



# Indonesia's World Class Copper Gold Champion

Investor Presentation

July 2020

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## 5 Assets

MDKA today consists of five main assets which, in order of management's assessment of future value, are as follows:

1. Tujuh Bukit Copper/Gold Project ("TB Copper Project")
2. Pani Joint Venture ("Pani JV Project") – new expansion project
3. Wetar / Morowali Acid Iron Metal ("AIM Project") – new expansion project
4. Tujuh Bukit Gold Production ("TB Gold Project")
5. Wetar Copper Production

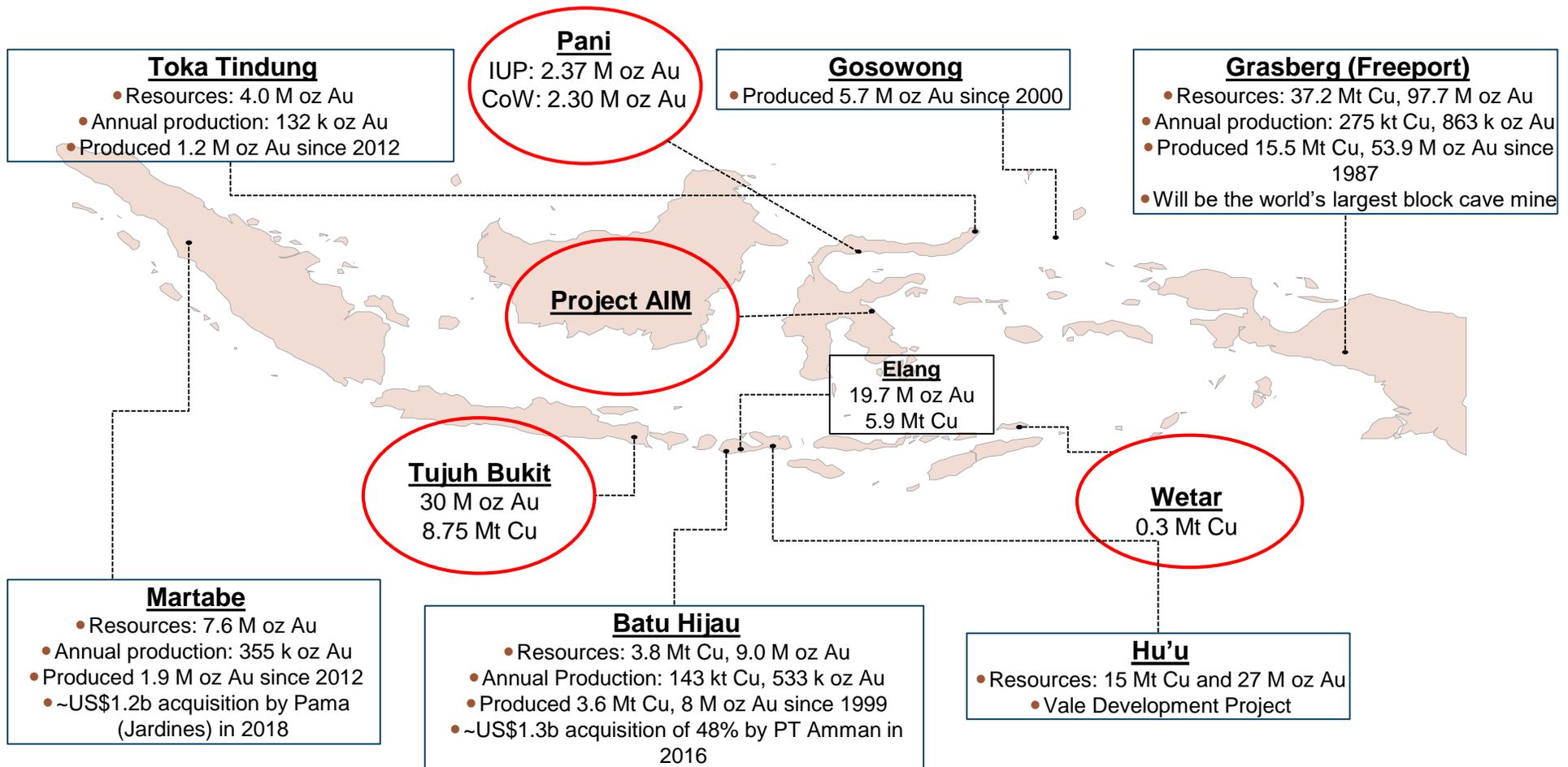
## Why Own Merdeka

- Producing gold and copper assets
  - In 2019 Tujuh Bukit produced 223,042 ounces at US\$ 620 All in sustaining cost ("AISC"). Gold produced in Q1-2020 was 54,151 ounces at US\$ 658 AISC.
  - Copper produced in 2019 was 16,777 tonnes at AISC of US\$ 1.86/lb. Copper produced in Q1-2020 was 1,785 tonnes at AISC of US\$4.1/lb. Copper production will be lower while strategic review is completed and plan implemented.
  - Strong safety, environmental and community relations credentials. 1 LTI in past 2 years with 27 million hours worked.
- 3 transformational development projects.
  - Tujuh Bukit Copper is a world class orebody with the potential to produce 100,000 tonnes of copper and 250,000 ounces of gold for more than 20 years. PFS H2 2021.
  - Combined resources at the Pani JV Project have the potential to produce 250,000 ounces per annum for more than 15 years. PFS H2 2021. Rapid open pit CIL development.
  - AIM is a multi-commodity development project capable of producing \$US 200 m of revenue over 20 years. Bankable feasibility study H2 2020.
  - Indonesia is a very prospective country with potential to find world class projects.
- Ability to Finance and Develop projects
  - Multiple well supported international bank financings
  - Developed Tujuh Bukit gold on target and consistently exceeded guidance
  - Strong cornerstone shares who have significant experience in developing growth businesses in Indonesia

# Indonesia: Right Geological Address

Indonesia is a significant player in the global mining industry, with significant production of coal, copper, gold, tin, bauxite and nickel

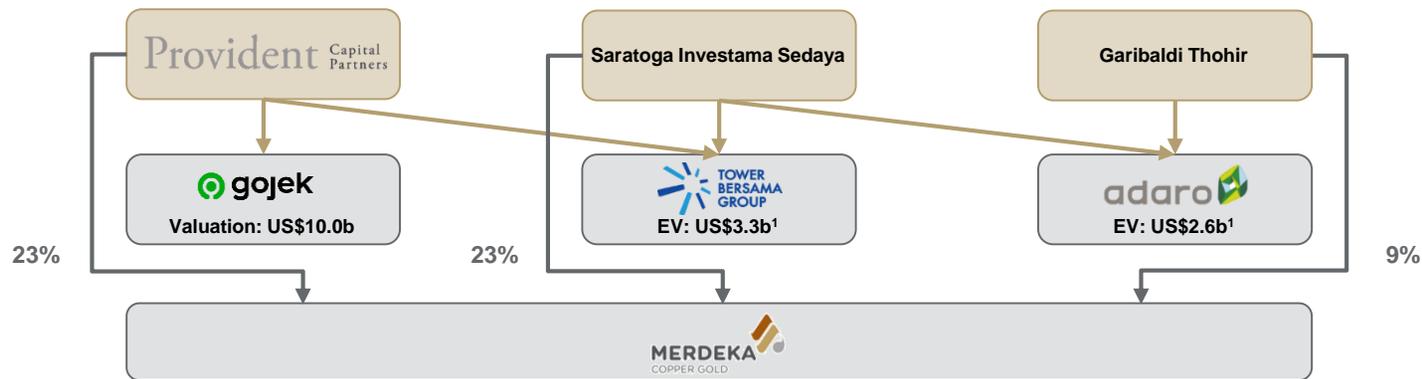
- As of 2018, Indonesia held 51 million metric tons of copper resources, the fifth largest in the world
- The country also holds substantial gold reserves, with world class gold assets such as Grasberg, Tujuh Bukit, Batu Hijau and Martabe



