



# PT Merdeka Copper Gold Tbk

Q4 2021 Update

February 2022



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## 5 Main Assets

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

- 1 Tujuh Bukit Copper/Gold Project (“TB Copper Project”)**
  - 1.9bt containing 8.8mt copper and 28 million oz gold inferred resource<sup>1</sup>
- 2 Wetar / Morowali Acid Iron Metal (“AIM Project”)**
  - US\$387m capex for 1.2mtpa acid production. Average annual revenue over the first five years of the project is expected to be approximately US\$280m. Compelling NPV of US\$513m at 8% discount rate with an IRR of 29.5%.
  - Construction started in Q3 2021 with target to commence production in Q2 2023
- 3 Pani Gold Project**
  - 4.7 million oz of gold<sup>1,2</sup>
  - MDKA expects to commence drilling and other feasibility related activities in Q1 2022
- 4 Tujuh Bukit Gold Production (“TB Gold mine”)**
  - Gold reserves of 702 thousand oz to support future gold production<sup>1</sup>
  - Full year 2021 gold production of 124,730 oz at an AISC of US\$860/oz.
- 5 Wetar Copper Production (“Wetar Copper mine”)**
  - Copper reserves of 108 thousand tonnes to support future copper production<sup>1</sup>
  - Full year 2021 copper production of 19,045 tonnes at an AISC of US\$2.33/lb.

## Key Investment Highlights

- 1 Established and proven gold and copper development and production capability. Indonesia’s only gold and copper company actively developing projects in the past 5 years**
- 2 Transformational development projects underpinned by substantial resources**
- 3 Strong cash generation and ability to finance and develop projects. US\$505m of debt and equity raised in 2021. A total debt of US\$215m was repaid in 2021**

Note:

1. Source: Company filings. Resources and reserves information as at 31 December 2020 (<http://www.merdekakoppergold.com/en/assets/resources-and-reserves>),

2. J Resources Resource reported 31/12/2018, Mineral Resource Estimate reported 3/12/2014

## ESG & Sustainability Commitment

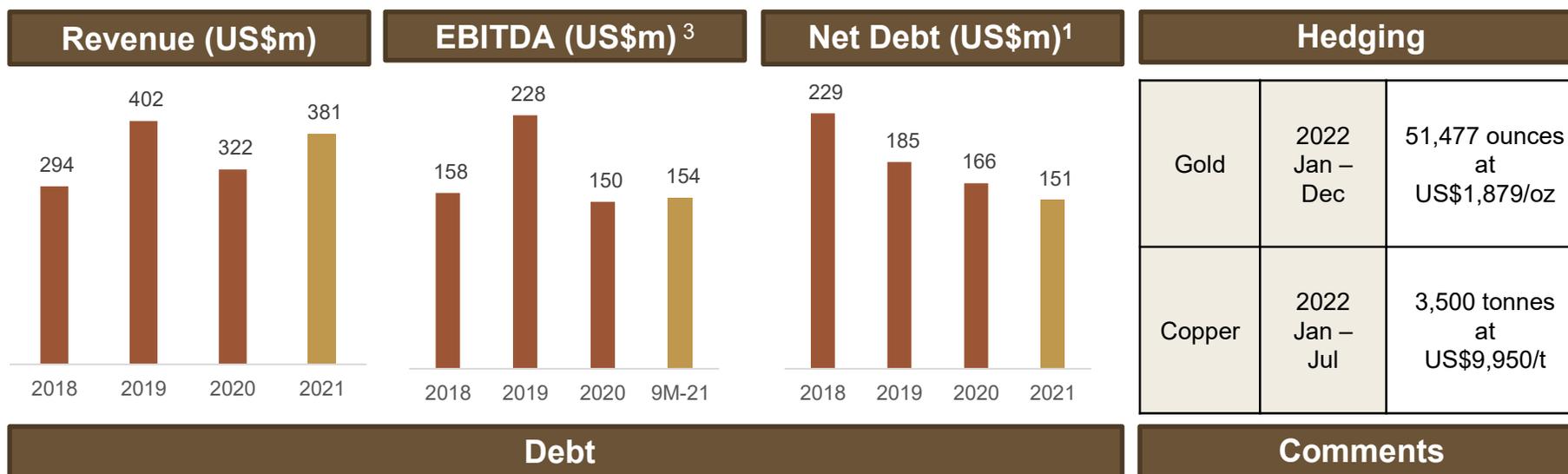
- MDKA has established an ESG & Sustainability Committee to oversee ESG programs and implementation progress. This committee assembles on a quarterly basis, is chaired by the CEO. All Executive team members participate and lead the drive for improvements in ESG.

