

## **DISCLOSURE OF INFORMATION TO SHAREHOLDERS OF PT MERDEKA COPPER GOLD TBK. (“COMPANY”)**

THIS DISCLOSURE OF INFORMATION TO SHAREHOLDERS IS PROVIDED BY THE COMPANY IN COMPLIANCE WITH THE PROVISIONS OF FINANCIAL SERVICE AUTHORITY (“OJK”) REGULATION NO. 17/POJK.04/2020 ON MATERIAL TRANSACTION AND CHANGE OF BUSINESS ACTIVITY (“OJK REGULATION 17/2020”) AND OJK REGULATION NO. 42/POJK.04/2020 ON AFFILIATED AND CONFLICT OF INTEREST TRANSACTIONS (“OJK REGULATION 42/2020”).

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY STATED THAT THE TRANSACTION IS A MATERIAL TRANSACTION WITH A TRANSACTION VALUE OF MORE THAN 20% BUT LESS THAN 50% OF THE EQUITY OF THE COMPANY AND THEREFORE, ONLY NEEDS TO FULFILL THE PROVISIONS AS REGULATED UNDER ARTICLE 6 PARAGRAPH (1) LETTER (a), LETTER (b), AND LETTER (c) OF OJK REGULATION 17/2020.

THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION MUST BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU HAVE ANY DIFFICULTY IN UNDERSTANDING THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION, PLEASE CONSULT WITH YOUR LEGAL ADVISOR, PUBLIC ACCOUNTANT, FINANCIAL ADVISOR, OR OTHER PROFESSIONALS.

THE BOARD OF DIRECTORS OF THE COMPANY PROVIDES THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION TO PROVIDE COMPLETE INFORMATION AND DESCRIPTION REGARDING THE TRANSACTION TO THE SHAREHOLDERS OF THE COMPANY AS PART OF THE COMPLIANCE OF THE COMPANY TO OJK REGULATION 17/2020 AND OJK REGULATION 42/2020.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY, SEVERALLY AND JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THAT THE INFORMATION IN THIS DISCLOSURE OF INFORMATION IS COMPLETE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION IN THIS DISCLOSURE OF INFORMATION IS CORRECT AND THAT THERE ARE NO MATERIAL AND RELEVANT FACTS OMITTED WHICH CAN CAUSE THE INFORMATION STATED HEREIN TO BE UNTRUE AND/OR MISLEADING.



**PT MERDEKA COPPER GOLD Tbk.**

### **Business Activities**

Mining of gold, silver, copper, and other associated minerals and mining services through its subsidiaries

**Domiciled in South Jakarta, Indonesia**

**Headquarter Office**

The Convergence Indonesia Building, 20<sup>th</sup> Floor  
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This Disclosure of Information  
is issued in Jakarta on 2 August 2022

## DEFINITIONS AND ABBREVIATIONS

**Disclosure of Information** means this Disclosure of Information to the Shareholders of the Company in compliance with the provisions of OJK Regulation 17/2020 and OJK Regulation 42/2020.

**Consolidated Financial Statements of the Company** means the Company's Interim Consolidated Financial Statements as of 31 March 2022 for the year ended on that date which has been limitedly reviewed by Public Accountant Tanubrata Sutanto Fahmi Bambang & Rekan.

**Minister** means the Minister of Law and Human Rights of the Republic of Indonesia.

**MBM** means PT Merdeka Battery Materials (formerly known as PT PT Hamparan Logistik Nusantara), a limited liability company duly established pursuant to the laws of the Republic of Indonesia, domiciled in South Jakarta.

**OJK** means the Financial Services Authority, an independent institution whose duties and authorities cover regulatory, supervisory, inspection, and investigation within the capital markets sector, insurance, pension funds, financial institutions, and other financial service bodies, as stipulated in Law No. 21 of 2011 dated 22 November 2011.

