PT Merdeka Copper and Gold Tbk.
IDX Code: MDKA

As at 30 June 2018

Capital structure
3,569,587,140 listed shares

Share price: IDR 3,500
Market capitalisation: US$ 867 m

Cash & bullion, debt
Cash and bullion: US$ 55 m
Restricted cash US$ 11.3 m
Senior Secured Loan facilities: US$ 114 m
Other loan facilities US$ 73 m

Board of Commissioners
Edwin Soeryadjaya (President)
Garibaldi Thohir (Commissioner)
Richard Bruce Ness (Independent Commissioner)
Dhohir Farisi (Independent Commissioner)

Board of Directors
Adi Adriansyah Sjoekri (President)
Colin Francis Moorhead (Vice President & CEO)
Gavin Arnold Caudle
Hardi Wijaya Liong
Michael W.P. Soeryadjaya
David Thomas Fowler
Rony N. Hendropriyono
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

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

1. **Tujuh Bukit Oxide Project delivers another strong, low cost, safe and sustainable production quarter.**
   - Gold production in the June quarter was 46,349 ounces at an All-in Sustaining Cost ("AISC") of US$ 374/oz.
   - Achieved 8.99 million hours lost time injury ("LTI") free with zero LTI's and no reportable environmental incidents during the quarter.
   - Full year gold production guidance remains unchanged at 155 koz to 170 koz at an AISC of US$ 550/oz to US$ 650/oz.
2. **Drilling at East Block of the porphyry project delivers world class copper gold intercepts and confirms cross strike continuity.**
   - Three deep directional drill holes into East Block returned 162 m @ 1.20 g/t Au and 0.99% Cu, 176 m @ 0.78 g/t Au and 0.63% Cu and 250 m @ 0.47 g/t Au and 0.72% Cu.
   - Development of the porphyry exploration decline continued and was at 206 m (total length at completion 1,990 m) at the end of June.
3. **Oxide Expansion Project to double installed capacity for ore crushing, stacking and processing to 8 million tonnes per annum is on schedule for completion by Q1 2019.**
4. **Merdeka increased its ownership of Eastern Field Developments Limited ("EFDL") from 33% to 99.9% effective 31 May 2018. EFDL owns 96.77% of Finders Resources Limited, whose 74% owned subsidiary controls the Wetar Copper project.**
5. **The Company's shareholders approved a plan to complete a rights issue, in two tranches, to raise US$ 146 million at a price of IDR 2,250 per share to repay debt and for working capital.**

Operations Summary

Mining and ore stacking during the June 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 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 deliver the highest available grades over the first three years of the mine life. Total estimated LOM production of 1.1 million recoverable ounces of gold and 4.7 million recoverable ounces of silver is planned over the remaining 8 years of mine life, bringing total LOM gold produced including 2017 production to 1.2 million ounces of gold.

First ore was placed under irrigation on the HLP in February 2017 with first gold production in March 2017. Thereafter, operations continued to ramp-up to full nameplate capacity which was achieved in Q3 2017. In June 2018, Kappes Cassidy & Associates (Australia), assessed leaching performance and found actual project-to-date gold and silver recoveries met predicted recoveries and are in line with 78% - 82% gold recoveries for oxide ores over the full 150-day leach cycle. During the June quarter, ore mining, crushing, agglomeration and heap leach pad activities continued at levels exceeding the 4 million dry tonnes nameplate annualised rate. Full year 2018 production guidance remains unchanged.

Table 1: Tujuh Bukit Mine – Key Production Statistics

	Unit	Mar Quarter 2018	Jun Quarter 2018	Year to Date 2018
Open Pit Mining				
Ore Mined	Tonnes	986,562	1,500,036	2,486,598
Waste Mined	Tonnes	1,626,048	2,340,723	3,966,771
Mined Gold Grade	Au g/t	1.48	1.68	1.60
Mined Silver Grade	Ag g/t	9.29	14.03	12.15
Contained Gold Metal	Au oz	47,021	81,073	128.094
Contained Silver Metal	Ag oz	294,660	676,447	971,107
ROM Stockpiles				
Ore	Tonnes	195,804	420,979	420,979
Gold Grade	Au g/t	1.22	0.87	0.87
Silver Grade	Ag g/t	4.77	5.96	5.96
Heap Leach Production				
Ore Crushed and Stacked	Tonnes	999,515	1,274,861	2,274,376
Gold Grade Stacked	Au g/t	1.49	1.88	1.71
Silver Grade Stacked	Ag g/t	9.31	15.27	12.65
Recovered Gold	Au oz	28,661	46,349	75,010
Recovered Silver	Ag oz	19,727	35,418	55,145

Mining

Ore mined for the quarter was 1,500 kt with waste mined of 2,341 kt. Total tonnes mined was 47% above the prior quarter and in line with the operational mine plan. Mining operations achieved total material movement of 3,910 kt that included rehandling of ore stockpiles during the quarter.

Processing

During the quarter, the OPP crushed 1,274 kt of ore at a gold grade of 1.88 g/t. The OPP continued to perform at above nameplate design throughput rates in the quarter. All material crushed and agglomerated was hauled and stacked onto the HLP, with hauled material containing 77 koz of gold. The HLP performed per design with project-to-date recoveries at the end of June in line with forecast leach recovery curves that indicate average gold recoveries of between 78% and 82% for oxide ores after the 150 day leach cycle. An independent review of leach pad performance was completed in the quarter which confirmed these recoveries. The ADR plant operated at full capacity during the quarter, while operation of the detoxification heavy metal precipitation circuit was stopped in early March due to dry weather conditions, with no discharge from the detoxification circuit during the second quarter. Precious metal production for the quarter was 46,349 ounces of gold and 35,418 ounces of silver.

