



# Indonesia's Leading Copper Gold Champion

Investor Presentation

August 2020

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# Introduction

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**MERDEKA**  
COPPER GOLD

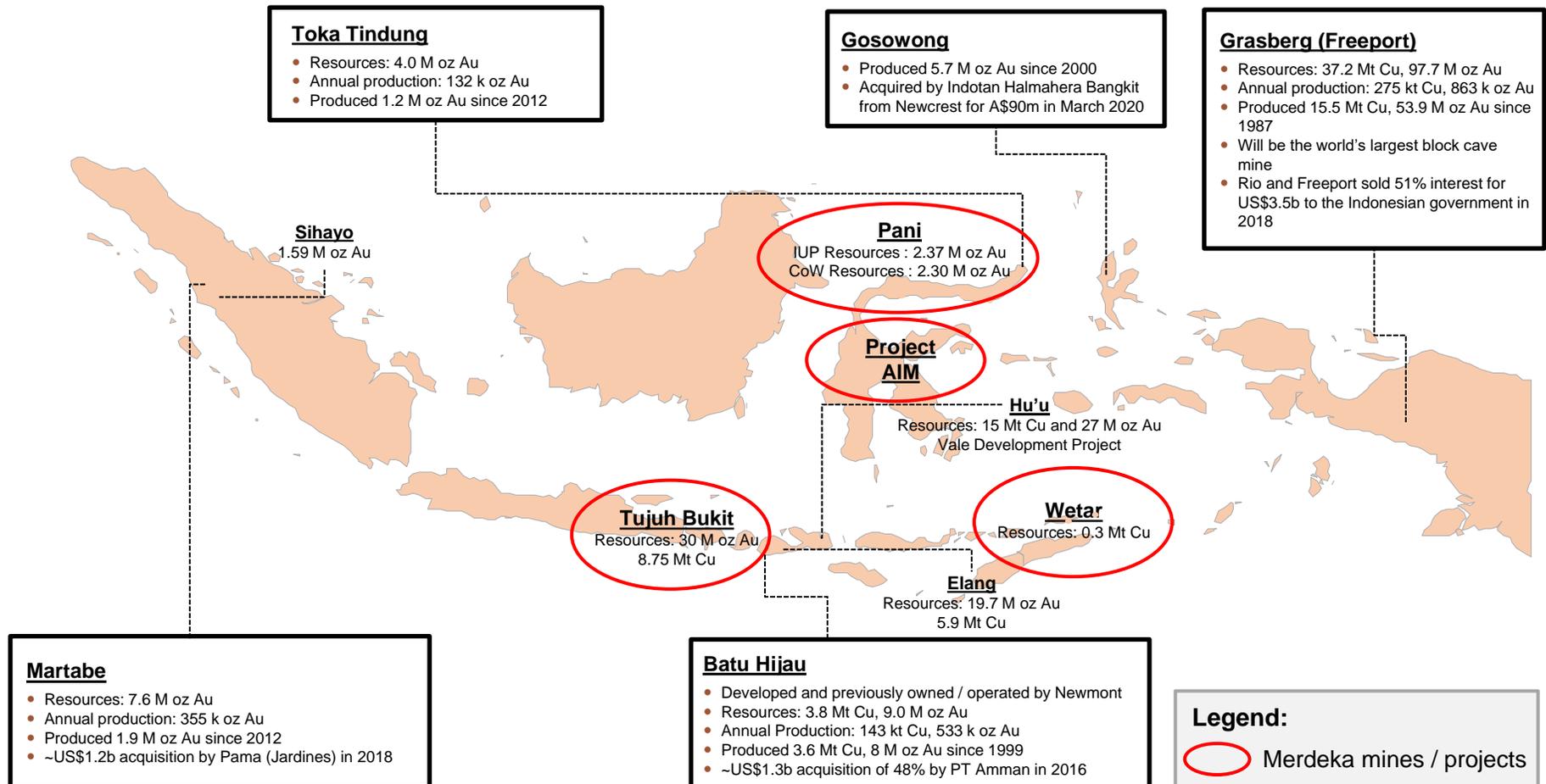


# Merdeka Introduction

<p><b>5 Main Assets</b></p>		<p>MDKA today consists of five main assets which, in order of management’s assessment of future value, are as follows:</p> <ol style="list-style-type: none"> <li>1. Tujuh Bukit Copper/Gold Project (“TB Copper Project”)</li> <li>2. Pani Joint Venture (“Pani JV Project”) – new expansion project</li> <li>3. Wetar / Morowali Acid Iron Metal (“AIM Project”) – new expansion project</li> <li>4. Tujuh Bukit Gold Production (“TB Gold mine”)</li> <li>5. Wetar Copper Production (“Wetar Copper mine”)</li> </ol>
<p><b>Merdeka’s Competitive Advantage</b></p>	<p><b>Established &amp; Proven Gold &amp; Copper Operations</b></p>	<ul style="list-style-type: none"> <li>• In 2019 Tujuh Bukit produced 223,042 ounces of gold at US\$620 all in sustaining cost (“AISC”)</li> <li>• In H1 2020 Tujuh Bukit produced 108,823 ounces of gold at US\$648 AISC</li> <li>• In 2019 Wetar produced 16,777 tonnes of Copper at US\$1.86/lb AISC</li> <li>• In H1 2020 Wetar produced 2,926 tonnes at US\$4.33/lb AISC</li> <li>• Copper production will remain low while strategic review of Wetar is completed, and plan implemented in H2 2020</li> <li>• Strong safety, environmental and community relations credentials. 1 Long Term Injury (LTI) in past 2 years with 27 million hours worked</li> </ul>
	<p><b>3 Transformational Development Projects Underpinned by Substantial Resources</b></p>	<ul style="list-style-type: none"> <li>• Tujuh Bukit Copper is a leading orebody with the potential to produce 70,000 to 90,000 tonnes of copper and 200,000 to 300,000 ounces of gold per annum for more than 20 years. Pre-feasibility study to be completed in H2 2021</li> <li>• Combined resources at the Pani JV Project have the potential to produce in excess of 250,000 ounces of gold per annum for more than 15 years. Pre-feasibility study to be completed in H2 2021. Rapid open pit CIL development</li> <li>• AIM Project is a multi-commodity development project expected to produce more than US\$200m of revenue per annum over 20 years. Feasibility study will be completed in Q4 2020</li> <li>• Geologically, Indonesia possesses rich mineral resources and is a significant player in the global mining industry with a track record of developing successful projects</li> </ul>
	<p><b>Strong Cash Generation and Ability to Finance and Develop Projects</b></p>	<ul style="list-style-type: none"> <li>• Developed Tujuh Bukit gold on target and consistently exceeded guidance</li> <li>• Strong cornerstone shareholders who have significant experience in developing growth businesses in Indonesia</li> <li>• Multiple well supported international bank financings achieved</li> </ul>

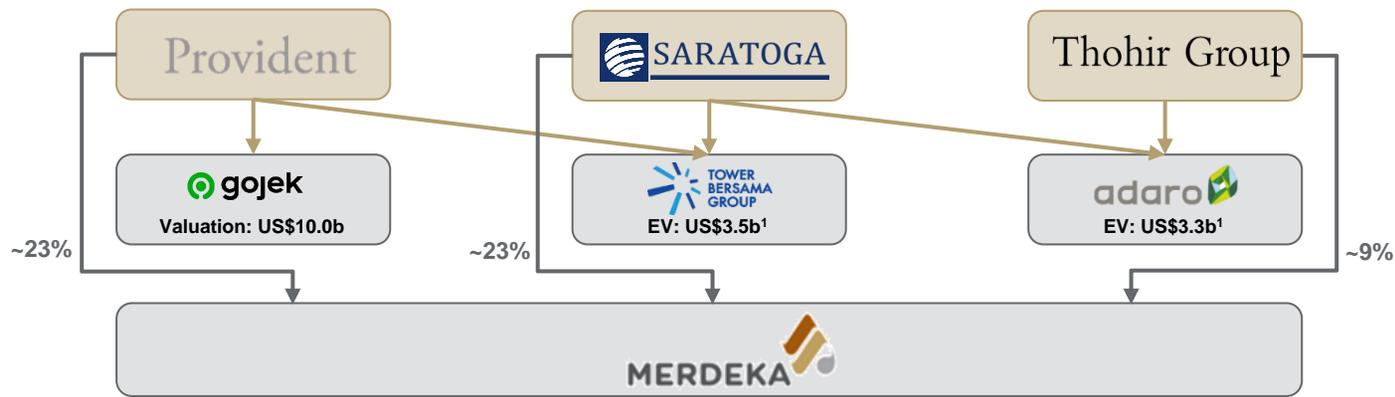
# Indonesia: Right Geological Address

Indonesia continues to be a significant player in the global mining industry, with significant production of coal, copper, gold, tin and nickel including leading gold and copper assets such as Grasberg, Tujuh Bukit, Batu Hijau and Martabe



# Strong and Reliable Indonesian Shareholders

## Existing Shareholding Structure



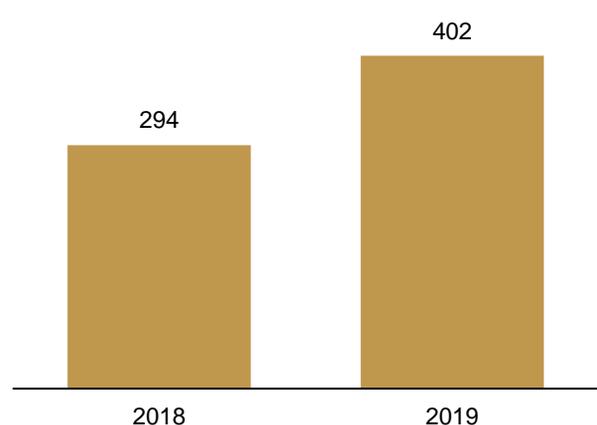
<p>1 Track Record in Growing and Financing Indonesian Corporates</p>	<p>The shareholders collectively have rich experience in leading and growing businesses in Indonesia, ranging from dynamic tech platforms (Gojek) to well established corporates (i.e. Tower Bersama and Adaro). As a result, the shareholders have established strong relationships with key external stakeholders and have gathered valuable experience leading companies to growth within the country</p>
<p>2 Strong Governmental, Regulatory and Local Ties</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 (which had 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>
<p>3 Excellent Corporate Governance and Investor Relations</p>	<p>Reputation for maintaining excellent corporate governance and reporting standards (in the case of Merdeka, voluntary adoption of ASX reporting requirements for Reserves and Resources, as well as quarterly reporting) has attracted quality investors globally in both debt and equity capital markets, achieving overall lower cost of funds and strong support</p>
<p>4 Low Risk of Divestment under Indonesia Mining Law</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</p>

