



External Affairs

Thursday, 16 May 2019

PT Merdeka Copper Gold Tbk



Merdeka Copper Gold is a **national owned** mining company, managed by Indonesians at all levels of the organization.



PT Merdeka Copper Gold Tbk
Head Office (HO), Jakarta



PT Bumi Suksesindo
Tujuh Bukit Project, Banyuwangi



PT Batutua Kharisma Permai
PT Batutua Tembaga Raya
*Wetar Copper Project,
Maluku Barat Daya*

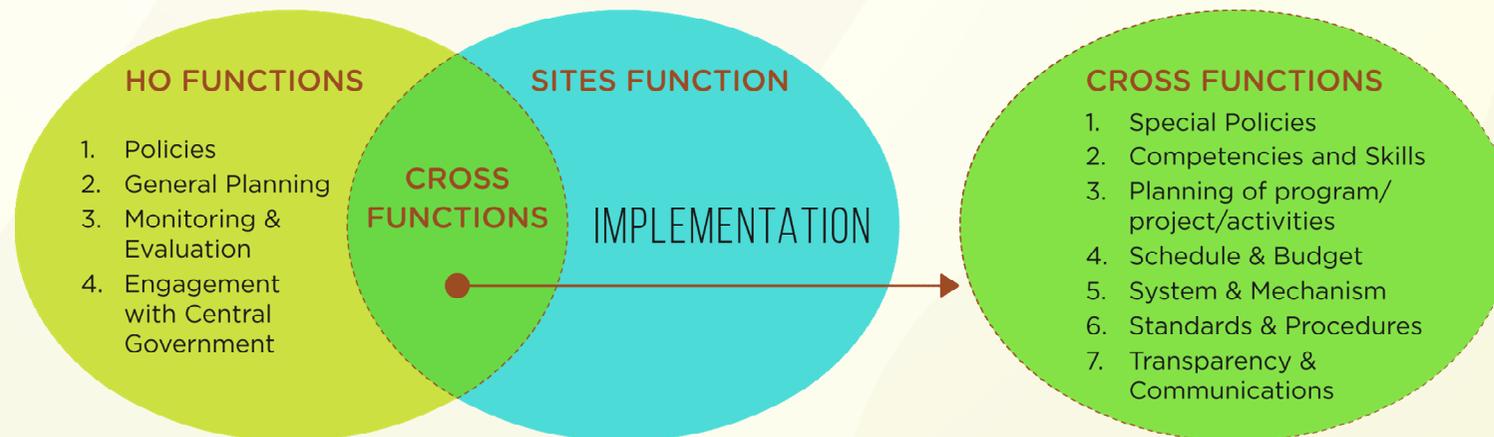
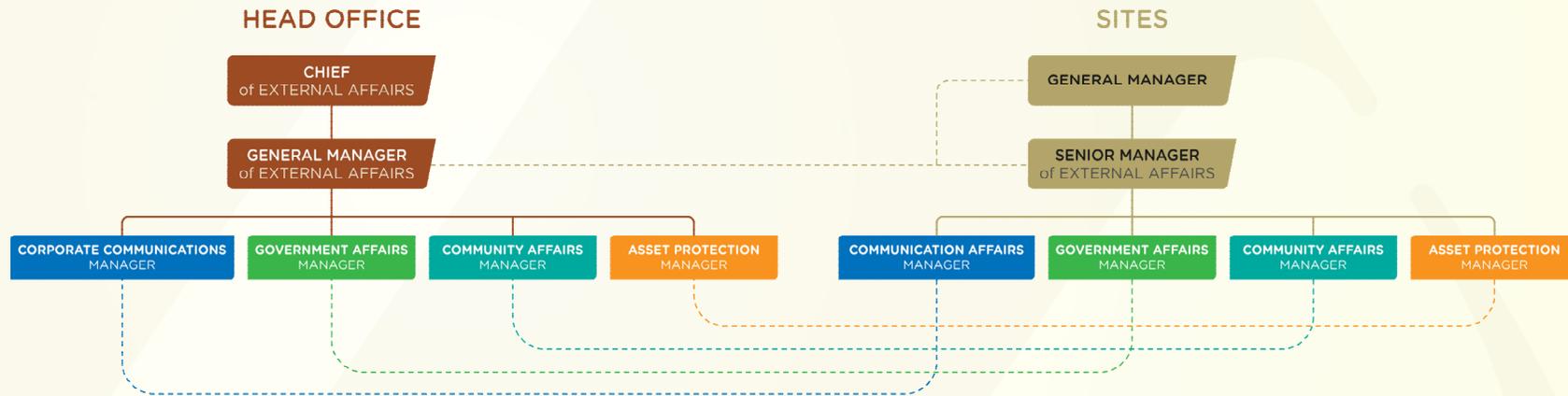
*“To be a mining company that promotes sustainable development
and environmental conservation”*