Environmental, Safety and Social Performance

By the end of the June quarter Tujuh Bukit operations achieved a record of 8.99 million hours without a lost time injury, whilst the mine's total year to date recordable injury frequency rate per million hours worked was 0.98 at the end of June, with no recordable injuries during the quarter.

The workforce at the mine including all employees and contractors is currently 2,376 people, comprising over 99% Indonesian Nationals and less than 1% Expatriates. Of the workforce, 59% 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 works commenced on a project to repair some local roads near the mine site.

A total of 1,369 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 4.11 hectares was newly rehabilitated. Due to the dry season, the focus is on maintenance of previously planted seedlings and no new seedlings were planted this quarter.

Operational Cost Summary

The operational cost performance achieved during the June quarter continued to be in line with or better than internal forecasts.

The Cash Costs per tonne were lower than planned as a result of higher mining production rate and partly offset by higher reagent consumption.

The Cash Costs per ounce were US$ 254/oz and the All-in Sustaining Costs were US$ 374/oz.

The majority of the sustaining capital expenditure during the quarter related to the heap leach pad ILS booster pump upgrade, maintenance workshop relocation, and camp upgrade. Higher sustaining capital expenditure is expected in the next quarter related to the Oxide Expansion Project.

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

Tujuh Bukit	Unit	Mar Qtr 2018	Jun Qtr 2018	Unit	Mar Qtr 2018	Jun Qtr 2018
Mining costs	US$m	8.487	11.172	$/t	8.49	8.76
Processing costs	US$m	4.584	4.895	$/t	4.59	3.84
General & admin costs	US$m	2.391	3.751	$/t	2.39	2.79
Operating Cash Costs	**US$m**	**15.462**	**19.818**	**$/t**	**15.46**	**15.39**

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

Tujuh Bukit	Unit	Mar Qtr 2018	Jun Qtr 2018	Unit	Mar Qtr 2018	Jun Qtr 2018
Mining costs	US$m	8.487	11.172	$/oz	296	241
Processing costs	US$m	4.584	4.895	$/oz	160	106
General & admin costs	US$m	2.391	3.751	$/oz	83	81
Inventory movements	US$m	(2.810)	(7.750)	$/oz	(98)	(167)
Silver credits	US$m	(0.480)	(0.305)	$/oz	(17)	(7)
Cash Costs	**US$m**	**12.172**	**11.763**	**$/oz**	**424**	**254**
Royalties	US$m	2.783	1.407	$/oz	97	30
Post employment provision	US$m	-	-	$/oz	-	-
Total Cash Costs	**US$m**	**14.955**	**13.170**	**$/oz**	**521**	**284**
Capital works (sustaining)	US$m	3.301	3.819	$/oz	100	82
Reclamation & remediation	US$m	(0.099)	(0.068)	$/oz	(3)	(1)
Corporate costs	US$m	0.379	0.413	$/oz	13	9
All-in Sustaining Cost *	**US$m**	**24.186**	**17.334**	**$/oz**	**631**	**374**
All-in Costs	**US$m**	**34.226**	**32.595**	**$/oz**	**981**	**703**

Operating Outlook

Full year guidance for 2018 remains unchanged at 155,000 - 170,000 ounces of gold at an All-in Sustaining Cost of US$ 550 - US$ 650/oz net of silver credits.

Exploration and Development

Oxide Expansion Project ("OXP")

Design and construction works progressed well with completion of Pit A and Pit C mine haul roads, completion of Pit C sediment sump, replication of the existing Ore Preparation Plant, expansion of the HLP Stage 1B and 2B, debottlenecking and expansion of the existing ADR plant.

All design works are near complete with construction currently 6% ahead of schedule and on budget.

At completion of the current OXP works, the current 4 million tonnes per annum production capacity will increase to a maximum of eight million tonnes per annum of ore crushed to 75mm, 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 75mm at less than 8mtpa until pad geometry allows. It is anticipated that approximately 6.2 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 and will deliver an additional 350 koz (+37%) of gold and 2,650 koz (+95%) of silver over the 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")

Project works during the quarter included construction completion of above ground infrastructure services including compressor, water tank, fire pumps, mobile substation, vent fans, mono pumps and construction and certification of the underground magazine.

PT Macmahon Mining Services continued the construction of the 1,990 m Exploration Decline, progressing to the 206 metre mark with the decline anticipated completion date in mid 2019 dependent on ground conditions. Underground resource definition drilling is expected to commence in Q1 2019 and will include approximately 48,000 metres of drilling in stage-1.

During the quarter the deep directional drilling program reported previously was completed. This drilling from surface targeted the Eastern Block of the Upper High Grade Zone (UHGZ) and consisted of drilling a series of three low angle, shallow-dipping "daughter" drill holes to approximately 1,000 m depth off a parent hole.

All three daughter holes returned strong results (Table 4) confirming continuity of mineralisation across strike and down dip. Down hole separation was approximately 150 m and true width of mineralisation is approximately 150 m. These holes have provided critical information for the project including; three low angle cross strike intercepts confirming the true width and grade of the East Block, valuable geotechnical information with respect to the rock mass of the deposit and host rocks and samples for preliminary metallurgical test work currently in progress. This program will also inform design parameters for the substantial underground drilling program planned from the Exploration Decline in 2019. Figure 1 and 2 below shows a plan and cross section of the three holes completed.

Table 4: Significant copper gold intercepts within the East Block of the Upper High Grade Zone

Hole ID		Depth EOH	From	To	Interval	Au g/t	Ag ppm	Cu ppm	Cu %	Mo ppm	As ppm
GTD-17-645	"Daughter 1"	878.1	634	796	**162**	**1.20**	**0.72**	**9,865**	**0.99%**	**176**	**49.6**
GTD-18-645B	"Daughter 2"	1,007.0	692	868	**176**	**0.78**	**1.19**	**6,262**	**0.63%**	**165**	**189**
Including			*710*	*814*	*104*	*1.21*	*2.17*	*9,655*	0.97%	*260*	*288*
GTD-18-645C	"Daughter 3"	1,121.1	722	972	**250**	**0.47**	**0.69**	**7,200**	**0.72%**	**146**	**332**
Including			*742*	*866*	*124*	*0.67*	*1.16*	*10,085*	1.01%	*151*	*590*

Note - The broader extents of the composites are selected at a nominal grade boundary of 0.2% copper and or 0.2 g/t gold. Values have been rounded to the nearest significant figure. Top cuts have not been applied.

