Incl:	19.0	49.1	30.1	2.81	0.50	14.6	0.24
	21.0	33.0	12.0	3.47	0.70	21.3	0.37
PTD003	6.3	14.5	8.2	-	4.56	267.4	-
Incl:	14.5	50.6	36.1	3.28	0.39	17.2	0.25
	26.5	36.6	10.1	6.59	0.44	23.3	0.39
PTD004	7.8	9.8	2.0	0.08	2.36	87.0	0.06
Incl:	9.8	24.6	14.8	3.66	0.56	11.0	0.17
	17.5	22.5	5.0	7.27	0.42	14.4	0.10
PTD005	17.7	52.0	34.3	1.72	0.56	11.0	0.19
Incl:	19.7	23.7	4.0	5.22	0.87	23.0	0.30
	35.7	38.7	3.0	3.20	0.66	18.0	0.23
PTR013	15.0	19.0	4.0	0.05	2.78	106.0	0.01
Incl:	19.0	60.0	41.0	2.83	0.47	18.6	0.04
	22.0	42.0	20.0	4.57	0.63	18.38	0.05
PTR014	6.0	8.0	2.0	0.13	1.59	64.5	0.03
Incl:	8.0	29.0	21.0	3.08	0.38	23.4	0.15
	10.0	22.0	12.0	4.48	0.48	28.58	0.21

The initial results have confirmed the existence of a mineralized sulphide body associated with the electromagnetic conductor and also confirmed some of the assay results from historic exploratory work in the 1990's.

Figure 6 – Partolang Interpretative Long Section 11100gE



Final flight permits were received late in the quarter for a planned airborne electromagnetic and magnetic survey targeting buried zones of volcanogenic massive sulphide mineralization. This survey is expected to start in late January and will cover an area of 111 km2 with 1,470-line kilometres. This will be the first airborne geophysics program by the company and will be used to identify additional exploration targets.

Several exploration targets have already been identified outside of known resources. A drilling program is scheduled to commence on these after the wet season. Access is difficult at several of the targets and a man-portable drill rig will be used for parts of the program.

Pani Acquisition

The Company announced during the quarter that it had acquired a 66.7% interest[1] in the Pani Gold Project ("Pani") located in the Province of Gorontalo, Sulawesi, Indonesia for US$55 million.

A JORC Code Compliant Mineral Resource Estimate was prepared for Pani in 2014 of 89.5Mt @ 0.82g/t Au for 2.37 million ounces of gold using a cut-off grade of 0.2g/t Au[2]. The historic exploration results indicate excellent potential for a large-tonnage, low-grade disseminated gold deposit amenable to bulk mining.

The Pani project is located in the central section of the north arm of Sulawesi, Indonesia. It is situated within the township of Hulawa, district of Buntulia, regency of Pohowatu, Province of Gorontalo. The project has good access to regional power and transport infrastructure being 15km from the Trans-Sulawesi Highway at Marisa.

Tenement

In 1994, the Government of Indonesia issued a Kuasa Pertambangan ("KP") mining licence, covering an area of one square kilometre (100 hectares), to a local cooperative KUD Dharma Tani Marisa ("KUD").

The KP licence was reissued as an IUP operation and production license (316/13/XI/TAHUN2009) in November 2009, under the 2009 Mining Law, with a 3 year construction and 10 year production period. In September 2015 IUP can be extended (2 x 10 years) until 2042. The Project Area lies in Limited Production Forest area (Hutan Produksi Tetap), which allows for mining activities. The IUP was transferred to PT Puncak Emas Tani Sejahtera, a company jointly owned by the Pani joint venture and the KUD with Decree of the Governor of Gorontalo No. 351/17/IX/2015.

Geology & Resources

The deposit comprises a recent volcanic center where mineralization principally in the form of oxide gold is associated with fractures in altered rhyodacite (acid) volcanic rocks. The mineralization at Pani is thick with continuous gold mineralization and minimal overburden.

The most recent Mineral Resource estimate was released in December 2014. A summary of the mineral resources at a cut-off grade of 0.2 g/t Au is tabulated below:

Classification	Tonnes (Mt)	Au Grade (g/t)	Au (million oz)
Measured	10.8	1.13	0.39
Indicated	62.4	0.81	1.63
Inferred	16.2	0.67	0.35
Total	**89.5**	**0.82**	**2.37**

Mineralization remains open to the south and to the west. It is noteworthy that PT J Resources Asia Pasifik Tbk ("J Resources") holds the Contract of Work surrounding the Pani IUP and has

1 Details of the Pani transaction are set out in the Company's release dated 5 November 2018, available on the Company's website at: http://www.merdekacoppergold.com/assets/investor/laterpt/123__OJK_Keterbukaan_Informasi_Akuisisi_PANI.pdf. The Company's joint venture partner, Lion, has committed to subscribing for new shares in the joint venture subsequent to the closing of the Pani acquisition diluting the Company's interest from 68.93% to 66.70% upon completion of share issue.

2 Refer to ASX release dated 3 December 2014 titled "One Asia Resource Update, 2.37 Moz Updated Pani JORC Resource". This release and the corresponding News Release are attached and can be viewed on the Lion website at: http://www.lionselection.com.au/wp-content/uploads/2014/12/LSX%20One%20Asia%202.4Moz%20Resource.pdf

publicly released a resource estimate of 2.063 million ounces of contained gold[3] for the project. This suggests the potential for continuity of the mineralization across the two tenements and that the Pani project has substantial potential for a large-tonnage, low-grade disseminated gold deposit amenable to bulk mining.

Pani Joint Venture

The Company's joint venture partner in the Pani project is Lion Selection Group ("Lion"). Lion was founded in 1997 to invest in junior natural resources companies and is managed by a specialist mining investment team. Lion acquired its joint venture interest in Pani in April 2018.

The Pani Joint Venture is currently planning several key work streams with the aim of finalizing a feasibility study for the Pani Gold Project. This work is expected to include a comprehensive program of re-assaying stored material, drilling, metallurgical test work, technical studies and permitting. An updated Resource is expected as part of this process.

Finance and Corporate Development

Cash and Cash Equivalents

Cash and cash equivalents, net of restricted cash, at 31 December 2018 were US$ 14 million including bullion on hand at the end of the quarter at a market value of US$ nil million.

Capital Raising

Subsequent to the end of the quarter on 31 January 2019 the Company announced that it would seek shareholder approval on 11 March 2019 to conduct a rights issue in the maximum amount of 470,000,000 shares with a nominal value IDR100 per share and non-pre-emptive rights issue in the maximum amount of 416,451,833 shares. The price for this rights issue and non-pre-emptive rights issue is to be determined. The second tranche of the rights issue approved by shareholders on 21 May 2018 has been cancelled.

Debt

On 19 October 2018 the Company's wholly owned subsidiary BSI entered into a Facility Agreement for US$ 200 million with a syndicate of 8 banks. The facility is secured by the Tujuh Bukit project assets. BSI's existing project finance facility was fully repaid from the proceeds on the new loan. As of 31 December 2018, this new facility has been fully utilized. The existing project finance facility of US$ 106 million was repaid from the proceeds on the new BSI Facility.

During the quarter, repayments of non-affiliated debt amounting to US$ 33 million were made, including:

- Voluntary repayment of US$ 25 million to Standard Chartered for the Finders acquisition facility. The remaining debt of US$ 25 million is payable by 17 April 2019
- US$ 8.0 million in mandatory repayments under the Wetar project finance facility.

Debt service reserve accounts (DSRA) are funded to US$ 12 million. There was no additional amount drawn down during the quarter.

3 Refer to the April 2018 presentation prepared by J Resources titled "Paparan Publik - PT J Resources Asia Pasifik Tbk". The release can be viewed on the J Resources website at: http://www.jresources.com/assets/uploads/investor/JRAP-Company_Presentation_April_2018R1.pdf

Sales and Hedging

At Tujuh Bukit a total of 42,949.73 ounces of gold and 37,616.32 ounces of silver were sold at an average price of US$ 1,221/oz and US$ 14.02/oz respectively for total revenue of US$ 53 million. 13,905 oz of gold hedging with a strike price of US$ 1,208. were closed out at a price of US$ 1,237/oz resulting in a net loss on hedging for the quarter of US$ 0.423 million. As at 31 December 2018 the mark to market position on outstanding hedges was a loss of US$ .117 million

At Wetar 3,720 tonnes of copper were sold at an average price of US$ 6,283 per tonne. 1,719 tonnes of copper hedging with a average strike price of US$ 4,784 per tonne were closed out at an average price of US$ 6,217 /tonne resulting in a net loss on hedging for the quarter of US$2.4 million. As at 31 December 2018 the mark to market position on outstanding hedges was a loss of US$ 2.1 million.

Table 8: Gold and Copper Sales for December 2018 Quarter

	oz Au	US$/oz	US$m
Gold	42,950	1,221.50	52.47
Silver	37,616	14.02	0.53
	Tonnes	US$/tonne	US$m
Copper	4,228	5,528	23.3
Total			98.7

Table 9: Details of Gold and Copper Hedge Profile as at December 31, 2018

Period	Gold Hedged		Copper Hedged	
	oz Au	US$/oz	Tonnes Cu	US$/t
January to March 2019	20,356	1,276	1,747	4,777
April to December 2019	59,771	1,303	nil	nil
2020	48,506	1,329	nil	nil
Total sales	128,633	1,309	1,747	4,777

Finders Acquisition

As at 31 December 2018, Eastern Field Developments Limited (EFDL) had received acceptances under the Finders takeover offer for 765,832,589 shares comprising 97.09% of the voting power in Finders. This includes acceptances for 87,339,525 shares managed by Taurus Funds Management Pty Ltd, being equal to 11.31% of the shares currently on issue.