## Highlights of 2021 Achievements and Initiatives

- The 2021 EOY TRIFR result of 0.66 per million man-hours is a result comparable to the best performers in the mining industry. Tujuh Bukit and Wetar operations reached 7 and 14 million man-hours LTIF, respectively.
- Independent management system audits utilising ISO standards on Environment (ISO14001) and Occupational Health & Safety (ISO 45001) achieved in Q4 2021.
- To reduce CO2 emissions, Wetar will be progressively changing to generator models providing greater efficiency. As part of this transition, in Q4 2021 Wetar has installed 600 solar panel modules to feed into Wetar power grid.
- Tujuh Bukit successful land reclamation reduces erosion, increases carbon removal from the atmosphere, improves the hydro-ology system of the land and conserves the biodiversity and its habitats



# Strong and Sound Financial Position



1	<p><b>Merdeka Holdco</b></p> <ul style="list-style-type: none"> <li>2020 IDR Bond<sup>2</sup> equivalent to ~US\$116m bond closed in July and September 2020. US\$56m repaid in Q3 2021                             <ul style="list-style-type: none"> <li>- 3 years: ~US\$60m at a weighted average USD 5.23%</li> </ul> </li> <li>1<sup>st</sup> tranche of 2021 IDR Bond<sup>2</sup> equivalent to ~US\$104m closed in March 2021                             <ul style="list-style-type: none"> <li>- 1 year: ~US\$39m at USD 3.60%</li> <li>- 3 years: ~US\$66m at USD 5.40%</li> </ul> </li> <li>Raised the 2<sup>nd</sup> tranche of 2021 IDR Bond<sup>2</sup> amounting to equivalent ~US\$105m at USD 1.95% in November 2021</li> </ul>	
2	<p><b>TB Opco (PT BSI)</b></p> <ul style="list-style-type: none"> <li>US\$100m secured bullion forward hedge and financing facility                             <ul style="list-style-type: none"> <li>- Closed June 2021</li> <li>- 18 months amortizing facility with 54,000 oz gold to be delivered from Jul 2021 to Dec 2022</li> </ul> </li> <li>US\$50m revolving credit                             <ul style="list-style-type: none"> <li>- Libor + 3.0%</li> <li>- Maturity can be extended up to 3 years from drawdown</li> </ul> </li> </ul>	   

- Cash balance was US\$186m as of 31 Dec 2021. In addition to this MDKA has US\$75m of undrawn debt facilities as at 31 Dec 2021
- On 5 March 2021, MDKA successfully issued 1 billion new shares at Rp2,420 via a non-pre-emptive rights issuance. The offer was significantly over subscribed and MDKA raised a total of Rp2.4T (equivalent to US\$170m)
- Planning to have a capital increase with pre-emptive rights issuances in Q2 2022 with target to raise a total of Rp3.4T (equivalent to US\$235m). In relation to this, Brunp CATL aims to become strategic investor with up to a 5% shareholding in MDKA.

**Note:**

<sup>1</sup> Net debt using bank loan + HoldCo bonds – cash

<sup>2</sup> Refer to notes in Appendix: MDKA IDR Bonds

<sup>3</sup> Financial results for Full Year 2021 not released

# Tujuh Bukit 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>	0.7 Moz Au contained; 29 Moz Ag contained
Oxide Mineral Resources <sup>1</sup>	2.0 Moz Au contained; 78 Moz Ag contained
Workforce	2,600 employees and contractors

## Operational & Financial Performance

	Unit	2019 Actual	2020 Actual	2021 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	7.4	6.7	6.5
Waste Mined	M Tonnes	8.4	5.7	4.0
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	M Tonnes	7.4	5.8	6.3
Recovered Metal	Au oz	223,042	157,175	124,730
<b>Financials</b>				
Cash Costs	US\$/oz	409	398	611
All-in Sustaining Costs	US\$/oz	620	669	860
Sales	US\$m	312	317	218
Operating EBITDA	US\$m	201	176	NR <sup>2</sup>

## Open Pit Mining



## Heap Leach and ADR Plant



## 2022 Operating Outlook

Guidance for 2022 is expected to be in the range of 100,000 to 120,000 ounces of gold produced at an AISC of \$1,000 to \$1,100/oz net of silver credits