**Shareholders** mean shareholders of the Company.

**Agreement** means Amendment and Restatement Agreement relating to a Facility Agreement for Single Currency Term Facility effective as of 29 Juli 2022 entered by, among others, MBM as borrower, the Company as the new lender, ING Bank N.V., Singapore Branch and Barclays Bank PLC as mandated lead arrangers and existing lenders, ING Bank N.V., Singapore Branch as agent, Madison Pacific Pte. Limited. as security agent along with other related and supporting documents.

**Original Facility Agreement** means the Facility Agreement Single Currency Term Facility dated 16 May 2022 entered by, among other, MBM as the borrower, ING Bank N.V., Singapore Branch and Barclays Bank PLC as mandated lead arrangers and original lenders, ING Bank N.V., Singapore Branch as agent, Madison Pacific PTE. Limited., as security agent and the hedge counterparties.

**Company** means PT Merdeka Copper Gold Tbk., domiciled in South Jakarta, a publicly listed company whose shares are listed on the Indonesia Stock Exchange, which was duly established and organized under the laws of the Republic of Indonesia.

**Controlled Company** means any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 17/2020.

## INTRODUCTION

In compliance with OJK Regulation 17/2020 and OJK Regulation 42/2020, the Board of Directors of the Company announces this Disclosure of Information to provide information to the Shareholders of the Company that the Company, as the indirect shareholder of MBM, has signed the Agreement and other supporting documents with, among others, MBM which effective on 29 July 2022.

Based on the Agreement, the Company agree to provide loan funds with the total of the amount up to USD225,000,000 (two hundred twenty-five million United States of America Dollar) ("**Transaction**") in order for the Company to replace the position of original lenders for some part of the commitment of the

original lenders under the Original Facility Agreement as well as among others funding the general working capital of MBM's group ("**Purpose of the Transaction**").

In accordance with the provisions of Article 6 paragraph 1 of POJK 17/2020, the Transaction is a material and an affiliated transaction that is required to use an appraiser in determining the fairness of the Affiliated Transaction in which the disclosure of information of the Transaction must be announced to the public and notified to the OJK. The Company has received a fair result for the Transaction in accordance with the Appraisal Report from the Public Appraisal Service Office (*Kantor Jasa Penilai Publik* or "**KJPP**") Iskandar and Partners No. 00277/2.0118-00/BS/02/0596/1/VI/2022 dated 30 June 2022 on the Fairness Opinion Report of Proposed Transaction of Loan Provision to PT Hamparan Logistik Nusantara by PT Merdeka Copper Gold Tbk ("**Appraiser's Report**").

The Transaction has complied with the procedures set forth in Article 3 of OJK Regulation 42/2020 *juncto* Article 10 paragraph (1) of OJK Regulation 17/2020 and has been implemented in accordance with generally accepted business practices.

In accordance with Article 33 letter (a) of OJK Regulation 17/2020, since the Transaction is a material transaction which is also an affiliated transaction as stipulated in OJK Regulation 42/2020, the Company is only required to comply with the provisions as stipulated in OJK Regulation 17/2020.

Based on the above and in accordance with the applicable laws and regulations, especially OJK Regulation 17/2020 and OJK Regulation 42/2020, the Board of Directors of the Company hereby announces this Disclosure of Information is in accordance with the procedures for implementing material transactions with a transaction value of more than 20% (twenty percent) but less than 50% (fifty percent) of the equity of the Company and, therefore, in compliance with the provisions of Article 6 paragraph (1) letter (a), letter (b), and letter (c) and Article 17 of OJK Regulation 17/2020 with the purpose of providing information and a more complete description to the Shareholders regarding the Transaction.

## **TRANSACTION OF THE CONDITIONAL SHARES SUBSCRIPTION**

### **1. BACKGROUND AND BENEFIT OF THE TRANSACTION**

MBM, as a Controlled Company which shares are indirectly owned by the Company in the amount of 55.26% (fifty-five-point two six percent), is conducting business activities of holding company activities as well as other management consulting activities.