Division/Department External Affairs



- Manage nontechnical and social **issues**
- **Covering three diverse operations** around Indonesia with high cultural diversity, people, security risks, etc.
- **Develop relations, communicate, and engage** with stakeholders that are very broad and complex
- Working with Legal Division, **manage to comply** with all permits and licenses requirements (Central, Provincial, District level)
- Nurture good relationship with all stakeholders, to create **mutual positive benefits**

Head Office (HO) Function & Work with Sites



Communication Affairs



Mengomunikasikan Kebaikan
Menumbuhkan dan Memelihara Citra, Kredibilitas, dan Reputasi PT Merdeka Copper Gold Tbk

Rencana Komunikasi Strategis (Strategic Communication Plan) Januari-Desember 2019

Corporate Communications Desember 2018

Listen to Your Heart
1 out of every 4 Indonesians are at risk of dying prematurely of a Non-Communicable Disease

Tuesday, 19 March 2019
09:00 WIB
Cardiovascular Diseases

RAMADAN
Fit & Healthy During Ramadan

Tuesday, 30 April 2019
09:00 WIB

Corporate Communications (at MCG)/ Communications Affairs (at the site level) is to be responsible for communication into and out of the company, with the ultimate goal **to build a positive reputation** as a responsible mining company.

ENVIRO FOCUS
Hemat Listrik itu Bukan Sekedar Demi Kurangi Tagihan

Menyebutkan bahwa konservasi, bukan hanya untuk mengurangi tagihan listrik yang mahal, tetapi juga untuk melindungi lingkungan. Dengan mengurangi energi yang terbuang, kita dapat mengurangi dampak lingkungan yang buruk. Selain itu, konservasi energi juga dapat membantu mengurangi biaya operasional perusahaan.

Keberhasilan konservasi energi tidak hanya bergantung pada teknologi, tetapi juga pada kesadaran dan partisipasi seluruh karyawan. Dengan menerapkan prinsip-prinsip konservasi energi yang sederhana, kita dapat berkontribusi pada keberlanjutan perusahaan.

OHS FOCUS

Health
Masati Fatleue di saat Ramadhan

Safety
Incident Statistic W-18

Information
Pelebaran pabrik preparation zona jety di wharf check Life Saving Drills

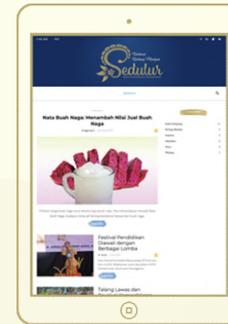
TUJUH BUKIT MINE TOUR

Alami perjalanan unik menyaksikan area pertambangan

Menyebutkan bahwa kunjungan ini bertujuan untuk meningkatkan pemahaman masyarakat tentang kegiatan pertambangan yang bertanggung jawab. Melalui kunjungan ini, pengunjung dapat melihat langsung proses pertambangan dari hulu ke hilir, serta memahami upaya perusahaan dalam menjaga keselamatan, kesehatan, dan lingkungan.

Sedulur
MENGOLAH Nata de Naga Menambah Nilai Jual Buah Naga

01... 07... 19... 22...



Community Affairs



Community Affairs works **to ensure good relationship between company and its stakeholders**, particularly around its mining operations, in an open and healthy interactions.

The team also responsible in the implementation of Corporate Social Responsibility (CSR) programs as a manifestation of company's commitment **to maximize its positive impact to the surrounding communities.**



Government Affairs



Government Affairs ensures the company comply with all permit requirements at national, regional, and local levels.



