

PT Merdeka Copper Gold Tbk.

IDX Code: MDKA

As at 31 March 2021

Capital Structure (30 Apr 2021)

22,904,850,815 listed shares

Share price: IDR 2,620

Market capitalisation: \$4.1 billion

Cash & Debt

Cash: \$277 million

Bank Debt: \$85 million

IDR Bond \$222 million

Board of Commissioners

Edwin Soeryadjaya (President)

Garibaldi Thohir

Richard Bruce Ness

Heri Sunaryadi

Muhamad Munir (Independent)

Budi Bowoleksono (Independent)

Board of Directors

Tri Boewono (President)

Simon Milroy (Vice President)

David Thomas Fowler

Gavin Arnold Caudle

Hardi Wijaya Liong

Michael W.P. Soeryadjaya

Chrisanthus Supriyo

(Independent)

Executive Management

Boyke Poerbaya Abidin

Devin Antonio Ridwan

Gerick Mouton

Zachary Casley

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PT Merdeka Copper Gold is proudly an Indonesian owned and operated company and is listed on the Indonesian Stock Exchange.

PT Merdeka Copper Gold Tbk (“MDKA”) is pleased to report on its March Quarter 2021 activities.

Since the time of its IPO in June 2015, MDKA has transformed from a small company with a single undeveloped gold project into a multi asset diversified group with exciting long life development projects.

With the successful execution of its strategy, MDKA management expects MDKA will become a globally significant copper and gold producer.

MDKA today consists of five main assets, which are in order of importance, as follows:

- 1) Tujuh Bukit Copper Project (“TB Copper Project”)
- 2) Wetar / Morowali Acid Iron Metal Project (“AIM Project”)
- 3) Pani Joint Venture (“Pani JV Project”)
- 4) Tujuh Bukit Gold Mine
- 5) Wetar Copper Mine

The majority of MDKA's value is attributable to the TB Copper Project, however, the other projects will provide long-term stable cash flows.

Gold produced at the Tujuh Bukit Gold Mine for the quarter was 16,585 ounces at an all-in sustaining cost (“AISC”) of \$1,342/oz. Low planned gold production and high AISC during the quarter was a result of the heap leach subsidence incident in September 2020. Reinstatement of the heap leach pad has been progressing ahead of schedule, with full construction expected to be completed by end of Q2 2021 and normal operations to resume by Q3 2021. No Lost Time Injury (“LTI”) occurred during the quarter.

At the Wetar Copper Mine, after mining operations commenced at Partolang Pit in October 2020, copper production has steadily increased in line with expectations. Copper produced in the quarter was 2,489 tonnes of copper at an AISC of \$2.67/lb, representing a significant improvement compared to copper production in Q4 2020 of 1,017 tonnes of copper. No LTI occurred during the quarter, with the site achieving 10.82 million hours or 3 years without an LTI.

At Tujuh Bukit Copper Project, recent drilling results have continued to return intercepts in line with, or exceeding expectations. Results for the quarter include 166 metres @ 0.9% Cu and 1.5 g/t Au from 386 metres in UHGZ-21-036.

During the quarter, the AIM Project feasibility study was finalised and subsequently announced in April 2021. Based on a capital cost estimate of \$290m, the AIM Project will deliver compelling economics, with a Net Present Value (“NPV”) of \$407m at 8% discount rate and an Internal Rate of Return (“IRR”) of 26%.

On 26 January 2021 MDKA drew down \$25 million from the \$25 million Single Currency Revolving Facility with PT Bank UOB Indonesia as lender (“RCF”). The facility was fully repayed on 31 March 2021.

MDKA successfully raised \$170m via a non-pre-emptive rights issuance on 4 March 2021. This was followed by completion of an IDR bond issuance of \$104 million on 26 March 2021. A debt repayment of \$15 million was made on the \$200 million BSI Senior Secured Facility in the quarter, resulting in bank debt at 31 March 2021 of \$85 million. Cash at 31 March 2021 was \$277 million.

1) **TB Copper Project**

World Class Resource: This project is 100% owned by MDKA. Located beneath the existing Tujuh Bukit Gold Mine, the global inferred resource is 1.9 billion tonnes at a grade of 0.45% copper and 0.45 g/t gold containing approximately 8.7 million tonnes of copper metal and 28 million ounces of gold.

As previously reported, current resource definition drilling is focused on the Upper High Grade Zone (“UHGZ”) exploration target (which is a subset of the global Inferred resource within the top 500 metres of the deposit) of between 250 and 300 million tonnes at 0.7% to 0.9% copper and 0.7 g/t to 0.9 g/t gold.

Pre-Feasibility Study (“PFS”): MDKA has invested \$77 million to date on a PFS program, which is planned for release in Q1 2022. The majority of the investment is related to the underground development of a 1,890 metres long exploration decline which was successfully completed in June 2020 and resource definition drilling. The bulk of the PFS expenditure during the quarter was spent on resource definition drilling. No LTI occurred during the quarter.

Figure 1: A perspective view showing drill holes, UHGZ and underground decline

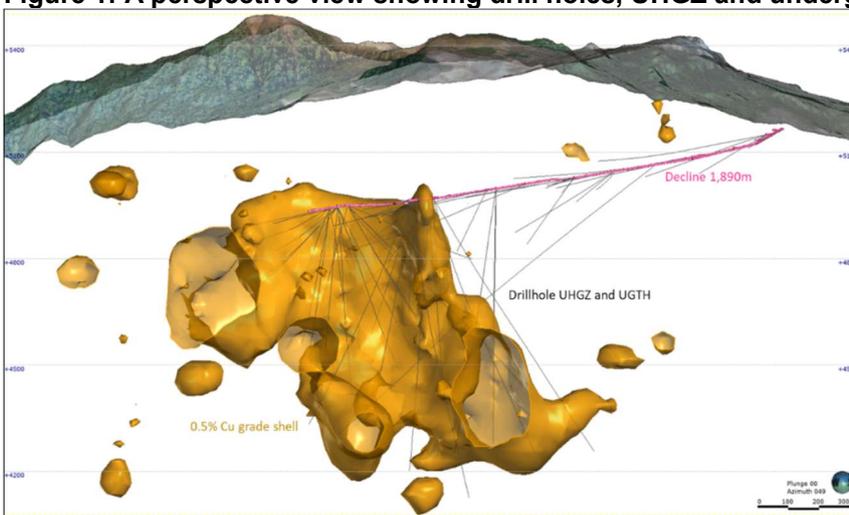
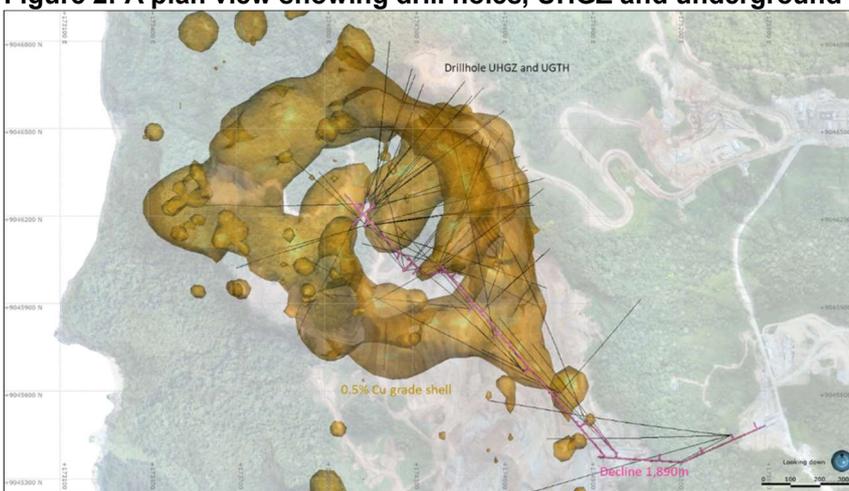