Moreover, the Transaction is conducted in order for MBM to be able to conduct payment required for the implementation of the Purpose of the Transaction.

### **2. NATURE OF THE TRANSACTION**

The value of the Transaction is USD225,000,000 (two hundred twenty-five million United States of America Dollar), which constitutes: (i) 25.13% (twenty-five point one three percent) of the total consolidated equity based on Interim Consolidated Financial Statements for period ended on 31 March 2022 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm; and (ii) 28.87% (twenty-eight point eight seven percent) of the total consolidated equity based on the Company's Annual Financial Statements for period ended on 31 December 2021 which was audited by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm. In this case, the Transaction is a material transaction, where the value of the Transaction exceeds 20% (twenty per cent) but is less than 50% (fifty per cent) of the equity of the Company as calculated based on the Consolidated Financial Statements of the Company.

Therefore, based on Article 6 paragraph (1) letter (a), letter (b), and letter (c) *juncto* Article 27 paragraphs (1) of OJK Regulation 17/2020, the Company must announce this Disclosure of Information regarding the Transaction to the public at least on the Company's website and the Indonesia Stock Exchange's website by no later than 2 (two) business days after the date of the Transaction and notify this Disclosure of Information and its supporting documents to the OJK.

## BRIEF DESCRIPTION OF THE TRANSACTION

### 1. TRANSACTION OBJECT AND VALUE

The details on the object and value of the Transaction are as follows:

Based on the Agreement, the Company agrees to provide loan funds with the total amount of up to USD225,000,000 (two hundred twenty-five million United States of America Dollar) ("**Commitment**") which will be utilized by MBM for the Purpose of the Transaction.

In relation to the provided Commitment, MBM will be imposed an interest rate in the amount of: (i) Compounded Reference Rate (as defined in the Agreement); and (ii) margin in the amount of 4.25% (four point two five percent) per annum. Moreover, the Company will be given additional margin in the amount of 2.50% (two point five zero percent) which will be applied only for the loan portion provided by the Company as well as shall be accumulated and paid by MBM on the final repayment date based on such Agreement (30 September 2026 or any other date as defined in the Agreement) ("**Maturity Date**").

#### **Guarantee/Security:**

Up until the date of this Information Disclosure, the Company will not be a beneficiary any of the security, guarantee, or other credit support which has been provided by MBM under the Agreement.

#### **Negative Covenant(s):**

During the term of the Agreement, MBM shall ensure that it will not conduct any prohibited matters under the Agreement, in which among others are:

- a. amend or modify its articles of association or other constitutional documents unless such amendment is not likely to have material adverse effect or is required by the prevailing laws and regulations;
- b. (a) create or permit to subsist any security over any of its assets (b) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by MBM or any other member of MBM; (c) sell, transfer or otherwise dispose of any of its receivables on recourse terms; (d) enter into or permit to subsist any title retention arrangement; (e) enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or (f) enter into or permit to subsist any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness or of financing the acquisition of an asset;
- c. enter into any amalgamation, demerger, merger or corporate reconstruction (including for the avoidance of doubt, any voluntary or solvent liquidation or reorganisation);

- d. acquire any company, business, assets or undertaking or make any investment, other than as permitted under the Agreement;
- e. enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any of respective assets of MBM and/or any of its group; and
- f. redeem, repurchase, defease, retire or repay any of its share capital or any warrants for the time being in issue or otherwise reduce its share capital or resolve to do so.

## 2. PARTIES INVOLVED IN THE TRANSACTION

### a. MBM

MBM, established under the name of PT Hamparan Logistik Nusantara, established pursuant to the Deed of Establishment No. 66 dated 20 August 2019, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta (“**Deed of Establishment of MBM**”), which has been ratified by Minister by virtue of its Decree No. 0041804.AH.01.01.TAHUN 2019 dated 22 August 2019.