PT Bumi Suksesindo

Semua Administrasi & Umum Kesehatan Lingkungan Pertambangan & K3 Sarana & Prasarana

● Akta No. 27 tahun 2012: Pendirian Perusahaan PT BSI	Akta No. 27 tanggal
● Pengesahan Akta No. 27: Pendirian Perusahaan PT BSI	AHU-30968.AH.01.
● Akta No. 57 tahun 2016: Pernyataan Keputusan Sirkulair Pengganti RUPSLB	Akta No. 57 tanggal
● Akta No. 57: Pemberitahuan Perubahan AD Perseroan	AHU-AH.01.03-003
● Akta No. 57: Pemberitahuan Per... Perseutan Gubernur atas Akta Perubahan No. 57 tahun 2016	AHU-AH.01.03-003
● Akta No. 7 tahun 2017: Pernyataan Keputusan Sirkulair Pengganti RUPSLB	Akta No. 7 tanggal
● Akta No. 7: Pemberitahuan Per... Nomor 545/4012/119.2/2016	AHU-AH.01.03-015
● Akta No. 53 tahun 2017: Pernyataan Keputusan Sirkulair Pengganti RUPSLB	Akta No. 53 tanggal
● Akta No. 53: Pemberitahuan Per... Penerbit Gubernur Jawa Timur Tanggal Terbit 11 Agustus 2016	AHU-AH.01.03-016
● Akta No. 62 tahun 2018: Pernyataan Keputusan Sirkulair Pengganti RUPSLB	Akta No. 62 tanggal
● Akta No. 62: Pemberitahuan Per... Akhir Berlaku Tidak tercantum	AHU-AH.01.03-014
● Persetujuan Gubernur atas Akta Perubahan No. 57 tahun 2016	545/4012/119.2/2016
● Persetujuan Gubernur atas Akta Perubahan No. 53 tahun 2017 dan No. 62 tahun 2018	539/11692/021.2/2017
● Persetujuan Gubernur atas akta perubahan No. 7 tahun 2017	Sedang diurus
● Surat Izin Usaha Perdagangan Besar (SIUP besar)	04560-04/PB/P/1.
● Tanda Daftar Perusahaan (TDP) IFC	09.03.1.07.89949
● Tanda Daftar Perusahaan (TDP) TCI	09.03.1.07.89949
● Surat Keterangan Domisili Perusahaan (SKDP)-Site	470/31/429.515.02.



373 total dokumen
53 dokumen wajib segera diperbarui
320 dokumen valid/masih berlaku