# A Better Way to Invest in Indonesia

## with Strong and Reliable Indonesian Shareholders

### Existing Shareholding Structure



1	<p><b>Track Record in Growing and Financing Indonesia Corporates</b></p> <p>The shareholders collectively have rich experience in leading and growing businesses in Indonesia, ranging from dynamic tech platforms (Gojek) to well established corporates (i.e. Tower Bersama and Adaro). As a result, the shareholders have established strong relationships with key external stakeholders and have gathered valuable experience to lead companies to growth within the country</p>
2	<p><b>Strong Governmental, Regulatory and Local Ties</b></p> <p>The shareholders have decades of experience in obtaining permits across Indonesia for their various operating companies including Adaro (portfolio of coal mines), Tower Bersama (tower development in all 34 provinces) and Provident Agro (with over 40,000 Ha of palm oil plantations), demonstrating their ability to resolve community issues and work with national and local governments to develop projects across multiple industries</p>
3	<p><b>Excellent Corporate Governance and Investor Relations</b></p> <p>The team's reputation in maintaining excellent corporate governance and reporting standards (voluntary adoption of ASX reporting requirements for Reserves and Resources, as well as quarterly reporting) have attracted quality investors globally in both debt and equity capital markets, achieving overall lower cost of funds and strong support</p>
4	<p><b>No Risk of Divestment under Indonesia Mining Law</b></p> <p>The Indonesian Mining Law requires foreign shareholders to gradually divest portions of their shareholdings by making initial offers to the Central Government of the Republic of Indonesia, Regional or Municipal Governments. With the major shareholders being 100% Indonesian-incorporated or by citizenship, it minimizes the risk of divestment requirements and volatility in share price</p>

Note:

1. Market cap as at 30 June 2020; net debt as at 31 December 2019

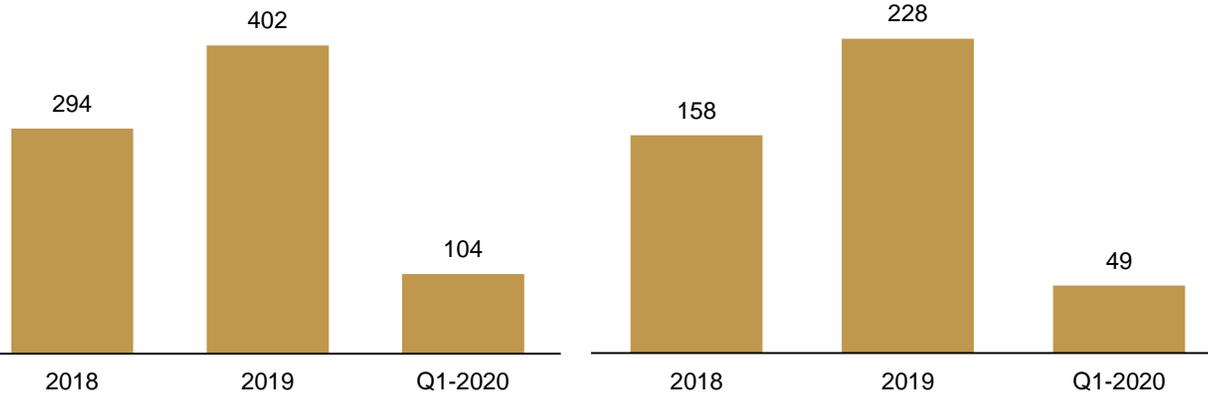
# Growth Delivery with Sound Financial Position

## Built on Operational Performance

### Revenue (US\$m)

### EBITDA

### Hedging



Gold Hedge	2020	84,506 oz at US\$1,425 / oz
Copper Hedge	2020	Nil

### Outstanding Debt<sup>1</sup>

### Comments

#### 1 Merdeka Holdco

- US\$100m club facility of 4 international banks
- Closed March 2019 maturing in Sep 2020
- Libor + 4.25%
- US\$100m outstanding balance as at 31 Mar 2020



#### 2 TB Opco (PT Bumi Suksesindo)

- US\$200m syndicated facility of 8 international banks
- Closed October 2018
- 3 year amortizing corporate facility maturing in Q1 2022
- Libor + 3.5%
- US\$130m outstanding balance as at 31 Mar 2020



- Strong cash flow generation with consolidated EBITDA of US\$ 228 m for 2019 and US\$ 49 m for Q1-2020
- Successful issuance of US\$ 300 m debt during H2 2018 and 2019 – US\$70 m already repaid as at 31 March 2020
- Modest hedging with significant exposure to upside in gold and copper given resource base
- Building profile of Merdeka in international equity markets to support growth – completion of US\$60m equity raise in July 2019
- New institutional investors have improved liquidity
- Analyst coverage from Citi, Credit Suisse, Argonaut, Ciptadana, BNI, Indopremier & Mandiri

Note:

1. Debt information as of 31 March 2020

# Merdeka Share Price and Liquidity

## Current Capitalization

Share Price (IDR) <sup>1</sup>	1,365
Shares Outstanding (m)	4,380
Market Cap (IDR)	IDR29.9tn
<b>Market Cap<sup>2</sup></b>	<b>US\$2.1b</b>
Net Debt <sup>3</sup>	US\$167.0m
<b>Enterprise Value</b>	<b>US\$2.3b</b>

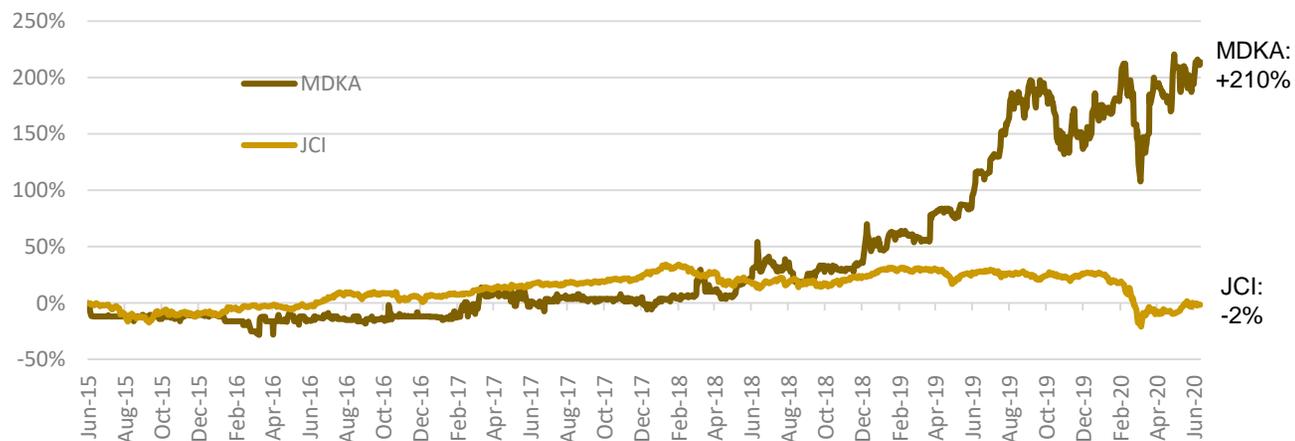
## Share Price Performance Since IPO



## Trading Volume

	ADTV (US\$m)
<b>1 month</b>	6.86
<b>6 month</b>	5.98
<b>12 month</b>	5.05
<b>Since IPO</b>	1.09