The latest amendment of the Articles of Association of MBM is stated in the Deed of Statement of Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 46 dated 11 July 2022, drawn up before Humbert Lie, S.H., S.E., M.Kn, Notary in North Jakarta, which has been approved by Minister by virtue of Decree No. AHU-0048145.AH.01.02.TAHUN 2022 dated 12 July 2022 (“**Deed 46/2022**”).

MBM is domiciled at RDTX Tower 16<sup>th</sup> Floor, Karet Kuningan, Setiabudi, Jakarta Selatan 12950, DKI Jakarta.

According to Article 3 of MBM’s Articles of Association, the purposes and objectives of MBM are to engage in activities of holding companies and other management consulting activities.

To carry out the main business activities above, MBM may carry out the business activities as follows:

1. carrying out the business activities of holding companies, namely companies that control the assets of a group of subsidiary companies and the main activity is ownership of the group; and
2. carrying out business activities in providing advice, guidance, and business operations and other management organizational issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control. The provision of these business services may include advisory assistance, guidance and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and the like, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, providing advice and assistance for business and community services in planning, organizing, efficiency and control, information management and others. Including infrastructure investment study services.

### Capital Structure and Shareholders Composition of MBM

Pursuant to the Deed of Statement of Shareholders' Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 54 dated 17 May 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by Minister by virtue of Decree No. AHU-0033209.AH.01.02.TAHUN 2022 dated 17 May 2022 and notified to Minister by virtue of the Letter of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0237960 dated 17 May 2022 and Letter of Notification Receipt of Changes of Data No. AHU-01.03-0012843 dated 17 May 2022 ("**Deed 54/2022**") *juncto* Deed of Statement of Shareholders' Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 90 dated 29 June 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to Minister by virtue of the Letter of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0258408 dated 30 June 2022, MBM's capital structure and shareholding composition are as follows:

Authorized Capital : IDR20,000,000,000,000.00  
Issued Capital : IDR7,918,157,000,000.00  
Paid up Capital : IDR7,918,157,000,000.00

The authorized capital of MBM is divided into 20,000,000 shares each with a par value of IDR1,000,000. Thus, the shareholders' composition of MBM are as follows:

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
1.	PT Merdeka Energi Nusantara	4,375,584	4,375,584,000,000	55.3
2.	PT Prima Puncak Mulia	1,222,358	1,222,358,000,000	15.4
3.	Winato Kartono	679,628	679,628,000,000	8.6
4.	PT Prima Langit Nusantara	447,317	447,317,000,000	5.6
5.	Hardi Wijaya Liong	291,269	291,269,000,000	3.7
6.	Garibaldi Thohir	381,813	381,813,000,000	4.8
7.	Edwin Soeryadjaya	229,088	229,088,000,000	2.9
8.	Philip Suwardi Purnama	259,812	259,812,000,000	3.3
9.	Agus Superiadi	23,288	23,288,000,000	0.3
10.	Trifena	8,000	8,000,000,000	0.1
<b>Total</b>		<b>7,918,157</b>	<b>7,918,157,000,000</b>	<b>100</b>
<b>Shares in Portfolio</b>		<b>12,081,843</b>	<b>12,081,843,000,000</b>	

### Composition of the Board of Commissioners and Board of Directors of MBM

Based on Deed 54/2022, the composition of the Board of Directors and Board of Commissioners of MBM as of the issuance date of this Information Disclosure is as follows:

#### Board of Commissioners

President Commissioner : Simon James Milroy  
Commissioner : Albert Saputro  
Commissioner : David Thomas Fowler

### **Board of Directors**

President Director : Devin Antonio Ridwan  
Director : Andrew Phillip Starkey  
Director : Eko Widodo

#### **b. The Company**

The Company, established under the name of PT Merdeka Serasi Jaya, pursuant to the Deed of Establishment No. 2 dated 5 September 2012, made before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by the Minister by virtue of its Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, and has been published in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

The Company's Articles of Association has been amended several times most recently by Deed of Statement of Meeting Resolution on Amendment to Articles of Association No. 9 dated 12 May 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the Minister by virtue of the Letter of Notification Receipt of Amendment of the Articles of Association No. AHU-AH.01.03-0237201 dated 13 May 2022 ("**Deed 9/2022**").