Note:

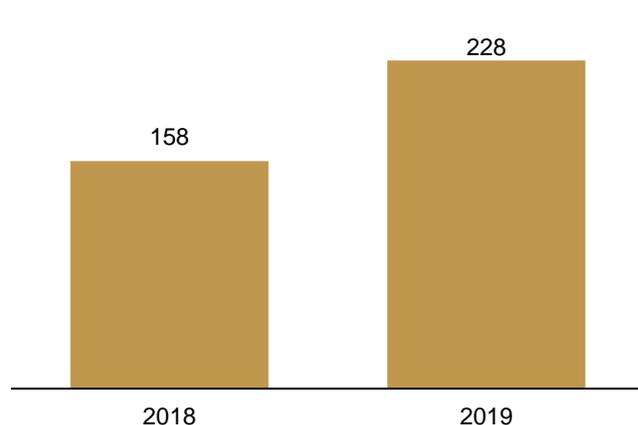
1. Market cap as at 28 July 2020; net debt as at 31 March 2020

# Sound Financial Position

## Revenue (US\$m)



## EBITDA (US\$m)



## Hedging

Gold	H2-2020	37,004 oz at US\$1,453 / oz
	2021	3,000 oz at US\$1,775 / oz
Copper	2020	Nil

## Debt

### 1 TB Opco (PT BSI)

- US\$200m syndicated facility of 8 international banks
- Closed October 2018
- 3 year amortizing corporate facility maturing in Q1 2022
- Libor + 3.5%
- US\$120m outstanding balance as at 30 June 2020



### 2 Merdeka Holdco

- US\$100m club facility of 4 international banks
- Closed March 2019 maturing in Sep 2020
- Libor + 4.25%
- This facility is expected to be refinanced in August 2020 with the issue of an IDR bond



- IDR1.4t (c.US\$96m) bond closed 30 July 2020
  - 1yr: Rp674b at IDR 8.9%
  - 3yrs: Rp726b at IDR 10.5%

IDR Bond

## Comments

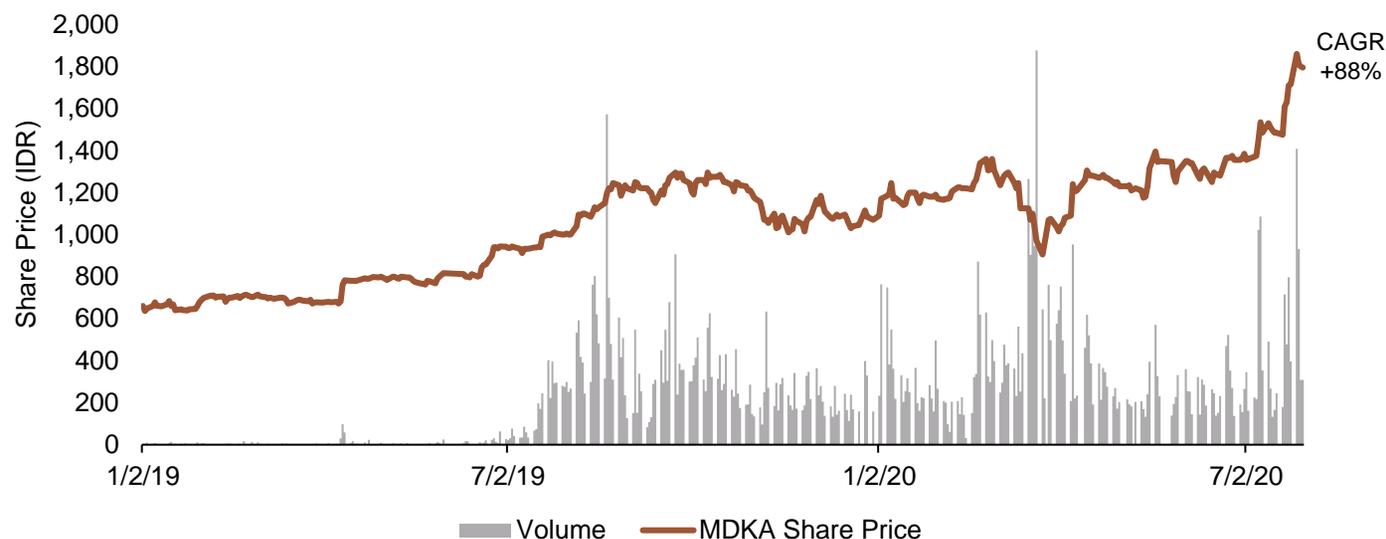
- Strong cash flow generation with consolidated EBITDA of US\$228 m for 2019
- Cash position of US\$56m as at 30 June 2020
- Modest hedging with significant exposure to upside in gold and copper given large resource base
- Building profile of Merdeka in international equity markets to support growth – completion of US\$60m equity raise in July 2019
- New institutional investors have improved liquidity
- Analyst coverage from Argonaut, BNI, Citi, Credit Suisse, Ciptadana, CLSA, Indopremier, KISI, Mandiri, Panin, Sucor, RHB, Trimegah

# Share Price and Liquidity

## Current Capitalization

Share Price (IDR) <sup>1</sup>	1,810
Shares Outstanding (m)	21,898
Market Cap (IDR)	IDR39.6t
<b>Market Cap<sup>2</sup></b>	<b>~US\$2.7b</b>
Net Debt <sup>3</sup>	US\$165.0m
<b>Enterprise Value</b>	<b>~US\$2.9b</b>

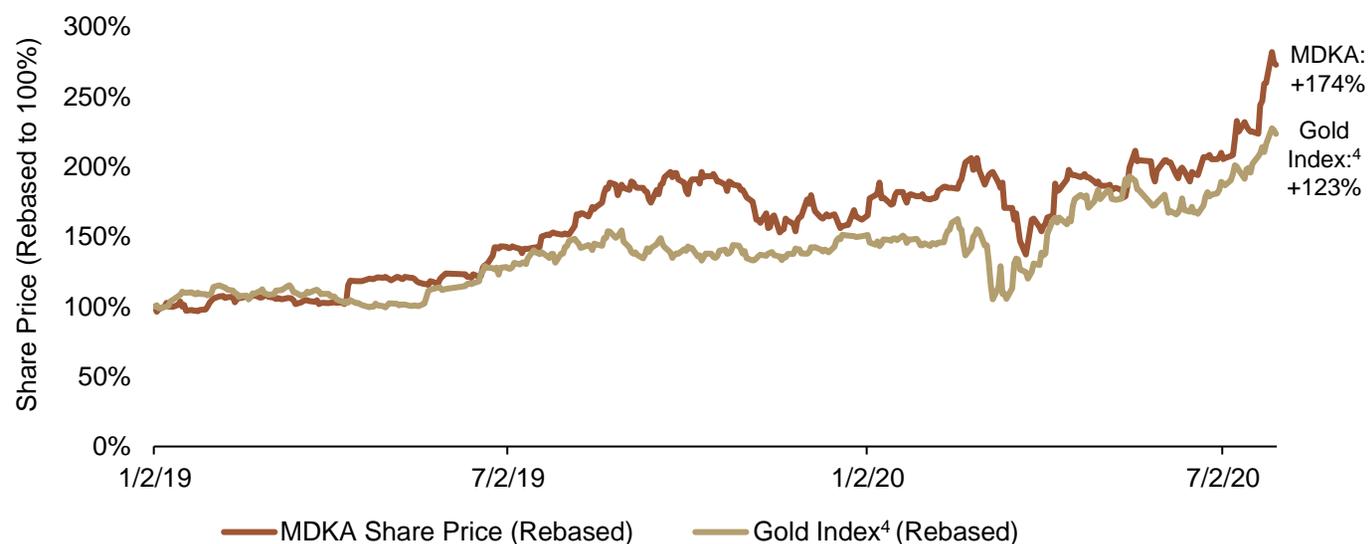
## MDKA Share Price Performance



## Trading Volume

	Average Daily Trading Volume (US\$m)
<b>1 month</b>	10.40
<b>6 months</b>	7.89
<b>12 months</b>	6.84

## MDKA Performance vs Gold Index



Note:

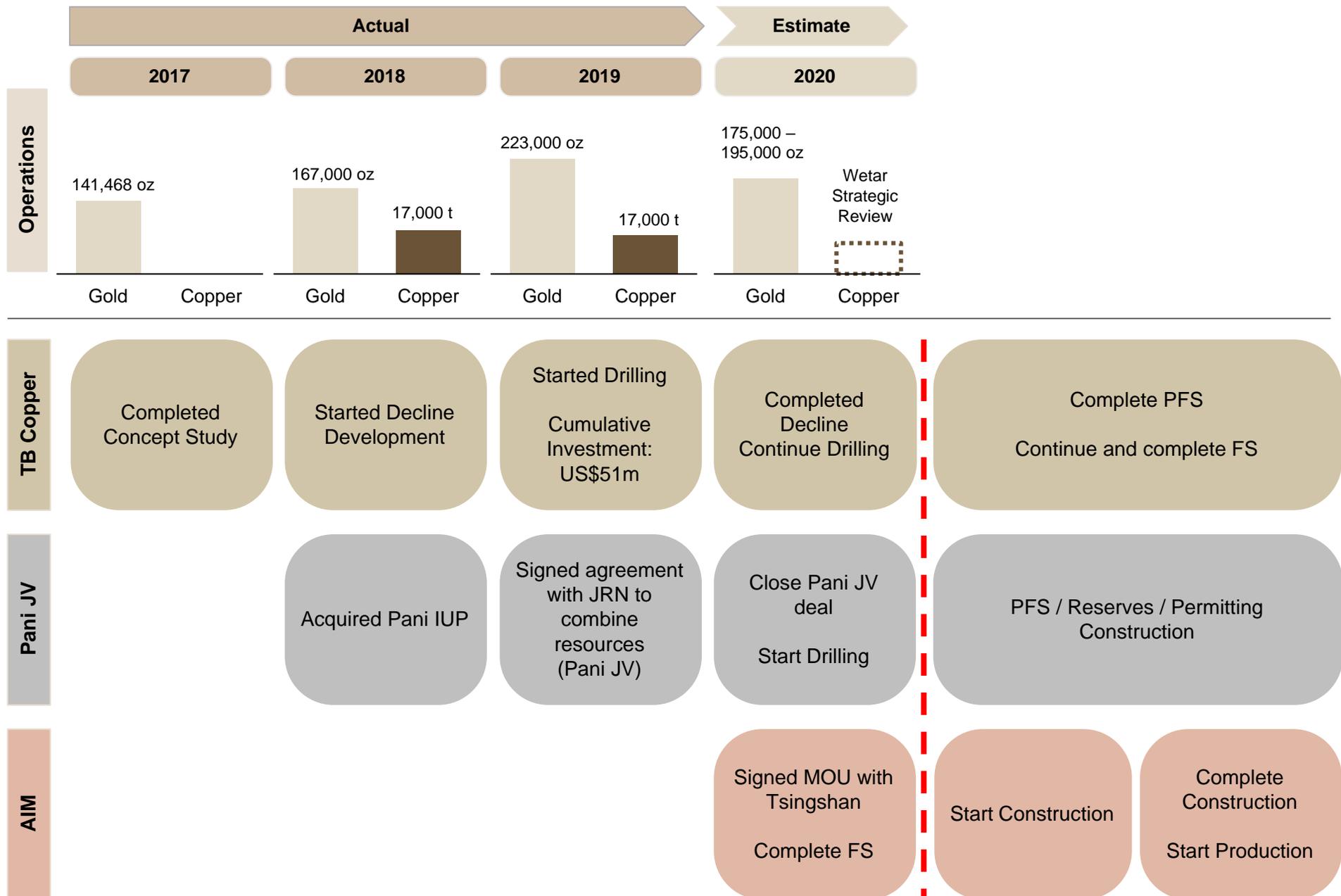
1. Share price information as at 28 July 2020
2. Using exchange rate IDR 14,605 per US\$
3. Using cash balance and debt number as of 30 June 2020
4. Ring: iShares MSCI Global Gold Miners ETF

# 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>Gerick 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 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>• Held CEO / CFO 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 relevant professional experience</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 relevant professional experience</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 16 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>

# Indonesia's Leading New Mining Company



# Producing Assets and Development Projects

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**MERDEKA**  
COPPER GOLD



# TB Gold Mine

## 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 <sup>1</sup>	0.9 Moz Au contained; 35 Moz Ag contained
Oxide Mineral Resources <sup>1</sup>	2.4 Moz Au contained; 90 Moz Ag contained
Workforce	2,400 employees and contractors

## Operational & Financial Performance

	Unit	2018 Actual	2019 Actual	H1-2020 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	5.3	7.4	4.8
Waste Mined	M Tonnes	9.4	8.4	4.0
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	M Tonnes	4.9	7.4	4.2
Recovered Metal	Au oz	167,506	223,042	108,823
<b>Financials</b>				
Cash Costs	US\$/ oz	374	409	408
All-in Sustaining Costs	US\$/ oz	596	620	648
Sales	US\$m	235	312	188
Operating EBITDA	US\$m	155	201	NR <sup>2</sup>

## Open Pit Mining



## Heap Leach



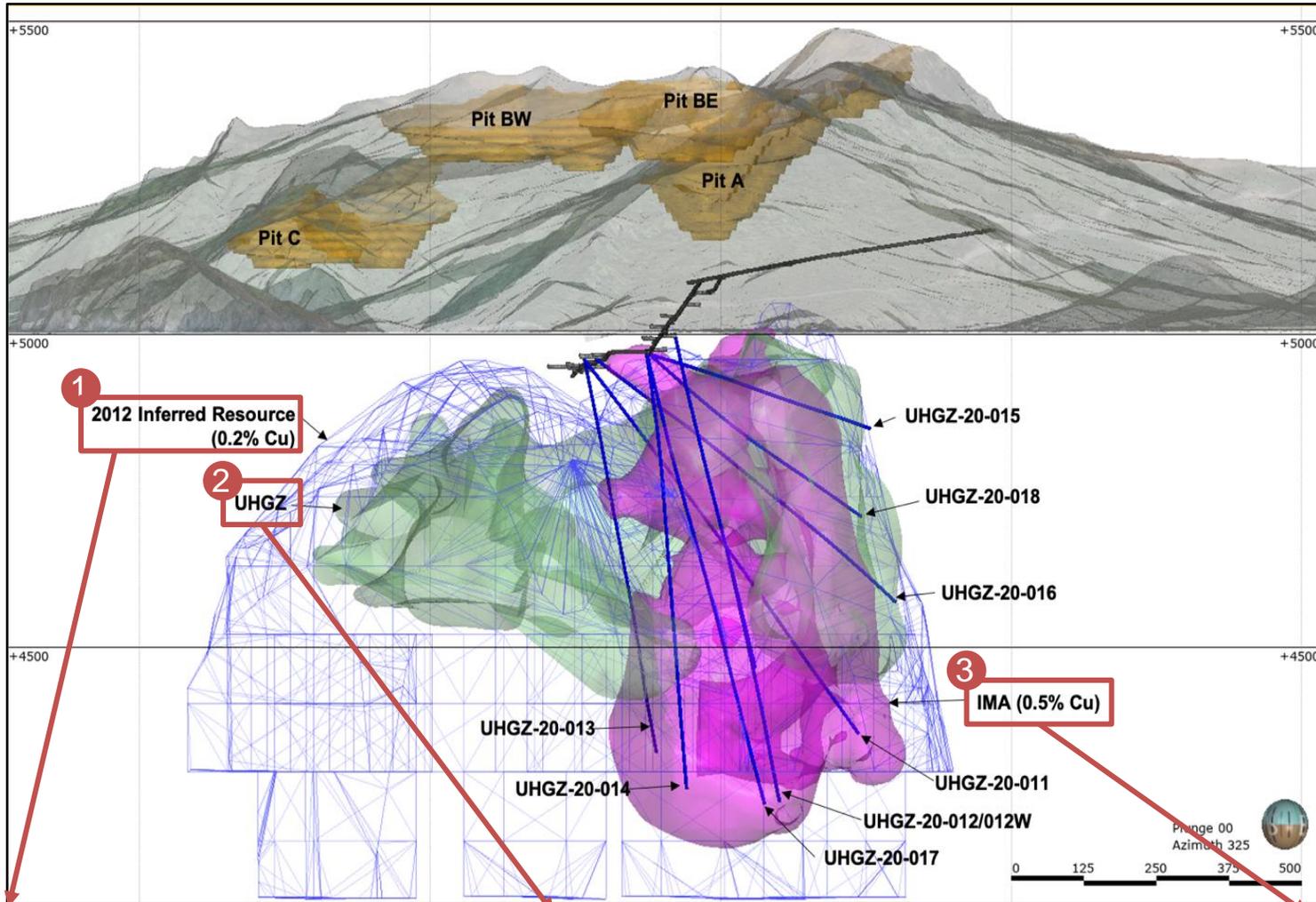
<sup>1</sup> Source: Company filings. Resources and reserves information as at 31 December 2019 (<http://www.merdekaoppergold.com/en/assets/resources-and-reserves>)

<sup>2</sup> Financial results for Q2 2020 not released

# TB Copper Project

## Leading Underground Copper/Gold Deposit

### Perspective View: Upper High Grade Zone (“UHGZ”) and Initial Mining Area (“IMA”)



### Comments

- The 1,890-meter long exploration decline was successfully completed in June 2020
- Purple lines extending from the decline denote drilling results received in Q2-2020
- Following a comprehensive internal review of the project status, a subset of the Upper High Grade Zone (“UHGZ”) has been identified and prioritised for exploration and associated pre-feasibility study work
- This area (referred to as the Initial Mining Area – “IMA”) contains the largest zone of contiguous high grade drilling results for copper and gold to date, and is well positioned for drilling from the current exploration decline location