The legitimacy of the Taurus acceptances is being challenged by EFDL. The takeover offer period has been extended beyond the usual 12-month period (subject to certain conditions). That modification was designed, to the extent possible in the circumstances, to maintain the status quo in relation to EFDL's bid pending the outcome of the judicial review process.

Capital Structure

There were no shares issued during the quarter.

Table 10: Major Shareholders as at 31 December 2018

Shareholders	No. of shares	%
PT SARATOGA INVESTAMA SEDAYA TBK	864,375,175	20.76
PT MITRA DAYA MUSTIKA	589,766,719	14.16
GARIBALDI THOHIR	364,813,023	8.76
PT SUWARNA ARTA MANDIRI	293,294,900	7.04
PEMDA KABUPATEN BANYUWANGI	229,000,000	5.50
PT SRIVIJAYA KAPITAL	162,360,000	3.90
ASIAN METALS MINING DEVELOPMENTS LIMITED	155,353,333	3.73
MERDEKA MINING PARTNERS PTE. LTD.	146,092,903	3.51
PT NUANSA ABADI JAYA	123,929,411	2.98
GOLDEN VALLEY ADVISORS INC.	109,423,700	2.63
Total Top 10 Shareholders	3,038,409,164	72.96
Others	1,126,109,166	27.04
Total shares on issue as 31 December 2018	4,164,518,330	100.0

Appendix 1 – Heap Leach Process & Estimating Recoverable Metal

The majority of heap leach operations around the world are characterised by the following key activities: mining, ore preparation (crushing and agglomeration), placing of agglomerated ores on the heap leach pad (ore stacking), the irrigation of the ores on the heap leach pad, known as the leaching process, the collection of metal into solution, known as the pregnant leach solution ("PLS") and the processing of that PLS in a processing plant, known as an Adsorption, Desorption and Recovery plant ("ADR") for gold and a Solvent Extraction/Electrowinning plant ("SX/EW") for Copper to produce gold doré' and copper metal products respectively.

At Tujuh Bukit due to the length of the leaching process (150 days) not all contained gold within the ore mined, on a quarterly basis, is recovered into gold doré product in the same quarter. As such, the mine seeks to estimate the recoverable gold ounces contained at each step of the overall process for any given standardised time period.

The table below provides the breakdown of estimated recoverable gold ounces from gold contained within ore stockpiles, which is yet to be crushed and agglomerated, right through each key step of the heap leach process at the mine site and further to the gold doré product that has been transported to the gold refinery and any final gold bullion at the refinery that is yet to be sold.

Table 1: Tujuh Bukit Mine – Estimated Recoverable Gold Statistics

Recoverable Gold Location	Unit	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	Unit	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018
Ore Stocks	Au oz	6,178	22,015	9,715	14,936	US$m	1.819	3.928	3.897	5.691
Metal in Stacked Ore *	Au oz	40,383	54,773	56,397	53,095	US$m	13.182	19.652	22.268	20.241
Metal in the ADR Plant	Au oz	5,556	6,997	5,301	11,571	US$m	1.503	1.56	2.078	2.016
Dore at the Refinery	Au oz	-	-	-	-	US$m	-	-	-	-
Bullion On Hand	Au oz	4,998	21,461	13,679	8,367	US$m	3.167	12,339	7.598	7.734

* Metal in the Heap Leach Pad calculated as total tonnes stacked x grade stacked x forecasted recovery less metal produced
Note: The value of the metal in each stockpile includes a non-cash depreciation allocation. This depreciation allocation is not included in the cash cost inventory movements amount in table 3.

The Wetar copper leaching process, at 720 days, is substantially longer than the period to reach terminal recovery of gold at the Tujuh Bukit operation. The reasons for this are the complex copper sulphide metallurgy at Wetar including the leaching of a number of different copper minerals such as covellite, chalcocite and chalcopyrite. In addition to the leaching period, a lag of 30 to 90 days before leaching of copper commences may be factored in to recovery estimates depending on the ore type and based on the preferential leaching of zinc in the ore.

The table below provides the breakdown of estimated recoverable copper tonnes from the crushed and stacked ore contained within heap leach pads, the leached copper in solution and copper cathode stocks at Wetar and in transit to the company's freight forwarding warehouse in Surabaya.

Table 2: Wetar Copper Mine – Estimated Recoverable Copper Statistics

Recoverable Copper Location	Unit	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018	Unit	Mar Qtr 2018	Jun Qtr 2018	Sep Qtr 2018	Dec Qtr 2018
Cu in heaps	Cu kt	32.7	31.8	37.6	42.2	US$m	-	-	-	-
Cu in circuit	Cu kt	1.9	3.2	3.9	3.8	US$m	-	-	-	-
Sub-total	**Cu kt**	**34.6**	**35.0**	**41.4**	**46.0**	**US$m**	**34.2**	**34.1**	**36.1**	**45.6**
Cathode stock	Cu kt	1.1	1.1	1.0	0.7	US$m	2.6	2.6	2.4	1.5
Total	**Cu kt**	**35.7**	**36.1**	**42.4**	**46.8**	**US$m**	**36.8**	**36.6**	**38.5**[4]	**47.1**

4 Copper inventories in heaps were adjusted in June 2018 to provide for more conservative leaching assumptions during the Wetar project review. US$11.6m of inventories in heaps were classified as non-current reflecting the relatively long time to terminal recovery.

Appendix 2 - Tenement Status (December 2018)

Category	Details
Company:	PT Bumi Suksesindo
Ownership:	Subsidiary
Type of Permit:	Mining Business Permit (IUP) Operation and Production
Permit Number:	188/547/KEP/429.011/2012
Total Area:	4,998 ha
Location:	Banyuwangi
Date Issued:	July 9th, 2012
Permit Period:	Until January 25th 2030

Category	Details
Company:	PT Bumi Suksesindo
Ownership:	Subsidiary
Type of Permit:	Forestry Borrow to Use Permit
Permit Number:	SK.812/Menhut-II/2014
Total Area:	194.72 ha
Location:	Banyuwangi
Date Issued:	September 25th, 2014
Permit Period:	Until January 25th, 2030

Category	Details
Company:	PT Bumi Suksesindo
Ownership:	Subsidiary
Type of Permit:	Forestry Borrow to Use Permit
Permit Number:	18/1/IPPKH/PMDN/2016
Total Area:	798.14 ha
Location:	Banyuwangi
Date Issued:	February 29th, 2016
Permit Period:	Until January 24th, 2030

Category	Details
Company:	PT Batutua Kharisma Permai
Ownership:	Subsidiary
Type of Permit:	IUP Operation and Production - Copper
Permit Number:	543-124 Tahun 2011
Total Area:	2,733 ha
Location:	Wetar
Date Issued:	09 Jun 2011
Permit Period:	09 Jun 2031

Category	Details
Company:	PT Batutua Kharisma Permai
Ownership:	Subsidiary
Type of Permit:	PMA adjustment to 543-124 TAHUN 2011
Permit Number:	7/1/IUP/PMA/2018
Total Area:	2,733 ha
Location:	Wetar
Date Issued:	07 Feb 2018
Permit Period:	09 Jun 2031

Category	Details
Company:	PT Batutua Kharisma Permai
Ownership:	Subsidiary
Type of Permit:	IUP Operation and Production – Sand, Gravel & Stone
Permit Number:	311 TAHUN 2017
Total Area:	108 ha
Location:	Wetar
Date Issued:	29 Dec 17
Permit Period:	29 Dec 22

Category	Details
Company:	PT Batutua Kharisma Permai
Ownership:	Subsidiary
Type of Permit:	IUP Exploitation - Limestone
Permit Number:	276 TAHUN 2017
Total Area:	1425 ha
Location:	Wetar
Date Issued:	20-Nov-17
Permit Period:	20-Nov-22