## MDKA Performance vs JCI (since MDKA IPO)



### Note:

1. Share price information as at 30 June 2020
2. Using exchange rate IDR 14,302 per USD
3. Using cash balance and debt number as of 31 Mar 2020

# TB Gold Project

## Production Information

Mining Method	Conventional Open Pit
Metals	Gold and Silver
Mineralisation Type	High Sulphidation Epithermal
Process Method	Oxide Heap Leach
Recovery	Gold 79% and Silver 13%
Oxide Mineral Reserves	0.9 Moz Au contained; 35 Moz Ag contained
Oxide Mineral Resources	1.4 Moz Au contained; 59 Moz Ag contained
Workforce	2,400 employees and contractors

## Operational & Financial Performance

	Unit	2018 Actual	2019 Actual	Q1-2020 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	5.3	7.4	2.5
Waste Mined	M Tonnes	9.4	8.4	1.8
Contained Metal	Au oz	261,140	279,680	64,301
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	M Tonnes	4.9	7.4	1.9
Recovered Metal	Au oz	167,506	223,042	54,151
<b>Financials</b>				
Operating cost	US\$/ t	16.5	13.4	10.0
Cash Costs	US\$/ oz	374	409	423
All-in Sustaining Costs	US\$/ oz	596	620	658
Sales	US\$m	235	312	95
Operating EBITDA	US\$m	155	201	54

## Open Pit Mining

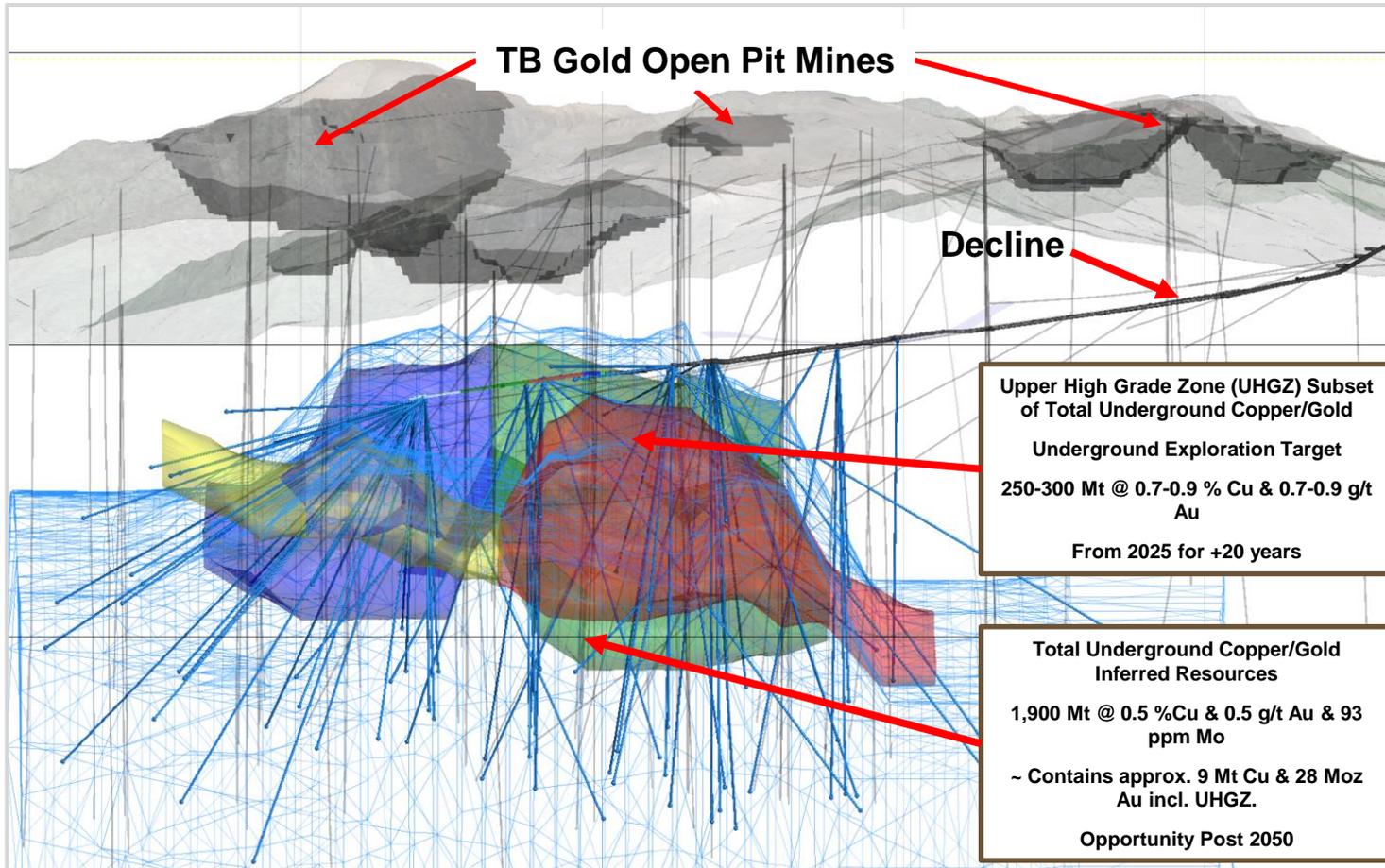


## Heap Leach



# TB Copper Project

## World Class Underground Copper/Gold Deposit



## Comments

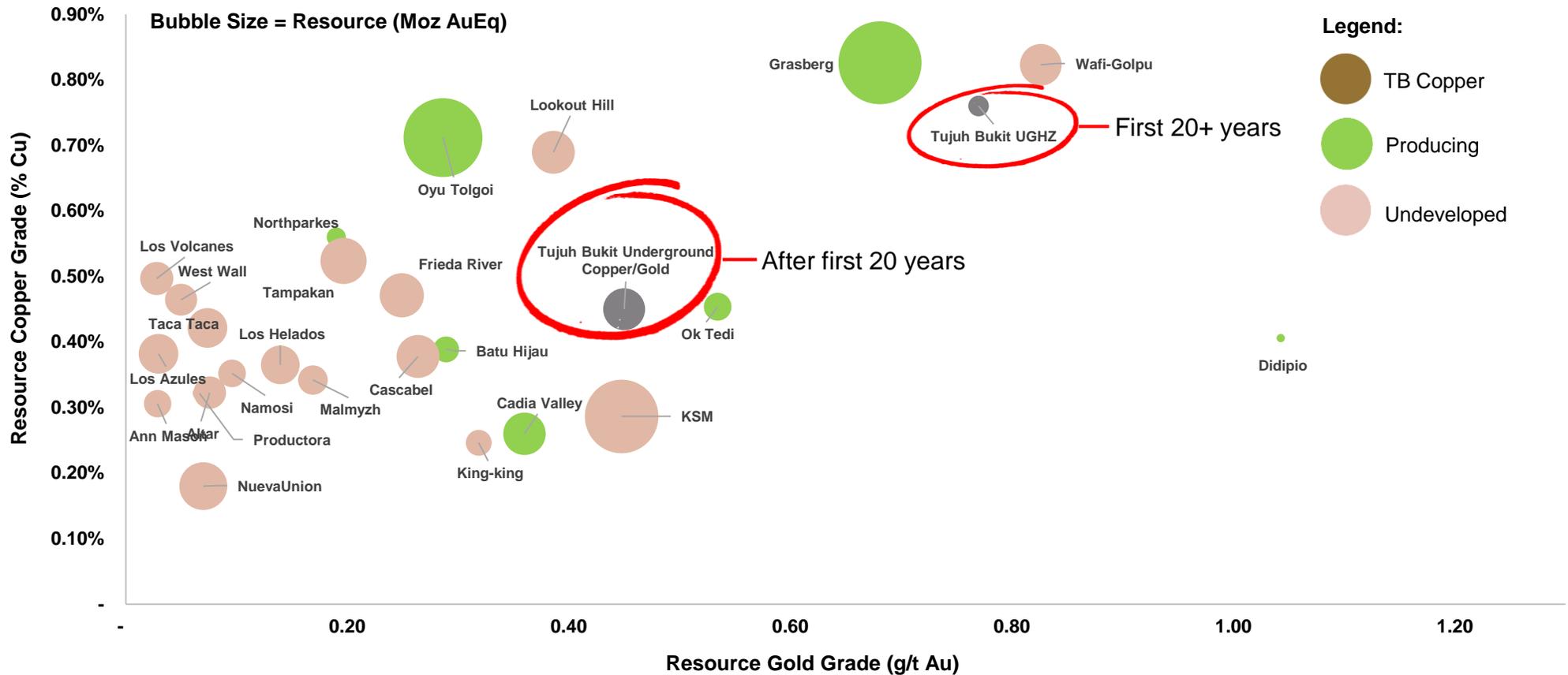
- Blue lines extending from the decline denote planned drilling
- Decline on track to be completed mid 2020.