**1**

**Total Underground Copper/Gold Inferred Resources**

1,900 Mt @ 0.45 %Cu & 0.45 g/t Au  
 ~ Contains approx. 8.8 Mt Cu & 28 Moz Au

**2**

**UHGZ - Subset of Total Underground Copper/Gold**

Underground Exploration Target  
 250-300 Mt @ 0.7-0.9 % Cu & 0.7-0.9 g/t Au

**3**

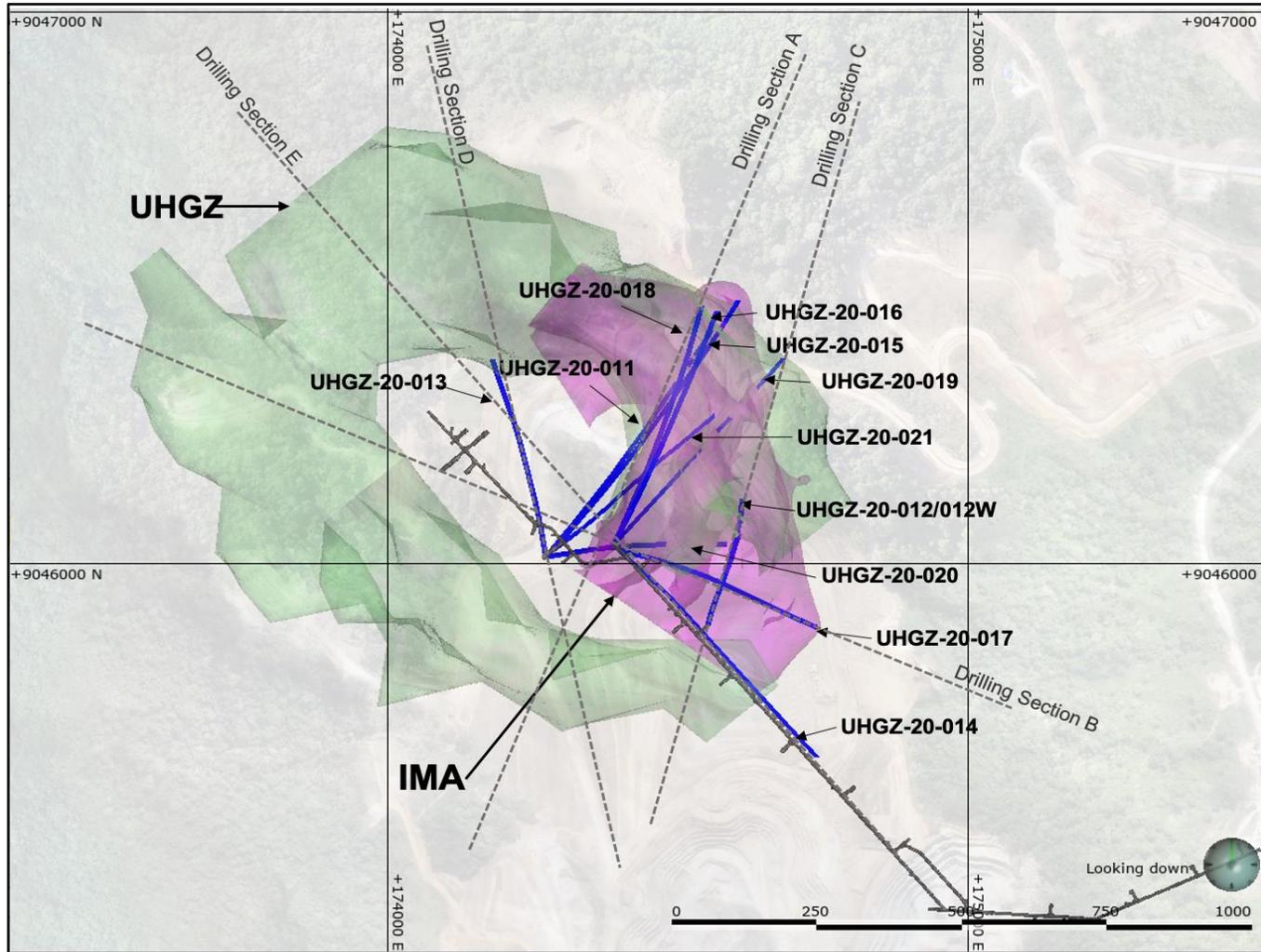
**IMA – Initial Mining Area**

Subset of UHGZ and prioritised for exploration and PFS work

# TB Copper Project

## Leading Underground Copper/Gold Deposit

Plan View 1: Drilling Sections A to E



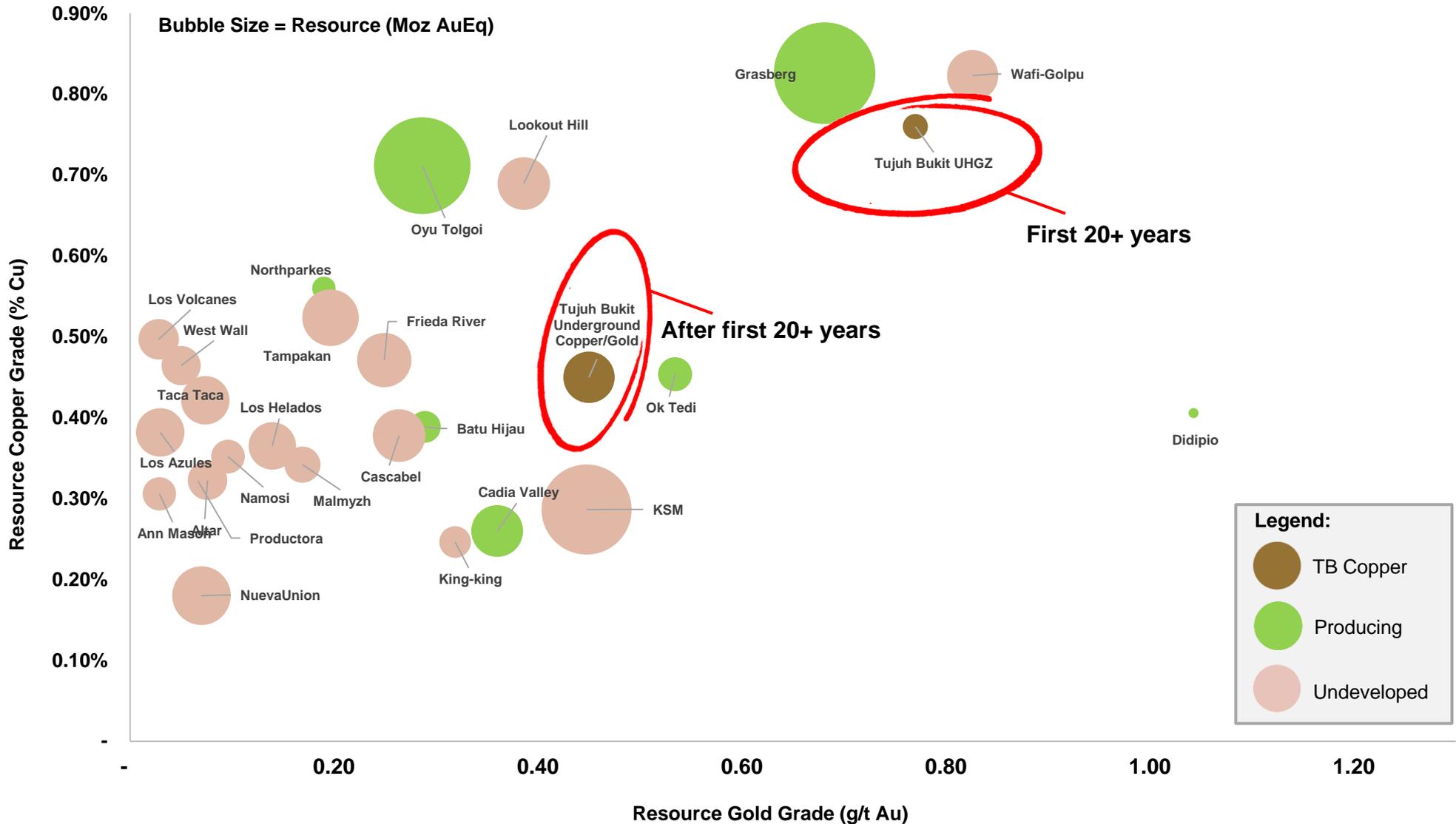
Comments

- Drilling in the IMA is ongoing, with a further 16,000 meters planned for completion in 2020
- Mineralisation tested in the Initial Mining Area (IMA) has either met or exceeded expectations. This is expected to provide a solid foundation for ongoing study work in 2020 and 2021
- Underground resource definition and geotechnical drilling of the UHGZ continued during 1H 2020, with a total of 10,475 meters drilled
- MDKA has invested US\$65m up to 30 June 2020 in a pre-feasibility study, which is planned for completion in 2021

Note:<sup>1</sup> IMA (>0.5 % Cu grade shell – magenta), as well as the UHGZ shell (green)

# TB Copper/Gold Project Leading Mineral Resource

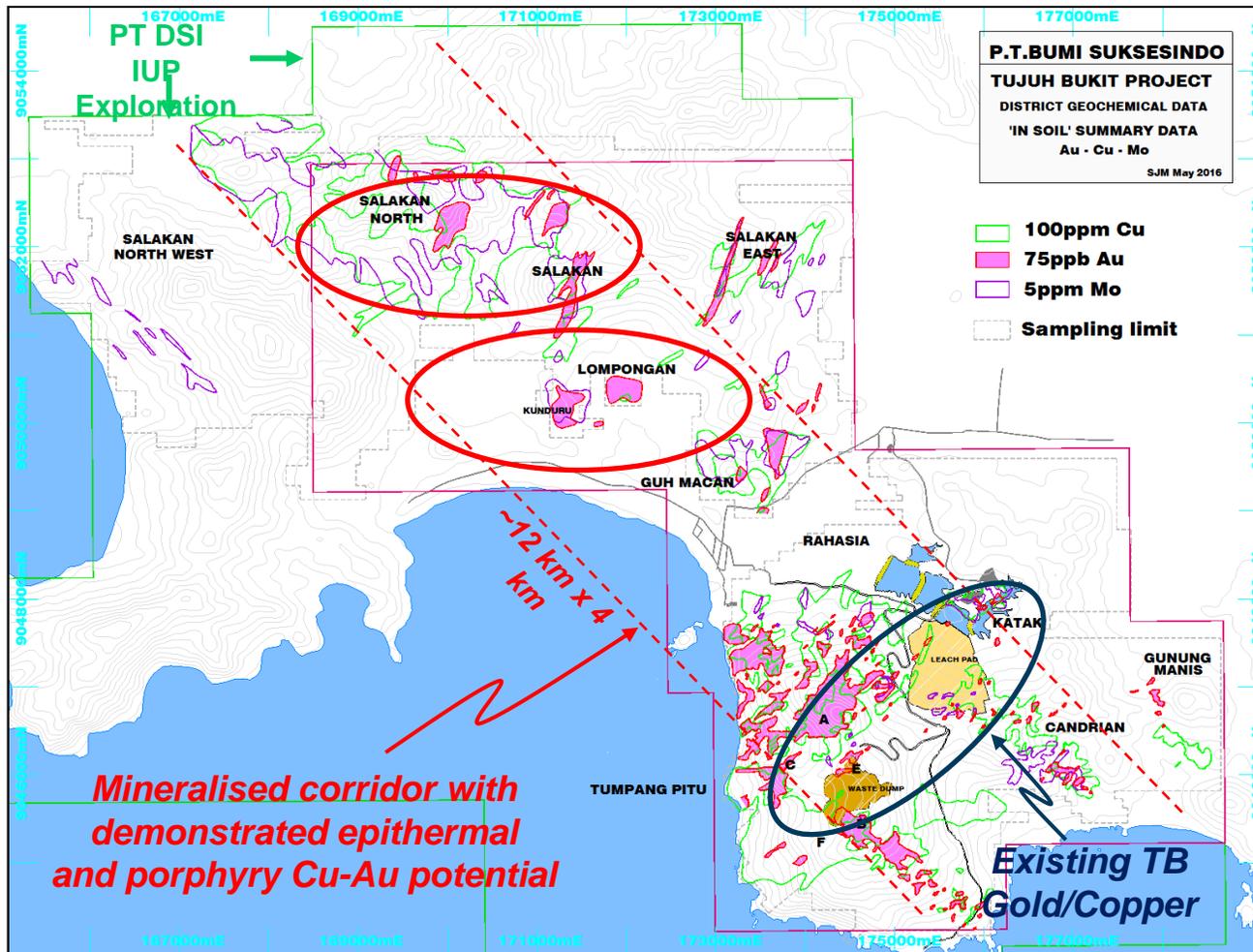
## Significant Porphyry Deposits



# TB Near Mine Exploration

## Open Pit Targets Could De-Risk Copper Project Ramp Up

### Open Pit Mineralisation Targets



### Comments

#### Salakan Porphyry Prospect

- Historical drilling including SDN-12-01: 604m @ 0.22% Cu
- Exploration to re-commence in 2021