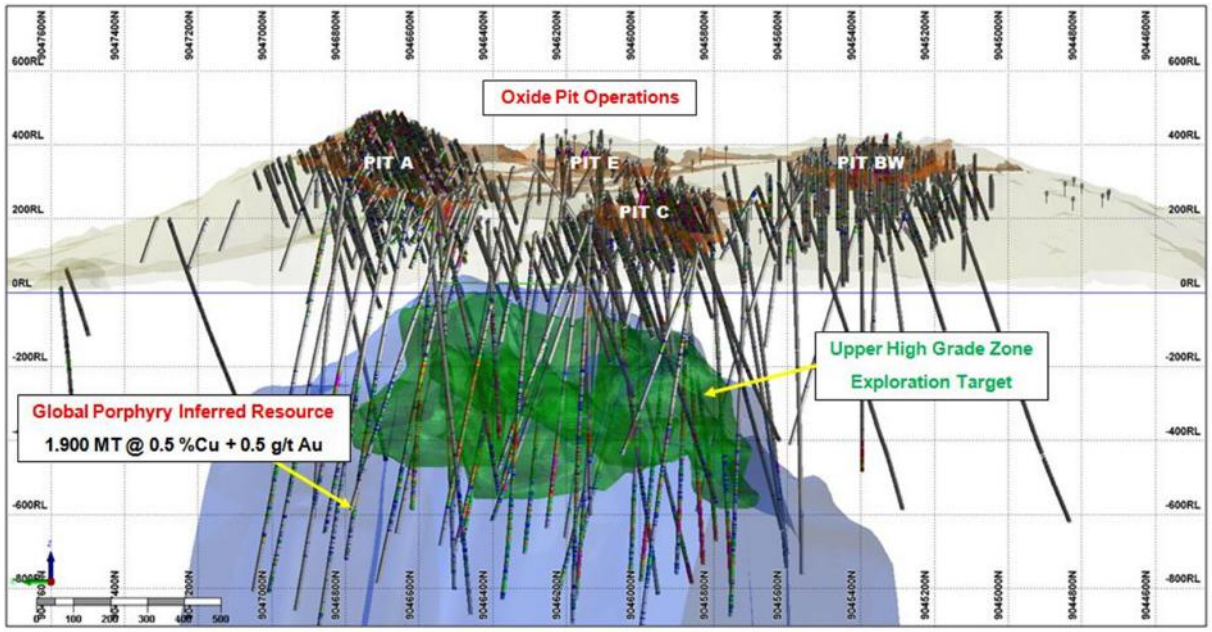
Category	Details
Company:	PT Batutua Kharisma Permai
Ownership:	Subsidiary
Type of Permit:	Forestry Borrow to Use Permit
Permit Number:	478/Menhut-II/2013
Total Area:	134.63 ha
Location:	Wetar
Date Issued:	03 Jul 2013
Permit Period:	09 Jun 2031

Category	Details
Company:	PT Puncak Emas Tani Sejahtera
Ownership:	Subsidiary
Type of Permit:	IUP Operation and
Permit Number:	351/17/IX/2015
Total Area:	100 ha
Location:	Gorontalo
Date Issued:	04 Sep 2015
Permit Period:	04 Sep 2028

Appendix 3 - Tujuh Bukit Porphry Project ("TPP")

The Tujuh Bukit Porphyry Mineral Resource is estimated to be 1.9 billion tonnes at 0.45% copper and 0.45 g/t gold containing approximately 8.7 million tonnes of copper metal and 28 million ounces of gold. This estimate is currently classified as an Inferred Resource and the deposit is located directly below the ongoing open pit oxide operations extending from approximately sea level to over a kilometre below sea level. An Upper High Grade Zone ("UHGZ") exploration target defined within the top 500 metres of the deposit is estimated to contain approximately 260 million tonnes at 0.76% copper and 0.77 g/t gold for up to 2 million tonnes of copper and 6 million ounces of gold (non JORC code compliant estimate).

Figure 1 below shows a long section looking due east at the Tujuh Bukit oxide and porphyry deposits5.

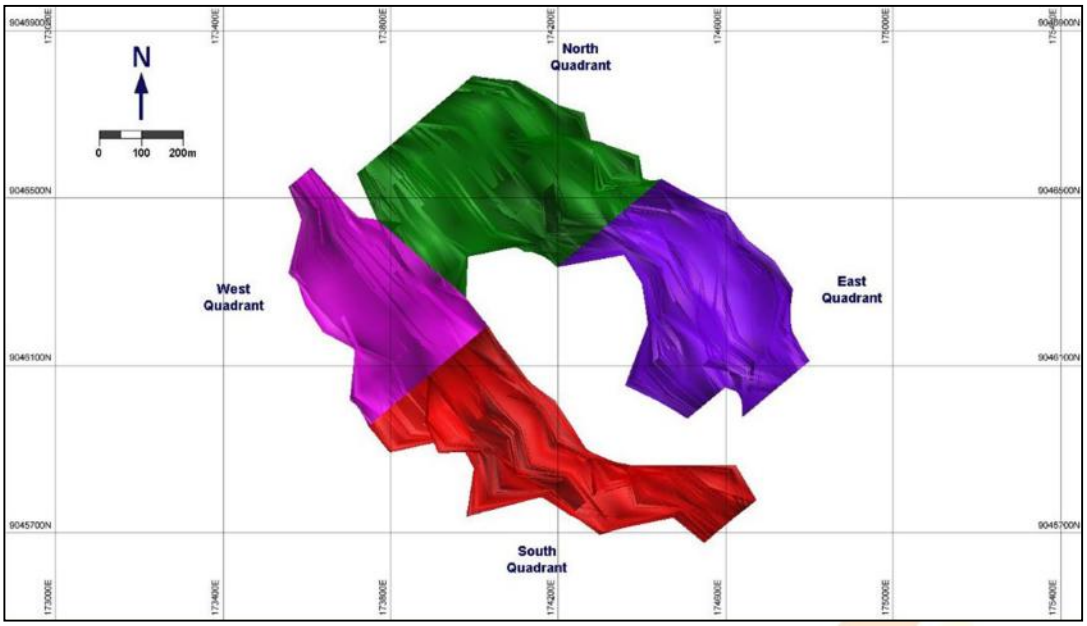


A Concept Study has been completed to analyse options to develop a bulk underground mine to exploit the UHGZ. This study identified a preferred scenario whereby four discrete blocks arranged around the relatively un-mineralized core will be developed sequentially as a series of block cave mines. All blocks have a common extraction level at minus 500 level with ore transported to a central common crusher.

Crushed ore will then be transported via a conveyor system to a concentrator located on the surface near Candrain Bay. The Candrian Bay concentrator will treat ore at a rate of up to 12 million tonnes per annum. Financial modelling indicates that in the absence of any fatal flaws this project has the potential to become a significant mine with a life in excess of 25 years. The next step required is to complete a pre-feasibility study to upgrade the UHGZ resource to Indicated and Measured classification, define the rock mass characteristics, model hydrogeology and ventilation parameters and collect the samples required to conduct definitive metallurgical test work. An exploration decline has been approved to support an underground drilling program required to acquire the required data to inform this PFS. It is expected this PFS including underground development and drilling will take 3 years and require an investment of US$ 100-120 million.

[5] Refer to www.merdekacoppergold.com for Mineral Resources and Ore Reserves Statements.

Figure 2 below is a plan view of the UHGZ showing the four defined blocks or "quadrants".



Appendix 4 – Competent Person's Statement - Summary of Tujuh Bukit Porphyry Project Surface Drilling Program

During the December Quarter the Company completed drilling two deep drill holes into the North Quadrant of the Upper High Grade Zone for approximately 1,979 metres.

This program to date comprises the drilling of two diamond drill holes (one hole in progress) from surface which were designed to give low-angle intercepts testing both the vertical and cross-strike continuity of mineralization in the central parts of the North Quadrant (Figures 1 & 2).

All previous drill holes from surface into the porphyry system (up to 2012) were sub-vertical to steeply dipping with significant historical reports representing long down-dip intercepts.

The success of the deep directional drilling program, East and North Quadrants, marks a significant milestone in the advancement of the Porphyry Project.

For the East Quadrant (Ref. June 2018 Quarterly Report) three successive drill holes each intersected strong and continuous zones of high-grade mineralization with over 300 metres of vertical separation between holes and a true width of approximately 150 metres. This broad zone of copper-gold-molybdenum mineralization is interpreted to be steeply dipping to the east (approximately 70°) with a NNW strike, internal domain boundaries are well defined as are hangingwall and footwall contacts.

Drilling of the North Quadrant is still in progress however initial results received to date from the first of three drill holes has also intersected a significant zone of continuous copper-gold mineralization over 347 metres. Preliminary structural and geological analyses (2 of 3 holes completed) shows that the dominant structural orientation is WNW striking with a secondary conjugate set and a sub-vertical to steep dip indicating a true width of mineralization in this section of the North Quadrant to be in the order of 300 metres.

Competent Person's Statement – Exploration Results

The information in this report which relates to Exploration Results is based on, and fairly represents, information compiled by Mr. Julian Bartlett, BSc.Geol. (Hons), MSc (Econ.Geol.) for Merdeka Copper Gold. Mr. Bartlett is an employee of Merdeka Copper Gold however he does not hold any shares in the company, either directly or indirectly.

Mr. Bartlett is a member of the Australian Institute of Geoscientists (AIG ID: 6492) and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr. Bartlett consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Figure 1 shows a plan of the Upper High Grade Zone (-300 mRL) with completed drill holes and summarised assay results.