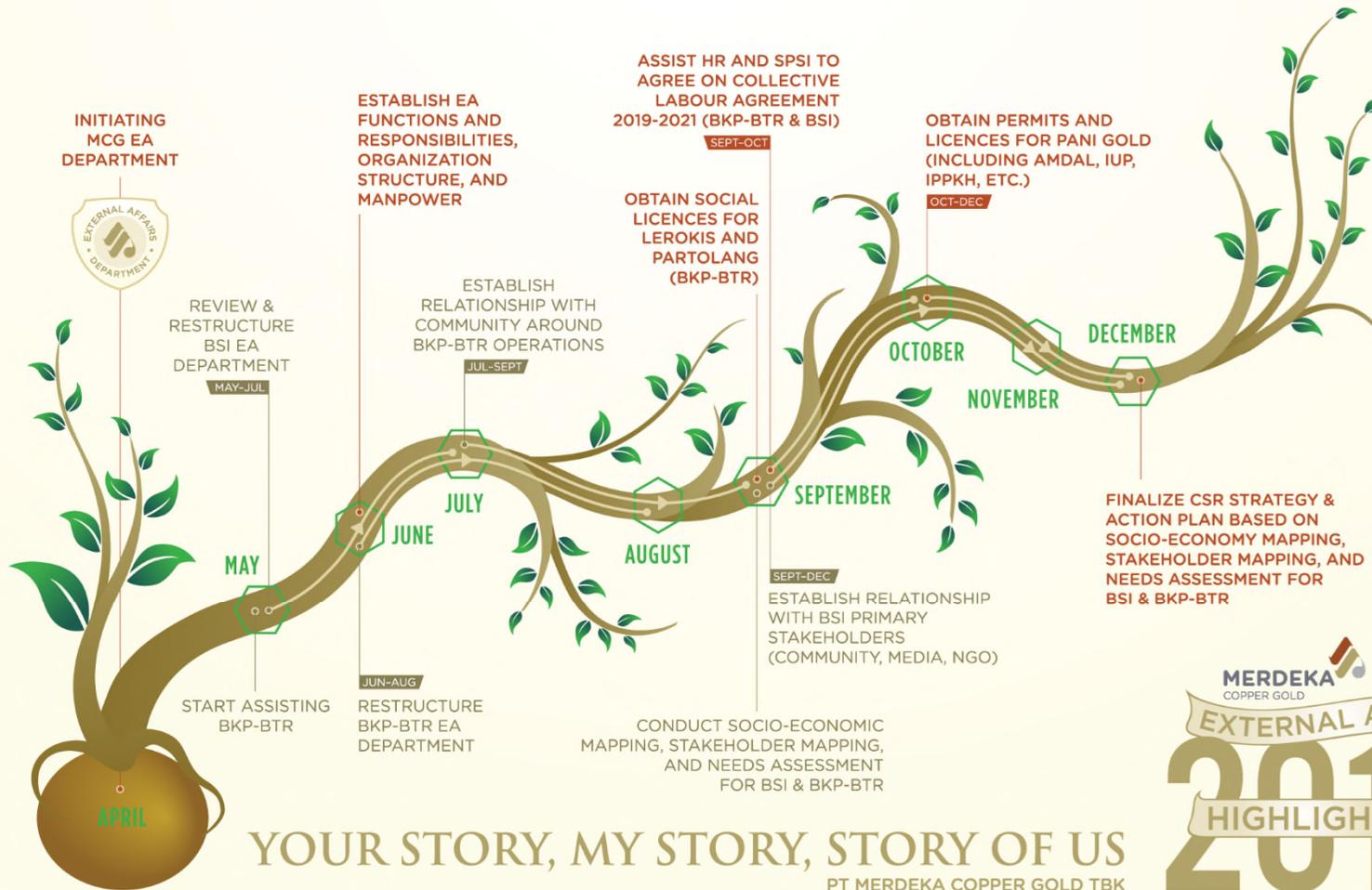
Asset Protection



Asset Protections ensures the protection of all operation's assets from any disturbance, including employees and staff as the most important asset.