#### 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
- Exploration to re-commence in 2021

#### Katak Porphyry Prospect

- Historical 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 Mine

## 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 <sup>1</sup>	114 kt Cu contained
Copper Mineral Resources <sup>1</sup>	289 kt Cu contained
Workforce	1,100 employees and contractors

## Operational & Financial Performance

	Unit	2018 Actual	2019 Actual	H1-2020 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
<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	2,926
<b>Financials</b>				
Cash Costs	US\$/ lb	1.49	1.29	3.57
All-in Sustaining Costs	US\$/ lb	1.73	1.86	4.33
Sales	US\$m	112	101	18
Operating EBITDA	US\$m	38	41	NR <sup>2</sup>

## Open Pit Mining



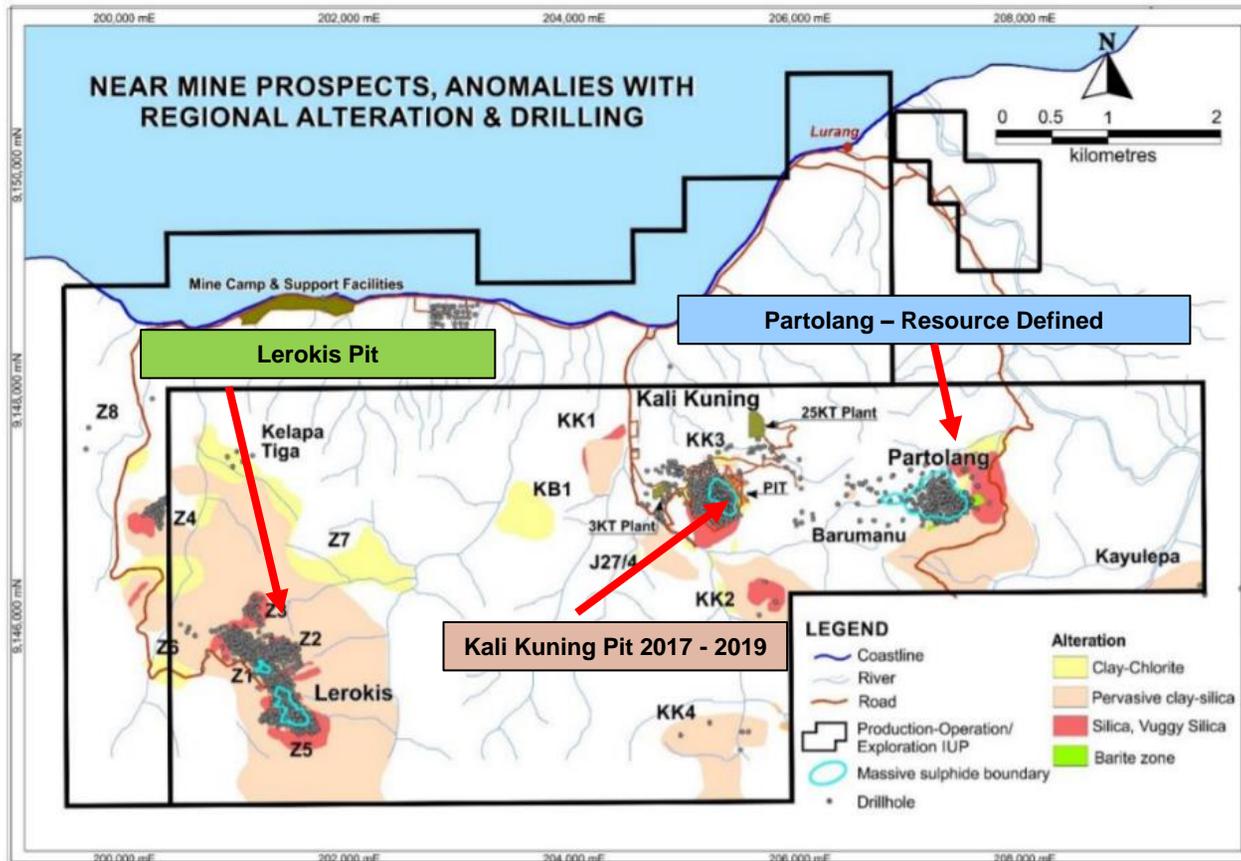
## Process Plant



<sup>1</sup> Source: Company filings. Resources and reserves information as at 31 December 2019 (<http://www.merdekakoppergold.com/en/assets/resources-and-reserves>)

<sup>2</sup> Financial results for Q2 2020 not released

# 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 as such it would not be surprising to discover more resources 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 done by Billiton shows many targets that are yet to be tested

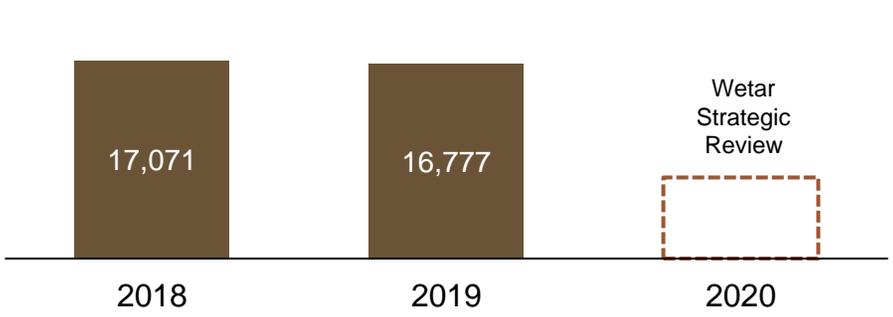
## Successful 2019 exploration campaign defines new resource

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

- A significant new resource has been defined at Partolang
- Drilling after the cut-off date for the resource update has intercepted high grade mineralisation that is expected to further expand resources

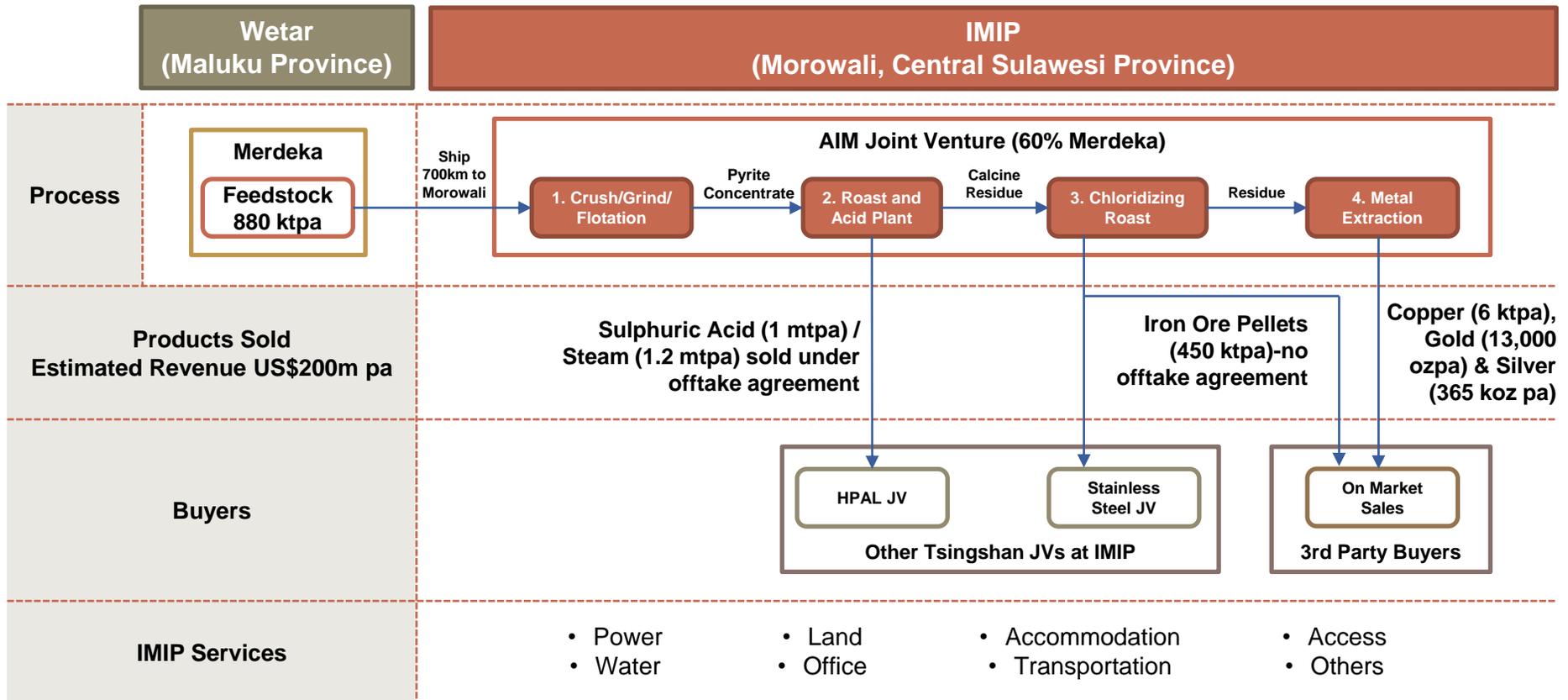
# Wetar Strategic Review

**Copper production at Wetar will remain low while management’s strategic review is completed and plan implemented in H2 2020**

