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PT Merdeka Copper Gold Tbk moves to 100% ownership of the Wetar Copper Mine

PT Merdeka Copper Gold Tbk (IDX: MDKA, “Merdeka” or the “Company”) is pleased to confirm that it has now completed its previously announced acquisition of the 22% interest in PT Batutua Tembaga Raya (“**BTR**”) from Posco International. Merdeka now owns 100% of BTR which owns and operates the Wetar Copper Project (“Wetar”).

BTR is a subsidiary of Merdeka engaged in the processing of ore to produce LME grade copper. BTR is also the owner of 70% of PT Batutua Kharisma Permai (“**BKP**”), which owns the mining license at Wetar Copper Mine, with the remaining 30% of BKP directly owned by Merdeka. Prior to the Acquisition, Merdeka’s effective economic ownership in BTR was 78%, with the remaining 22% being owned by Posco. As of result of the Acquisition, BTR is now a wholly-owned subsidiary of Merdeka.

Simon Milroy, Vice President Director of Merdeka states “We are pleased to have completed the transaction. Now that Merdeka own 100% of BTR, Merdeka plans to renew its focus on realising the potential of the Wetar Copper Mine, including accelerating the exploration program and fully integrating its operations with the Wetar/Morowali Acid Iron Metal (“**AIM**”) Project. “

WETAR COPPER MINE OVERVIEW

Wetar Copper is a copper mine located on Wetar Island, Maluku Barat Daya Regency, Maluku Province, Indonesia. Commercial production of Wetar Copper Mine started in 2010, consists of open pit mine, associated heap leach operation and solvent extraction-electrowinning (“**SX-EW**”) plant which produces copper metal.

As of 31 December 2020, reserves of Wetar Copper Mine were estimated at 7.8 million tonnes of ore at 1.4% Cu containing 108 thousand tonnes of copper with estimated mineral resource of 13.4 million tonnes of ore at 1.24% Cu containing 163 thousand tonnes of copper. The copper ore reserves do not include the Wetar heap leach pad working inventory of 7.8 Mt at 1.4% Cu containing 117 thousand tonnes of copper.

UPDATE ON WETAR OPERATIONS

Production has continued to ramp up in April and May with total copper produced in May of 1,900 tonnes. Leaching performance of the Partolang ore is performing as expected.

Figure 1: Copper cathode ready for shipment



During May a new agglomerator was commissioned for Wetar's largest crusher. This has been an important milestone to improving the reliability of future copper production at Wetar. Design of the Water Treatment Plant at Wetar is progressing as planned and construction is anticipated to commence in the third quarter.

Figure 2: Aerial view of ore crushing area at Wetar



INTEGRATION OF THE WETAR COPPER MINE WITH THE AIM PROJECT

The AIM Project will purchase high-grade pyrite (FeS_2) spent ore from the Wetar Copper Mine. The spent ore, which also contains copper, gold, silver and zinc, will be transported by barge from Wetar Island to the Indonesia Morowali Industrial Park (“**IMIP**”).

The initial pyrite feedstock for the AIM Project will be sourced from the existing leach pads at the Wetar Copper Mine which contain approximately 7.7 million tonnes (“**Mt**”) of ore which was mined and stacked on heap leach pads from the Kali Kuning and Lerokis open pits since 2015. Additional pyrite feedstock is available at the Partolang and Lerokis deposits. Considering all the open pit ore resources and the heap leach pads at Wetar, the overall pyrite inventory is currently estimated at 17.3 Mt.

The acquisition of 100% of the Wetar Copper Mine is an important step to allowing the development of a long term plan to optimise the combined Wetar and AIM projects and maximise the value of both projects to Merdeka.

WETAR EXPLORATION PROGRAM

With exploration upside at Wetar, Management expects the mine life of the Wetar Copper Mine and project life of AIM Project to be extended overtime.

Exploration aimed at finding additional copper resources near Partolang is planned during the remainder of the year, including further drilling and geological mapping of the western extension of the Partolang mineralisation at the Partolang Barat prospect (previously referred to as “**Barumanu**”).

This work is focused on the area previously defined by scout drilling (as reported in 2020) and will involve an accelerated reverse circulation and diamond drilling campaign in Partolang Barat, Partolang and the “**bridge**” area between the two deposits commencing in Q2 2021. The aim of this campaign is to:

- a) Upgrade areas of the Partolang resource which are within the current ultimate pit design but are currently classified as Inferred to Indicated resources for inclusion in Reserve calculations and pit optimisation.
- b) Drill out the Partolang Barat extension of the Partolang deposit so that a maiden Resource can be calculated.
- c) Define any mineralisation in the “**bridge**” zone between the Partolang and Partolang Barat deposits.

While this work progresses, target definition work will proceed on geophysical targets identified from the 2019 geophysical survey. Drilling is expected to then commence on these targets later in 2021. Merdeka is planning to invest US\$8 million in defining new copper resources at Wetar in 2021.

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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 current major assets are the: (i) Tujuh Bukit Copper Project; (ii) Pani Joint Venture; (iii) Wetar / Morowali Acid Iron Metal Project; (iv) Tujuh Bukit Gold Mine and; (v) 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 8.7 million tonnes of copper and 28 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.

Refer to the Annual Statements of Mineral Resources and Ore Reserves on www.merdekacoppergold.com