The Company is domiciled at The Convergence Indonesia Building, 20<sup>th</sup> Floor, Rasuna Epicentrum Boulevard, Jl. HR. Rasuna Said, Karet Kuningan, Setiabudi, South Jakarta 12940, DKI Jakarta.

According to Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are as follows:

1. carrying out activities of holding companies where the main activity is ownership and/or control of assets of a group of subsidiary companies both domestic and overseas among others including but not limited to, those engaged in the mining sector; and
2. conducting other management consulting activities, to provide advice, guidance and business operations for various management functions, strategic and organizational scheming, human resources planning, practices and policies, management consulting of agronomist processing and agricultural economist including but not limited to mining, agriculture, and the like, design of accounting methods and procedures, cost accounting programs, budget control supervision procedures, providing advice and assistance to businesses and community services in planning, organizing, efficiency and control, management information, processing and tabulating all types of data covering all stages processing and writing reports from data provided by customers, or only part of the processing stages and others.

To carry out the main business activities above, the Company may carry out the business activities as follows:

1. providing funding and/or financing required by the companies in which the Company participates its equity, both directly and indirectly; and
2. providing funding and/or financing required by other companies in order to carry out the equity participation in such company or group companies or in the investment framework of any other assets in such company or group companies.



### Capital Structure and Shareholders Composition of the Company

Pursuant to Deed of Statement of Meeting Resolution of the Amendment of Articles of Association No. 69 dated 25 September 2019 made before Liestiani Wang, SH., M.Kn., Notary in South Jakarta which has been notified to the Minister based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0339775 dated 2 October 2019 *juncto* Deed 9/2022, the Company's capital structure and shareholding composition as of the date of this Information Disclosure are as follows:

Authorized Capital	:	IDR1,400,000,000,000
Issued Capital	:	IDR482,217,015,420
Paid up Capital	:	IDR482,217,015,420

The authorized capital of the Company is divided into 70,000,000,000 shares each with a par value of Rp20.

According to the Shareholders Register of the Company dated 30 June 2022 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

Description	Nominal Value of Rp20 per Shares		
	Number of Shares	Nominal Value (Rp)	(%)
A. Authorized Capital	70,000,000,000	1,400,000,000,000	
B. Issued and Paid up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,071,912,411	81,438,248,220	16.888
2) PT Mitra Daya Mustika	2,907,302,421	58,146,048,420	12.058
3) Garibaldi Thohir	1,948,831,357	38,976,627,140	8.083
4) PT Suwarna Arta Mandiri	1,347,254,738	26,945,094,760	5.588
5) Hongkong Brunp & Catl Co., Limited	1,205,542,539	24,110,850,780	5.000
6) Gavin Arnold Caudle	80,066,431	1,601,328,620	0.332
7) Hardi Wijaya Liong	69,276,728	1,385,534,560	0.287
8) Andrew Phillip Starkey	527,000	10,540,000	0.002
9) Albert Saputro	177,800	3,556,000	0.001
10) Simon James Milroy	521,403	10,428,060	0.002
11) Titien Supeno	88,900	1,778,000	0.000
12) Public (respectively under 5%)	12,472,399,443	249,447,988,860	51.729
Treasury Stock	6,949,600	138,992,000	0.029
Total of Issued and Fully Paid up Shares	<b>24,110,850,771</b>	<b>482,217,015,420</b>	<b>100.000</b>
C. Portofolio Shares	<b>45,889,149,229</b>	<b>917,782,984,580</b>	