<p><b>Historical Performance</b></p>	<ul style="list-style-type: none"> <li>The Wetar resource has delivered higher tonnes and higher grade than forecast since commencement of mining</li> <li>Despite achieving all important KPIs in 2019, the rate of copper leaching has slowed due to increased Total Dissolved Solids (“TDS”) levels (predominantly ferrous) in the raffinate solution. At the same time, mining commenced at the high grade Lerokis pit which, due to its mineralogy, leaches poorly in such high ferrous raffinate</li> </ul>	<p style="text-align: center;"><b>Wetar Copper Production (tonnes)</b></p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Production (tonnes)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>17,071</td> </tr> <tr> <td>2019</td> <td>16,777</td> </tr> <tr> <td>2020</td> <td>Wetar Strategic Review</td> </tr> </tbody> </table>	Year	Production (tonnes)	2018	17,071	2019	16,777	2020	Wetar Strategic Review
Year	Production (tonnes)									
2018	17,071									
2019	16,777									
2020	Wetar Strategic Review									
<p><b>Strategic Review Conclusions</b></p>	<ul style="list-style-type: none"> <li>Partolang ore is expected to leach with high TDS. Higher recoveries should be achieved with low TDS solutions</li> <li>Lerokis and Kali Kuning ore leaching is expected to improve significantly by lowering TDS in leach solutions</li> <li>A Neutralisation and Metals Precipitation Plant (“NMP”) plant to reduce TDS levels is necessary to allow copper leaching to return to historical production levels. The capital estimate to develop the NMP plant is US\$14 to 27 million over a 12-month period</li> <li>The development of Partolang is planned to proceed in Q3 2020. It is expected to significantly improve copper production despite high TDS. The capital associated with the development of Partolang and improving heap leach operations is expected to be US\$9 to 12 million</li> </ul>									
<p><b>Wetar Ore is Intrinsically Valuable</b></p>	<ul style="list-style-type: none"> <li>Management believes Wetar remains an extremely valuable asset because the ore contains high copper grades as well as good gold and silver grades. These metals are housed in very high-grade pyrite (FeS<sub>2</sub>) ore (typically 70-90%) which generally has high value if the sulphur can be converted to sulphuric acid and sold and the iron can be processed to a saleable product</li> </ul>									
<p><b>Optimisation of Wetar and Integration with AIM Project</b></p>	<ul style="list-style-type: none"> <li>The current Wetar heap leaching process extracts a portion of the copper but none of the gold, silver, iron or sulphuric acid in a saleable form. It is estimated that the current process route delivers revenue of US\$40-70 per tonne with a further possible US\$200 per tonne of revenue recoverable via the AIM process</li> <li>A desktop study investigating Copper Tank Leaching (“CTL”) as a viable alternative to heap leaching is nearing completion. The CTL process could potentially speed up the rate of copper leaching, provide more reliable and predictable recoveries and produce less iron and acid into solution. This process would also produce feedstock concentrate necessary for the AIM process rather than the AIM plant upgrading the pyrite feedstock (see next slide for AIM Project)</li> <li>A study on alternative power supply options to reduce power costs at Wetar has also commenced</li> </ul>									

# AIM Project Overview

Initial plant to produce 1mtpa of sulphuric acid but expected to increase and demand could be 5 mtpa between IMIP and other sites



## Comments

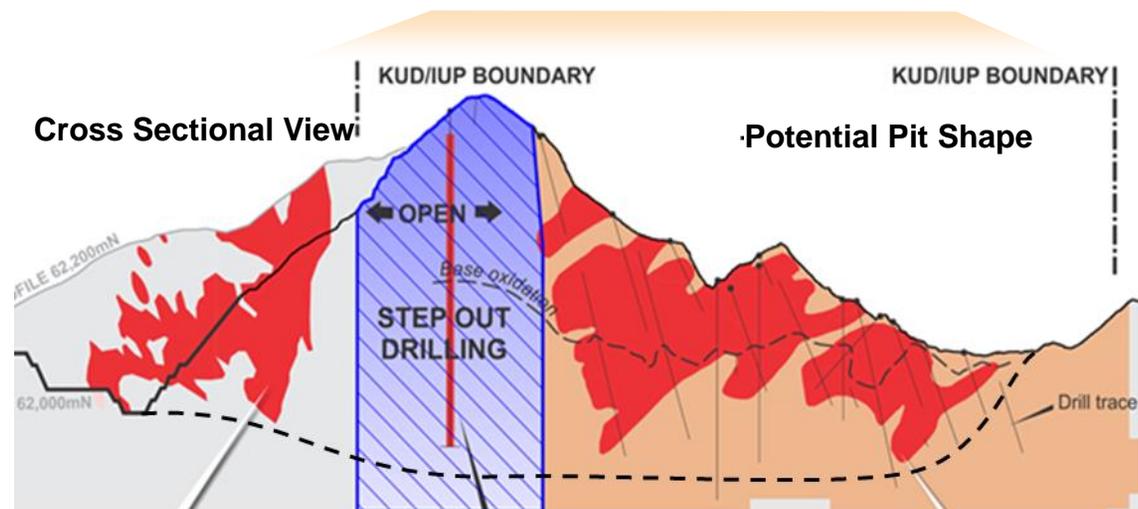
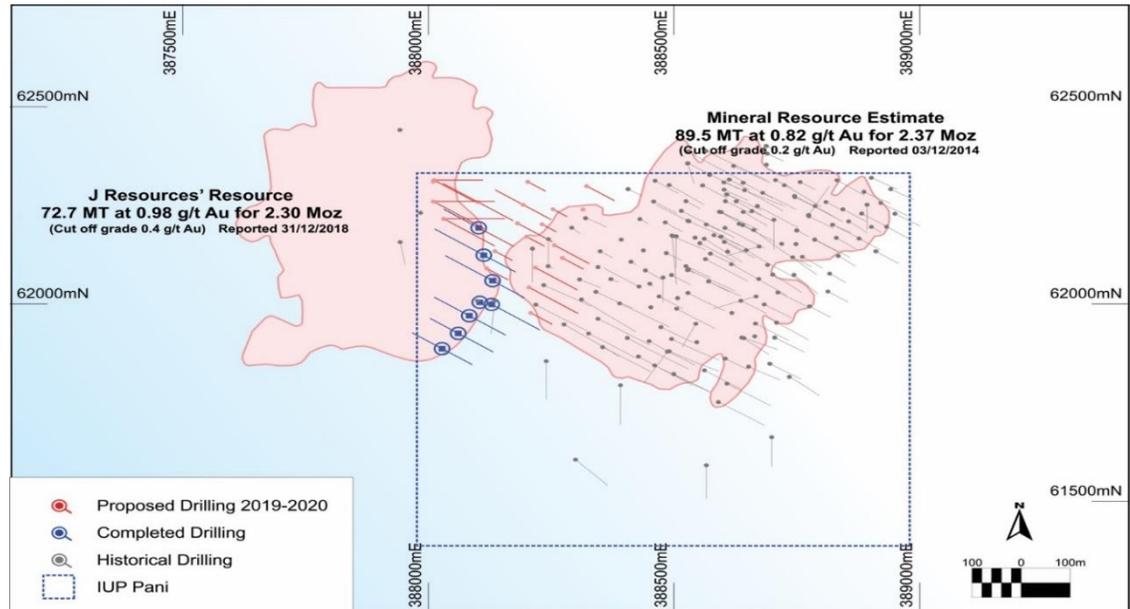
- Significant value in spent ore at Wetar (Cu, pyrite (FeS<sub>2</sub>), Au and Ag)
- Opportunity to optimise long term production profile across Wetar and AIM Project. Only some of the Cu recovered at Wetar and remaining copper and other products recovered with AIM Project
- MOU signed with Tsingshan to develop a pyrite processing plant at the Morowali Indonesian Industrial Park
- Feasibility study expected to be completed in Q4 2020

# Pani – Commencement of Step-Out Drilling

## Comments

- JV with J Resources to develop a combined project. Signed and expected to close H2 2020, pending regulatory and J Resources' lenders' approvals – Merdeka's economic share is 40% and Merdeka controls the JV
- Expect greater resources to reserve conversion and better economics from combined project
- Outcrops, thick, low strip implying low cost mining
- Initial metallurgical testing shows high recoveries from CIL, heap leach and gravity
- Diamond drilling continued throughout Q2 2020 using a single man portable drill rig with 8 holes completed or underway for a total of 1,423 metres. This brought total drilling in the current program to 9 holes completed or underway for a total of 1,829 metres. The planned program comprises 40 drill holes located on 29 drill pads for a total of approximately 10,500 metres
- Drilling has been paused up till completion of the JV

## 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

# Appendix

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- Key Financial Figures
- TB Copper Project Latest Drill Results
- Environmental, Safety and Social (ESS)
- Merdeka Mining Servis (MMS)
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- Gold and Copper Price Charts

**MERDEKA**  
COPPER GOLD



# Key Financial Figures

2016 – Q1 2020



	In US\$m	2016	2017	2018	2019	
<b>P&amp;L</b>	Revenue	0	129	294	402	
	EBITDA	(6)	99	158	228	
	Net Profit	(3)	43	58	69	
<b>BS</b>	Cash	43	35	14	50	
	Other current assets	5	59	141	155	
	Fixed assets	240	268	593	647	
	Other non-current assets	17	9	50	100	
	Total Assets	304	371	798	951	
	Borrowings – current portion	10	67	95	154	
	Borrowings – non-current portion	118	64	159	133	
	Other current liabilities	13	37	88	100	
	Other non-current liabilities	4	14	33	40	
	Total Liabilities	145	181	376	427	
	Equity	159	190	422	524	
	Total Liabilities & Equity	304	371	798	951	
	<b>CFS</b>	Cash flow from operation	(11)	72	51	123
		Capex	(79)	(61.2)	(56)	(134)
Investment/acquisition		-	(0.3)	(59)	(19)	
Cash flow from financing		114	(19)	42	65	