# TB Copper/Gold Project

## World Class Mineral Resource

### Significant Porphyry Deposits



# TB Copper/Gold Project

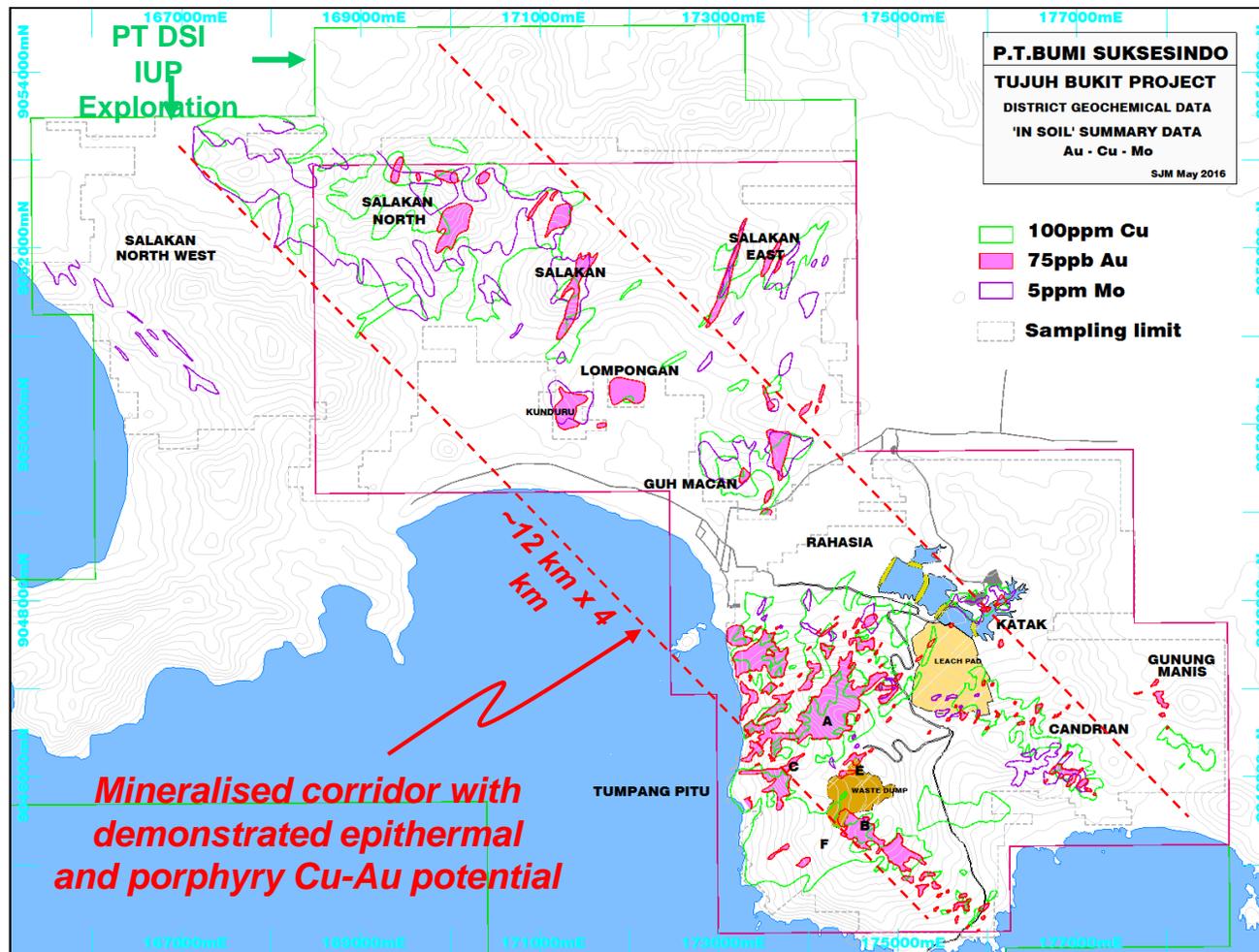
## Latest Drill Results

UHGZ Drilling Results to Date						Comments
Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	
UHGZ-19-001	556	1,308 (EOH)	752	0.46	0.50	<ul style="list-style-type: none"> <li>17 holes drilled; table shows significant intercepts received to Q1 2020</li> <li>Excellent results received during Q1 2020 included UHGZ-19-007A, which returned 315m @ 1.1 % Cu &amp; 1.2 g/t Au, and UHGZ-19-006, which returned 217.2m @ 0.9 % Cu &amp; 0.9 g/t Au</li> <li>Grades and mineralised widths from UHGZ-19-009 and UHGZ-20-010 are consistent with those predicted in the resource model and have increased confidence in the interpretation of the UHGZ</li> <li>Result from UHGZ-19-008 exceeded expectations, resulting in an expansion of the previous south-eastern limit of the UHGZ</li> </ul>
including	724	904	180	0.63	0.62	
including	1,086	1,308	222	0.69	0.91	
UHGZ-19-002A	523	1,058 (EOH)	534	0.54	0.95	
including	642	770	128	0.89	1.93	
including	824	1,016	192	0.58	1.05	
UHGZ-19-003	384	732 (EOH)	347.6	1.40	1.40	
including	438	666	228	1.71	1.97	
UHGZ-19-006	240	435	195	0.6	0.9	
and	633	850	217	0.9	0.9	
UHGZ-19-007A	0	315	315	1.1	1.2	
and	474	655	180	0.6	0.7	
UHGZ-19-008	418	764	347	0.5	0.3	
UHGZ-19-009	18	447	429	0.7	0.4	
UHGZ-20-010	34	99	65	0.4	0.2	

# TB Near Mine Exploration

## Targeting Open Pit Mineralisation to De-Risk Porphyry Ramp Up

### Open Pit Mineralisation Targets



### Comments

#### Salakan Porphyry

- Historical drilling including SDN-12-01 : 604m @ 0.22 % Cu
- Exploration to re-commence in 2020

#### Lompongan Porphyry Prospect

- Cu-Au-Mo soil anomaly defined over 400m x 400m
- Stockwork mineralisation in rock samples assaying >1 %Cu and >1g/t Au
- Drone MAG and 3D IP surveys Q4 2019
- Diamond drilling Q1 2020

#### Katak Porphyry Prospect

- Historical and BSI drilling
  - WB-15-11: 94m @ 0.35 %Cu & 0.67 g/t Au
  - KTD-18-06 : 76m @ 0.35 %Cu & 0.96 g/t Au