Figure 1: Plan view of the Upper High Grade Zone (-300 mRL) with completed drill holes and assay results

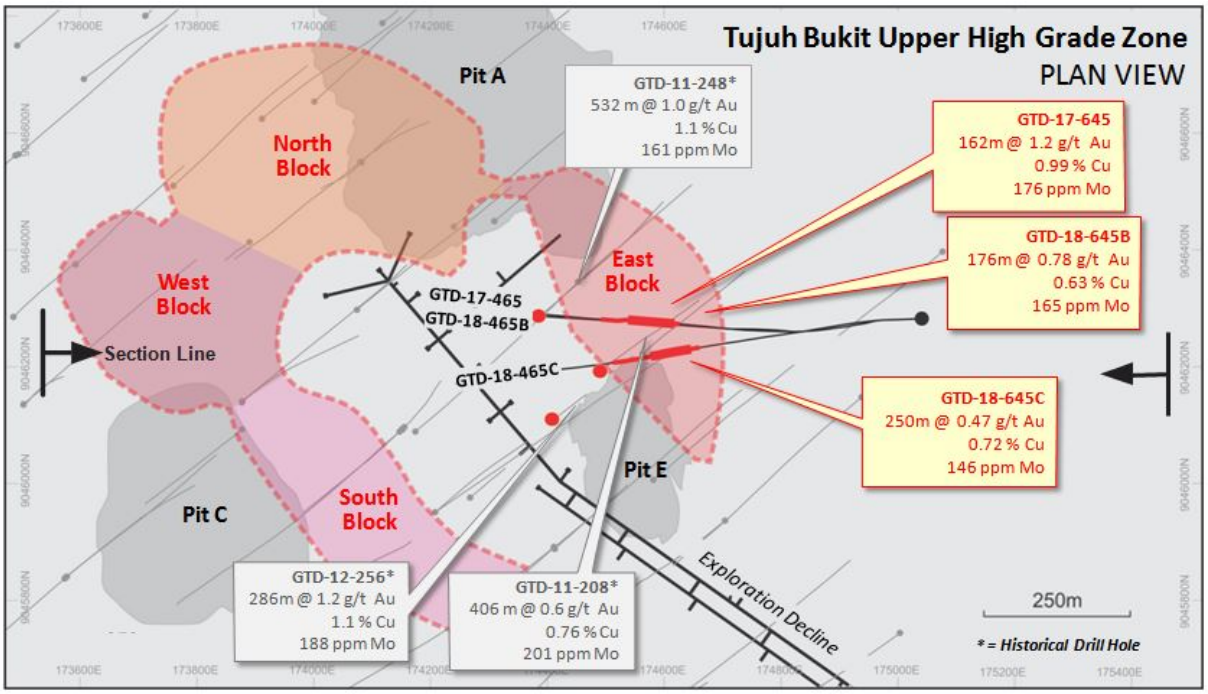
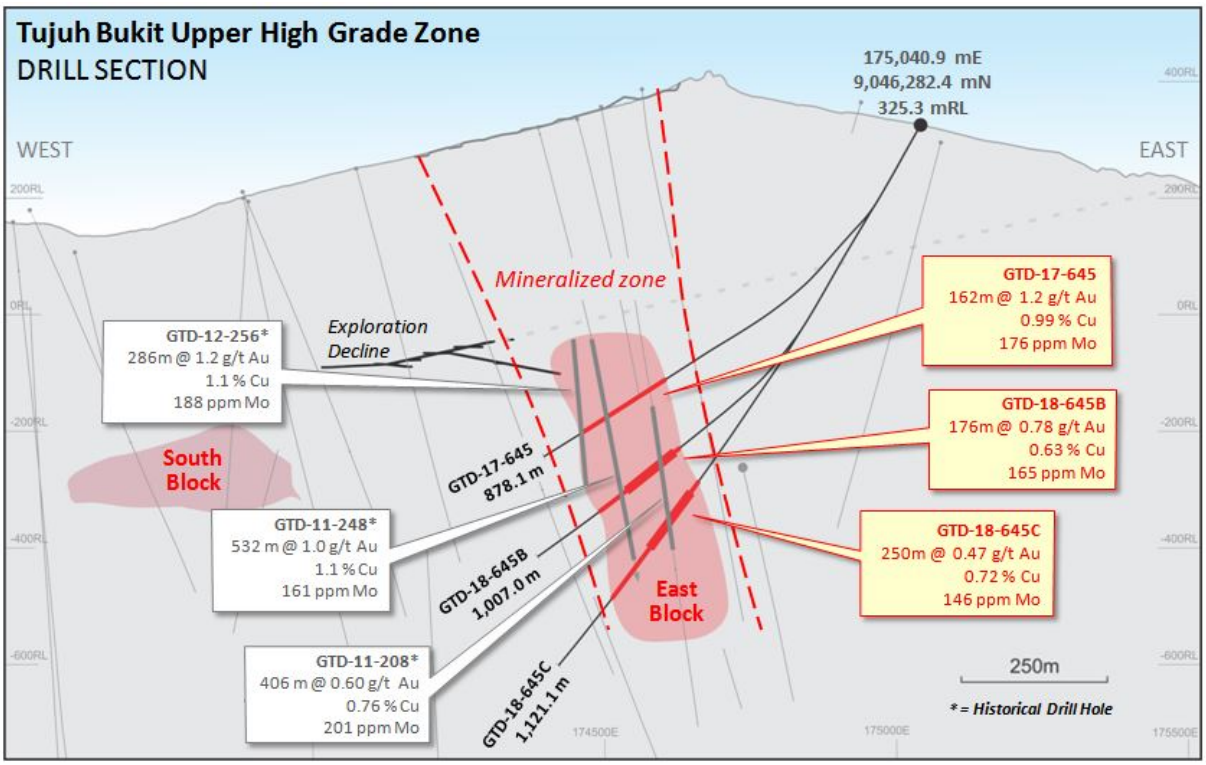