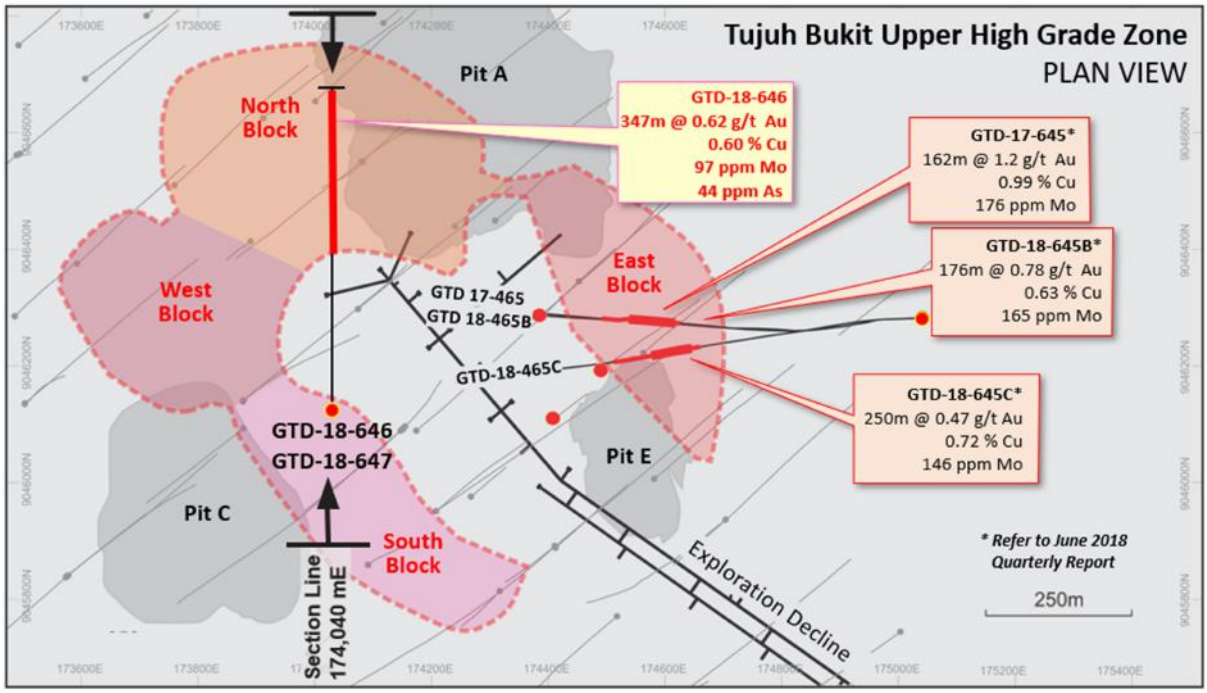
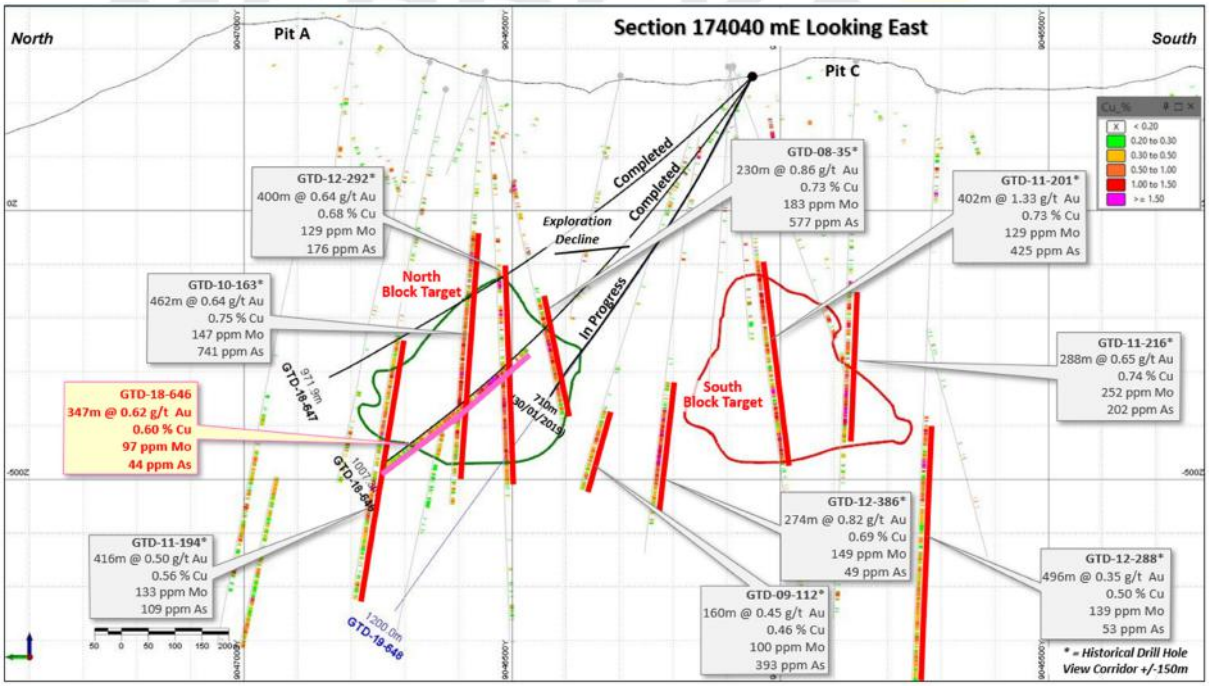


Figure 2 shows a long section looking due east at the completed drilling targeting the North Quadrant of the Upper High Grade Zone.



JORC Code, 2012 Edition – Table 1 Report

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling technique	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralization that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.*	• Cut drill core samples were collected at two (2) metre intervals. Core size sampled was PQ3 and HQ3, core recovery was recorded for every run, average recovery was 96.5%. Where possible all core was orientated and cut along the orientation mark retaining down hole arrows. With core rotated in the down hole position (ori line towards), the top hole of the core was consistently sampled. • Industry standard QAQC protocols included the insertion of OREAS Standards, Blanks, and Duplicate quarter core samples at a rate of 1 (of each) every 30 metres or every 15 samples (~7%). Analyses of laboratory replicate assays and duplicate assays show a high degree of correlation. • QAQC results suggest sample assays are accurate. • Core samples were sealed with numbered security tags and transported direct from site to Intertek Jakarta for analyses. • Two (2) metre core samples were dried and weighed, the entire samples was crushed to P95 of -2mm then a 1.5kg split was pulverized to P95 -200#. • All exploration drill samples are analysed for gold using 30g fire assay, 4-acid digestion, with AAS finish. • Standard multi-element analyses are with ICP OES that includes silver and common pathfinder minerals in epithermal and porphyry systems. • No adjustments or calibrations were made to any assay data used in reporting.
Drilling technique	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling method was all triple tube at sizes PQ3 and HQ3. Where possible all core was orientated using a Coretech orientation tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether*	• Measurements of core loss and recovery were made at the drill rig and entered directly into Geobank Mobile on site. Core was marked-up in relation to core blocks making allowance for any sections of lost core. • In some instances, short lengths of core were lost, generally around 5-10cm at the

Criteria	JORC Code explanation	Commentary
	sample bias may have occurred due to preferential loss/gain of fine/coarse material.	end of a run, this occurred mostly in the clay dominant domains. The grade of lost core was considered to be the same as core from the same interval in which it occurred. There is no evidence of a grade bias due to variation in core recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill core is geologically and geotechnically logged. Logging fields included (but not limited to) lithology, alteration, mineralization, structure, RQD, RMR, and defects. • Standard nomenclature is used for logging and codes or abbreviations are input directly into computerised logging sheets. BSI uses Geobank mobile by Micromine as the front end data entry tool. • The majority of geological and geotechnical logging is qualitative in nature except measured fields for structure (α and β), RQD and fracture frequency. • The length of core from holes being reported in the deep directional drilling program is 1979m, 100% of core was logged. • All drill core was cut and sampled for assaying. • All mineralized intervals are sampled. • All drill core is photographed before cutting/sampling. • Logging is of a suitable standard to allow for detailed geological and resource modelling.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut with a saw and half core composites were collected at two (2) metre intervals. • Half core samples were methodically marked-up, labelled, cut and prepared at the company's core processing facility on site under geological supervision. Two (2) metre compositing is appropriate for the broad style of porphyry-type related mineralization. • Sub sampling consisting of quarter core duplicates was carried out at a rate of 1 sample every 30 metres/15 samples (~7%). Duplicate assays show a high level of repeatability. • Mineralogical analyses including MLA (mineral liberation analyses) shows gold grains to be 10's of microns in size. Disseminated copper mineralization shows a range from very fine to coarse grain size. Sample size (2m half core) and partial sample preparation protocols

Criteria	JORC Code explanation	Commentary
		are considered appropriate for this style of mineralization.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometres, handheld XRF instruments, etc, the parametres used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The bulk nature of the sample size (2m) and partial preparation procedures (total crush to P95 -2mm, 1.5kg split pulverized to P95 -200#) is considered appropriate for this style of mineralization. Four acid total dissolution is used for assaying. • SWIR data is routinely collected on core and assay pulps. The Terraspec device used is serviced and calibrated yearly at an accredited facility in Australia and routine calibration is done when samples are being analysed. • Industry standard QAQC protocols included the insertion of OREAS Standards, Blanks, and Duplicate quarter core samples that are inserted at a rate of every 30 metres or every 15 samples (~7%). Analyses of laboratory replicate assays and duplicate assays show a high degree of correlation. Analyses of Standards show all assay batches to be within acceptable tolerances.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections have been verified by alternative senior company personnel • The drill hole being reported is exploration in nature and has not been twinned. The down hole separation between daughter holes is approximately 150-180 metres. • Primary assay data is received from the laboratory in soft-copy digital format and hard-copy final certificates. Digital data is stored on a secure SQL server on site with a back-up copy off site. Hard-copy certificates are stored on site in a secure room.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars were surveyed with a differential GPS. • The Grid System used is WGS84 UTM 50 South. • The topographic surface is surveyed by LIDAR and supplemented by Total Station and dGPS surveys.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether sample compositing has been applied.*	• Drill hole spacing is planned at a nominal 150m. • Results reported have been composited, composite grades are mean grades with no top or bottom cuts applied.
Orientation of data	• *Whether the orientation of sampling achieves unbiased sampling of possible*	• Sampled drill holes were designed in plan and section to intersect mineralization at a

Criteria	JORC Code explanation	Commentary
in relation to geological structure	*structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	low angle of incidence. Preliminary structural and geological analyses (2 of 3 holes completed) indicate that the dominant structural orientation (North Block) is WNW striking (secondary conjugate set) with sub vertical to steep dip. • The orientation of samples relative to structural controls is considered not to introduce a sampling bias. The significant down hole interval reported is however potentially greater than the true width of mineralization for the North Block which is estimated to be 300 - 325 metres.
Sample security	• *The measures taken to ensure sample security.*	• All core samples are bagged separately in calico bags then further bagged into poly weave sacks which are individually sealed with a numbered security tag provide by the laboratory. Samples are dispatched to the lab in a covered truck which is locked and further sealed with a numbered security tag.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No formal and public audits or reviews have been undertaken this Quarter on sampling protocols and results.