# Wetar Copper Project

## Production Information

Mining Method	Conventional Open Pit
Metals	Copper
Mineralisation Type	Volcanogenic Massive Sulphide (“VMS”)
Process Method	Sulphide Heap Leach
Plant Capacity - Crushing & Stacking - SX / EW	2.5 mt 25,000 tpa
Copper Mineral Reserves	114 kt Cu contained
Copper Mineral Resources	289 kt Cu contained
Workforce	1,100 employees and contractors

## Operational & Financial Performance

	Unit	2018 Actual	2019 Actual	Q1-2020 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	1.6	2.3	0.2
Waste Mined	M Tonnes	1.4	3.8	0.2
Contained Metal	Cu t	47,272	66,018	5,575
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	M Tonnes	1.7	1.9	0.2
Recovered Metal	Cu t	17,071	16,777	1,785
<b>Financials</b>				
Operating cost	US\$/ t	35.4	42.0	64.0
Cash Costs	US\$/ lb	1.49	1.29	3.63
All-in Sustaining Costs	US\$/ lb	1.73	1.86	4.10
Sales	US\$m	112	101	14
Operating EBITDA	US\$m	38	41	(1)

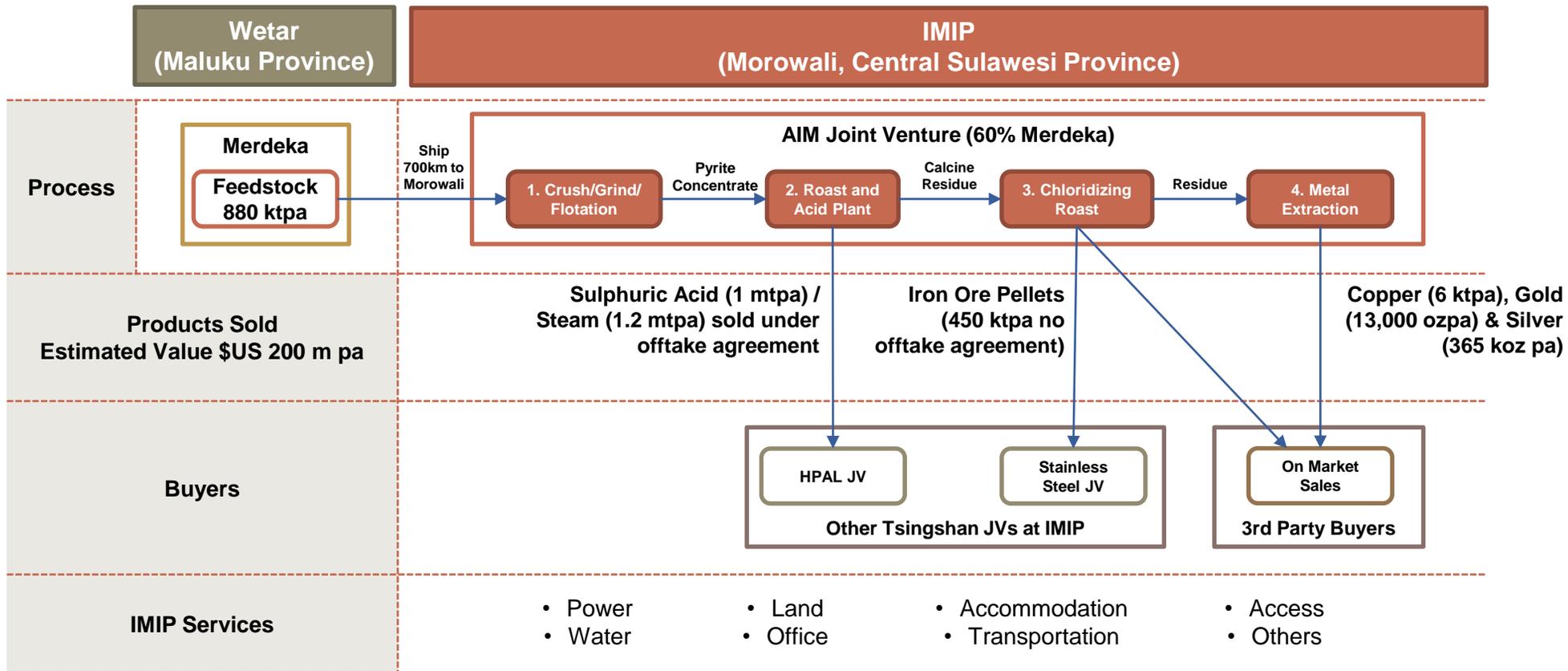
## Open Pit Mining



## Process Plant



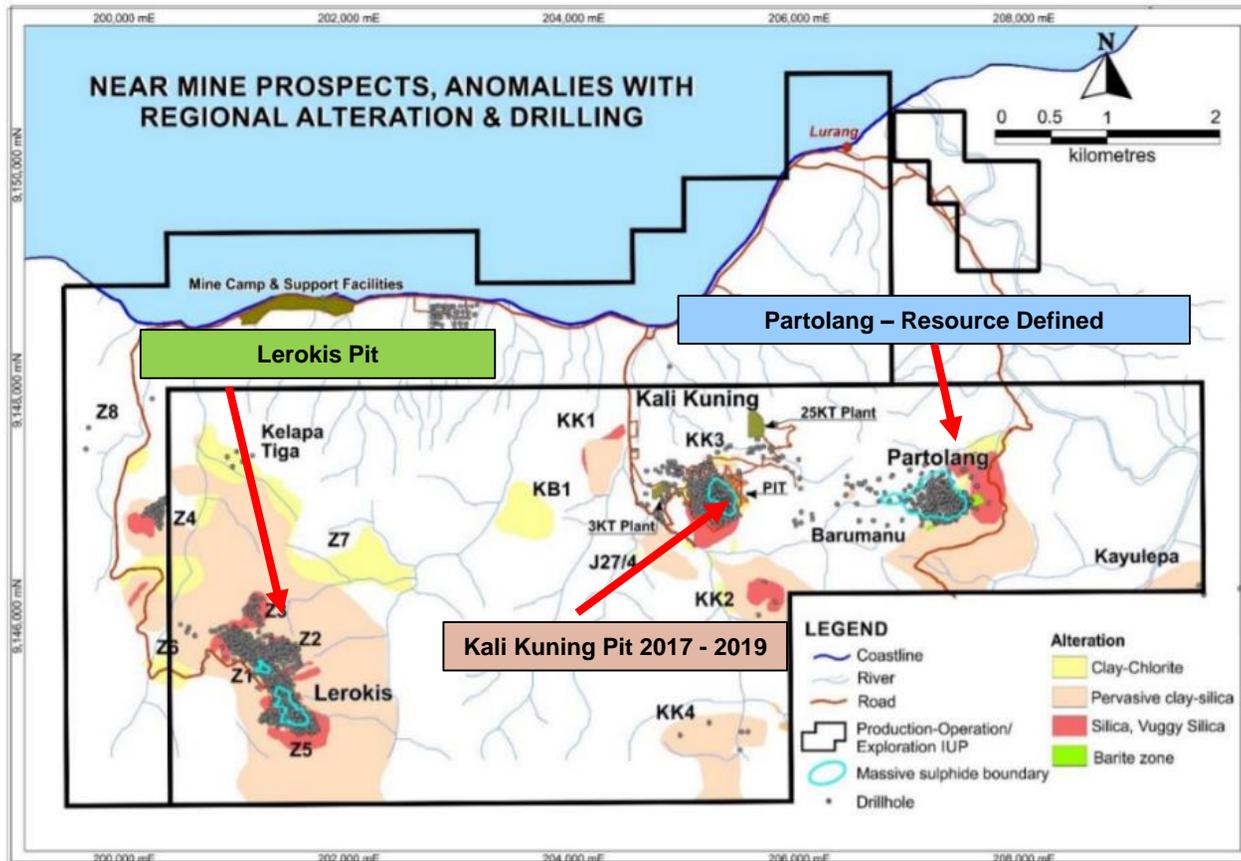
# AIM Project Process Facilities



## Comments

- Significant value in spent ore at Wetar (Cu, pyrite (FeS<sub>2</sub>), Au and Ag)
- Opportunity to optimise long term production profile across Wetar and AIM Project. Only Soluble Cu recovered at Wetar and other products recovered with AIM Project
- MOU signed with Tsingshan to develop a pyrite processing plant at the Morowali Indonesian Industrial Park
- Feasibility study expected to be completed in H2 2020.

