

**14 June 2021**

## **PT Merdeka Copper Gold Tbk Completes Successful Debt Refinancing**

PT Merdeka Copper Gold Tbk (IDX: MDKA, “Merdeka” or the “Company”) announced that the Company’s subsidiary, PT Bumi Suksesindo (“BSI”), has entered into a US\$ 100 million Secured Bullion Forward Hedge and Financing Transaction (“Prepayment Facility”) and Revolving Credit Facility (“RCF”) Agreement in the amount of US\$ 10 million (with an accordion option of up to US\$ 40 million) with ING Bank N.V., Singapore Branch (“ING”) on 10 June 2021.

BSI is the holder of the operation production mining business license for the Tujuh Bukit Gold Mine.

Simon Milroy, Vice President Director of Merdeka commented “We are pleased with this vote of confidence and support from ING, who have recognised the progress made to resume full production at the Tujuh Bukit Gold Mine and Merdeka’s future potential at Tujuh Bukit. This refinancing further strengthens our balance sheet, while enhancing our financial flexibility as Merdeka enters an exciting growth phase”.

### **TUJUH BUKIT PROJECT OVERVIEW**

The Tujuh Bukit (“TB”) Project, located in Banyuwangi Regency, East Java Province, comprises current gold and silver production from open pit heap-leaching operation, and the development of a world class copper gold resources TB Copper Project.

As of 31 December 2020, reserves of TB Gold Mine were estimated at 0.7 million ounces of gold and 29.4 million ounces of silver, with an estimated oxide mineral resources of 2.0 million ounces of gold and 77.8 million ounces of silver. The gold and silver ore reserves do not include the heap leach pad working inventory of 0.23 million ounces of gold and 9.2 million ounces of silver.

Located beneath the TB Gold Mine is the world-class TB Copper Project with estimated global inferred resources of 8.7 million tonnes of copper and 28.3 million ounces of gold. Up to 31 March 2021, Merdeka has invested US\$ 77 million to date on a Pre-feasibility study (“PFS”) program, which is planned for release in Q1 2022.

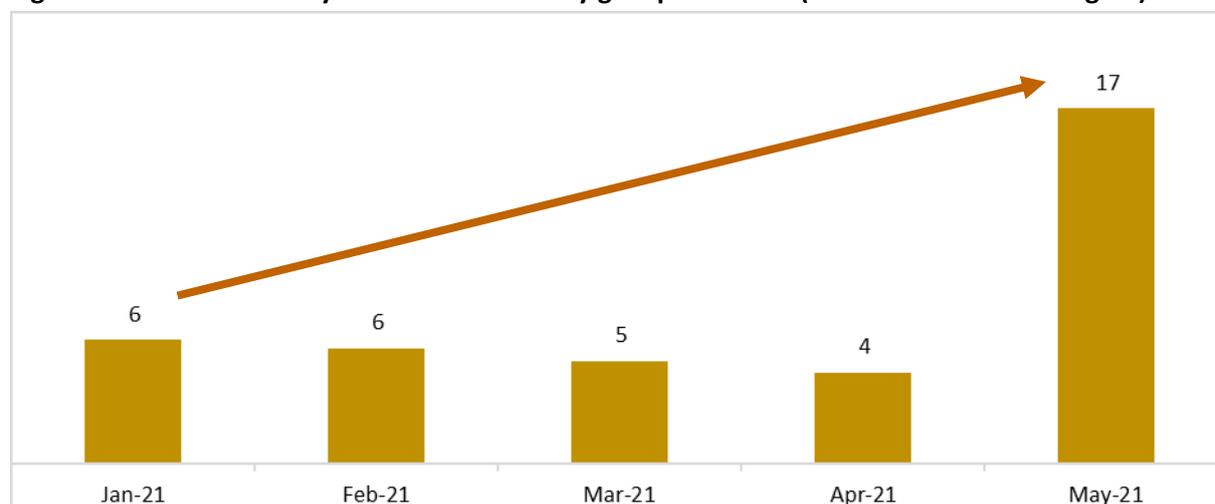
## UPDATE ON TUJUH BUKIT GOLD MINE OPERATIONS

Reinstatement of the heap leach pad has been progressing ahead of schedule, with full construction expected to be completed by end of Q2 2021 allowing normal operations to resume.

The gold production during the first four months of the year resulted from irrigation of the undamaged portion of pad B, which started on 31 December 2020. Subsequently, fresh ore stacking on the new liner on pad A commenced in April 2021 and this ore was irrigated in May 2021, resulting in a significant production increase.