Appendix 5 – Competent Person's Statement - Summary of Partolang Surface Drilling Program

Set out in the following tables are the results of the Partolang drill program.

Table 7 – Drill Hole Details Partolang

Hole_ID	EOH (m)	Easting	Northing	RL	Azim	DIP	Datum
PTD001	125.0	207299.5	9146970.5	331.9	0	-90	UTM WGS84 Zone 52S
PTD002	50.0	207358.7	9146868.0	328.3	0	-90	UTM WGS84 Zone 52S
PTD003	149.1	207319.0	9146840.5	327.9	0	-90	UTM WGS84 Zone 52S
PTD004	69.6	207163.5	9146785.0	325.6	0	-90	UTM WGS84 Zone 52S
PTD005	98.3	207237.7	9146764.7	331.7	330	-60	UTM WGS84 Zone 52S
PTD006	102.4	207220.1	9146902.8	349.1	0	-90	UTM WGS84 Zone 52S
PTD007	89.3	207111.8	9146993.4	317.3	0	-90	UTM WGS84 Zone 52S
PTD008	165.6	207104.5	9147117.7	338.8	0	-90	UTM WGS84 Zone 52S
PTD009	142.2	207170.5	9147081.6	300.1	0	-90	UTM WGS84 Zone 52S
PTD010	85.8	207077.9	9147043.5	331.6	0	-90	UTM WGS84 Zone 52S
PTD011	76.8	207277.2	9147089.2	304.2	0	-90	UTM WGS84 Zone 52S
PTD012	99.8	207225.0	9147001.0	323.7	0	-90	UTM WGS84 Zone 52S
PTD013	30.4	207409.0	9146870.2	314.7	0	-90	UTM WGS84 Zone 52S
PTD014	71.2	207347.8	9146882.8	334.4	0	-90	UTM WGS84 Zone 52S
PTD015	59.0	207335.1	9146819.8	319.1	0	-90	UTM WGS84 Zone 52S
PTD016	65.4	207237.3	9146763.0	331.8	0	-90	UTM WGS84 Zone 52S
PTD017	24.3	207176.6	9146772.0	323.6	0	-90	UTM WGS84 Zone 52S
PTD018	54.9	207156.9	9146806.8	334.7	0	-90	UTM WGS84 Zone 52S
PTD019	86.3	207247.5	9146857.1	352.7	0	-90	UTM WGS84 Zone 52S
PTR001	138.0	207269.6	9147023.0	330.4	0	-90	UTM WGS84 Zone 52S
PTR002	170.0	207244.2	9147067.8	317.0	0	-90	UTM WGS84 Zone 52S
PTR003	90.0	207344.4	9146896.2	333.0	0	-90	UTM WGS84 Zone 52S
PTR004	108.0	207320.5	9146934.4	333.3	0	-90	UTM WGS84 Zone 52S
PTR005	132.0	207318.7	9146936.6	334.1	0	-90	UTM WGS84 Zone 52S
PTR006	102.0	207223.9	9147001.5	322.8	0	-90	UTM WGS84 Zone 52S
PTR007	102.0	207201.4	9147034.3	314.9	0	-90	UTM WGS84 Zone 52S
PTR008	92.0	207297.2	9146919.4	345.6	0	-90	UTM WGS84 Zone 52S
PTR009	72.0	207298.9	9146874.2	350.3	0	-90	UTM WGS84 Zone 52S
PTR010	126.0	207250.5	9146955.5	330.6	0	-90	UTM WGS84 Zone 52S
PTR011	66.0	207299.3	9146808.8	323.7	0	-90	UTM WGS84 Zone 52S
PTR012	68.0	207357.5	9146903.3	328.3	0	-90	UTM WGS84 Zone 52S
PTR013	66.0	207357.9	9146867.2	328.1	0	-90	UTM WGS84 Zone 52S
PTR014	40.0	207162.5	9146784.0	325.5	0	-90	UTM WGS84 Zone 52S
PTR015	100.0	207119.1	9146893.8	334.0	0	-90	UTM WGS84 Zone 52S
PTR016	72.0	207133.2	9146949.5	310.1	0	-90	UTM WGS84 Zone 52S
PTR017	75.0	207164.3	9147013.1	306.7	0	-90	UTM WGS84 Zone 52S

Hole_ID	EOH (m)	Easting	Northing	RL	Azim	DIP	Datum
PTR018	78.0	207183.4	9146970.3	318.6	0	-90	UTM WGS84 Zone 52S
PTR019	84.0	207173.8	9146882.4	345.7	0	-90	UTM WGS84 Zone 52S
PTR020	64.0	207207.4	9146979.8	321.5	0	-90	UTM WGS84 Zone 52S
PTR021	90.0	207170.3	9146880.1	344.9	0	-90	UTM WGS84 Zone 52S
PTR022	78.0	207245.0	9146883.8	347.6	0	-90	UTM WGS84 Zone 52S
PTR023	84.0	207274.7	9146921.2	344.4	0	-90	UTM WGS84 Zone 52S
PTR024	72.0	207194.8	9146848.4	362.3	0	-90	UTM WGS84 Zone 52S
PTR025	108.0	207227.6	9146807.0	356.6	0	-90	UTM WGS84 Zone 52S
PTR026	84.0	207336.7	9146909.7	333.7	0	-90	UTM WGS84 Zone 52S
PTR027	54.0	207281.2	9146792.6	328.1	0	-90	UTM WGS84 Zone 52S
PTR028	72.0	207381.9	9146970.0	306.4	0	-90	UTM WGS84 Zone 52S
PTR029	84.0	207347.9	9146995.7	301.6	0	-90	UTM WGS84 Zone 52S
PTR030	84.0	207078.6	9146972.0	325.2	0	-90	UTM WGS84 Zone 52S
PTR031	116.5.0	207080.0	9146847.5	341.8	0	-90	UTM WGS84 Zone 52S
PTR032	102.0	207022.4	9146942.4	342.6	0	-90	UTM WGS84 Zone 52S
PTR033	108.0	207002.9	9146985.0	335.4	0	-90	UTM WGS84 Zone 52S
PTR034	78.0	207329.4	9146855.9	333.3	0	-90	UTM WGS84 Zone 52S
PTR035	70.0	207268.9	9146823.5	337.2	0	-90	UTM WGS84 Zone 52S
PTR036	37.0	207367.9	9146842.8	317.1	0	-90	UTM WGS84 Zone 52S
PTR037	54.0	207394.3	9146898.0	309.5	0	-90	UTM WGS84 Zone 52S
PTR038	57.0	207378.6	9146920.0	312.2	0	-90	UTM WGS84 Zone 52S
PTR039	54.0	207277.1	9146804.1	331.0	0	-90	UTM WGS84 Zone 52S
PTR040	24.0	207259.1	9146750.7	328.4	0	-90	UTM WGS84 Zone 52S
PTR041	24.0	207127.5	9146765.4	333.8	0	-90	UTM WGS84 Zone 52S
PTR042	60.0	207102.7	9146807.0	339.6	0	-90	UTM WGS84 Zone 52S
PTR043	120.0	207136.8	9146850.0	348.8	0	-90	UTM WGS84 Zone 52S
PTR044	102.0	207215.0	9146821.3	364.2	0	-90	UTM WGS84 Zone 52S
PTR045	114.0	207186.2	9146870.4	352.5	0	-90	UTM WGS84 Zone 52S
PTR046	92.0	207308.8	9146858.1	341.2	0	-90	UTM WGS84 Zone 52S
PTR047	24.0	207196.1	9146748.4	318.8	0	-90	UTM WGS84 Zone 52S
PTR048	102.0	207287.1	9146897.2	352.4	0	-90	UTM WGS84 Zone 52S
PTR049	96.0	207233.3	9146887.7	349.2	0	-90	UTM WGS84 Zone 52S
PTR050	132.0	207264.3	9146935.6	342.2	0	-90	UTM WGS84 Zone 52S
PTR051	102.0	207237.8	9146977.6	326.2	0	-90	UTM WGS84 Zone 52S
PTR052	80.0	207327.3	9146926.1	333.0	0	-90	UTM WGS84 Zone 52S

Table 8 – Significant intersections from Partolang drill holes.

