

19 May 2022

## **PT Merdeka Copper Gold Tbk successfully completes Pre-emptive Rights Issue, a 2 trillion Rupiah Bond Issue and a US\$300 million HLN Loan Agreement**

PT Merdeka Copper Gold Tbk (IDX: MDKA, “**Merdeka**” or the “**Company**”) is pleased to announce that it has successfully completed its pre-emptive rights issue (“**PRI**”) and a 2 trillion Rupiah Bond Issuance (“**Continuation Bond III Phase II**”) on 26 April 2022 and 28 April 2022, respectively. Both issues were significantly over subscribed. On top of that, PT Hampanan Logistik Nusantara (“**HLN**”), new Merdeka’s indirectly controlled subsidiary, successfully entered into a US\$300 million Single Currency Term Facility with ING Bank N.V., Singapore Branch (“**ING**”) and Barclays Bank PLC (“**Barclays**”) on 16 May 2022 (“**HLN Loan**”).

### **Pre-emptive Rights Issue**

In conjunction with the PRI, Hong Kong Brunp CATL Co. Ltd., an affiliate of Contemporary Amperex Technology Co., Limited (“**Brunp CATL**”) has also become a strategic investor with 5% shareholding in Merdeka. In addition to making this strategic investment, Brunp CATL and Merdeka intend to form a strategic partnership in Indonesia. The parties have entered into a memorandum of understanding (“**MoU**”) to engage in a “win-win” cooperation, focusing on the battery metals supply chain in Indonesia. Consequently, the Company completed the new shares issue of 1,205,999,956 through PRI with an exercise price of Rp2,830 and successfully raised Rp3.4 trillion (or equivalent to US\$235 million).

### **Continuation Bond III Phase II**

In addition, the Company successfully completed the issue of Continuation Bond III Phase II for a total amount of Rp2.0 trillion (or equivalent to ~US\$140 million) which offered in two series as follow:

- i. **Series A:** Bond principal amounting to Rp310,000,000,000 with coupon rate of 7.80% per annum for a three-year tenor; and
- ii. **Series B:** Bond principal amounting to Rp1,690,000,000,000 with coupon rate of 9.25% per annum for a five-year tenor.

The net proceeds of the bonds will be used (i) for full repayment of principal Merdeka’s Revolving Credit Facility of US\$100 million and (ii) to fund the capital expenditure for construction activities of the AIM Project.

The Company's national credit rating affirmed "A" from Pefindo. The rating was obtained for the proposed Shelf Registered Bond III Year 2022 of maximum Rp9 trillion. After the issuance of this Rp2.0 trillion IDR bond, there is an additional amount of Rp4.0 trillion that can be issued under the approved Shelf Registered Bond III Year 2022.

### **HLN Loan**

HLN, Merdeka's new indirectly controlled subsidiary, entered into a US\$300 million loan provided by ING and Barclays. The loan will be used, among other things, to finance for HLN's acquisition of its interest in PT J&P Indonesia ("JPI") and PT Jcorps Industri Mineral ("JIM") (<https://merdekacoppergold.com/download/mdka-march-2022-major-nickel-acquisition-2/>), funding the subscription of shares by JPI in PT Bukit Smelter Indonesia and PT Cahaya Smelter Indonesia, and for general working capital of the HLN's group companies. HLN also completed the acquisition of an increased stake in its two existing RKEF smelters and a stake in a new RKEF smelter currently under construction (<https://merdekacoppergold.com/download/mdka-may-2022-increased-stake-in-existing-rkefs-investment-in-new-rkefs/>). These acquisitions were completed using existing equity in HLN.

Simon Milroy, Vice President Director of Merdeka commented "We are pleased with the successful Rights Issue, the outcome of our Rupiah Bond issue and the US\$300 million loan raised by HLN. The strategic partnership with Brunp CATL in the battery metals supply chain will significantly strengthen Merdeka's focus and capability in the sector. We are delighted to contribute to the Indonesia capital markets and Merdeka plans to continue our Rupiah Bond program over the long-term. These equity and debt raisings strengthen Merdeka's financial position to deliver on its growth plans.

We are also pleased to complete the US\$300 million financing agreement in support of our Nickel Mining and Refining Assets. Merdeka's Nickel subsidiary has recently acquired an additional RKEF smelter in construction and increased its stake in its existing RKEF smelters. These acquisitions are a key part of Merdeka's move into the nickel industry in Indonesia. It is important to gain exposure to all parts of the value chain from the mining of the ore through the processing of the ore and eventually into production of the down-stream products."

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### **About PT Merdeka Copper Gold Tbk.**

PT Merdeka Copper Gold Tbk (“Merdeka”), a holding company with operating subsidiaries engaging in mining business activities, encompassing: (i) exploration; (ii) production of gold, silver, copper (and other related minerals); and (iii) mining services.

The Company’s major assets are the: (i) Tujuh Bukit Copper Project; (ii) Nickel Mining and Refining Assets; (iii) Pani Gold Project; (iv) Wetar / Morowali Acid Iron Metal Project; (v) Tujuh Bukit Gold Mine and; (vi) Wetar Copper Mine.

The Tujuh Bukit Copper Project deposit is one of the world’s top ranked undeveloped copper and gold mineral resources, containing approximately 8.2 million tonnes of copper and 28.6 million ounces of gold.

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.

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Refer to the Annual Statements of Mineral Resources and Ore Reserves on [www.merdekacoppergold.com](http://www.merdekacoppergold.com)