Figure 2: A plan view showing drill holes, UHGZ and underground decline



At the end of Q1 2021, five underground drill rigs were operating. Drilling productivity from the new contractor has exceeded planned rates during the quarter, with improved core recovery and reduced drilling complications. Total drilling for the quarter was 6,850.6 metres from underground.

Selected results from the latest drilling announced during February 2021 and March 2021 include¹:

- 242 metres @ 0.7% Cu and 1.0 g/t Au from 346 metres in UHGZ-20-029 (including 192 metres @ 0.8% Cu and 1.2 g/t Au from 354 metres)
- 184 metres @ 0.9% Cu and 1.0 g/t Au from 228 metres in UHGZ-20-030 (including 146m @ 1.0% Cu and 1.1 g/t Au from 264m)
- 124 metres @ 0.8% Cu and 0.7 g/t Au from 304 metres in UHGZ-20-028 (including 98 metres @ 0.9% Cu and 0.8 g/t Au from 310 metres)
- 250 metres @ 0.5% Cu and 0.5 g/t Au from 466 metres in UHGZ-20-025 (including 88 metres @ 0.8% Cu and 0.7 g/t Au from 558 metres)
- 186 metres @ 0.7% Cu and 0.7 g/t Au from 206 metres in UHGZ-20-027 (including 120 metres @ 0.9% Cu and 0.9 g/t Au from 244 metres)
- 166 metres @ 0.9% Cu and 1.5 g/t Au from 386 metres in UHGZ-21-036 (including 140 metres @ 1.0% Cu and 1.8 g/t Au from 386 metres)
- 126 metres @ 0.8% Cu and 1.1 g/t Au from 310 metres in UHGZ-20-033
- 210 metres @ 0.8% Cu and 0.8 g/t Au from 390 metres in UHGZ-21-037

¹ Results reported using a 0.2% Cu cut-off, and a minimum intercept length of 30 metres.

The most recent twelve holes of the current infill drilling program have all returned intercepts in line with, or exceeding expectations. These latest drilling results were reported previously in February and March 2021: (<https://www.merdekaoppergold.com/en/download/march-2021-tujuh-bukit-copper-drill-results-released-2/> and <https://www.merdekaoppergold.com/en/download/february-2021-tujuh-bukit-copper-drill-released/>)

Figure 3: Underground drill rig and associated equipment



Other disciplines of PFS preparation work (underground mine geotechnical monitoring and logging, mine hydrology studies, bulk water, bulk power, port, tailings and metallurgical test work) is ongoing with mine optimisation work focussing on the updated geological block model.

2) AIM Project

Overview: The ore at the Wetar Copper Mine is primarily pyrite (FeS_2) which hosts Cu, Au, Ag and Zn. Since 2018, MDKA has investigated opportunities to realise additional value from the Wetar ore, as the existing heap leaching process at Wetar only recovers a portion of the Cu and does not recover any of the Au, Ag, Zn, Fe or S (a component of sulphuric acid) contained in the ore.

As part of this initiative, MDKA has worked with Eternal Tsingshan Group Limited (“Tsingshan”) to conduct metallurgical test work on the Wetar ore as well as developing a preliminary process flowsheet in late 2019.

Tsingshan is involved in a number of projects that have been and are being developed at the Indonesia Morowali Industrial Park (“IMIP”) located in Sulawesi, Indonesia. Some of these projects will require large amounts of sulphuric acid, steam and iron pellets for their production process.

Tsingshan / MDKA Joint Venture Agreement (“JV”): On 11 February 2021, MDKA, Tsingshan and their respective affiliates signed a JV for the AIM Project. Subsequently, a joint venture company, PT Merdeka Tsingshan Indonesia (“MTI”) has been established with MDKA on 18 March 2021 (through its subsidiary) owning 80% and Tsingshan, through its affiliate, owning 20%.

JV Overview: The AIM Project will purchase high-grade pyrite (FeS_2) spent ore from MDKA’s Wetar Copper Mine. The spent ore, which also contains Cu, Au, Ag and Zn, will be transported by barge from Wetar Island to the Indonesia Morowali Industrial Park (“IMIP”).

The AIM plant will be constructed at IMIP and is designed to treat the spent pyrite ore from the Wetar Copper Mine at a nominal rate of 950,000 tonnes per year. The plant will produce sulphuric acid, saturated steam, iron ore pellets, sponge copper, lead-zinc hydroxides, gold and silver doré.

MDKA is pleased to announce that it has concluded negotiations to sell all of its acid and steam production under a long-term contract (take or pay basis) to a customer currently constructing a High Pressure Acid Leach (“HPAL”) plant at IMIP. The Acid and Steam Supply Agreement (“ASSA”) was signed on 30 April 2021. This is the first ASSA that MDKA has signed to date and marks a positive development milestone for MDKA’s future revenue growth.

Significant growth in acid demand is expected as additional HPAL plants are planned to be constructed in Indonesia. The AIM Project will begin construction in Q2 2021 and is targeted to deliver first acid in Q4 2022.

Expansion of acid production to more than one million tonnes per annum is also under investigation.

Figure 4: Site surveying underway for the roasters and acid plants at IMIP



Feasibility Study: The Feasibility Study was completed by DRA Pacific in March 2021 and was supported by specialist input from various other consultants, including Beijing General Research Institute of Mining and Metallurgy (“BGRIMM”), PT Lorax, Orewin, CRU and PT Hatch.