PRODUCING COPPER & GOLD WITH HEART



MERDEKA
COPPER GOLD

EXTERNAL AFFAIRS

2018

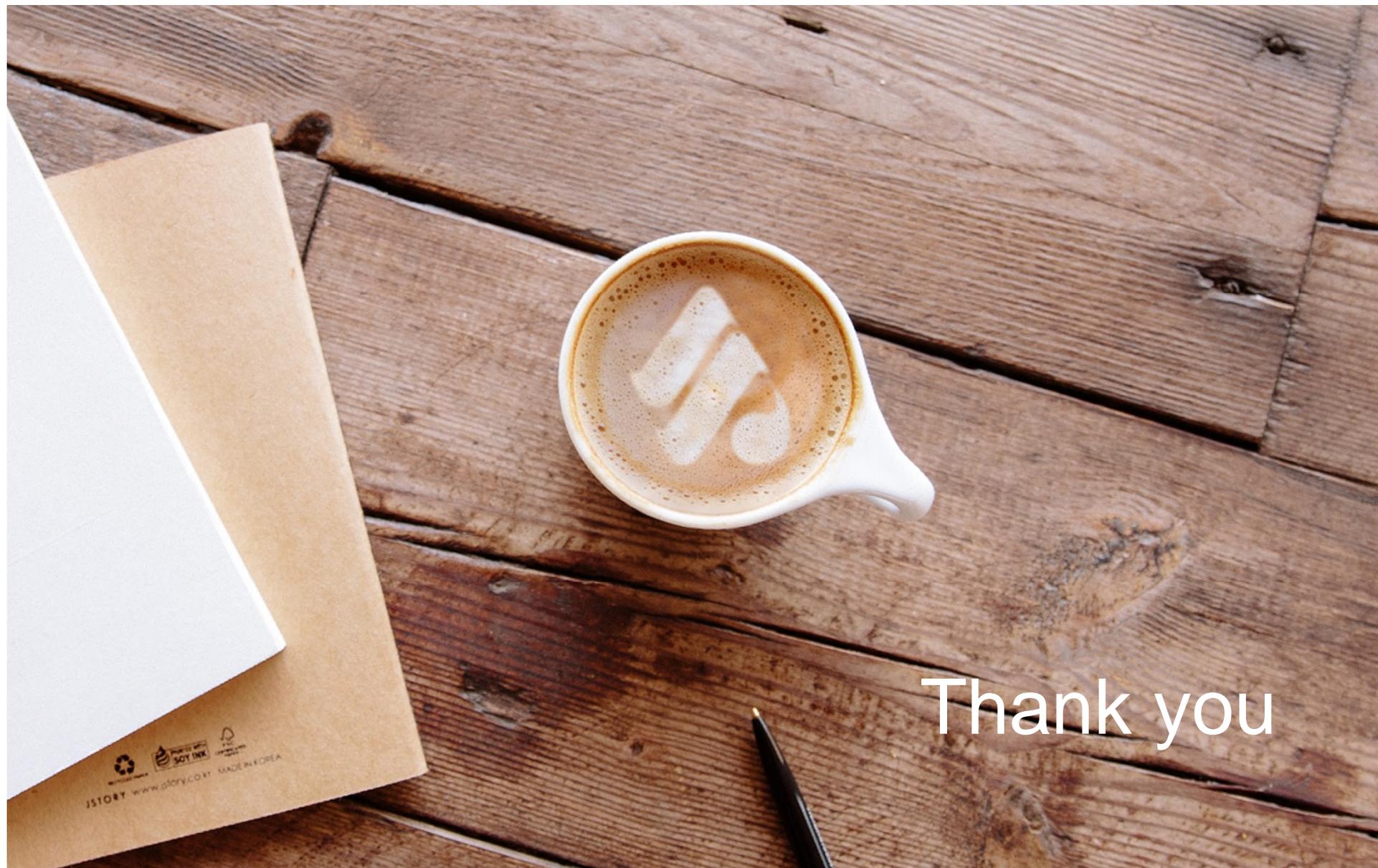
HIGHLIGHT

Strategic Strengthening in 2019



- **Openness and sharing of information** through grievance mechanism.
- Improved **Mine Tour**
- Establishment of **Education and Training Centre** at Tujuh Bukit Operations as a display of Good Mining Awareness.
- Development of **more competent and confident EA staff**.
- **Cooperation** with strategic institution/organization (government bodies, universities, NGOs, etc) to extend the positive impact of our mining operations.
- **Continuing develop policy**, standard, and guidance for External and Internal communications.
- **Accomplish strategy** and its implementation for effective community engagement.
- **New asset protection and security approach** and implementation.
- **Ensure zero LTI** (in cooperation with Safety, Health and Environmental Division).





Thank you

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Legal Aspect

Thursday, 16 May 2019

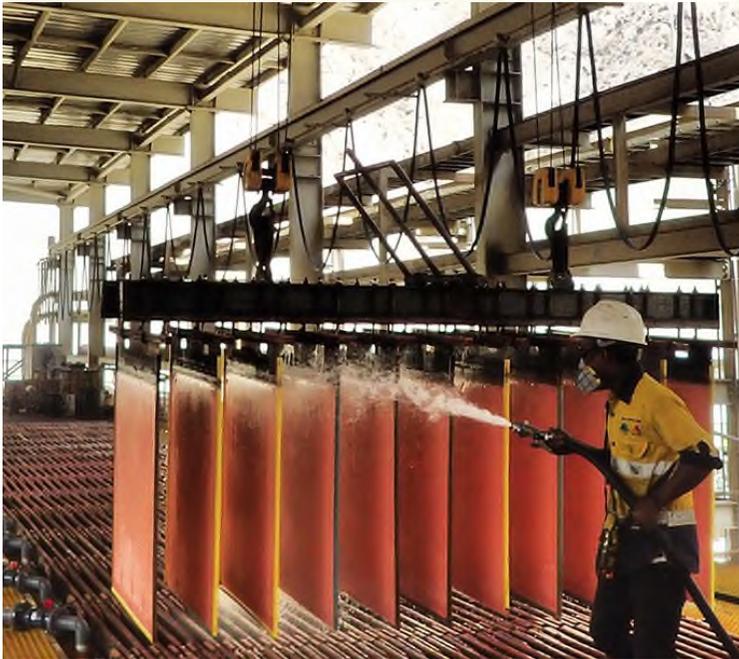
Mining Law and Regulations



- Law No.4 of 2009 on Mining
- Government Regulation No. 22 of 2010 on Mining Areas
- Governmental Regulation No. 23 of 2010 on Implementation of Mineral and Coal Mining Business Activities
- Regulation of Minister of Energy and Mineral Resources No. 43 of 2015 on Evaluation of Minerals and Coal Mining Business Licenses