Hole_ID	From (m)	To (m)	Interval (m)	Cu %	Au (ppm)	Ag (ppm)	Zn %
PTD001	65.7	69.4	3.7	-	0.66	24.5	-
	69.4	80.4	11.0	1.47	0.27	4.9	0.03
	83.4	93.4	10.0	0.82	0.06	3.3	0.01
PTD002	14.8	19.0	4.2	-	2.90	171.9	-
Incl:	19.0	49.1	30.1	2.81	0.50	14.6	0.24
	21.0	33.0	12.0	3.47	0.70	21.3	0.37
PTD003	6.3	14.5	8.2	-	4.56	267.4	-
Incl:	14.5	50.6	36.1	3.28	0.39	17.2	0.25
	26.5	36.6	10.1	6.59	0.44	23.3	0.39
PTD004	7.8	9.8	2.0	0.08	2.36	87.0	0.06
Incl:	9.8	24.6	14.8	3.66	0.56	11.0	0.17
	17.5	22.5	5.0	7.27	0.42	14.4	0.10
PTD005	17.7	52.0	34.3	1.72	0.56	11.0	0.19
Incl:	19.7	23.7	4.0	5.22	0.87	23.0	0.30
	35.7	38.7	3.0	3.20	0.66	18.0	0.23
PTD006	68.2	84.6	16.4	1.74	0.37	25.9	0.19
	87.6	91.6	4.0	0.50	0.14	7.7	0.06
PTD007	40.0	49.8	9.8	2.41	0.69	22.3	0.05
Incl:	44.0	48.0	4.0	3.83	0.84	26.5	0.05
PTD008	108.1	109.3	1.2	0.11	2.13	6.1	0.09
	109.3	119.3	10.0	1.60	0.56	18.8	0.20
	124.3	129.3	5.0	0.55	0.22	4.2	0.09
PTR001	79.0	98.0	19.0	1.81	0.38	11.2	0.13
PTR002	82.0	105.0	23.0	1.74	0.47	14.4	0.12
Incl:	91.0	101.0	10.0	2.63	0.49	16.2	0.09
PTR003	53.0	61.0	8.0	0.01	2.15	27.3	0.01
	65.0	68.0	3.0	0.01	0.87	14.3	0.01
PTR004	55.0	63.0	8.0	1.70	0.41	14.6	0.04
	66.0	70.0	4.0	0.64	0.07	2.0	0.01
	83.0	92.0	9.0	0.70	0.10	4.0	0.01
	98.0	104.0	6.0	2.38	0.03	0.7	0.01
PTR005	53.0	61.0	8.0	1.78	0.46	14.4	0.04
	92.0	105.0	13.0	1.20	0.03	0.9	0.01
	109.0	114.0	5.0	0.56	-	0.3	0.12
PTR006	62.0	83.0	21.0	0.62	0.37	12.9	0.19
PTR007	68.0	90.0	22.0	0.91	0.43	9.4	0.06
	95.0	98.0	3.0	0.67	0.38	20.0	0.21
PTR008	57.0	92.0	35.0	1.48	0.45	12.4	0.26
PTR010	70	81.0	11.0	-	0.91	4.6	-
	82	121.0	39.0	2.24	0.41	9.4	0.27
	88	105.0	17.0	3.76	0.53	11.8	0.33
PTR011	6	10.0	4.0	0.04	1.53	29.3	0.02

Hole_ID	From (m)	To (m)	Interval (m)	Cu %	Au (ppm)	Ag (ppm)	Zn %
	12	51.0	39.0	1.13	0.15	3.4	0.01
	21	28.0	7.0	2.40	0.17	4.7	0.01
PTR013	15	19.0	4.0	0.05	2.78	106.0	0.01
	19	60.0	41.0	2.83	0.47	18.6	0.04
	22	42.0	20.0	4.57	0.63	18.38	0.05
PTR014	6	8.0	2.0*	0.13	1.59*	64.5*	0.03
	8	29.0	21.0	3.08	0.38	23.4	0.15
	10	22.0	12.0	4.48	0.48	28.58	0.21
PTR015	87	90.0	3.0	0.81	0.11	19.5	0.05
PTR016	20	35.0	15.0	0.67	0.30	11.1	0.12
PTR018	33	37.0	4.0	0.25	0.76	21.7	0.04
	37	58.0	21.0	1.72	0.42	15.6	0.19
Incl:	37	47.0	10.0	2.86	0.57	26.9	0.12

Intercepts calculated using 0.4% Cu cut-off grade for sulphide & 0.5g/t Au for barite with allowance for 2m of internal waste.

BARUMANU DRILL RESULTS & SIGNIFICANT ASSAYS

Set out in the following tables are the results of the Barumau drill program.

Table 9 – Drill Hole Details Barumanu

Hole_ID	EOH (m)	Easting	Northing	RL	Azim	DIP	Datum
BMD018	242.1	206496.5	9147093.1	331.9	0	-90	UTM WGS84 Zone 52S
BMR001	132	206388.6	9147048.8	320.6	0	-90	UTM WGS84 Zone 52S
BMR002*	132	206601.5	9146986.3	NA	0	-90	UTM WGS84 Zone 52S
BMR003	60	206424.9	9146898.7	280.8	0	-90	UTM WGS84 Zone 52S
BMR004	75	206327.9	9146977.5	266.5	0	-90	UTM WGS84 Zone 52S
BMR005	75	206250.3	9146894.2	248.3	0	-90	UTM WGS84 Zone 52S

Collar not yet surveyed accurately.

Table 10 – Significant intersections from Barumanu drill holes.

Hole_ID	From (m)	To (m)	Interval (m)	Cu %	Au (ppm)	Ag (ppm)	Zn %
BMD018	6.8	7.6	0.8	1.83	0.77	33	0.08
	15.6	16.6	1.0	1.72	0.14	22.0	0.03
	21.6	23.6	2.0	0.51	0.14	11.2	0.02
BMR001	0.0	25.0	25.0	0.02	0.83	48.4	0.01
	44.0	54.0	10.0	0.52	0.04	3.5	0.02
BMR002	81.0	87.0	6.0	0.86	0.11	4.7	0.11
BMR005	32.0	40.0	8.0	0.42	0.02	1.4	0.04

Intercepts calculated using 0.4% Cu cut-off grade for sulphide & 0.5g/t Au for barite with allowance for 2m of internal waste.

JORC TABLE 1

JORC Table 1 – Checklist of Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• All drilling and sampling were undertaken in an industry standard manner. • Historical sampling was carried out at Partolang and Barumanu during the 1990's over several phases by a subsidiary of Billiton International, PT Prima Lirang Mining (PLM), with a diamond drill rig using NQ diameter core. • All recent samples collected by Finders Resources (FND) have been with a diamond drill rig using HQ3 diameter core and with an RC rig. • After logging and photographing, FND drill core was cut in half, with one half generally sent to the laboratory for assay and the other half retained for mineralised and altered footwall units, with quarter core taken and sent to the laboratory for unaltered cover sequences. • RC samples by FND were collected every 1m, with 1/8 of each interval riffle split for sampling, and the remaining 7/8 of each material stored on site. Representative chips from the drilling are also retained in chip trays for reference. • Holes were sampled in expected mineralised intervals to geological boundaries on a nominal 1m basis, increasing to 2m in known footwall units. Above the mineralization, 1m intervals of ¼ core or RC splits from unaltered cover sequences were generally composited to 5m for assaying. • Sample weights generally ranged from 2-5kg/m dependent on rock type. • An independent laboratory pulverised the entire sample for analysis as described below.
Drilling techniques	• Historically PLM drilled 86 diamond drill (DD) holes (MED001-086) into the mineralised envelope at Partolang, largely targeting the shallow Au-Ag-barite material in the south. Relatively few holes targeted interpreted sulphides for Cu in the north. PLM also drilled 17 scout diamond holes (BMD001-017) targeting shallow Au-Ag-barite mineralization at Barumanu. All holes were drilled with NQ standard tube. No details are available on the actual core diameter. • New drilling by FND has included 20 diamond drill holes (PTD001-019 and BMD018) for 1,946m with HQ3 core of a diameter of 57mm, and 57 Reverse Circulation (RC) holes (PTR001-052, BMR001-005) for 4,821m with a 5 ½-inch bit and face sampling hammer. A diamond tail was completed to PTR031 from 60m. Except for 1 hole (PTD005), all drilling was vertical. None of the core has been orientated.
Drill sample recovery	• In historical PLM holes, every effort was made to maximise diamond core recovery which averaged approximately 80% in the barite zones although recoveries were sometimes poor due to the loose friable nature of much of the ore. No details are available on the recoveries achieved in the few holes that penetrated sulphides. • Diamond core recoveries in the FND drilling have benn measured on a routine basis for each drill run and calculated for each sample interval. Recoveries were 98% overall and averaged (~98.5%) for massive sulphide and (~92%) for barite zones. • The RC drilling has largely been restricted to areas where the targeted sulphides are < 80m deep, as the density of the material and the locally porous nature of the sulphides has made it difficult to lift adequate sample material from deep levels. • RC samples were bagged and weighed for each 1 metre interval prior to the