Figure 2: Cross section looking due north at the completed directional drilling program targeting the East Block of the Upper High Grade Zone



Finance and Corporate Development

Cash and Cash Equivalents

Cash and cash equivalents at 30 June 2018 were US$ 66 million including bullion on hand at a market value of US$ 26.6 million and restricted cash of US$ 11.3 million.

Capital Raising

The Company's shareholders approved a rights issue to existing shareholders at its Extraordinary General Meeting of Shareholders ("EGM") on 21 May 2018 ("Rights Issue"). The Rights Issue will result in 933,333,334 shares with a nominal value IDR 100 per share being issuing at a price of IDR 2,250 per share. The approved Rights Issue may be performed within 1 year from the date of EGM.

The first Rights Issue will be for 594,931,190 common shares ("New Share") or 14.29% of the issued and fully paid capital. This Rights Issue is expected to raise IDR 1,338,595,177,500 (US$ 93 million). Each shareholder who holds 6 (six) existing Shares as recorded on the Shareholder Register of the Company on 7 August 2018 shall be entitled to 1 (one) right to purchase 1 (one) New Share.

The proceeds of the Rights Issue, after deducting the issuance costs, will be used as follows:

- approximately US$ 20.2 million will be used by the Company to repay all of the Company's liabilities to PT Saratoga Investama Sedaya Tbk. ("Saratoga"), one of the Company's shareholders. This facility is the result of the transfer of EFDL loan granted by Saratoga to the Company which is used by EFDL to finance the bid on Finder acquisition including the additional costs incurred in connection with the acquisition.

- approximately US$ 19.1 will be used by the Company to repay all of the Company's liabilities to Provident Minerals Pte. Ltd ("Provident"), an affiliated party of the Company. This facility is the result of the transfer of EFDL loan granted by the Provident to the Company which is used by EFDL to finance the bid on Finder acquisition including the additional costs incurred in connection with the acquisition.

- approximately US$ 23.7 million will be used by the Company to repay all of the Company's liabilities to Pierfront Capital Mezzanine Fund Pte. Ltd. ("Pierfront"). The Company obtained this facility under the Facility Agreement dated 5 September 2016 which is used to finance the cost of overrun facility and / or investment objectives. This facility has LIBOR + 6.75% per annum interest rate which will mature 48 months since the first drawdown date in September 2016.

- approximately US$ 14,9 million (balance per 12 July 2018) will be used by the Company to repay all of the Company's liabilities to MDM, a Company associated with one of the Company's shareholders. The Company obtained this facility under a loan agreement dated 6 January 2014. Funds were used for operational and investment activities (such as land compensation, fixed assets purchase and construction). This facility has a fixed interest rate of 11.75% per annum.

- the remainder will be used by the Company and/or its Subsidiaries for working capital related to general and administrative expenses and finance charges.

The rights issue is expected to be completed by the end of August 2018.

Debt

On 19 February 2016, BSI entered into a Credit Facility Agreement amounted to US$ 130 million with Société Générale Asia Limited ("SocGen"), BNP Paribas ("BNPP") and The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). On 15 February 2018, BSI, entered into an amendment and restatement agreement relating to Credit Facility Agreement with SocGen, BNPP and HSBC. The lenders provided an addition to the term loan facility amounting to US$ 50 million. The expanded facility is to fund the oxide expansion project and for general working capital purposes

During the quarter, debt repayments of US$ 11.3 million were made. This included US$ 2.0 million to Pierfront Capital Mezzanine Fund Pte. Ltd and US$ 9.3 million in both mandatory and voluntary debt repayment. The debt service reserve account (DSRA) is fully funded at US$ 11.3 million. The second and third drawdown of US$ 23.3 million was drawn under the expended facility during the quarter.

The consolidation of EFDL effective 31 May 2018 results in the Acquisition Facility with Standard Bank being consolidated into Merdeka's group accounts. At 30 June the facility amounted to US$ 50 million.

Gold Sales and Hedging

A total of 28,258 ounces of gold and 19,290 ounces of silver were sold at an average price of US$ 1,307/oz and US$ 15.79/oz respectively for total revenue of US$ 37.3 million. Gold sales included the previous quarter's delayed out turns from the local gold refinery. During the quarter, 17,496 oz of gold were delivered into hedges at a price of US$ 1,201/oz resulting in a loss on hedging for the quarter of US$ 1.6 million.

Table 5: Gold Sales for June 2018 Quarter

Sales	Gold sold (Au)			Silver sold (Ag)			Total
	oz Au	US$/oz	US$m	oz Ag	US$/oz	US$m	US$m
Total sales	28,258	1,307	36.970	19,290	15.79	0.304	37.275

An additional 93,734 ounces of mandatory hedging was entered into as a result of the increase in the existing senior secured debt facility in the amount of $US 50 million.

Table 6: Details of Gold Hedge Profile as at June 30, 2018

Period	Existing Gold Hedged		New Gold Hedged		Total Gold Hedged	
	oz Au	US$/oz	oz Au	US$/oz	oz Au	US$/oz
6 months to 31 Dec 2018	32,778	1,201	664	1,350	33,442	1,204
2019	28,791	1,201	51,336	1,350	80,130	1,296
2020	6,777	1,201	41,733	1,350	48,509	1,329
Total sales	68,346	1,201	93,733	1,350	162,081	1,287

Takeover Bid for Finders Resources

During the quarter, Eastern Field Developments Limited ("Eastern Field"), a special purpose vehicle jointly owned by Merdeka, Procap Partners Limited (Provident) and PT Saratoga Investama Sedaya (IDX: SRTG), successfully completed a cash takeover bid for Finders Resources Limited ("Finders") (ASX: FND).