- Regulation of Minister of Energy and Mineral Resources No. 9 of 2017 on Procedures and Determination of Share Divestment Prices and Changes to Investment in the Mineral and Coal Mining Business (as amended by Regulation No. 19 of 2018)
- Law No. 32 of 2009 on Environmental Protection and Management
- Law No. 10 of 1995 on Customs as amended by Law No. 17 of 2006
- Law No. 16 of 2009 on Tax
- Government Regulation No. 101 of 2014 on Management of Toxic and Dangerous Substance

Main Permit and Licenses



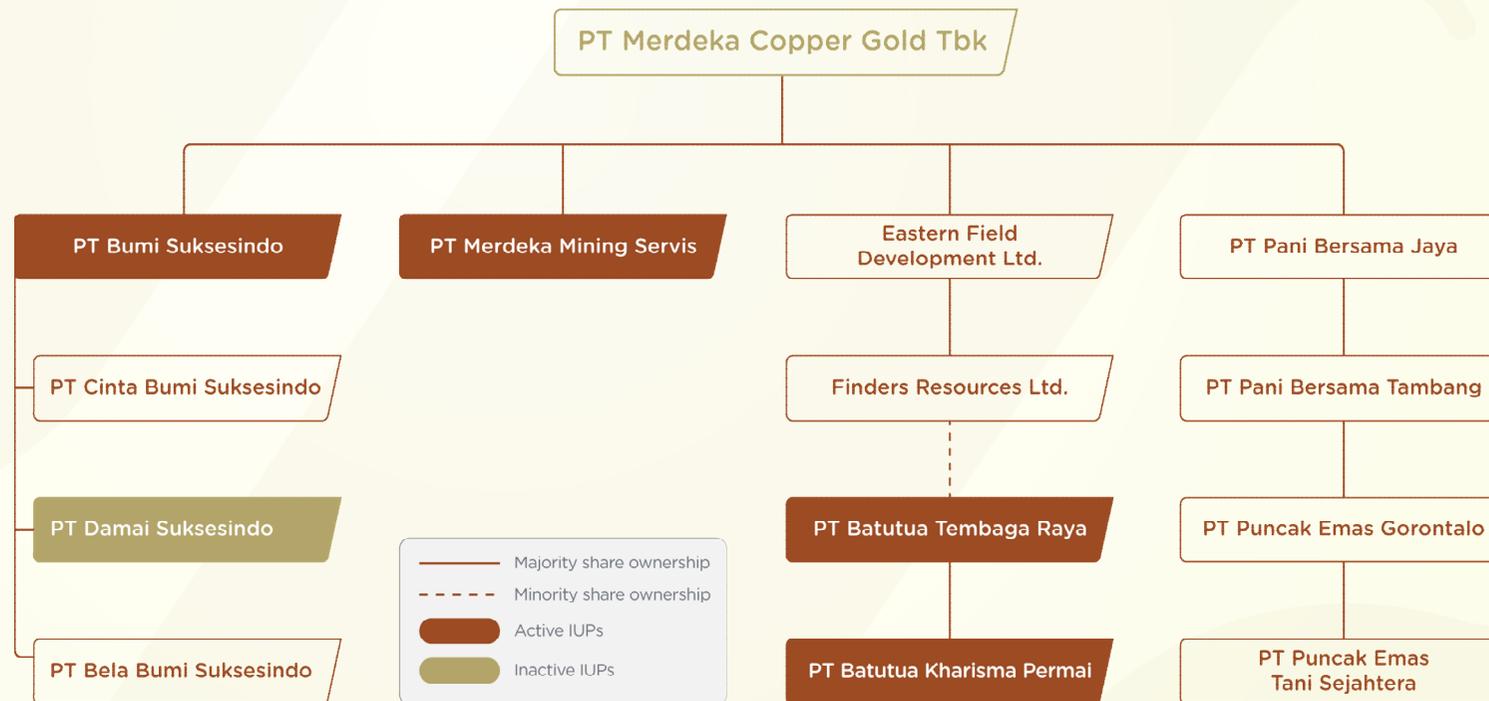
1. **Exploration IUP:** for exploration activities.
2. **Operation Production IUP:** for conducting mining operational activities.
3. **Special Operation Production IUP:** for conducting processing activities
4. **IUP Services:** for providing mining services
5. **Borrow-to-Use Forestry Permit (IPPKH):** to use forestry area for mining activities.
6. **Feasibility Study:** complete document of mine operation planning, from exploration, production, to mine closure.
7. **Environmental Impact Assessment (Amdal):** complete document of environmental impact of mine operation and its management.
8. **Environmental Permit:** license that mining operations have an environmental management plan in accordance with regulations.
9. **Work Program and Budget (RKAB):** Approval on budget to perform mining activities in the subsequent years.