# Wetar – Significant potential to extend mine life



## Prospective Geology

- Resources at Wetar are Volcanogenic Massive Sulfide (VMS) deposits
- The deposits generally appear in clusters and it is reasonably likely that more resources will be defined over time
- A geophysical survey was completed during 2019 with approximately 20 targets identified within the mining lease. VMS targets are generally easily identified with geophysics
- Historical regional exploration work shows many targets that are yet to be tested on Wetar Island

## Successful 2019 exploration campaign defines new resource

Exploration work has been very successful in finding and developing additional copper and pyrite resources:

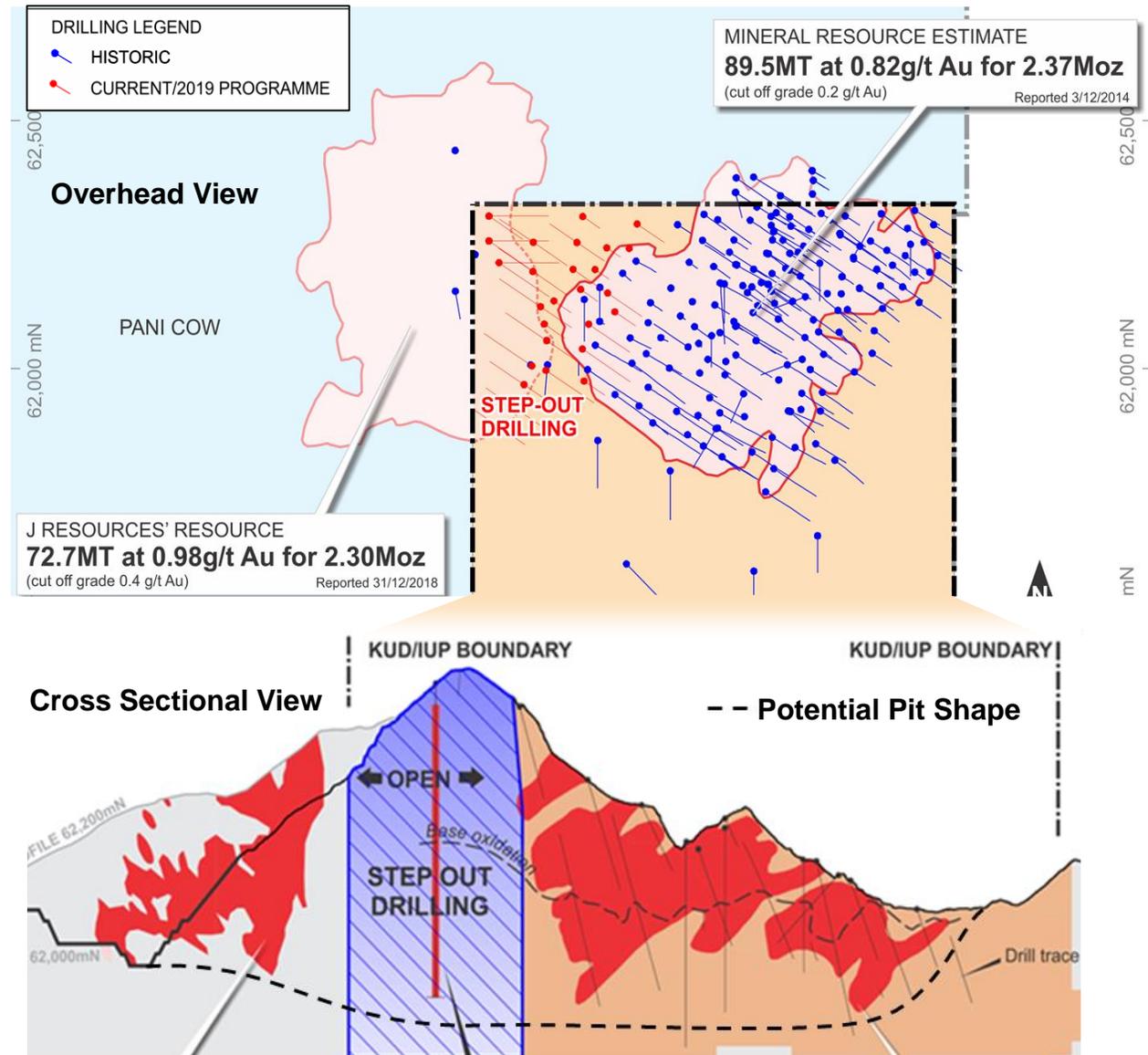
- A significant new resource has been defined at Partolang (12.1 mt containing 136,000 tonnes of Cu) indicating a viable copper resource close to existing operations
- Drilling after the cut-off date for the resource update has intercepted high grade mineralisation that is expected to further expand resources

# Pani – Commencement of Step-Out Drilling

## Comments

- JV with J Resources to develop a combined project. Expect to close Q3 2020 – Merdeka's economic share is 40% and controls the JV
- Expect greater resources to reserve conversion and better economics from combined project
- Outcrops, thick, low strip
- Initial metallurgical testing shows high recoveries from CIL, heap leach and gravity
- Currently drilling 11,000 meters in area between existing resources. Two historical drill holes show area is mineralised
- Q1 2020 consolidate data with drilling and feasibility to continue in 2020