Merdeka increased its ownership of Eastern Field Developments Limited ("EFDL") from 33% to 99.9% effective 31 May 2018. EFDL owns 96.8% of Finders Resources Limited, which owns a 74% economic interest in and operates the Wetar Copper Project in eastern Indonesia.

Capital Structure

There were no shares issued during the quarter.

Table 7: Major Shareholders as at 30 June 2018

Shareholders	No. of shares	%
MITRA DAYA MUSTIKA, PT	588,540,000	16.49
PT. TRIMITRA KARYA JAYA	488,726,653	13.69
GARIBALDI THOHIR	287,851,940	8.06
MERDEKA MINING PARTNERS PTE. LTD.	245,906,250	6.89
PEMDA KABUPATEN BANYUWANGI	229,000,000	6.42
PT SARATOGA INVESTAMA SEDAYA TBK	226,480,228	6.34
MAYA MIRANDA AMBARSARI	197,671,500	5.54
PT SRIVIJAYA KAPITAL	162,360,000	4.55
ASIAN METALS MINING DEVELOPMENTS LIMITED	133,160,000	3.73
INDOAUST MINING LIMITED	114,782,857	3.22
Total Top 10 Shareholders	**2,674,479,428**	**74.92**
Others	895,107,712	25.08
Total shares on issue as 30 June 2018	**3,569,587,140**	**100.00**

Appendix 1 – Heap Leach Process & Estimated Recoverable Gold

The majority of gold 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 gold and silver in solution, known as the pregnant leach solution ("PLS") and the processing of that PLS in the gold processing plant, known as an Adsorption, Desorption and Recovery plant ("ADR") to produce gold doré product.

Due to the length of the leaching process (150 days for the Tujuh Bukit mine) not all contained gold within the ore mined, on a quarterly basis, is recovered into gold doré product in the same quarter. As such, each 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	Unit	Mar Qtr 2017	Jun Qtr 2018
Ore Stocks	Au oz	6,178	22,015	US$m	1.819	3.928
Metal in Stacked Ore *	Au oz	40,383	54,773	US$m	13.182	19.652
Metal in the ADR Plant	Au oz	5,556	6,997	US$m	1.503	1.560
Dore at the Refinery	Au oz	-	-	US$m	-	-
Bullion On Hand	Au oz	4,998	21,461	US$m	3.167	12,339

* 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.

Appendix 2 - Tenement Status (June 2018)

Category	Details
Company:	PT Bumi Suksesindo
Ownership:	Subsidiary
Type of Permit:	Mining Business Permit
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

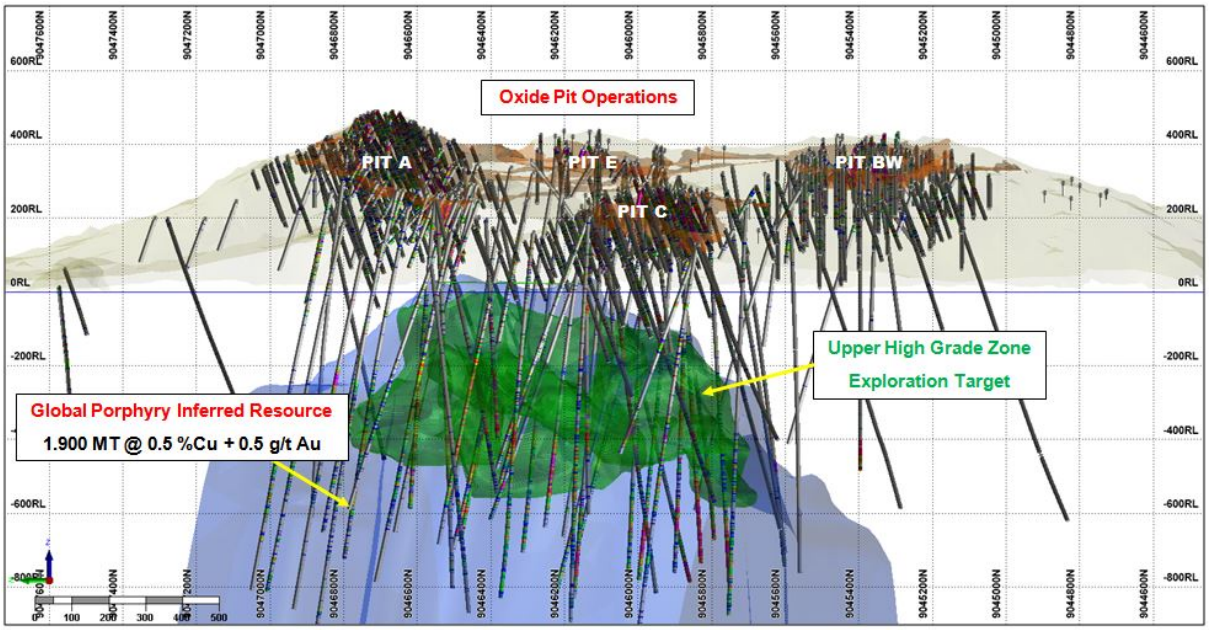
Category	Details
Company:	PT Bumi Suksesindo
Ownership:	Subsidiary
Type of Permit:	Forestry Borrow to Use Permit
Permit Number:	SK.812/Menhut-II/2014
Total Area:	194.72 ha
Location:	Banyuwangi
Date Issued:	September 25th, 2014
Permit Period:	Until January 25th, 2030

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

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 kilometer below sea level. An Upper High Grade Zone (UHGZ) 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.