MCG Compliance



- Merdeka and its subsidiaries **have obtained the required legal documents and permits** to perform mining related activities.
- In 2018 and 2019, our outside counsel and our counterparts' lawyers **perform due diligence on Merdeka compliance several times**, as Merdeka actively taking corporate actions and obtaining financings.
- We have **a dedicated data room containing the required legal documents and permits to be reviewed by our counterparts.**

MCG Group Corporate Structure



MCG Group Members Who Hold IUP



PT MCG Tbk Group Members and Their Current Licenses

No	NAME	TYPE of RIGHT	COMMODITY	AREA & LOCATION	EXPIRATION DATE
1.	PT Bumi Suksesindo	IUP-OP	Gold and associated minerals	4,998.45 Acres, Banyuwangi	24 January 2030
2.	PT Batutua Tembaga Raya	IUP – OPK Processing and refining	Copper	Wetar	26 October 2035
3.	PT Batutua Kharisma Permai	IUP - OP	Copper	2,733 Acres, Wetar	9 June 2031
4.	PT Pani Bersama Tambang	IUP – OPK Processing and refining	Metal minerals	Gorontalo	3 March 2026
5.	PT Puncak Emas Tani Sejahtera	IUP - OP	Metal Minerals	100 hectares, Gorontalo	3 September 2028
6.	PT Damai Suksesindo	IUP - Exploration	Gold and associated minerals	6,558.46 Acres, Gorontalo	25 January 2022
7.	PT Merdeka Mining Servis	IUJP	Mining Services	N/A	8 April 2023

Prohibition To Export: Regulation (1)

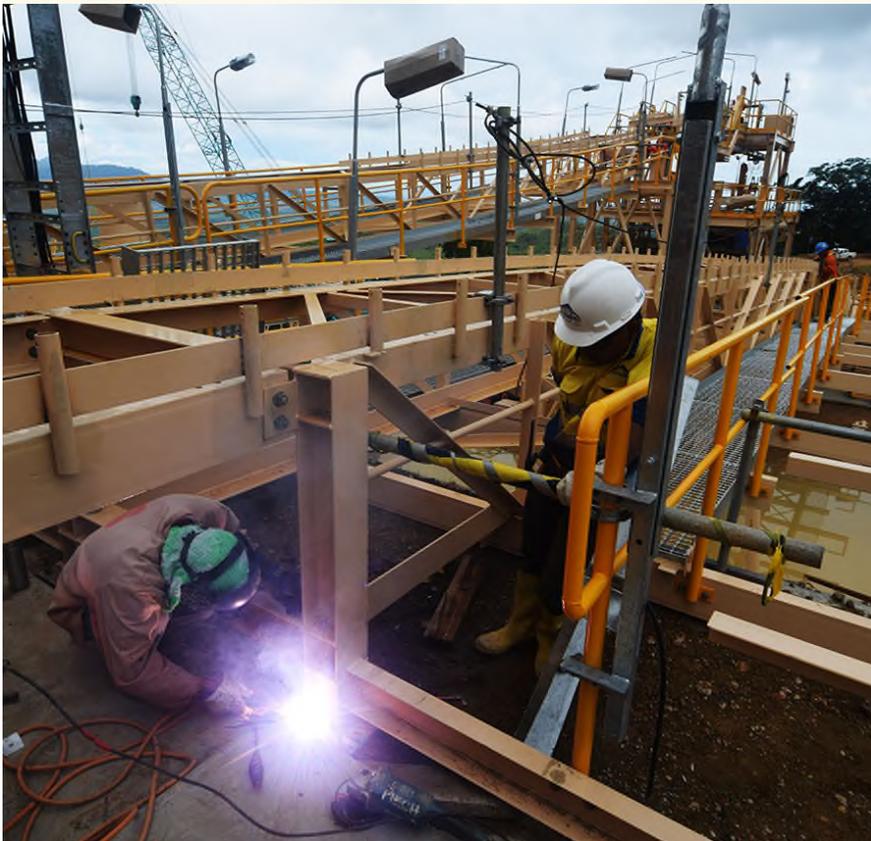
Government Regulations
No. 1 of 2014 on
*Implementation of Coal and
Minerals Mining Activities* as
lastly amended by
Government Regulation
No.1 of 2017 **prohibiting the
following minerals to be
exported unprocessed:**