### **Composition of the Board of Commissioners and Board of Directors of the Company**

Pursuant to Deed of Statement of Meeting Resolution No. 57 dated 10 June 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the Minister as reflected in the Letter of Notification Receipt of Change of the Company's Data No. AHU-AH.01.09.0022717 dated 16 June 2022, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this Information Disclosure are as follows:

#### **Board of Commissioners**

President Commissioner	: Edwin Soeryadjaya
Commissioner	: Garibaldi Thohir
Commissioner	: Tang Honghui
Commissioner	: Yoke Candra
Independent Commissioner	: Muhamad Munir
Independent Commissioner	: Budi Bowoleksono

#### **Board of Directors**

President Director	: Albert Saputro
Vice President Director	: Simon James Milroy
Director	: Gavin Arnold Caudle
Director	: Hardi Wijaya Liong
Director	: Andrew Phillip Starkey
Director	: David Thomas Fowler
Director	: Titien Supeno
Director	: Chrisanthus Supriyo

### **3. NATURE AND AFFILIATED RELATION**

The natures of the affiliation relationship between the Company and MBM are as follows:

- a. MBM is a Controlled Company of the Company with shares owned indirectly by the Company through PT Merdeka Energi Nusantara (formerly known as PT Batutua Tambang Abadi) in the amount of 55.26% (fifty-five point two six percent); and
- b. there are members of the Board of Commissioners and Board of Directors of MBM who also serve as members of the Board of Directors of the Company.

### **4. SUMMARY OF APPRAISER'S REPORT**

KJPP Iskandar and Partners have been appointed by the Company's Board of Directors as independent appraisers in accordance with the proposal letter/contract work agreement No. 100.7/IDR/DO.2/Pr-FO/VI/2022 dated 13 June 2022, has been requested to provide an assessment of and provide an opinion of the Transaction's fairness.

#### **Fairness Assessment Report on Transaction**

The following is a summary of the KJPP's fairness assessment on the Transaction as stated in its report No. 00277/2.0118-00/BS/02/0596/1/VI/2022 dated 30 June 2022 as follows:

##### **a. Transaction Parties**

The Transacting Parties are the Company and MBM in which the Company acts as the lender and MBM as the borrower.

b. Appraisal Object

The Appraisal Object is the proposed loan facility transaction to MBM (borrower) from the Company (lender) with the maximum amount of USD300,000,000.00 (three hundred million United States of America Dollar) with an interest rate maximum of SOFR + margin 6.75% (six point seven five percent) per annum.

c. Purpose and Objective of Appraisal

The purpose of the appraisal is to provide a fairness opinion on the proposed Transaction for the purpose of the proposed Transaction's implementation.

d. Assumptions and Main Limit Conditions

1. This Appraisal Report is a non-disclaimer opinion.
2. The appraiser has reviewed the documents used in the appraisal process.
3. The data and information obtained come from trustworthy sources.
4. The financial projection used is adjusted financial projection that reflects the fairness of the financial projections made by management with the ability to achieve (fiduciary duty), if the appraisal uses financial projections.
5. The appraiser is responsible for the implementation of appraisal and fairness of the financial projections.
6. This appraisal report is disclosed to the public, except for confidential information, which may affect the Company's operations.
7. The appraiser is responsible for this Appraisal Report and the conclusion of the final score.
8. The appraiser has obtained information on the legal status of the appraisal object from the assignor.
9. This opinion should be viewed as a whole and the use of any part of analysis and information without considering the entirety of information and analysis may cause a misleading view of the process where the opinion is based. The arrangement of this opinion is a complex process and may not be possible through incomplete analysis.
10. The Fairness Opinion is arranged by considering the market and economic conditions, general business and financial conditions, as well as government regulations on the issued date of this Opinion. This Fairness Opinion is only conducted upon the Transaction as described above.
11. The Fairness Opinion is prepared in accordance with the principle of information and data integrity. In arranging this Fairness Opinion, KJPP bases and is based on information and data as provided by the Company's management according to the nature of fairness is true, complete, reliable, and not misleading. KJPP does not carry out audits and compliance test in details upon the explanations and data provided by the Company's management, both verbally and in writing, and thus KJPP can not provide guarantees or be responsible for the correctness and completeness of the informations or explanations.
12. This Fairness Opinion is only arranged by considering the perspective of the Company's Shareholders and does not consider the viewpoints of other stakeholders and other aspects.