Source: Audited FS 2016 – 2019, Unaudited FS Q1 2020 (<https://www.merde kacoppergold.com/en/investment/financial-reports/>)

# TB Copper Project

## Latest Drill Results

UHGZ Drilling Results						Comments
Hole ID	From (metres)	To (metres)	Interval (metres)	Cu %	Au g/t	
UHGZ-20-011	576	784.8	208.8	0.5	0.5	<ul style="list-style-type: none"> <li>The most recent 8 holes of the current infill drilling program have all returned intercepts in line with or exceeding expectations</li> <li>3 of 8 holes finished in mineralization</li> </ul>
UHGZ-20-012 / 012W	298	779.6	481.6	0.7	0.7	
	560	638	78	1.0	1.0	
UHGZ-20-013	522	718	196	0.5	0.6	
	596	640	44	1.0	1.1	
UHGZ-20-014	0	332	332	0.3	0.3	
	626	828	202	0.5	0.1	
	722	756	34	1.1	0.2	
UHGZ-20-015	0	434	434	0.8	0.4	
	178	360	182	1.1	0.6	
UHGZ-20-016	376	662	286	0.6	0.7	
	514	564	50	0.9	1.2	
UHGZ-20-017	2	810.3	808.3	0.6	0.5	
	378	430	52	1.2	0.9	
	532	600	68	1.3	0.5	
UHGZ-20-018	0	194	194	1.2	1.1	
	278	484	206	0.8	1.0	
	354	470	116	1.0	1.0	

# Merdeka Environmental, Safety and Social (ESS) Performance 2019



Beyond operational and financial success, Merdeka places strong emphasis on ESS initiatives to ensure that the company has a positive influence on their stakeholders and minimize negative impact, if any

## Safety at Work

### Key Stats

Strong safety, environmental and community relations credentials. 1 LTI in past 2 years with 27 million hours worked

### Key Initiatives

- Merdeka's safety framework includes:
  - Vehicle and heavy equipment inspection regimes
  - Project training
  - Competency assessment system
  - Safety inspections
  - Leading-indicator safety systems
  - Safety motivation schemes
- Throughout employees' recruitment and work, their health and fitness are constantly monitored; Personnel who are found to be unfit are barred from operating heavy equipment or working in hazardous conditions

## Community Development and Empowerment

### Key Stats

In 2019, annual Community Development and Empowerment expenditure was **US\$3m**

### Key Initiatives

- Education:
  - Scholarships to selected students from elementary school to university
  - Free school buses in two districts
  - School facilities improvement
- Healthcare
  - Mobile healthcare service
  - On-site clinic service
  - Training for local paramedics
  - Training for sanitary water
- Economic Empowerment
  - Home-scale industries: cultivation of freshwater fish, goat breeding, cash crops and product distribution
  - Empowerment of women
  - Local tourist destination promotion
- Public Infrastructure
  - Road developments

## Safeguarding the Environment

### Key Stats

In 2018 and 2019, there were **No Significant** environmental compliance issues

### Key Initiatives

- Environmental Safety Assurance:
  - Recycling of leached ores
  - Fully lined storm water pond to contain site water
  - Multiple check dams and sedimentation traps
  - Fully containing and re-circulation of all site solutions
- Environmental Monitoring:
  - Ground water monitoring
  - Noise monitoring
  - Energy consumption monitoring
  - Greenhouse gas emission monitoring
  - Weather monitoring
- Environmental Management:
  - Water management
  - Waste management
  - Mitigating air pollution
  - Maintaining ground quality
  - Revegetation

For more info, please check :

<https://www.merdekacoppergold.com/en/sustainability/sustainability-report/>

# Merdeka Mining Servis (MMS)



## Key Comments

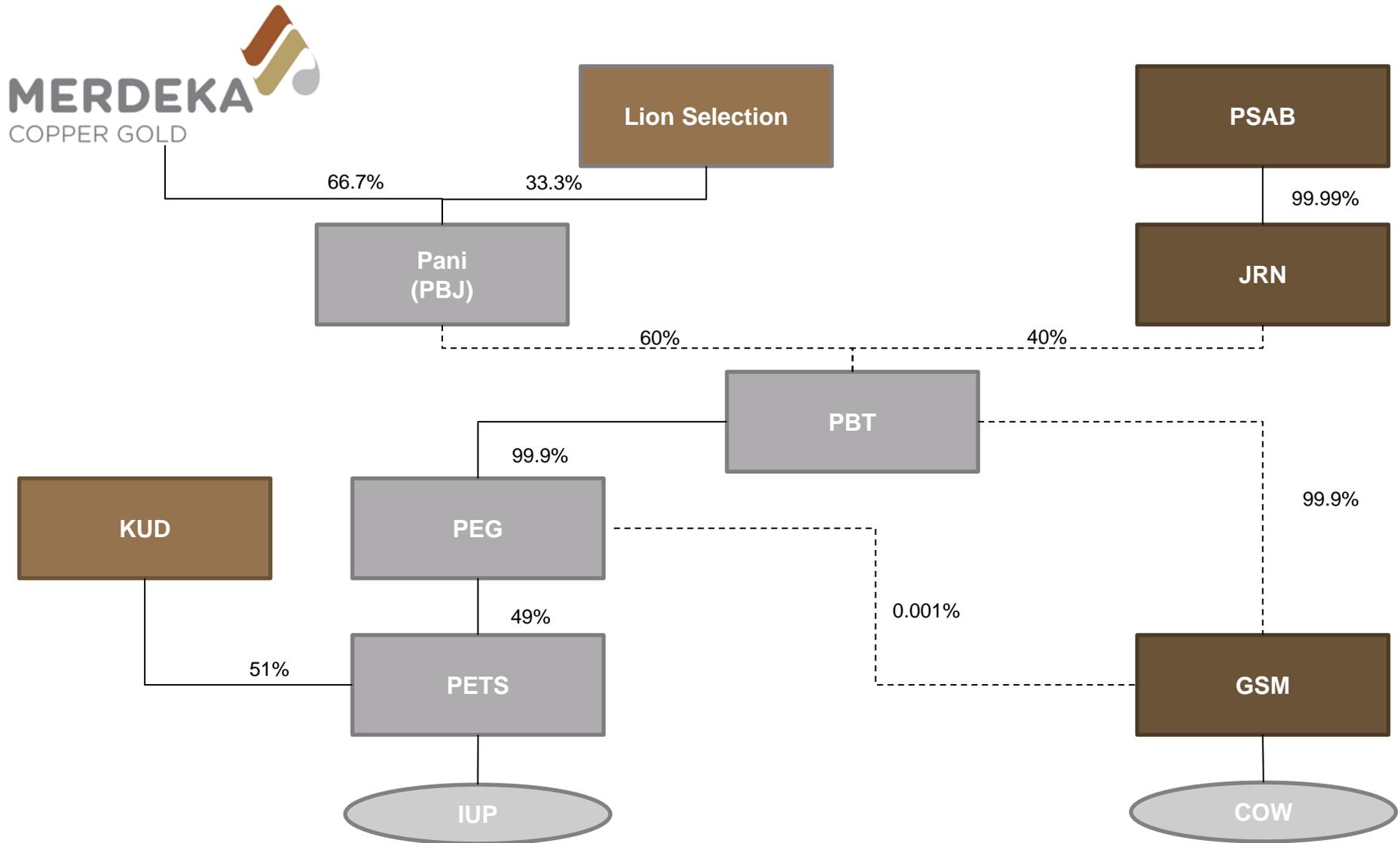
About MMS	<ul style="list-style-type: none"> <li>Construction and contracting arm of Merdeka, responsible for all Merdeka development projects and servicing the wider shareholder group</li> </ul>
Leadership and Employees	<ul style="list-style-type: none"> <li>Led by Peter Scanlon, who set up MMS in 2015 after leaving his position as the Head of Construction at Thiess Indonesia                             <ul style="list-style-type: none"> <li>Thiess is the world's largest contract miner and is ultimately owned by the Spanish ACS Group<sup>1</sup></li> </ul> </li> <li>Employee base of over 80 staff, with a further 350 non-staff, a significant portion of whom have worked together previously at Thiess</li> </ul>
Demonstrated Track Record of Project Delivery	<ul style="list-style-type: none"> <li>Since its establishment over five years ago, MMS has delivered an extensive range of projects including haul roads, access roads, public roads, ponds, dams and major infrastructure and mechanical works on a range of complex mining sites</li> <li>MMS has delivered multi-disciplined works across:                             <ul style="list-style-type: none"> <li>EPC</li> <li>Design &amp; Construction</li> <li>Construction</li> <li>Fabrication</li> <li>Accurate project estimation</li> <li>Project studies</li> </ul> </li> <li>MMS maintains an HSE focus with proven systems and procedures and exceptionally skilled and experienced national staff</li> </ul>

## Select MMS Experience

#	Project	Location	Client
1	Tujuh Bukit Gold Project	Indonesia	
2	Wetar Copper Project	Indonesia	
3	Batu Hijau Copper and Gold	Indonesia	
4	Suban Gas 2	Indonesia	
5	Bontang Coal Project	Indonesia	IMM PT Indominco Mandari
6	Seruyung Gold Project	Indonesia	J Resources
7	Haju Coal Project	Indonesia	
8	Satui Muara Port Upgrade	Indonesia	
9	Saipem Topside Module	Indonesia	
10	Vale Nickel Project	Indonesia	