The study has confirmed the technical, economic, and environmental feasibility of the AIM Project and supports the certification of a Class 3 Association for the Advancement of Cost Engineering (“ACE”) cost estimate. Based on project capital costs of \$290 million, the AIM Project yields a compelling NPV of \$407 million at 8% discount rate with an IRR of 26%.

The results of the FS were reported previously on 26 April 2021:

<https://www.merdekcoppergold.com/en/download/april-2021-completion-of-fs-for-the-aim-project-3/>

MDKA completed a study on a new Wetar barge jetty that will be used to load the pyrite spent ore to be barged to IMIP. Detailed jetty design and engineering, including permitting applications, have commenced.

Table 1: AIM Project Financial Results

Project Statistics	Unit	Value
Financial Results @ \$290m Capex		
NPV @ 8%	\$ million	407
IRR	%	26%
Payback from First Production	Years	3.33
Pre-Production Funding Requirements		
Concentrator	\$ million	24
Refinery	\$ million	239
Sub-Total	\$ million	263
Contingency	\$ million	26
Total	\$ million	290
Key Assumptions		
General		
Life	Years	22
Production		
Acid	Million tonnes	21
Steam	Million tonnes	23
Iron Ore Pellets	Million tonnes	9.3
Sponge Copper	Tonnes	147,000
Gold in Dore	oz	252,000
Silver in Dore	Million oz	6.2
Lead-Zinc Product	Tonnes	70,000
Pyrite		
Pyrite Feed	Million tonnes	17.3
Long Term Pricing		
Acid	\$/tonne	43
Steam	\$/tonne	15
Iron Ore Pellets	\$/tonne	109
Copper	\$/tonne	7,614
Gold	\$/oz Au	1,602
Silver	\$/oz Ag	20
Lead-Zinc Product	\$/tonne	786
Revenue and Cash Costs		
Average Annual Revenue (Project Life)	\$ million	170
Average Annual Operating Costs	\$ million	92

3) Pani JV Project

Pani Joint Venture Agreement: Agreement with PT J Resources Asia Pasifik Tbk (“PSAB”) in relation to the combination of MDKA’s Pani Mining IUP (“Pani IUP”) and one of the three mining blocks, that is the Pani block (“Pani Project”) within PT Gorontalo Sejahtera Mining’s (“GSM”, a subsidiary of PSAB) Contract of Work (“GSM COW”), together referred to as the “Pani Joint Venture”.

On 1 February 2021, one of the Company's subsidiaries, PT Pani Bersama Tambang (“PBT”), received a response from a subsidiary of PSAB, PT J Resources Nusantara (“JRN”). The response was in relation to a notice of arbitration submitted by PBT at the Singapore International Arbitration Center (“SIAC”), where PBT is the Claimant party against JRN as the Respondent party regarding the implementation of the Conditional Shares Sale and Purchase Agreement on 25 November 2019 as amended on 16 December 2019 (“CSPA”).

In the arbitration, PBT claims that JRN failed to comply with its obligations to fulfil the conditions precedent required for the completion of the CSPA and has requested SIAC to decide that JRN must fulfil all its obligations under the CSPA or pay compensation to PBT in the amount of around USD 500 million - USD 600 million. Neither party has terminated the CSPA.

This case does not have a negative or detrimental impact on PBT and does not affect the business continuity and operations of the PT Merdeka Copper Gold Tbk group. Joint development of the Pani Project generates maximum value for all participants and MDKA continues to pursue this outcome.

Through its 66.7% ownership of PT Pani Bersama Jaya (“PBJ”), MDKA controls the Pani IUP in Gorontalo Province, Sulawesi. Through its 99.999% ownership of PT J Resources Nusantara (“JRN”), PSAB controls a 100% interest in the Pani Project located in Gorontalo Province, Sulawesi.

Adjacent Resources: The Pani IUP and the Pani Project are located adjacent to each other in Gorontalo. One Asia Resources Limited has previously reported that the Pani IUP contains mineral resources of 89.5 million tonnes at a gold grade of 0.82 g/t for 2.37 million contained ounces of gold and PSAB has previously reported that the Pani Project contains a mineral resource of 72.7 million tonnes at a gold grade of 0.98 g/t for 2.3 million contained ounces of gold.

As reported last quarter PBJ’s subsidiary, PBT has drilled 17 holes for 4,543 metres in the area between the Pani IUP and Pani Project where two holes drilled by Utah International in 1982, assayed 406m @ 0.5 g/t Au (GPD-04) and 154m @ 0.57 g/t Au (GPD-05). The drilling program was then paused pending completion of the agreement.

4) Tujuh Bukit Gold Mine

Summary: Gold produced during the quarter was 16,585 ounces at an AISC of \$1,342/oz net of silver credits. The gold production during the quarter resulted from the temporary irrigation of the undamaged portion of the pad, which started on 31 December 2020.

Heap Leach Slump Incident and Remediation: On 12 September 2020, a portion of the ore that was stacked on the front face of the heap leach pad subsided (the “incident”). There were no injuries to personnel or environmental impacts. Open cut mining activities, operation of the ore preparation plant (“OPP”) and irrigation of the heap leach pads (“HLP”) were suspended until the incident investigation was completed.

Investigations into the cause of the slump by Knight Piesold confirm that the lower lifts of the heap leach pad had become saturated due to a high level of fines blocking solution pathways through the agglomerated ore. This reduced the hydraulic conductivity of the ore and the ore strength leading to the slump. A campaign of drill holes was completed confirming elevated levels of fines in the lower levels of the heap leach pad.

A remediation plan that addresses the causes of the slump is in progress and ahead of schedule. The objective of the remediation plan was to bring the unaffected portion of the heap leach pad back into production as soon as possible. Leaching of these areas commenced on the 31 December 2020. The slump has affected bays 1 to 5 (pad A) of the heap leach pads. Bays 6 to 9 were not affected by the slump however the irrigation system needed to be reinstated before irrigation of pad B could recommence.

Subsequently, fresh ore stacking on the new liner on pad A commenced in April 2021 with leaching across both pads A and B expected to commence in July 2021.

The reinstatement plan comprises the following key steps:

1. Recovery of pumps, piping and other key infrastructure that was used to irrigate the leach pads. A significant portion of this equipment is expected to be reused.
2. Relocation of previously stacked, partially leached, ore from lift 7 on pad A to pad B.
3. Use of spent ore from lift 6 of pad A and B to create a large buttress at the base of the heap leach pad to increase stability.
4. Remediation of the slip area on pad A with a new liner being placed on lift 5 of pad A.