e. Approach and Methods

The fairness opinion is provided after conducting an analysis of:

- the value of the Transaction object;
- the financial impact from the Transaction which will be conducted toward the interest of the shareholders; and
- the business consideration used by the management of the company regarding the proposed Transaction which will be conducted in the interest of the shareholders.

In accordance with the scope of appraisal, the approach and methods used are as follows:

1. conducting Transaction analysis.
2. conducting a qualitative analysis of the Proposed Transaction.
3. conducting a quantitative analysis of the Proposed Transaction.
4. conducting an analysis of the fairness of the Transaction value.
5. conducting an analysis of other relevant factors.

f. Fairness Opinion on the Transaction

The amount of the object of Transaction in the form of a loan facility from the Company to MBM is able to be repaid on the maturity date, therefore it can be concluded that the amount of the object of the transaction is **fair**.

The analysis result on the interest rate from the Company, as the lender, which is imposed on MBM, for an investment loan is higher than the interest rate range in the market from bank(s) and for similar loan(s), therefore, it can be concluded that the interest rate of loan imposed by the Company to MBM is **fair**.

The analysis result of the financial impact from the Transaction that will be conducted is to increase consolidated earnings the profitability of the Company, on consolidated basis, hence it will increase the Company's profit, therefore it is aligned with the Company's interest..

In accordance with the conclusion of the analysis result above, KJPP is of the opinion that the Transaction is **fair** for the Company.

**5. EXPLANATION, CONSIDERATION, AND REASONING FOR THE TRANSACTION TO BE CONDUCTED AND THE EFFECT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION**

**Explanation, Consideration and Reasons for the Transaction (Including If the Transaction is Compared to Other Similar Transactions Which are Conducted with Unaffiliated Parties)**

By conducting the Transaction, the Company is able to provide a funding facility that will be utilized by MBM for the Purpose of the Transaction, hence MBM is able to conduct its business activities optimally and provide a positive impact to the Company as the indirect shareholder of MBM.

This Transaction has been conducted with arm's length value in accordance with the same terms and conditions if a similar transaction is carried out with an unaffiliated party and is in accordance with general business practices.

## The Effect of Transactions on the Company's Financial Condition

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 31 December 2021 before and after carrying out the Affiliated Transaction:

Description	Before Transaction	Adjustment	After Transaction
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash or cash equivalents	185.470.530	13.106.114	198.576.644
Trade receivables	592.526	98.956.553	99.549.079
Other receivables	5.212.746	4.276	5.217.022
Loan to related party - current portion	-	7.526.825	7.526.825
Inventories - current portion	131.417.430	101.151.125	232.568.555
Claims for tax refund	21.235.114	-	21.235.114
Advances and prepayments - current portion	18.890.103	21.187.027	40.077.130
Investment in equity instrument and other securities	47.065.590	-	47.065.590
Derivative financial instrument - current portion	1.431.005	-	1.431.005
<b>Total Current Assets</b>	<b>411.315.044</b>	<b>241.931.920</b>	<b>653.246.964</b>
<b>Non-Current Assets</b>			
Advances and prepayments - non-current portion	33.492.919	1.275.357	34.768.276
Advance of investment	80.160.000	347.713	80.507.713
Investment in shares	1.603.100	113.878	1.716.978
Loan to related party - non-current portion	8.734.448	60.718	8.795.166
Inventories - non-current portion	59.093.115	-	59.093.115
Prepaid taxes	10.828.539	51.382.053	62.210.592
Property, plant and equipments	298.216.345	598.251.022	896.467.367
Right-of-use assets	18.056.266	1.369.959	19.426.225
Mining properties	79.378.252	78.593	79.456.845
Exploration and evaluation assets	253.482.867	538.554.868	792.037.735
Deferred tax assets	14.482.810	20.767	14.503.577
Derivative financial instrument - non-current portion	4.713.456	-	4.713.456
Other non-current assets	5.035.498	2.957.446	7.992.944
<b>Total Non-Current Assets</b>	<b>867.277.615</b>	<b>1.194.412.375</b>	<b>2.061.689.990</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1.278.592.659</b>	<b>1.436.344.295</b>	<b>2.714.936.954</b>