- After 10 January 2017, copper, iron ore, ilmenite, lead, manganese, and zinc concentrates **must be refined before exported.**
- Upon issuance of the regulation, nickel, bauxite, tin, gold, silver and chromium ore or concentrates **require full refinements before export.**

Prohibition To Export: Regulation (2)

Based upon the regulation, a mining company has two options:



- *First Option:* **build and operate its own processing plant**, of which no additional mining permit is required;
- *Second Option:* **cooperate and sign an agreement with a processing company** holding a mining processing permit (IUP OPK), which can be its affiliated company or non affiliated company.

Prohibition To Export: Merdeka Case



2 mining companies in production stage under Merdeka group choose the second option to process their minerals before exporting:



- **PT Bumi Suksesindo**, holder of the mining right of gold and its associated minerals, signs a refinery agreement with **PT Aneka Tambang (Persero) Tbk** to refine its gold and silver; and
- **PT Batutua Kharisma Permai**, holder of the mining right of copper and its associated minerals, signs a refinery agreement with **PT Batutua Tembaga Raya**, its affiliated company and holder of IUP OPK to refine its copper.

Prohibition To Export: Exemption

As per Minister of Energy and Mineral Resources Regulation No. 25 of 2018, exemption(s) to export limitation were set in place.

From 3 May 2018 to 11 January 2022, COW, IUP and IUPK holders may export partially processed minerals provided that:



- IUP-OP and IUPK holders build processing and refining facility construction;
- Minimum level of processing are met. e.g. $\geq 99\%$ for Gold (Au);
- Obtaining recommendation from Directorate General of Minerals and Coal (DGMT);
- Obtaining export approval from Minister of Trade;
- For COW holders to convert into IUPs;
- Maintain the recommendations from DGMT, among others by maintaining the construction rate of the aforesaid smelter above 90% of agreed rate.

Divestment Requirements - Regulation

The Mining Law and its implementing regulations **require foreign shareholders to gradually divest portions of their shareholdings**, making initial offers to the Central Government of the Republic of Indonesia, then regional or municipal governments.

After five years of commercial production, **foreign ownership must be gradually divested, insofar as to reduce foreign ownership into:**



- 80% after six years of commercial production
- 70% after seven years of commercial production
- 63% after eight years of commercial production
- 56% after nine years of commercial production
- 49% after ten years of commercial production

Divestment Requirements – Merdeka Case



- In Merdeka Group there are 2 members having PT PMA status, namely: PT BTR and PT BKP, who started the production stage in 2016.
- **PT BTR is 100% owned by foreign investors**, namely Finders Resources Ltd, Banda Minerals Pty Ltd (Finders wholly owned company), and Posco International.
- **PT BKP is 70% owned by PT BTR and 30% by Mbatemooy Family**. PT BKP obtain PT PMA Status from PT BTR as the majority shareholders of PT BTR.
- In 2019, PT Merdeka will acquire 78% PT BTR shares owned by Finders and Banda, so that **PT Merdeka will directly hold 78% PT BTR share and thus complying with the divestment requirement.**



Thank you