Criteria	Commentary
	sample being riffle split. • Estimation of RC sample recoveries is ongoing, complicated by mixing of the different massive sulphide ore types, as SG's for these vary considerably and range from 3.4 to 4.87 for the main sulphide units. Work is underway to obtain more SG samples from available diamond core to assist with recovery work for the RC, as the sample population for PBX2 is only 14 samples and no samples have yet been obtained for BKO. The number of samples collected from MPY is 93, however, these have been taken from more competent parts of core and may overestimate the true value as this unit is very fractured and broken locally. • Expected RC recoveries have been calculated based on the relative amounts of each material estimated in the sampled intervals, and available SG data. On this basis, and except for 2 holes, which returned very bad recoveries, the average RC recovery is 65-70% overall including 60% in the sulphide zones. • Assays for much of the drilling are awaited, but to date, no consistent relationships have been recognised between sample recovery and grades for copper and/or gold.
Logging	• Records for historic PLM drilling at Partolang and Barumanu comprise skeletal drill logs and some hand drafted drilling sections. Detailed assays and logs are only available for MED011-027, MED044-079, MED081-083, BMR009-017. • All FND drilling has been processed using detailed logging procedures developed specifically for the project. • Structural information has been collected in all DD holes by FND for use in future geotechnical evaluation. DD holes were photographed prior to sampling for a permanent record and for desktop study purposes. • No DD holes have yet been drilled specifically for geotechnical purposes, however all drill holes were logged according to a supplied legend from previous geotechnical consultants involved with the Kali Kuning project. • RC chip trays have been geologically logged for each drill hole. These are photographed for desktop study purposes and retained on site.
Sub-sampling techniques and sample preparation	• DD cores were historically sampled by PLM in one metre intervals, with half core sent for analysis. None of the original core is available. • DD core from FND work has been sampled in one metre intervals, with half core through the sulphide and barite zones, increasing to 2m intervals in footwall units. In unmineralized cover sequences, 1m intervals of ¼ core were composited to 5m for assaying. • RC samples from FND have been bagged in 1m intervals, weighed, and riffle split to 2-5kg sample for assay through the sulphide and barite zones. The 1m samples have been composited to 2m intervals in footwall units, and 5m composites in cover sequences for assaying. • One in twenty samples have been duplicated as field splits for both DD and RC. In general, zones of expected mineralization have been targeted for the duplicates to avoid comparing samples with no grades.
Quality of assay data and laboratory tests	• Historic PLM drilling was analysed for Au (FAS), Ag (AAS), Cu, Pb, Zn (AAS) and As, Sb and Ba by XRF at PT. Inchape Utama Services in Jakarta. Samples with > 10% Ba were reanalysed by XRF. The accuracy of the assays was monitored using high grade and low grade (Au) samples (range 2.61-22.17g/t) as well as blanks. Samples from new drilling by FND were assayed by PT Geoservices in Jakarta, generally for: • Gold (fire assay – method FAA40), with copper, lead, zinc, silver, arsenic, antimony, iron, sulphur and a suite of 28 other elements by Aqua Regia ICPOES package (method GA103_ICP36). • An 3 acid ore grade AAS digest (method GOA03_AAS) was completed on samples above detection limits of 1% for Cu, Pb, Zn, As and Sb, above

Criteria	Commentary
	100ppm for Ag, above 25% for Fe. • Any sulphur values above DL of 20% by ICP were re-assayed by total sulphur (method MET_LECO_S01) by combustion furnace. • Samples, which returned Cu values of > 0.4% have also been analysed for cyanide soluble and acid soluble amounts of Cu, Zn and Fe by sequential leach (method MET_CU_DG3A & MET_SOLN_AAS). • PLM and FND programs have included the inclusion of certified standards (~1 in 20 or 25). • The accuracy of the FND sulphide assays was monitored using high, mid and low grade (Cu) standards (range 3.82%, 1.53%, 0.51%) as well as blanks at rate of 1 in 50. Gold standards have been used (range 0.51 to 1.43g/t) for barite material more recently. • Standards from the current FND program have returned acceptable values.
Verification of sampling and assaying	• Duplicate samples, reject pulps and the remaining half core, were originally stored on site for the PLM work, but are no longer available. Hardcopy reports are available from some of the drilling, and data from the reports has been entered in the Company database. • All FND data is initially recorded on paper log sheets retained on site. These are manually entered into the Company database, which is backed up daily. Checking of the manual entries is routinely completed. • Duplicates field samples by FND have been taken at rate of 1 in 20. The Cu results show some scatter locally, especially at higher grades, but the Au results show good correlation. • Eight (8) historical PLM NQ diamond drill holes have been twinned with HQ3 diamond by FND to verify results and compare the grades from the different core sizes, for (MED009,021,024,042,059,063,065,070). Assay information is only available for five (5) of these. There is good correlation on intercept widths, and in general on overall interval grades for gold, with silver results more scattered. Not all PLM holes intersected sulphide, and those that did, finished in it. Where twin data is available, the relevant intervals in MED024/twin PTD004 and MED021/twin PTD006 returned overall copper assays within 5% of each other. The copper values returned from PTD005 were ~ 40% higher than those from MED070 over a similar interval. • Three (3) of the new HQ diamond holes (PTD002, 004, 012) have been twinned with RC holes (PTR013, 014 & 006) respectively to assess any drill methodology bias. Assays are available for 2 of these, which also twinned historical PLM holes (MED065 & 024). Results from PTR013 were ~ 25% higher for copper, and 10% higher for gold in the sulphide than PTD002, whilst MED065 finished above the sulphide. The gold only barite results from PTD002 and PTR013 were comparable but ~25% less than in historical hole MED065. Results from PTD004 were ~ 2% higher overall for copper and 18 % lower for gold than PTR014 in the sulphide over similar intervals and ~3.5% lower for copper and 33% higher for gold than MED024 over comparable interval. An additional 4 holes are planned in the next quarter to explore these variations. • A further three (3) RC holes by FND have also twinned with RC holes to assess repeatability. Results have only been received for 1 of these to date, PTR004/005. The upper and lower portions of both holes compare reasonably well, with overall variations in copper of < 5% and gold < 10% for the intervals of interest. In the middle of the hole there are some isolated values which have not yet been explained. • Thirteen (13) PLM holes have been re-drilled with RC because no original assays could be located for MED010,028-032,034,041,080-081, although significant intercept tables have been found. Many of the historic holes terminated in or above the potential copper mineralization. Assays are not yet available for the re-drills, but when received, they will be compared with the historic intercept tables.

Criteria	Commentary
Location of data points	• Historical coordinates are available from all the PLM work, with work ongoing to verify coordinate data as some inconsistencies have recently been noted compared to the datum used at mine. No downhole survey data is available from any of the PLM holes. • Collar and other general survey work by FND were completed using a total station to an accuracy of 2mm. • Drilling by both FND and PLM used a local mine grid that is rotated approximately 30° to the west of true north. All data is subsequently transformed into UTM WGS-84, Zone 52S for resource estimation and mine planning purposes. • Downhole surveys were completed by FND with a Proshot camera at 30m intervals for 19 (PTD), 42 (PTR), 5 (BMR) and 1(BMD) hole. Dip and azimuth variation down hole averages < 2.0 degrees per 100m and similarly for inclined holes due to the relatively shallow nature of the drilling. These deviations are trivial and indicate that dips and azimuths at the collar used at the end of hole for unsurveyed holes will result in insignificant errors.
Data spacing and distribution	• The area has been drilled as part of the current work by FND to a nominal 50m x 50m hole spacing, reducing to 50m x 25m over shallow sulphide material and locally barite material. • Previous drilling by PLM, largely over known barite in the south, was conducted on a nominal 25m x 25m pattern. • The sampling intervals are 1m and constrained by geological domain boundaries. In sulphide and barite these intervals are sent directly for assay. In the altered footwall and unaltered cover sequences the 1m samples are composited to 2m and 5m respectively.
Orientation of data in relation to geological structure	• Interpreted mineralization strikes in a north westerly direction and is comprised of a copper-rich massive sulphide body, locally overlain by gold-silver rich barite. These units dip shallowly to the north/northwest and plunge slightly to the east/northeast. • Vertical drilling by both PLM and FND has been completed on local grid sections orientated perpendicular to the interpreted strike of the shallow dipping mineralization. Only 2 angled holes have been completed to date, including 1 by FND.
Sample security	• Bagged FND drill samples have generally been packed into wooden boxes and shipped on the Company boat to Kupang (West Timor) where the samples have been crushed and split, prior to sending pulps to Jakarta for final assay analysis.
Audits or reviews	• No audits have yet been completed on the new drilling data by FND, but the drilling, logging and sampling methods utilised are based on methods reviewed previously by external consultants for the adjacent mine area, and in-house company standards.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	The Wetar Copper Project (FND ~74%) is a fully permitted and operational mine and SX-EW treatment facility located on Wetar Island, part of the Maluku Barat Daya Regency (MBD), in the Maluku Province of the Republic of Indonesia. Key permits are listed below. • IUP Exploitation 543-124 Tahun 2011 and PMA adjustment to 543-124 Tahun 2011 for copper, 2,733Ha expiry 9/6/2031, held by PT Batutua Kharisma Permai (BKP), a subsidiary of FND. • AMDAL environmental permit for life of mine granted April 2010. • Forestry permit (Pinjam Pakai) Number SK478/Menhut II/2013) for 134.63Ha valid to December 2031.
Exploration done by other parties	• Extensive exploration including drilling and mining was carried out during the period 1990-1997 by PT Prima Lirang Mining (PLM), a subsidiary of Billiton at Kali Kuning and Lerokis. The gold/precious metals exploration, mining and processing activities were rehabilitated at the completion of processing. • At Partolang and Barumanu, exploratory drilling was completed by PLM. Informal resource estimates were also undertaken in-house for the barite and sulphides at Partolang, where present. • Preliminary scoping studies were undertaken on the informal gold resource at Partolang, but no mining was completed.
Geology	• Wetar Island is composed of Neogene volcanic rocks and minor oceanic sediments and forms part of the Inner Banda Arc. The island preserves ~4.7 million year old precious metal-rich volcanogenic massive sulphide and barite deposits. • The polymetallic massive sulphides are dominated by pyrite, with minor chalcopyrite that are cut by late fractures infilled with copper minerals (covellite, chalcocite, tennantite–tetrahedrite, enargite and rare bornite). Barite orebodies are developed on the flanks and can locally overly the massive sulphides. • Sulphide mounds showing talus textures are localised onto faults, which provided the main pathways for high-temperature hydrothermal fluids and the development of associated stockworks. • Known orebodies are closely associated with quartz-porphyry dacites which occur within the basalts/andesites and are surrounded by widespread propylitic and argillic alteration haloes. Hydrothermal alteration around the various orebodies is zoned and dominated by illite–kaolinite–smectite with local alunite and pyrophyllite. • The sulphide mounds and related barite bodies were covered and preserved by post-mineralization chert, gypsum, limestone, lahars, subaqueous debris flows, volcaniclastic rocks and locally fresh dacitic lava flows in the Partolang and Barumanu areas. • Gold-silver mineralization occurs predominantly within the barite units, comprised of friable sands and tuffs, which are strongly ferruginised locally. • The economic copper mineralization occurs predominantly within coherent massive sulphide units with some minor lower grade material occurring within intensely altered andesitic and dacitic tuffs in the footwall and lateral extent of the massive sulphides. • The contact between the massive sulphides, barite, footwall and hangingwall units is generally quite sharp.
Drill hole Information	• New FND drill hole location and directional information is provided in this report. • Hole locations from the historic PLM work are shown in the diagrams.
Data aggregation methods	• FND exploration results are reported to a minimum cutoff grade of 0.4% Cu for sulphide zones and 0.5g/t Au, for barite Au-Ag zones, with an internal dilution of 2m maximum. No top cuts have been applied to this data.
Relationship between	• The mineralization at Partolang, generally dips shallowly to the north, and plunges