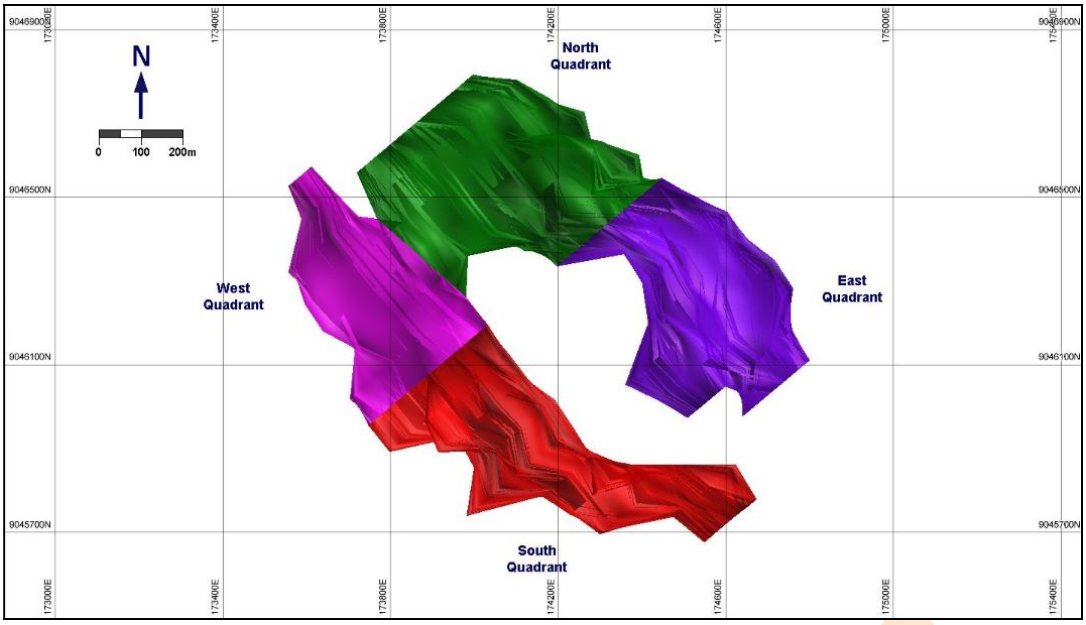
Figure 1: Long section looking due east at the Tujuh Bukit oxide and porphyry deposits[1]



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-mineralised 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.

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

Figure 2: Plan view of the UHGZ showing the four defined blocks or "quadrants"



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$ 40-$60 million.

Appendix 4 – Competent Person's Statement - Significant Results from the Tujuh Bukit Porphyry Project Surface Drilling Program

PT Merdeka Copper Gold Tbk ("the Company") is pleased to announce the following assay results from exploration drilling into the Upper High Grade Zone of the Tujuh Bukit Porphyry.

- Completed 2,300 metres directional drilling from surface into the Eastern Block of Upper High Grade Zone.
- Confirmed continuity of mineralisation over a vertical distance of over 300 metres and a true width of approximately 150 metres.
- Highlights of thee daughter holes include;

  - **GTD-17-645 : 162 m @ 1.20 g/t Au, 0.99% Cu and 176 ppm Mo**
  - **GTD-18-645B : 176 m @ 0.78 g/t Au, 0.63% Cu and 165 ppm Mo**
  - **GTD-18-645C : 250 m @ 0.47 g/t Au, 0.72% Cu and 146 ppm Mo**

During the June Quarter the Company completed drilling of three deep directional drill holes into the Eastern Block of the Upper High Grade Zone (for approximately 2,300 m).

This program comprised of drilling three "daughter holes" from surface which were designed to give low-angle intercepts testing both the vertical and cross-strike continuity of mineralisation in the central parts of the Eastern Quadrant.

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 successful completion of this program marks a significant milestone in the advancement of the Porphyry Project with three successive holes each intersecting strong and continuous zones of high-grade mineralisation with over 300 m of vertical separation between holes and a true width of approximately 150 m. This broad zone of copper-gold-molybdenum mineralisation is interpreted to be steeply dipping to the east (approximately 700) with a NNW strike, internal domain boundaries are well defined as are hangingwall and footwall contacts.

Selective samples are currently undergoing Mineral Liberation Analysis (MLA) and composite core samples have been sent to PT Geoservices in Jakarta for comminution and floatation test work.

Figure 1: Plan view of the Upper High Grade Zone (-300 mRL) with completed drill holes and assay results