## Overhead & Cross Sectional Illustration of Planned Step-Out Drilling Between PANI COW & PANI IUP

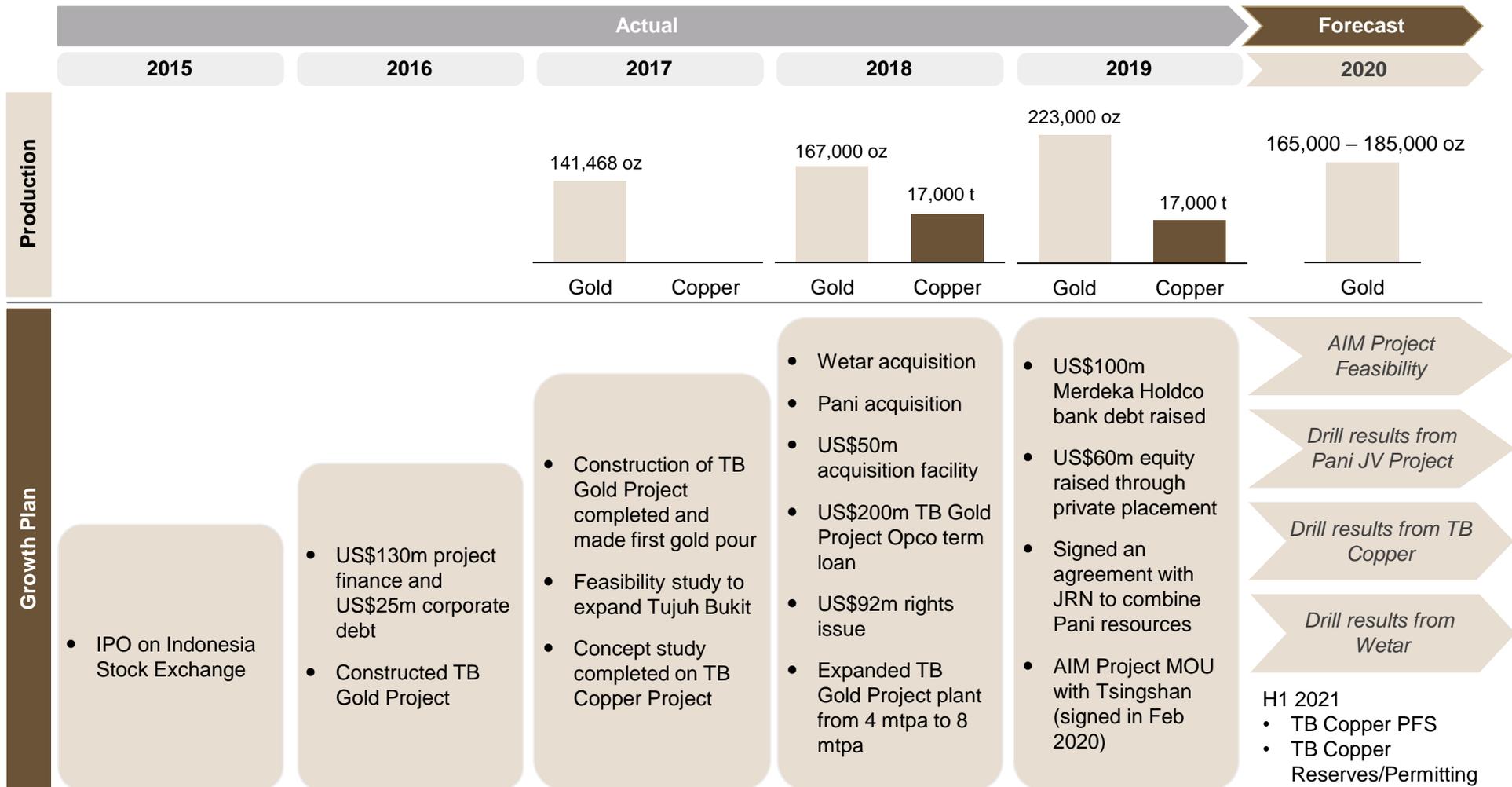


Note:

1. Two holes drilled by Utah International in 1982 between the two resources, assayed 406m @ 0.5g/t (GPD-04) and 154m @ 0.57g/t (GPD-05)
2. Pani IUP Resource estimate from SRK Report dated December 2014 based on 137 Diamond Drill holes, 26,000m drilling and using cut off grade of 0.2g/t Au

# Merdeka – Indonesia’s New World Class Mining Company

## Delivering Its Strategy



# Appendix

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**MERDEKA**  
COPPER GOLD



# Management with Significant Industry Experience

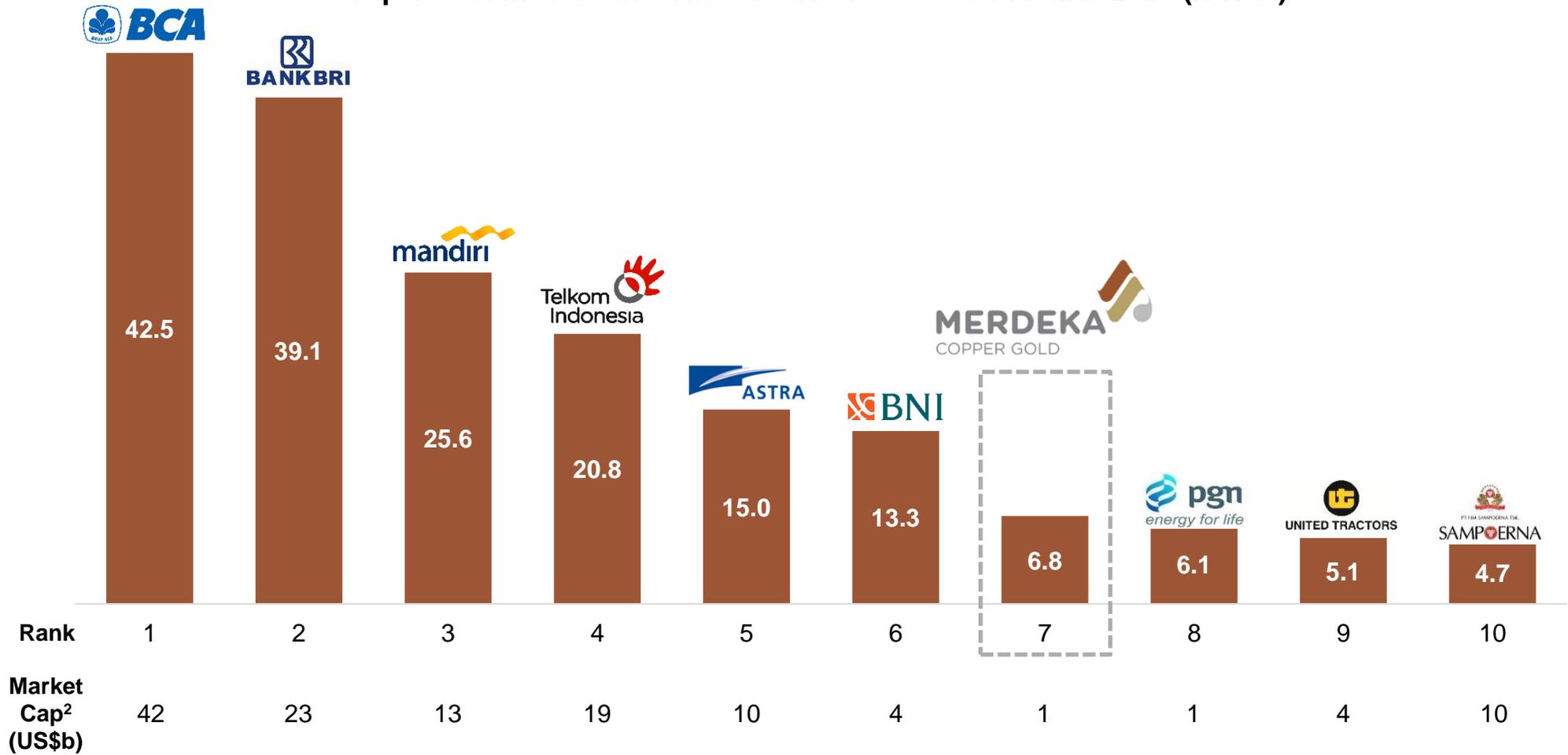
**The management team comprises a group of individuals with rich experience within the industry and within their individual business functions**