Insurance Claim: An insurance claim for material damage and business interruption has been lodged with the company's insurers. In April 2021 the Company received written confirmation from the loss adjuster that insurers have determined, that the cover for property damage and business interruption are triggered under the insurance policy, subject to certain policy terms and conditions.

The Company is currently working with the insurers and its advisors to quantify the value of the claim and bring this matter to a satisfactory conclusion. The Company anticipates an interim payment will be received in the second quarter.

Life of Mine Impact: This heap leach pad slump is not expected to materially change the Tujuh Bukit oxide gold ore reserve with no gold expected to be lost as a result of the incident. This incident is expected to only cause some delays in gold production.

To improve the pad stability going forward, an interlift drainage layer will now be installed after every 3rd lift. This will prevent a reoccurrence of this incident in the future.

Mining: Ore mined for Q1 2021 was 150,585 tonnes with waste mined 88,362 tonnes. Mining operations achieved total material movement of 454,564 tonnes including rehandling ore stockpiles during the quarter. Mining activities were suspended during the fourth quarter due to the incident until ore mining restarted on 17 March 2021. Most of the mining equipment was redeployed to remediate the heap leach pad during the quarter.

Processing: During Q1 2021 the OPP was operated in line with expectation with throughput of 170,321 tonnes of crushed and agglomerated ore, at a grade of 0.91 g/t Au (containing 4,983 ounces of gold), hauled and stacked onto the HLP for the quarter. OPP activities were suspended since the incident until OPP activities restarted on 13 March 2021.

The adsorption, desorption and recovery ("ADR") plant initially operated at a reduced throughput capacity at the start of the quarter whilst remediation works continued, ramping up to full throughput capacity as mining and ore stacking commenced in March. The elution circuit upgrade to improve silver recoveries was fully commissioned and running by the end of this quarter.

Environmental, Safety and Social Performance: At 31 March 2021, Tujuh Bukit Operations had achieved 1,698,879 man-hours worked without a LTI, whilst the mine's total year-to-date recordable injury frequency rate per million hours worked was 1.32 at the end of the quarter, with 2 medical treatment injuries.

The workforce at the mine, including all employees and contractors, is currently 2,426 people, comprising over 99% Indonesian nationals and less than 1% expatriates. Of the workforce, 1,610 (66.4%) are residents of Banyuwangi, with 1,065 (43.9%) of the number hailing from the local sub-district of Pesanggaran.

During the quarter, PT BSI continued to coordinate with the 5 villages in the Pesanggaran sub-district surrounding its operation, as well as the Banyuwangi administration, to integrate the Master Plan of the Community Development and Empowerment Program 2019-2023 ("PPM") with the village administration's program, which includes education, local economic development programs, environment, stakeholder engagement and infrastructure.

A total of 5,472 environmental samples was taken during Q1 2021, encompassing statutory based sampling requirements as well as company driven internal monitoring. Plant maintenance was conducted during the

quarter, while there was no cover cropping or hydroseeding done as there were no new areas to rehabilitate. Tree planting (pioneer) covering an area of 0.4 Ha was conducted, with 2,607 trees planted.

Operational Cost Summary: The cash cost for the quarter was \$929/oz and the AISC was \$1,342/oz.

Operating Outlook: Guidance for 2021 is expected to be in the range of 100,000 to 120,000 ounces of gold produced at an AISC of \$825 to \$900/oz net of silver credits.

5) Wetar Copper Mine

Summary: After mining operations commenced at the Partolang Pit in October 2020, copper production has steadily increased in 2021 with 702 tonnes, 729 tonnes and 1,058 tonnes produced in January, February and March, respectively. In total, copper produced in the first quarter of 2021 was 2,489 tonnes at an AISC of \$2.67/lb representing a significant improvement compared to copper production in the fourth quarter of 2020 totalling 1,017 tonnes. The copper production at Wetar is continuing to improve with 1,162 tonnes produced in the month of April.

With the signing of the JVA with Tsingshan on AIM, the focus going forward will be on extracting maximum value from the Wetar ore including production of copper at Wetar and the sale of spent ore to the AIM Project to be used to produce acid, iron, steam, gold and silver as well as extracting residual copper.

Mining: Ore mined for Q1 2021 was 564,423 tonnes with waste mined 1,755,200 tonnes. Mining operations achieved total material movement of 2,319,623 tonnes including rehandling of ore stockpiles during the quarter. Mined copper grade for the quarter had a strong positive reconciliation against the ore reserve due to an under estimate of the higher grade pyritic breccia ore contained within the lower grade massive pyrite ore.

Processing: During Q1 2021, 385,706 tonnes of ore were crushed, at a grade of 2.07% Cu (containing 7,989 tonnes of copper) and stacked onto the heap leach pad for the quarter. Total copper leached was 3,242 tonnes with 2,489 tonnes of copper produced.

Copper leaching of both the Lerokis and Kali Kuning ores previously stacked continued to be affected by high levels of total dissolved solids ("TDS"), especially iron, in leach solutions. Column leach test work shows Partolang ore will leach even with high TDS solutions. Stacking of Partolang ore commenced in November 2020 and will be ramped up to full stacking rates by May 2021 with the commissioning of a new agglomerator providing additional ore processing capacity.

Test work, feasibility study and detailed engineering for a water treatment plant ("WTP") is underway to treat Wetar leach solutions to reduce iron, acid and other dissolved metals and manage the site water balance. Construction of the WTP is expected to commence in Q2 2021, subject to the timing of Government approvals.

Environmental, Safety and Social Performance: By the end of the quarter, Wetar Copper Mine achieved a record of 10,828,098 man-hours without a LTI since January 2018, whilst the mine's total year-to-date recordable injury frequency rate per million hours worked, was 0.38 at the end of March 2021, with 1 medical treatment injury during the quarter.

Environmental permit ("AMDAL") monitoring was conducted for water quality (river, ground, drinking, and seawater), air ambient monitoring and air emission monitoring. Wetar has conducted internal daily and weekly water quality monitoring onsite. In February, a team from the Universitas Pattimura ("UNPATI") visited the site to collect data for an AMDAL Addendum.

The Wetar operation has 899 direct employees, comprising of 3 expatriates and 896 nationals, and 442 contract employees. National employees of Batutua comprise of 415 local (Maluku) and 484 non local employees, while contractors' employees comprise of 135 local (Maluku) and 307 non local.

Wetar Gold Strategy: Mining of the overburden in the Partolang Pit will yield an estimated 400,000 tonnes of ore at a grade of 2.6 g/t Au and 106 g/t Ag from the associated Barite hosted gold mineralisation.