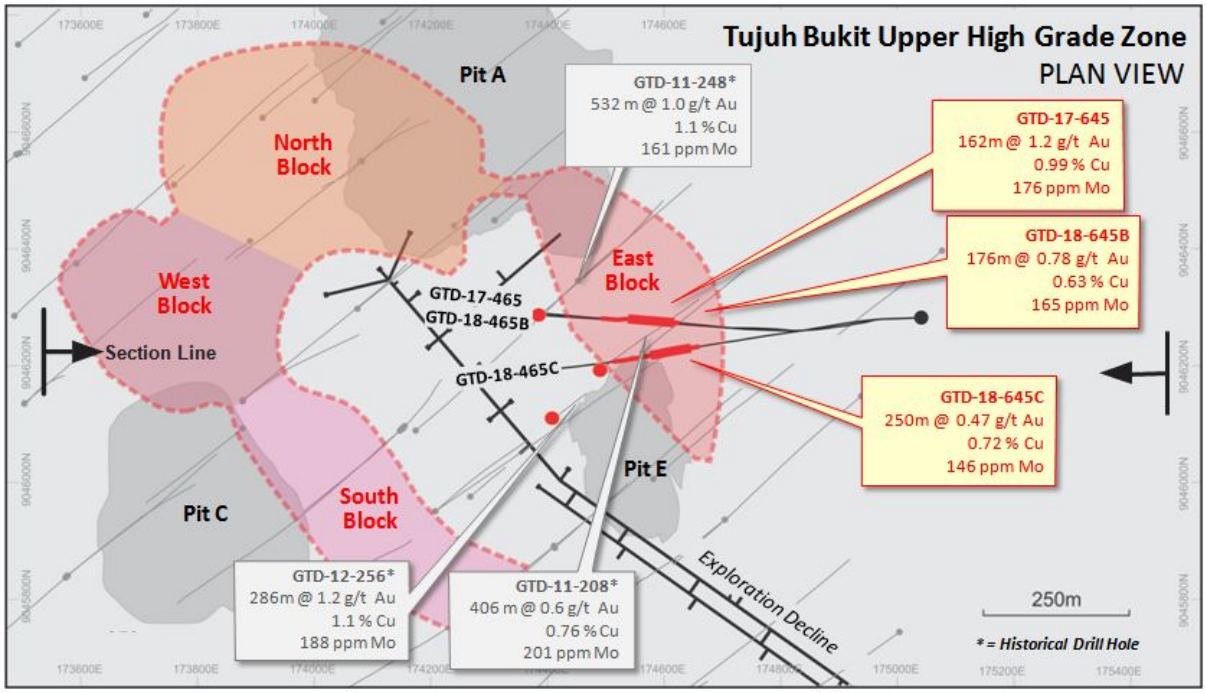


Figure 2: Cross section looking due north at the completed directional drilling program targeting the East Block of the Upper High Grade Zone

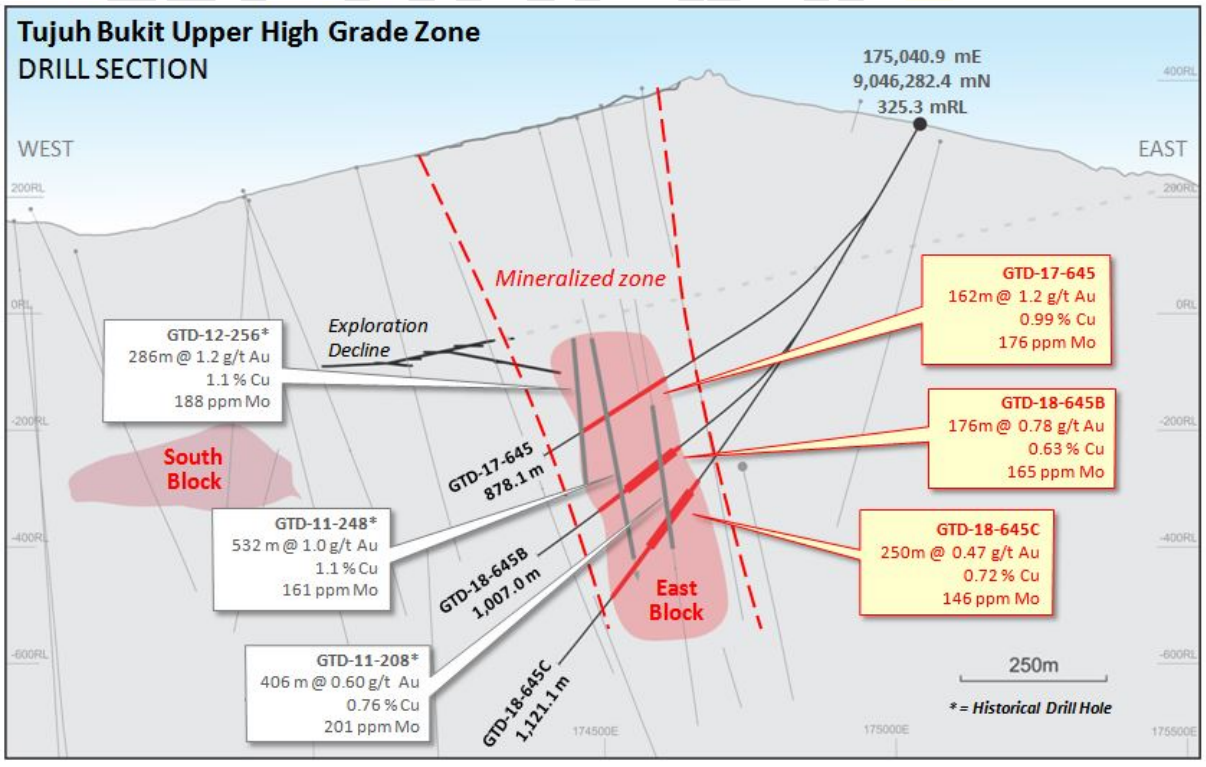


Table 1: Significant down hole drill intercepts within the East Block of Upper High Grade Zone

Hole ID		Depth EOH	From	To	Interval	Au g/t	Ag ppm
GTD-17-645	"Daughter 1"	878.1	634	796	**162**	**1.20**	**0.72**
GTD-18-645B	"Daughter 2"	1,007.0	692	868	**176**	**0.78**	**1.19**
Including			*710*	*814*	*104*	*1.21*	*2.17*

Note - The broader extents of the composites are selected at a nominal grade boundary of 0.2% copper and or 0.2 g/t gold. Values have been rounded to the nearest significant figure. Top cuts have not been applied.

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 (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 mineralisation 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.

JORC Code, 2012 Edition – Table 1 Report

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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 mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Cut drill core samples were collected at two (2) metre intervals. Core size sampled was HQ3 and NQ3, core recovery was recorded for every run, average recovery was 97%. 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 techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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, HQ3, and NQ3. 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*	• 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 was lost, generally around 5-10cm at the end of a run, this occurred mostly in the clay dominant

Criteria	JORC Code explanation	Commentary
	sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	ore domain. 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, mineralisation, 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 2,328m, 100% of core was logged. • Selective sampling is utilized only when barren cover rocks are intersected i.e. the upper sections on some holes in unmineralised volcanics. • 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 modeling.
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, labeled, 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 mineralisation. • 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 mineralisation shows a range from very fine to coarse grain size. Sample size (2m half core) and partial sample preparation protocols are considered appropriate for this style of mineralisation.