	Experience
<b>Simon Milroy</b>	<ul style="list-style-type: none"> <li>• More than 30 years of experience in mining sector including exploration, feasibility studies, permitting, financing, construction, operations and closure</li> <li>• Previously the GM Corporate Development and Exploration in PanAust</li> </ul>
<b>Gerrick Mouton</b>	<ul style="list-style-type: none"> <li>• More than 20 years experience in strategic mine development, implementation and execution of multifaceted capital-intensive mining projects on the African continent</li> <li>• Previously the Senior Vice President in Ivanhoe Mines Ltd</li> </ul>
<b>Zach Casley</b>	<ul style="list-style-type: none"> <li>• More than 25 years of experience gained from a variety of roles in operational mines, consulting, mining finance and corporate management including roles at Macquarie and Newcrest Mining</li> <li>• Zach is a Fellow of the Australian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists</li> </ul>
<b>David Fowler</b>	<ul style="list-style-type: none"> <li>• Accountant with more than 25 years of experience in mining sector</li> <li>• Acted in various CFO / CEO positions for listed mining companies in Australia, South America and Indonesia</li> </ul>
<b>Tri Boewono</b>	<ul style="list-style-type: none"> <li>• More than 10 years of experience as President Director at PT Provident Agro Tbk</li> <li>• More than 25 years of professional experience in the economic sector</li> </ul>
<b>Devin Ridwan</b>	<ul style="list-style-type: none"> <li>• More than 10 years experience as Director/CFO at PT Provident Agro Tbk</li> <li>• CFA charter holder with more than 20 years of professional experience in the economic sector</li> </ul>
<b>Boyke Abidin</b>	<ul style="list-style-type: none"> <li>• More than 30 years experience in mining sector including government affairs, community affairs, asset protection and corporate communication</li> </ul>
<b>James Francis</b>	<ul style="list-style-type: none"> <li>• More than 30 years of experience in mining sector including exploration geology to mapping &amp; interpretive skills, resource estimation, project Development, drill design-planning-and implementation, open cut mining, underground mining, general management of operations and Health, Safety and Environment</li> </ul>
<b>Peter Scanlon</b>	<ul style="list-style-type: none"> <li>• More than 20 years of experience with Thiess</li> <li>• Previously the Head of Construction at Thiess Indonesia</li> </ul>
<b>Gavin Caudle</b>	<ul style="list-style-type: none"> <li>• Founding shareholder of Provident Capital 15 years ago</li> <li>• Former Partner at Arthur Andersen and Head of M&amp;A / Private Equity at Citigroup / Salomon Brothers for Indonesia</li> </ul>

# Merdeka is ranked 7 in the Top Jakarta Composite Index (JCI) Movers

With IDR 6.8 tn of total turnover, Merdeka is within the top 10 of JCI movers as of YTD Mar 2020

Top 10 JCI movers in terms of turnover<sup>1</sup> as of YTD Mar 2020 (IDR tn)



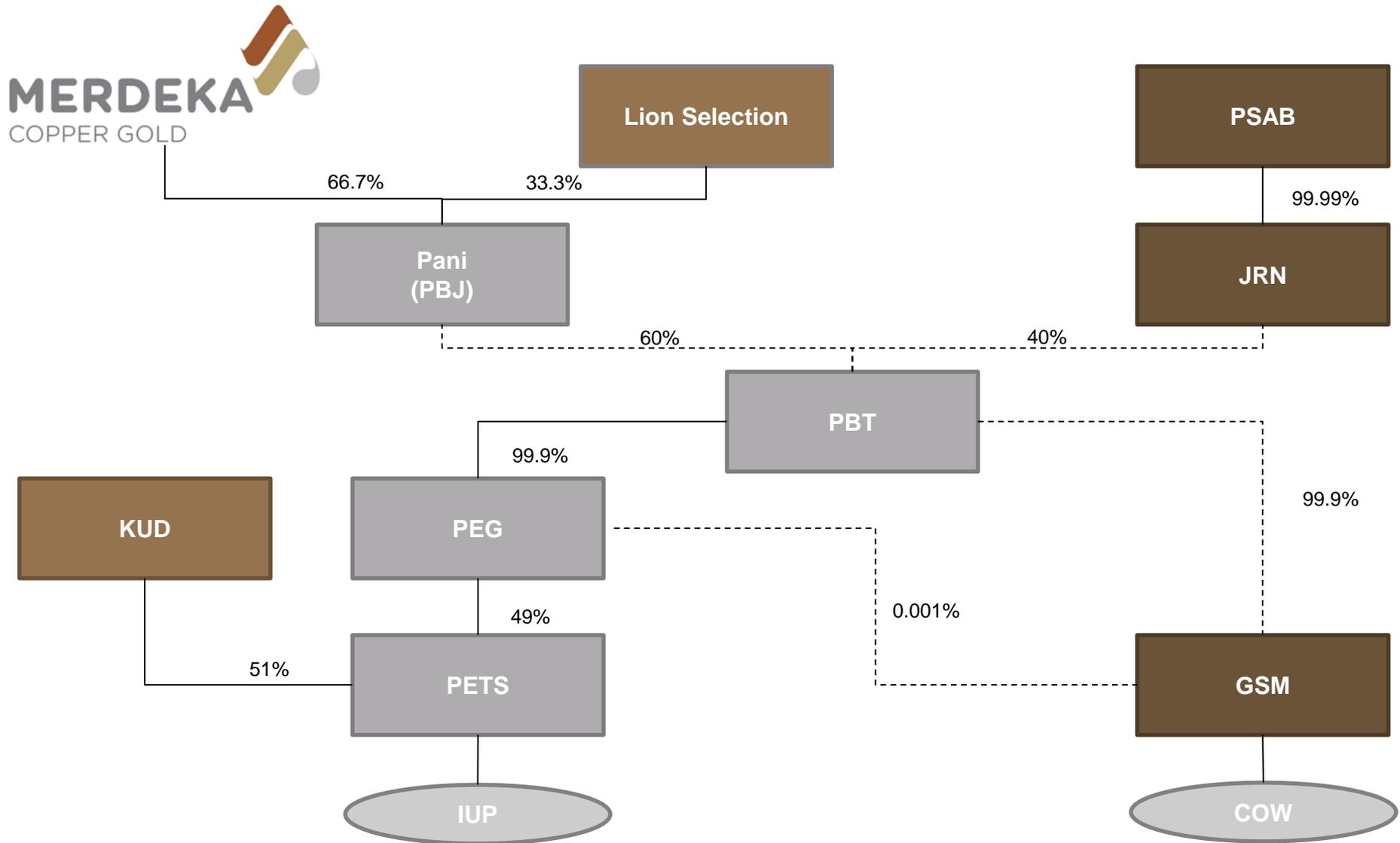
Note:

1. Turnover is calculated by the sum of daily trading value from 1 Jan 2020 to 31 Mar 2020

2. Market Cap as of 31 Mar 2020 using exchange rate of US\$/IDR 16,200

Source: Bloomberg and RTI Business

# Pani JV Project Ownership Structure



# Indonesian Morowali Industrial Park (IMIP)

## World Class Facility

### Location and Size



- 3,000 ha site in Bahodopi District, Morowali Regency, Central Sulawesi Province

### Comments

- IMIP's ownership:
  - Tsingshan 66.25%
  - PT Bintang Delapan Group 33.75%
- Development started in 2014. Tsingshan's stated objective at the time was to create the world's largest fully integrated stainless steel facility
- This has now been achieved, with the site housing a number of separate Ni/stainless steel joint venture operations
- Total investment to date > \$6 billion
- The IMIP currently comprises:
  - 2.0Mt pa stainless steel capacity (currently expanding to 3.0Mt pa)
  - 0.5Mt pa carbon steel capacity (currently expanding to 3.5Mt pa)
  - 0.6Mt pa high carbon ferrochrome
  - 1.5Mt pa NPI capacity (likely expanding to 1.95Mt pa)
  - 1.26GW coal-fired power plant (currently expanding to 1.96GW)
  - Airport with 2,000 m long runway
  - Port facilities
  - 5-star hotel

# Competent Person's Statement

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The Annual Mineral Resources and Ore Reserves Statement and Explanatory Notes have been compiled by Mr Z Casley. Mr Casley is the Executive General Manager Geoscience, a full-time employee of Merdeka Copper Gold Tbk. He is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Casley has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr Casley consents to the inclusion of the material in this report in the form and context in which it appears.

The information in this report that relates to specific Mineral Resources and Ore Reserves is based on and fairly represents information compiled by the Competent Persons named in:

<http://www.merdekacoppergold.com/en/assets/resources-and-reserves>.

All the Competent Persons named are Members of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists, and have sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Each Competent Person consents to the inclusion in this report of the matters based on his or her information in the form and context in which it appears.