Most of the gold is very fine grained in electrum, with limited free gold. The metal was recovered by the historic operator of the Wetar Project (Billiton Plc) using a Merrill-Crowe process plant on site. A test work campaign

was conducted to test if the Partolang Barite gold mineralisation was suitable for a similar processing method to recover the Au and Ag and the initial test work results indicated around 80% gold extraction. The test work campaign will continue to explore the possibility of recovering barite minerals from the cyanidation tail before the flowsheet is finalized and taken to the next phase of study.

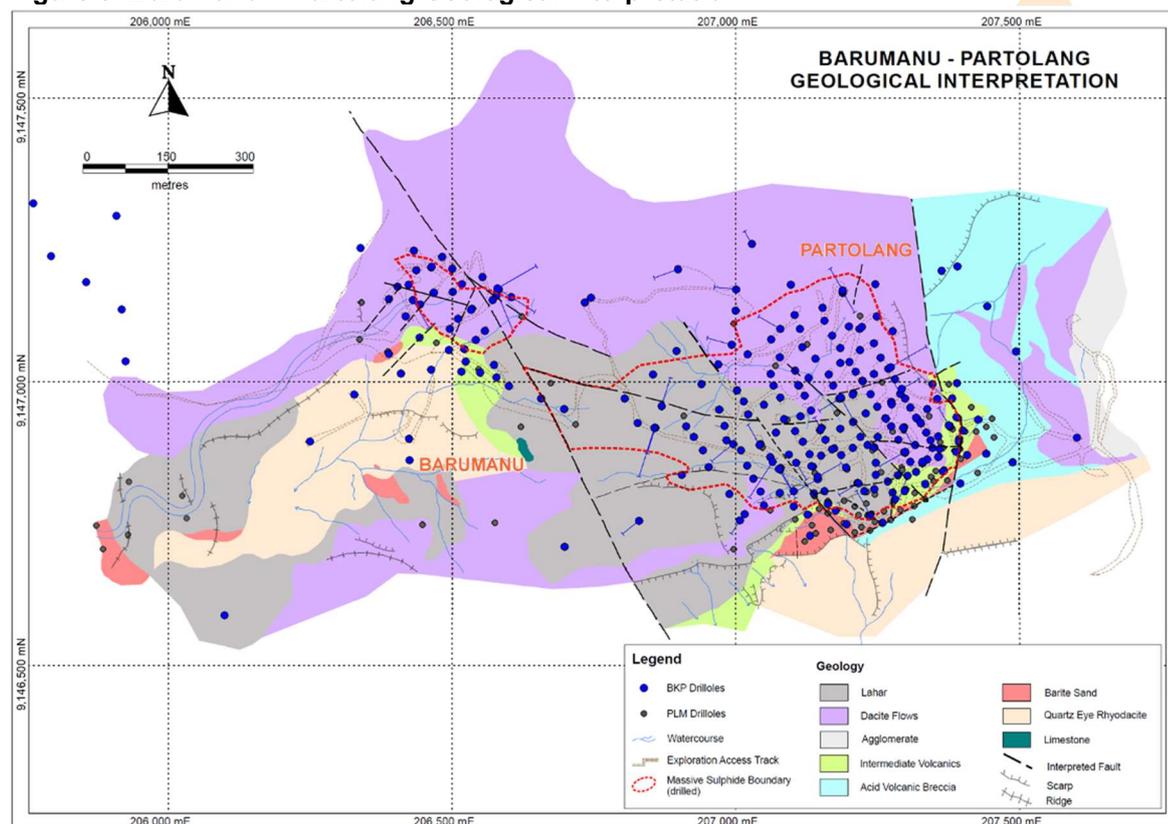
Exploration: Exploration aimed at finding additional copper resources near Partolang is planned during the remainder of the year, including further drilling and geological mapping at the Barumanu prospect shown in Figure 8.

This work is focused on the area previously defined by scout drilling (as reported in 2020) and will involve an accelerated reverse circulation and diamond drilling campaign in Barumanu, Partolang and the “bridge” area between the two deposits commencing on Q2 2021. The aim of this campaign is to:

- (a) Upgrade areas of the Partolang resource which are within the current ultimate pit design but are currently classified as Inferred to Indicated resources for inclusion in Reserve calculations and pit optimisation.
- (b) Drill out the Barumanu deposit so that a maiden Resource can be calculated.
- (c) Define any mineralisation in the “bridge” zone between the Partolang and Barumanu deposits.

While this work progresses target definition work will proceed on geophysical targets identified from the 2019 geophysical survey. Drilling is expected to then commence on these targets later in 2021. Merdeka is planning to invest \$8 million in defining new copper resources in 2021.

Figure 5: Barumanu – Partolang Geological Interpretation



Operational Cost Summary: The cash cost for quarter 1 2021 was \$2.23/lb of copper produced and the AISC cost was \$2.67/lb of copper produced.

Operating Outlook: Guidance for 2021 is expected to be in the range of 14,000 to 17,000 tonnes of copper at an AISC of \$2.10/lb to \$2.60/lb. Production rates are expected to increase further in subsequent years following the commissioning of the WTP and the subsequent reduction of TDS in the leach solution.

Appendix 1: Finance and Corporate

Cash and Cash Equivalents: Cash and cash equivalents, net of restricted cash, at 31 March 2021 was \$277 million. In addition to this, MDKA had \$25 million of undrawn debt facility (RCF with PT Bank UOB Indonesia).

Debt: On 26 March 2021, MDKA successfully completed an IDR bond raise for a total amount of Rp1.5 trillion (equivalent to \$104 million). The IDR Bond consists of two series, with tenors of 1 year and 3 years amounting to Rp559.6 billion and Rp940.4 billion, respectively. To swap IDR exposures back into USD hedging in the form of cross currency swap was entered with detail as follows:

- Principal: Rp1.5 trillion swapped to \$104 million
- 1-year coupon rate: IDR 7.50% swapped to USD 3.60%
- 3-years coupon rate: IDR 9.85% swapped to USD 5.40%

On 26 January 2021, MDKA drew down \$25 million from the \$25 million Single Currency Revolving Facility (with an accordion option of up to \$50 million) with PT Bank UOB Indonesia as lender. A full repayment of the facility was made on 31 March 2021.

A debt repayment of \$15 million was made on the \$200 million BSI Senior Secured Facility in the quarter. The balance at the end of the quarter was \$85 million.

The finance lease balance outstanding at 31 March 2021 was \$35 million. This finance lease liability resulted from the acquisition of owner mining equipment and implementation of new Indonesian Statements of Financial Accounting Standards no. 73 related to leasing.