1. ACS Group reported 2019 revenue of Euro 39b

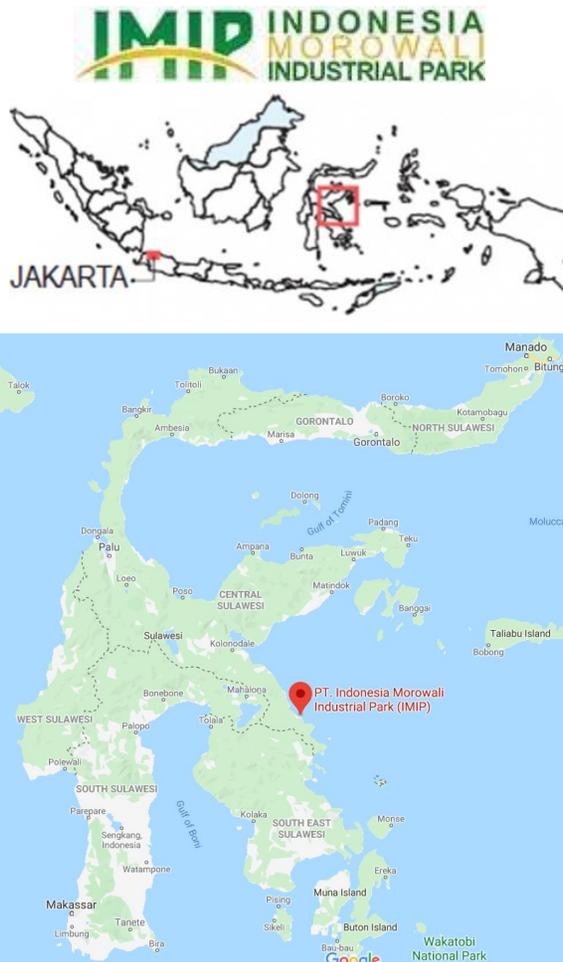
# Pani JV Project Ownership Structure



# Indonesian Morowali Industrial Park (IMIP)

## Substantial Facility

### Location and Size



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

### Comments

- Tsingshan owns 66.25% of IMIP
- 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
- 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

# Key Shareholders

With a Track Record and Proven Financing Capabilities



Provident, Saratoga and Thohir Group have a history of co-investment over many years with a distinguished track record in building value as well as attracting blue chip international institutional investors and high-quality banks. They also have deep and wide access to global, regional and local banks



### Provident Lenders

### Saratoga, Thohir Group and Adaro Lenders

Note:

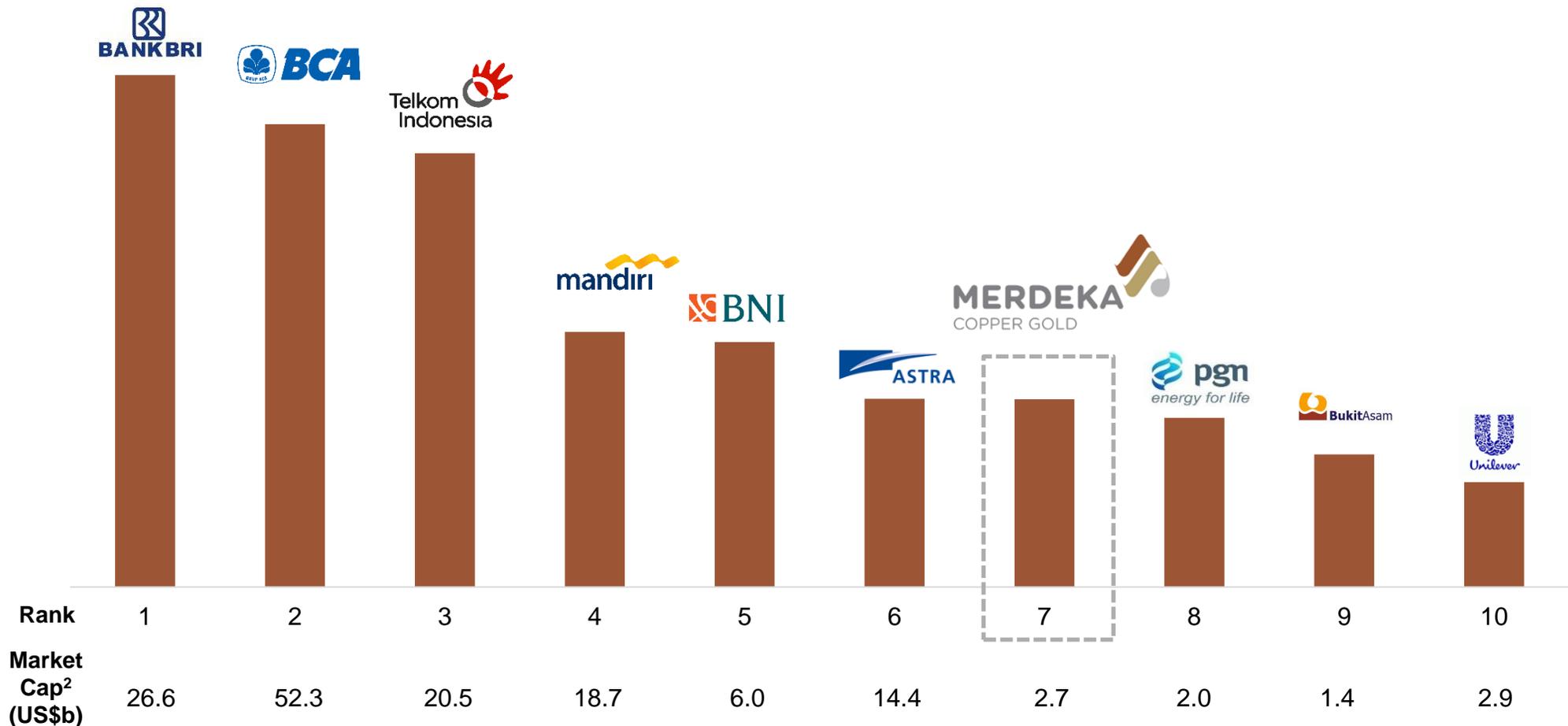
1. Market cap as at 28 July 2020; net debt as at 31 March 2020

# Merdeka is in the Top 10 of the Jakarta Composite Index (JCI) by Trading Volume



With IDR15.3t total turnover, Merdeka is among the top 10 of JCI movers YTD to July 2020

Top 10 JCI movers in terms of turnover as of YTD to July 2020<sup>1</sup> (IDRt)



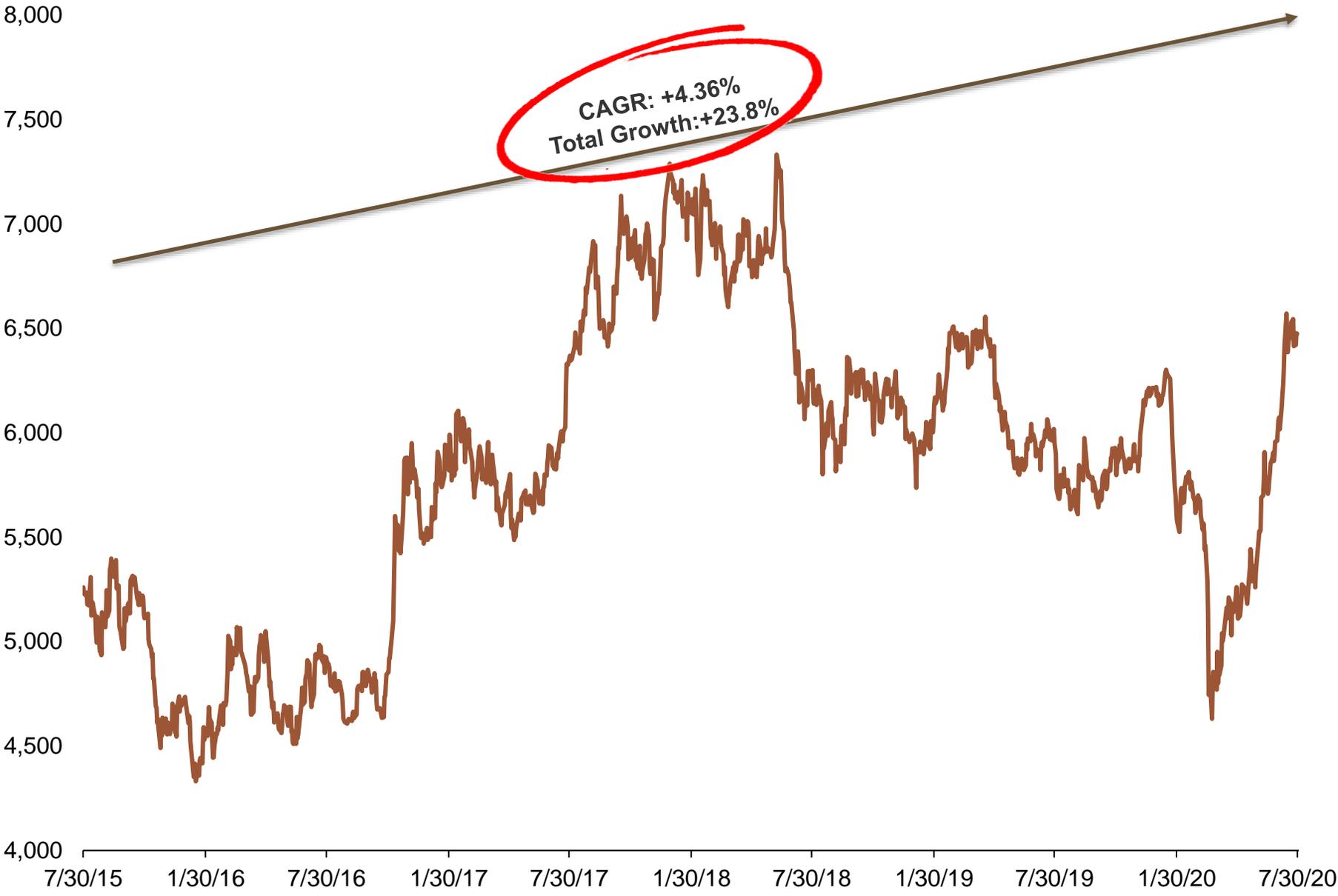
Note:  
 1. Turnover is calculated by the sum of daily trading value from 1 January 2020 to 28 July 2020  
 2. Market Cap as of 28 July 2020 using exchange rate of US\$/IDR 14,600  
 Source: RTI Business

# Gold Price Chart Past 5 Years (US\$/oz)



Source: Bloomberg

# Copper Price Chart Past 5 Years (US\$/t)



Source: Bloomberg

# 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.