The outlook for the full year 2021 remains on track at 100,000 to 120,000 ounces of gold production at an all-in sustaining cost (“AISC”) of US\$ 825 to 900 / ounces net of silver credits.

**Figure 1: Year to date May 2021 actual monthly gold production (in thousand ounces of gold)**



## COMPLETION OF FINANCING TRANSACTION

BSI has entered into new financing arrangement with ING Bank N.V., Singapore Branch (“ING”), with the signing of common terms agreement dated 10 June 2021 between (i) BSI as Borrower, (ii) ING as Arranger, Original Lender upon accession and Original Hedge Counterparty, (iii) The Hong Kong and Shanghai Banking Corporation Limited (“HSBC”) as Facility Agent and (iv) PT Bank HSBC Indonesia (“HSBC Indonesia”) as Security Agent.

The new financing arrangement comprises two secured credit facilities as follows:

- i. Secured Bullion Forward Hedge and Financing Transaction (“Prepayment Facility”) of US\$ 100 million; and
- ii. Revolving Credit Facility (“RCF”) of US\$ 10 million with an accordion option of up to US\$ 40 million.

The aforementioned facilities are obtained, among others, (i) to refinance BSI’s current indebtedness to the Company and (ii) fund BSI’s general corporate purposes in carrying out business activities.

The Prepayment Facility has an embedded derivative of gold price forward hedging. Therefore, a total of 54,069 ounces of gold will be delivered over 18 months from July 2021 to December 2022 (monthly gold delivery of 3,004 ounces) at an average forward price of US\$1,902/oz. The effective interest rate on the Prepayment Facility is 3.42%.

The RCF has a final repayment date of 365 days from drawdown, subject to extension options. Each extension option can extend the final repayment date by an additional period of 12 months, provided that only two extension requests may be issued by BSI. The rate of interest for each interest period is the aggregate of the applicable margin of 3.0% per annum plus LIBOR.

BSI has repaid its outstanding Senior Secured Facility of US\$ 85 million in May 2021.

## **DISCLAIMER**

This announcement may or may not contain certain “forward-looking statements”. All statements, other than statements of historical fact, which address activities, events or developments that Merdeka believes, expects or anticipates will or may occur in the future, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “targeting”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could”, or “might” occur or be achieved and other similar expressions. These forward-looking statements, including those with respect to permitting and development timetables, mineral grades, metallurgical recoveries, potential production reflect the current internal projections, expectations or beliefs of Merdeka based on information currently available to Merdeka. Statements in this document that are forward-looking and involve numerous risks and uncertainties that could cause actual results to differ materially from expected results are based on the Company’s current beliefs and assumptions regarding a large number of factors affecting its business. Actual results may differ materially from expected results. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Company’s analysis is based is complete or accurate, (iii) the Company’s analysis is correct or (iv) the Company’s strategy, which is based in part on this analysis, will be successful. Merdeka expressly disclaims any obligation to update or revise any such forward-looking statements.

## **NO REPRESENTATION, WARRANTY OR LIABILITY**

Whilst it is provided in good faith, no representation or warranty is made by Merdeka or any of its advisers, agents or employees as to the accuracy, completeness, currency or reasonableness of the information in this announcement or provided in connection with it, including the accuracy or attainability of any Forward Looking Statements set out in this announcement. Merdeka does not accept any responsibility to inform you of any matter arising or coming to Merdeka’s’ notice after the date of this announcement which may affect any matter referred to in this announcement. Any liability of Merdeka, its advisers, agents and employees to you or to any other person or entity arising out of this announcement including pursuant to common law, the Corporations Act 2001 and the Trade Practices Act 1974 or any other applicable law is, to the maximum extent permitted by law, expressly disclaimed and excluded.

## **DISTRIBUTION RESTRICTIONS**

The distribution of this announcement may be restricted by law in certain jurisdictions. Recipients and any other persons who come into possession of this announcement must inform themselves about and observe any such restrictions.

PT Merdeka Copper Gold Tbk  
The Convergence Indonesia 20th Floor  
Jl. H.R. Rasuna Said, Karet Kuningan, Setiabudi  
Jakarta 12940 - Indonesia



For further information please contact:

David Fowler (Director)  
PT Merdeka Copper Gold Tbk.  
The Convergence Indonesia 20th Floor  
Jl. H.R. Rasuna Said, Karet Kuningan, Setiabudi  
Jakarta 12940 - Indonesia  
T: +62 21 2988 0393  
E: [investor.relations@merdekacoppergold.com](mailto:investor.relations@merdekacoppergold.com)

### **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](http://www.merdekacoppergold.com)