Sales and Hedging: During the quarter, at Tujuh Bukit, a total of 14,370 ounces of gold and 143,071 ounces of silver were sold at an average price of \$1,779/oz and \$26/oz respectively for total revenue of \$29.2 million. Furthermore, 3,000 oz of gold hedging with a strike price of \$1,775/oz was closed out resulting in a net loss on hedging for the quarter of \$0.1 million. Mark to market liability decreased from \$0.4 million at 31 December 2020 to nil at 31 March 2021, resulting in comprehensive income (unrealised gain) of \$0.4 million. Tujuh Bukit's gold production is currently unhedged.

At Wetar, 2,139 tonnes of copper were sold at an average price of \$7,883/t. Wetar's copper production is currently unhedged.

Table 2: Gold, Silver and Copper Sales for March 2021 Quarter

	Ounces	\$/oz	\$m
Gold	14,370	1,779	25.6
Silver	143,071	26	3.6
	Tonnes	\$/tonne	\$m
Copper	2,139	7,883	16.9
Total			30.9

Capital Structure: On 4 March 2021, MDKA successfully completed a capital increase without pre-emptive rights ("NPR") for a total amount of Rp2.4 trillion (equivalent to \$170 million).

The issued and paid-up capital of MDKA before the implementation of the NPR was 21,897,591,650 shares. 1,007,259,165 new shares with an issue price of Rp2,420 per share were issued from the NPR. Therefore, the issued and paid-up capital of MDKA after the implementation of the NPR is 22,904,850,815 shares.

Table 3: Major Shareholders as at 31 March 2021

Shareholders	No. of shares	%
PT Saratoga Investama Sedaya Tbk	4,189,971,184	18.29
PT Mitra Daya Mustika	2,948,833,595	12.87
Garibaldi Thohir	1,796,442,892	7.84
PT Suwarna Arta Mandiri	1,386,733,708	6.05
Pemda Kabupaten Banyuwangi	973,250,000	4.25
Gavin Arnold Caudle	79,526,728	0.35
Hardi Wijaya Liong	69,276,728	0.30
Heri Sunaryadi	5,083,330	0.02
Richard Bruce Ness	4,783,500	0.02
Tri Boewono	4,500,000	0.02
Total Major Shareholders	11,458,401,665	50.03
<i>Treasury Stock</i>	1,485,000	0.01
Others	11,444,964,150	49.97
Total shares on issue as at 31 March 2021	22,904,850,815	100.00



MERDEKA
COPPER GOLD

Appendix 2: Exploration and Development

1) Tujuh Bukit Copper Project

Underground resource definition and geotechnical drilling of the UHGZ continued this quarter, with a total of 6,850.6 metres drilled.

Underground resource definition drilling was ongoing from the exploration decline during the quarter. The purpose of this drilling is to provide comprehensive geological, geotechnical, and hydrological information for the UHGZ. Visual inspection of core corresponds well with current geological interpretation and resource estimates. Hyperspectral Corescan production has been proceeding according to plan at approximately 90 metres per day.

The hydrogeology investigation program to establish baseline hydrology conditions for underground operations continued during the quarter. All surface and underground monitoring stations are active and regular data measurements show that general dewatering continues near to the decline development, with no significant correlation with rainfall events.

All drilling completed during the quarter (6,850.6m) are shown in Table 4.

Table 4: Tujuh Bukit Copper Project Drilling Q1 2021

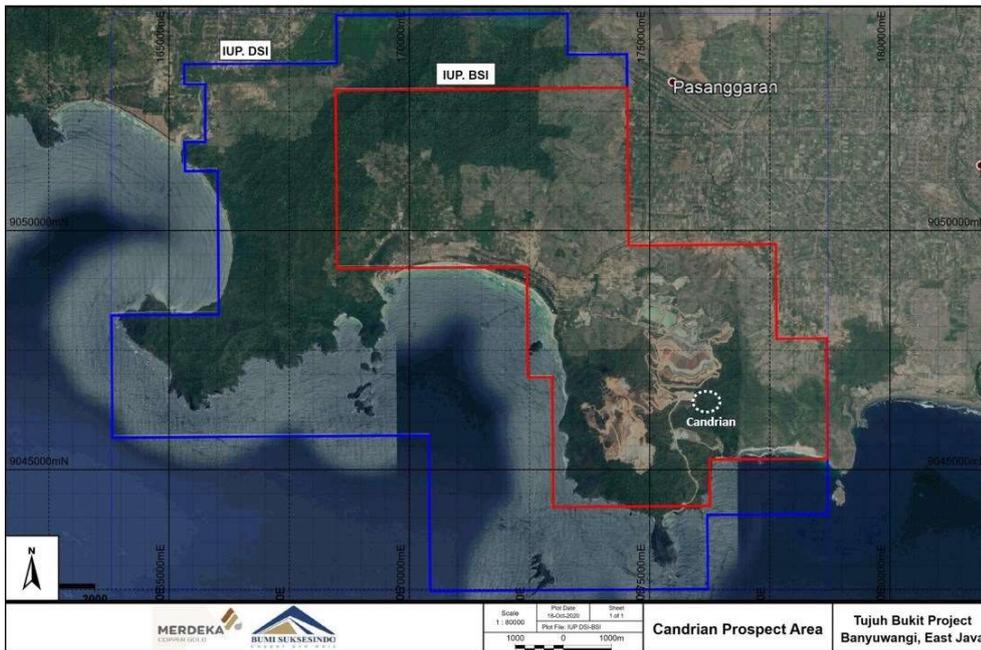
Hole ID	From	To	Interval	Type
UHGZ-21-038	217.3	547.8	330.5	Res Def
UHGZ-21-039	648	655	7.0	Res Def
UHGZ-21-040	264.7	483.2	218.5	Res Def
UHGZ-21-041	258.4	462.3	203.9	Res Def
UHGZ-21-042	0	449.5	449.5	Res Def
UHGZ-21-043	0	515.8	515.8	Res Def
UHGZ-21-044	0	565.2	565.2	Res Def
UHGZ-21-045	0	260	260.0	Res Def
UHGZ-21-046	0	57	57.0	Res Def
UHGZ-21-047	0	258.9	258.9	Res Def

All of the seven recent drill holes returned significant intercepts of copper and gold mineralisation as reported in the recent press releases available at: <https://www.merdekcoppergold.com/en/download/march-2021-tujuh-bukit-copper-drill-results-released-2/> and <https://www.merdekcoppergold.com/en/download/february-2021-tujuh-bukit-copper-drill-released/>