Criteria	Commentary
mineralization widths and intercept lengths	slightly to east, and as such the drilling has been vertical to date by both PLM and FND. Except for PTD005 (angled at 60), mineralization and intercept widths are generally indicative of the true deposit thickness.
Diagrams	• Photographs of the main sulphide ore types are included in this report, together with location plans for the prospects and completed drill holes. • Assay results have not yet been received for much of the drilling, but a representative long section, showing the main rock units and how these relate to the available assays is provided in this report.
Balanced reporting	• The geological reporting of the rock types is provided in the information. • All available significant results from the recent drilling by FND are provided in this report, which is considered balanced.
Other substantive exploration data	• Massive sulphides, ranging in thickness from 1m to 64m, have been intersected in most drill holes by FND which targeted the previously defined ground electromagnetic (EM) feature, however some of this sulphide is barren based on available assays. • Some 298 samples have been collected from new FND drill core (PTD001-017) for SG determination and submitted to the site Geoservices laboratory, for testing using water immersion methods, including 93 for MPY ore type, 14 for PBX2 ore type and 32 for barite material. SG values returned have been highly variable, ranging from 2.33-4.87 (MPY-average 4.02), 3.47-3.95 (PBX2-average 3.69) and 1.52-3.25 (BARITE UNITS-average 2.16). • Preliminary leach test results have been received for some of the assay intervals received to date. Interpretation of this data has just commenced, but the initial results are encouraging, suggesting that > 80% of the overall copper is leachable by either cyanide or sulphuric acid.
Further work	• Future work will be aimed at infilling and extending mineralization at depth and laterally, with the view to estimation of a maiden resource in March/April 2019. • Angled holes will be completed to better define fault geometries, and for geotechnical studies and some holes will also be completed for initial metallurgical test work.

Appendix 6 - Recent pictures of the Tujuh Bukit Gold Mine

Figure 1 – Open pit mining - Pit B West showing the starter pit in the foreground and cutback 2 behind.

Figure 2 – Aerial view of the Pit B East cutback 1 in foreground and Pit A in the background.

Figure 3 – Aerial view of Pit A with Pit B West in the background.

Figure 4 – Aerial view of Pit C and Pit C Sediment Sump.

Figure 5 – Aerial view of the Heap Leach Pad completed Lift 1 expansion and Lift 4 continuing.

Figure 6 – Boxcut with Exploration Decline and underground infrastructure facilities.

Figure 7 – OPP-2 crushing and agglomeration circuit and load out.

Figure 8 – ADR plant upgrade, CIC-2 installed.

Figure 9 – Camp expansion new accommodation.

Appendix 7 - Recent pictures of the Wetar Copper Project

Figure 1 – Kali Kuning pit as at late December with pit wall remediation works advancing.

Figure 2 – Kali Kuning Valley leach pads.

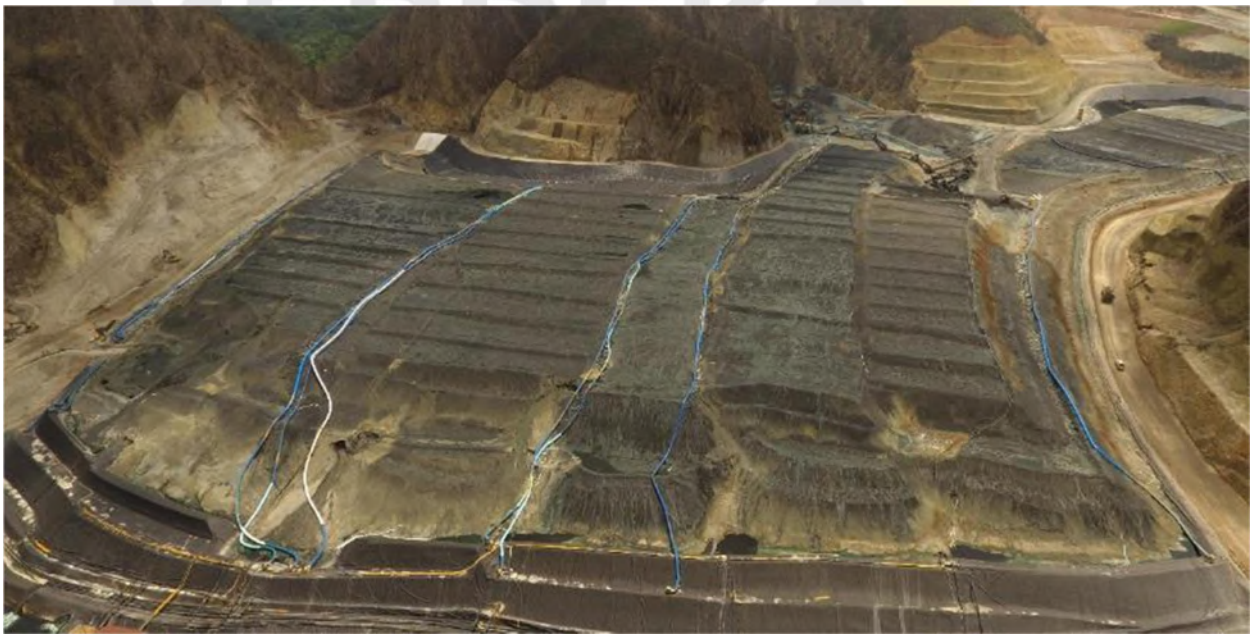


Figure 3 – Kali Kuning Valley leach pad KK06 extension progress.

Figure 4 – Photo showing progress at the new Lerokis Crushing Facility.

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About Merdeka Copper & Gold Tbk.

PT Merdeka Copper Gold Tbk. was established in 2012 as a holding company, with four subsidiaries, namely PT Bumi Suksesindo ("BSI") as the holder of the production operating permit for the Tujuh Bukit Mine, PT Damai Suksesindo ("DSI") which holds the adjacent exploration permit, PT Cinta Bumi Suksesindo ("CBS") and PT Beta Bumi Suksesindo ("BBSI")which are subsidiaries that may also engage in mining and minerals operations.

The Company's major assets are the Tujuh Bukit Mine, often referred to as the Tujuh Bukit Oxide Heap Leach Project, the Wetar Copper mined and the undeveloped Tujuh Bukit Copper Gold deposit..

The Tujuh Bukit Copper Gold deposit is one of the world's top ranked undeveloped porphyry copper and gold mineral resources, containing approximately 28 million ounces of gold and 19 billion pounds of copper. The operating Tujuh Bukit Mine is based on a near surface oxide gold silver deposit that contains a Mineral Resource of 2.45 million ounces of gold and 79 million ounces of silveri and associated Ore Reserves.

As a world-class Indonesian mining company, Merdeka is owned by prominent Indonesian shareholders including; PT Saratoga Investama Sedaya Tbk., PT Provident Capital Indonesia and Mr.Garibaldi Thohir. Merdeka's three major shareholders have exceptional track records in successfully identifying, building and operating multiple publicly listed companies in Indonesia.

[i] Refer Annual Statements of Mineral Resources and Ore Reserves on www.merdekacoppergold.com

Disclaimer

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