<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade payables	29.609.241	23.054.702	52.663.943
Accrued expenses	29.190.451	627.431	29.817.882
Unearned revenue	5.468.036	-	5.468.036
Taxes payable	3.301.330	1.476.495	4.777.825
Other payable	19.618	166.682.728	166.702.346
Borrowings - current portion			
Shareholders Loan	-	23.927.341	23.927.341
Due to related parties	-	44.454.028	44.454.028
Bank loans	63.966.178	-	63.966.178
Bonds payable	143.555.673	21.687.421	165.243.094
Lease liabilities	22.061.962	426.079	22.488.041
Provision for mining rehabilitation - current portion	68.970	-	68.970
<b>Total Current Liabilities</b>	<b>297.241.459</b>	<b>282.336.225</b>	<b>579.577.684</b>
<b>Non-Current Liabilities</b>			
Borrowings - non-current portion			
Due to related parties	-	6.828.095	6.828.095
Bonds payable	126.288.054	118.231.426	244.519.480
Bank Loans	-	192.396.709	192.396.709
Lease liabilities	21.932.239	771.641	22.703.880
Deferred tax liabilities	699.533	337.622	1.037.155
Post-employment benefits liability - non-current portion	18.302.290	739.658	19.041.948
Provision for mining rehabilitation - non-current portion	34.718.787	-	34.718.787
<b>Total Non-Current Liabilities</b>	<b>201.940.903</b>	<b>319.305.151</b>	<b>521.246.054</b>
<b>TOTAL LIABILITIES</b>	<b>499.182.362</b>	<b>601.641.376</b>	<b>1.100.823.738</b>
<b>Equity</b>			
Share capital	36.112.298	1.687.421	37.799.719
Additional paid-in capital	454.779.498	236.769.687	691.549.185
Treasury stock	(113.972)	-	(113.972)
Cash flows hedging reserve	4.947.007	-	4.947.007
Transaction with non-controlling entities	-	623.232	623.232
Other equity components	35.480.390	-	35.480.390
Retained earnings	224.361.211	-	224.361.211
Non-controlling interests	23.843.865	595.622.577	619.466.442
<b>Total Equity</b>	<b>779.410.297</b>	<b>834.702.918</b>	<b>1.614.113.215</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1.278.592.659</b>	<b>1.436.344.294</b>	<b>2.714.936.953</b>

(\*) Expressed in US Dollars and refers to the Company's Interim Consolidated Financial Statements dated 31 December 2021.

## **BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS STATEMENTS**

1. This Disclosure of Information is complete and in accordance with the requirements regulated in OJK Regulation 17/2020.
2. The Transaction is a material transaction as referred to in OJK Regulation 17/2020 and an affiliated transaction nonetheless it does not contain a conflict of interest as referred to in OJK Regulation 42/2020.
3. The statement in this Disclosure of Information does not contain statements or information or facts that are not true or misleading and contains all material information or facts required for investors to make decisions in connection with the Transaction.

## ADDITIONAL INFORMATION

Shareholders who need additional information can contact the Company at the address:

**PT Merdeka Copper Gold Tbk.**

**Corporate Secretary**

The Convergence Indonesia Building, 20<sup>th</sup> floor

Jl. HR. Rasuna Said, Karet Kuningan, Setiabudi, Jakarta Selatan 12940

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