2) **Tujuh Bukit Exploration**

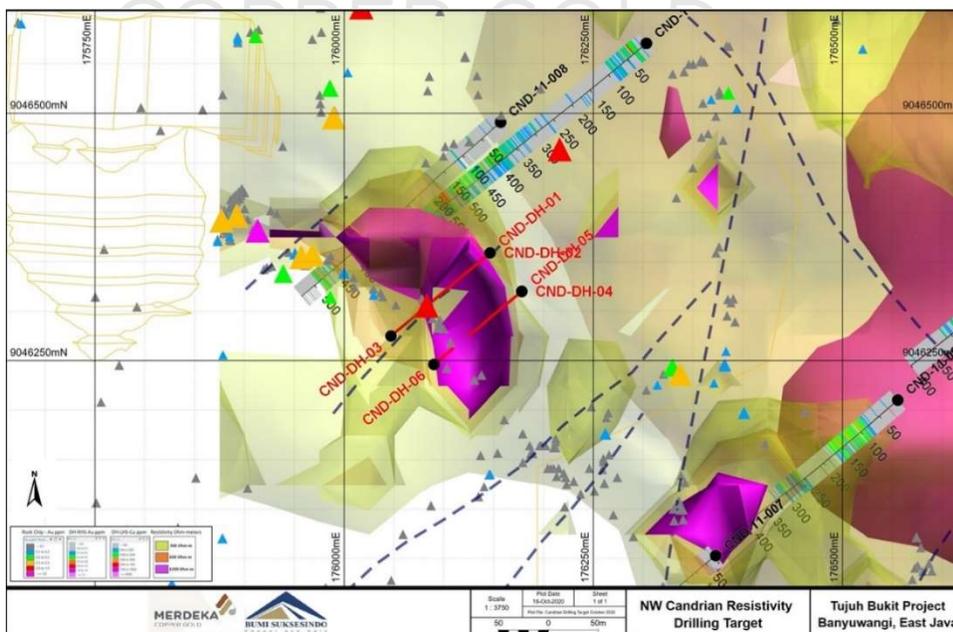
An induced polarisation (“IP”) geophysical survey combined with detailed geological mapping and sampling and results from soil geochemical programs in the Candrian area, has highlighted a potential area of oxidised high sulphidation epithermal mineralisation (Figure 6).

Figure 6: Candrian Area in relation to current infrastructure



The IP survey results shown in the figure below have highlighted an area with a resistivity response of over 1200 Ohm metres and coincident anomalous rock chips and gold in soil values. A six-hole diamond drill program to test this anomaly is planned for 2021 (Figure 7).

Figure 7: NW Candrian IP survey resistivity target



3) Wetar

During the quarter three drill rigs were operating. Drilling commenced on confirmation of pyrite resources for the AIM Project, and geotechnical drilling was completed around the Kali Kuning Pit, with a total of 1607.9 metres completed.

AIM Project drilling included 30 reverse circulation (“RC”) holes for 756 metres into known copper resources in the Lerokis Pit, and 23 sonic diamond drill holes for 390.3 metres into the copper leach pads. The purpose of this drilling is to provide additional geochemical information for iron, sulphur, and sulphide sulphur in the pyrite units for future resource estimation.

Drilling around the Kali Kuning Pit was primarily for hydrogeology and included 7 diamond holes for 461.6 metres. The purpose of this drilling is to review and redesign the pit area as a potential storm water pond and waste storage facility.

Regional exploration mapping and surface rock sampling continued at Z4, Barumanu, Partolang, and an electromagnetic (“AEM”) anomalies defined previously southwest and north of Lerokis.