Criteria	JORC Code explanation	Commentary
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, spectrometers, handheld XRF instruments, etc., the parameters 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The bulk nature of the sample size (2m) and total and partial preparation procedures (total crush to P95 -2mm, 1.5kg split pulverized to P95 -200#) is considered appropriate for this style of mineralisation. 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 analyzed. • 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 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 a nominal 150 down hole. • Results reported have been composited, composite grades are mean grades with no top cuts applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible 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*	• Sampled drill holes were designed in plan and section to intersect mineralisation at a low angle of incidence. Structural and geological analyses indicate that controlling structures are NNW striking with a sub vertical to steep 70 degree east dip. • The orientation of samples retaliate to structural

Criteria	JORC Code explanation	Commentary
	have introduced a sampling bias, this should be assessed and reported if material.	controls is considered not to introduce a sampling bias. Significant down hole intervals are reported however these are greater than the true width of mineralisation which is estimated to be 150 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. 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 on sampling protocols and results.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• The Company via wholly owned subsidiary, PT BSI, owns the Mining Business License (IUP) for Operation and Production for the Tujuh Bukit Project and covers an area of 4,998 hectares. The IUP for Operation and Production is valid for an initial 20 (twenty) years and is extend-able by way of 2 (two) distinct 10 (ten) year options.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• A wholly owned subsidiary of PT BSI, namely PT Damai Suksesindo, holds an adjoining IUP Exploration covering an area of 6,558.46 hectares.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Tujuh Bukit project and surrounds has been explored since the early 1990's. The first "porphyry" intercept was in 2008 and since that time there has been a sharp increase in the rate of drilling and resource definition. Both oxide and porphyry projects were significantly advance during the period 2010 – 2012 by ASX listed Intrepid Mines Limited.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Tujuh Bukit is classified as a porphyry copper-gold-molybdenum deposit (sulphide) with an overlying high-level high-sulphidation epithermal gold-silver deposit (oxide). The deposit is located along the Sunda Banda Arc and is controlled by NNW trending arc transverse structures. • The upper levels of the porphyry represents an elliptical donut shaped area of high-grade Cu-Au-Mo mineralisation that sits within the carapace of Tujuh Bukit porphyry deposit where mineralisation is hosted within structurally controlled porphyry apophyses and breccias, which as the system has evolved have been enhanced and overprinted by

Criteria	JORC Code explanation	Commentary
		telescoped high-sulphidation epithermal copper-gold mineralisation. • The high-sulfidation mineralisation has been strongly oxidized near-surface.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	• Refer to Figure1, Figure 2, and Table 1.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• As all sample intervals are the same length (2m) the reported results are the average calculated over the composited interval with no top or bottom cut applied. To delineate the extents of the broader intercepts reported a nominal grade boundary of 0.2%Cu and or 0.2ppm Au was used. • Shorter high-grade aggregate intercepts were selected where a clear break/grade increase in the data was visible; this break coincides with interpreted domain boundaries where domains are identified by having different alteration styles. • Minerals equivalent vales are not used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• Refer to Figure 1 and Figure 2. • Mineralisation as reported within the Upper High Grade Zone East Block is interpreted to be dipping 70^{O} to the ENE. Drill hole declinations for the daughter holes through mineralized (GTD-17-645 Dec. -32^{O}, GTD-18-645B Dec. -38^{O}, GTD-18-645C Dec. $--53^{O}$) give a high angle incidence of 78^{O} - 57^{O} to the mineralized zone which has a true width of approximately 150m.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These*	• Refer to Figure 1 and Figure 2.

Criteria	JORC Code explanation	Commentary
	should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Refer to Figure 1, Figure 2, and Table 1.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Figure 1 and Figure 2 display historic drill holes intercepts as reported to the ASX in 2011 and 2012 by Intrepid Mines Ltd.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work to follow-up on reported result will take place in 2018-2019 for the company's exploration decline which is currently under construction. • Refer to Figure 1 and Figure 2.

Appendix 5 - 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 1 behind

Figure 2 – Aerial view of the Pit B East starter pit 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 haul road access

Figure 5 – Aerial view of the Heap Leach Pad showing Lift 1 through Lift 3

Figure 6 – Boxcut with Exploration Decline and underground infrastructure facilities

Figure 7 – OPP-2 bulk earthworks, slope stabilization and completion of the new workshop

Figure 8 – HLP Stage 1B & 2B nearing completion, final placement of LLDPE liner at Stage 2B

Figure 9 – ADR Plant upgrade, foundations for new CIC columns and Scavenging Plant

Figure 10 – Camp expansion

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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 and the undeveloped Tujuh Bukit Copper Gold deposit, both located in the Banyuwangi Regency, East Java, Indonesia, approximately 205 kilometres southeast of Surabaya, the Provincial Capital.

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

PT Merdeka Copper Gold Tbk (the "Company") make no representation or warranty (express or implied) as to the accuracy, reliability or completeness of the information. All statements in this document, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although the Company, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, future technical assessments for mine developments, variability of resources and reserve estimates, failure of plant and equipment or process performing as anticipated, time and receipt of environmental and other regulatory approvals, and general economic, market or business conditions. The Company and its directors, employees, agents, advisers and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (express or implied) arising out of, contained or derived from, or for any omissions from this document. The information disclosed relates to the proposed business of the Company at the date of this document. Neither the provision of this document nor any information contained in this document or subsequently communicated to any person in connection with this document is, or should be taken as, constituting the giving of investment advice to any person. By accepting this document, you acknowledge and agree to be bound by each of the foregoing statements.