Figure 8: Plan of Wetar Copper Project Showing Near Mine Prospect Locations

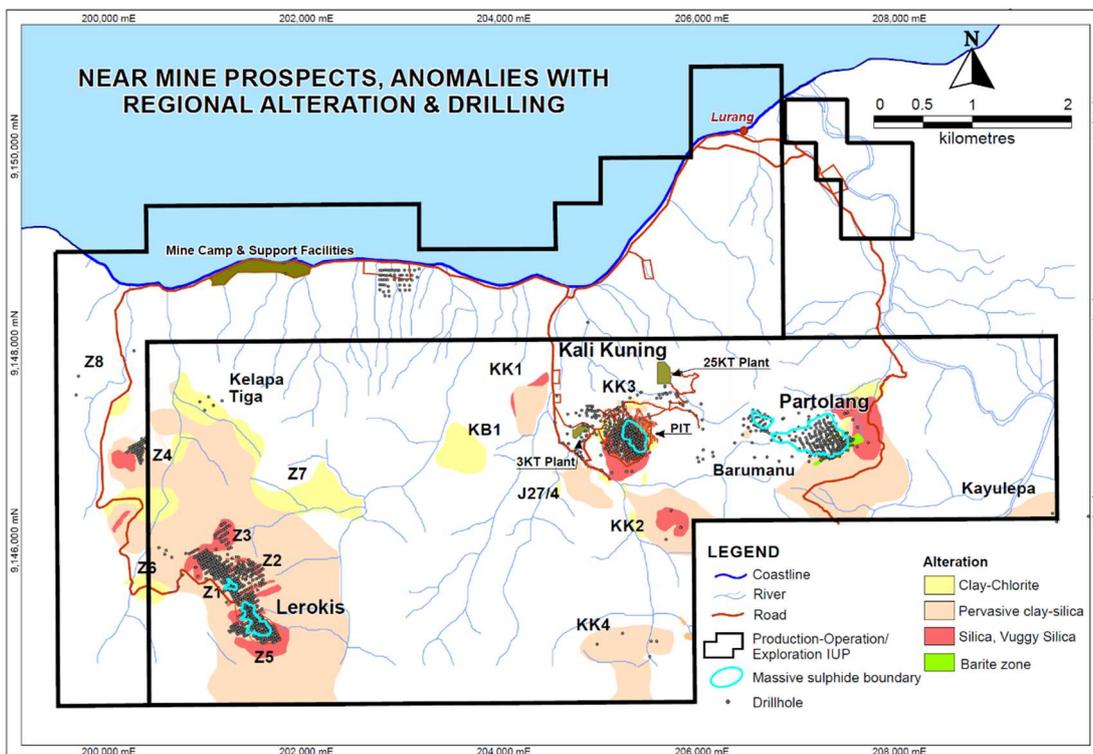


Figure 9: Completed AIM Resource Drilling in Lerokis Pit

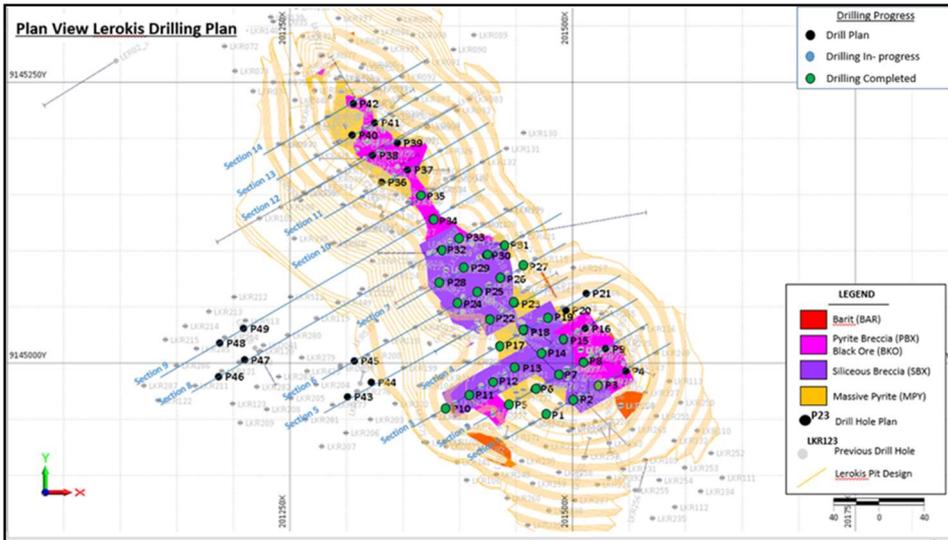


Figure 10: Completed Geotechnical diamond holes around Kali Kuning Pit

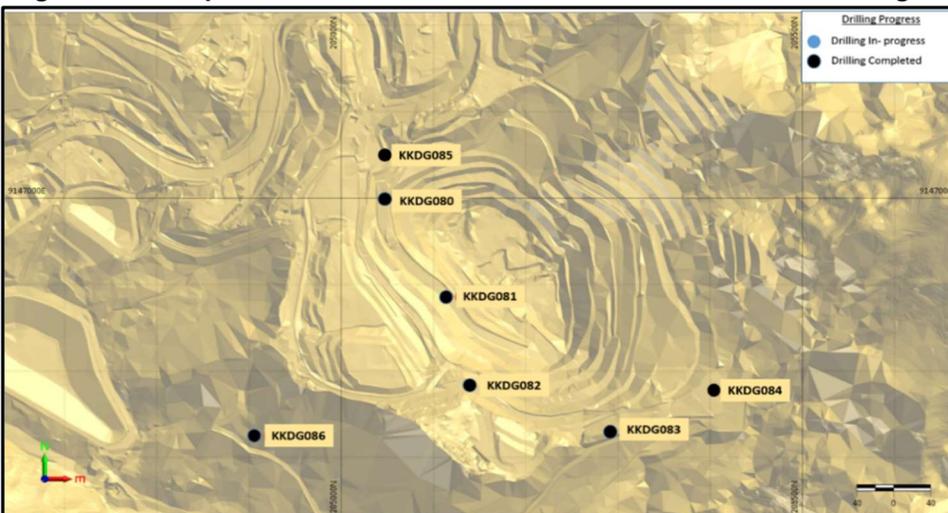
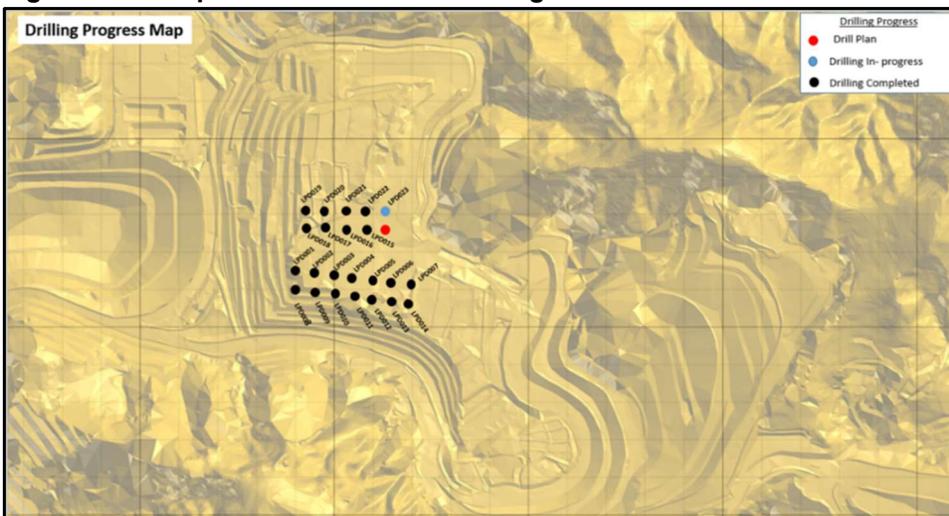


Figure 11: Completed holes with Sonic Rig on Leach Pads



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About PT Merdeka Copper Gold Tbk.

PT Merdeka Copper Gold Tbk (“Merdeka”), a holding company with operating subsidiaries engaging in mining business activities, encompassing: (i) exploration; (ii) production of gold, silver, copper (and other related minerals); and (iii) mining services. The subsidiaries are: (i) PT Bumi Suksesindo (“BSI”) as the holder of the operation production mining business license for the Tujuh Bukit Gold Mine; (ii) PT Damai Suksesindo (“DSI”) which holds the adjacent exploration permit; (iii) PT Batutua Tembaga Raya (“BTR”) as the holder of operation production mining business license specifically for processing and refining; (iv) PT Batutua Kharisma Permai (“BKP”) as the holder of the operation production mining business license for the Wetar Copper Mine; (v) PT Merdeka Mining Servis (“MMS”) as the holder of mining services business license; (vi) PT Pani Bersama Tambang (“PBT”), as the holder of an operation production mining business license specifically for processing and refining; and (vii) PT Puncak Emas Tani Sejahtera (“PETS”), as the holder of an operation production mining business license for Pani Gold Project.

The company’s major assets, in order of importance, are the: (i) Tujuh Bukit Copper Project; (ii) Wetar / Morowali Acid Iron Metal Project; (iii) Pani Joint Venture; (iv) Tujuh Bukit Gold Mine and; (v) Wetar Copper Mine.

The Tujuh Bukit Copper Project deposit is one of the world’s top ranked undeveloped copper and gold mineral resources, containing approximately 8.7 million tonnes of copper and 28 million ounces of gold.

As a world-class Indonesian mining company, Merdeka is owned by prominent Indonesian shareholders including: PT Saratoga Investama Sedaya Tbk., PT Provident Capital Indonesia and Mr. Garibaldi Thohir. Merdeka’s three major shareholders have exceptional track records in successfully identifying, building and operating multiple publicly listed companies in Indonesia.

Refer Annual Statements of Mineral Resources and Ore Reserves on www.merdekacoppergold.com