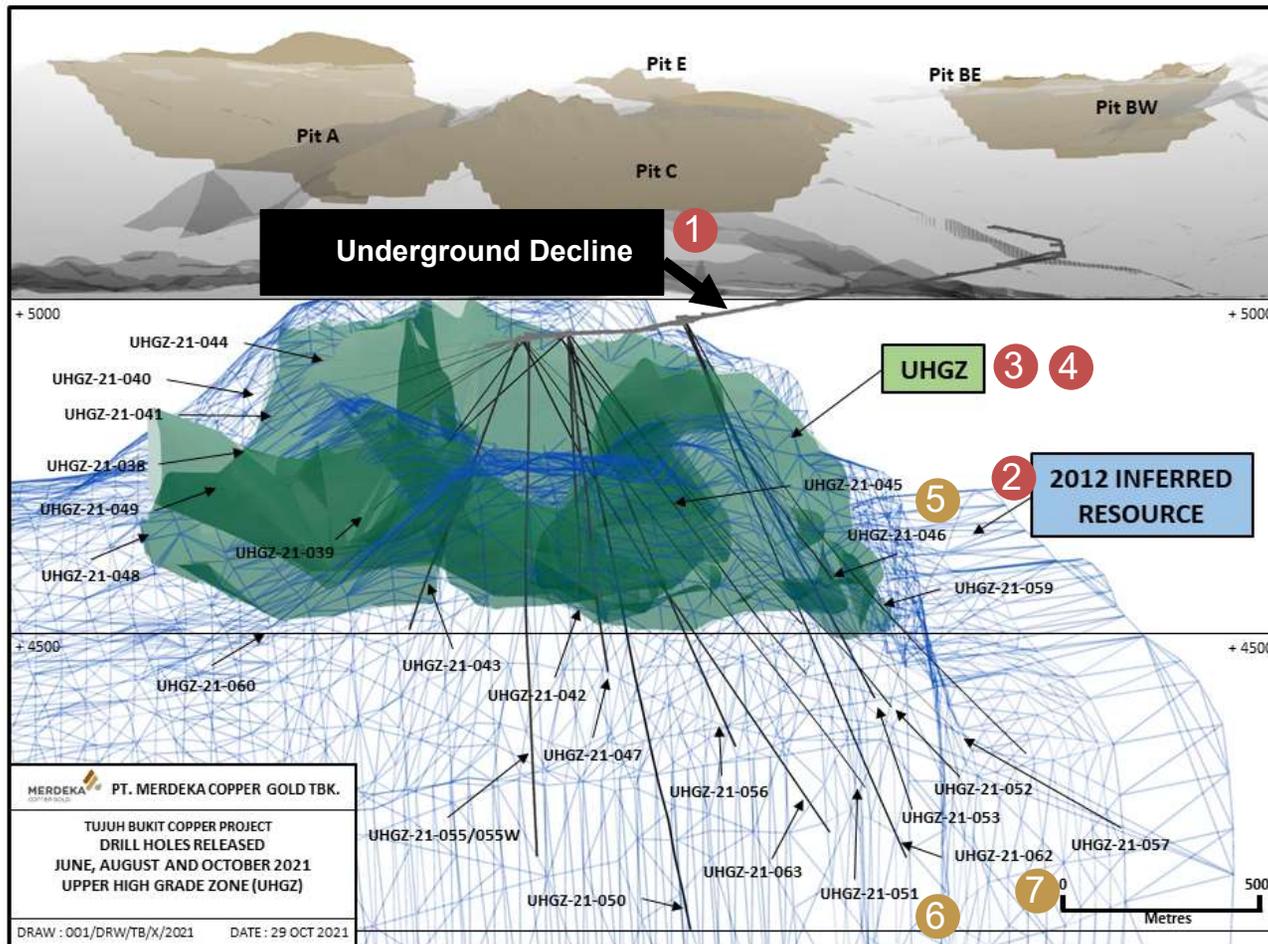
<sup>1</sup> Source: Company filings. Resources and reserves information as at 31 December 2020 (<http://www.merdekaoppergold.com/en/assets/resources-and-reserves>)

<sup>2</sup> Financial results for Full Year 2021 not released

# TB Copper Project

## Leading Underground Copper/Gold Deposit

### Perspective View: Upper High Grade Zone (“UHGZ”)



**1 Underground Decline**  
1,890-meter long exploration decline  
Successfully completed in June 2020

**2 2012 Inferred Resource (1)**  
1,900 Mt @ 0.45% Cu & 0.45 g/t Au  
~ Contains approx. 8.8 Mt Cu & 28 Moz Au

**3 UHGZ (2)**  
Underground Exploration Target: 250-300 Mt @  
0.7-0.9% Cu & 0.7-0.9 g/t Au

**4 Plan for 2022**  
Expect to drill 60,000 – 70,000 metres during 2022 to  
confirm the exploration target in the UHGZ

**5 Drill Hole UHGZ-21-046 (released June 2021)**  
636 metres @ 0.8% Cu and 1.0 g/t Au from 0 metres  
(including 406 metres @ 1.0% Cu and 1.4 g/t Au from  
10 metres)

**6 Drill Hole UHGZ-21-051 (released August 2021)**  
446 metres @ 0.8 % Cu and 1.6 g/t Au from 254  
metres (including 236 metres @ 1.0% Cu and 2.0 g/t  
Au from 340 metres)

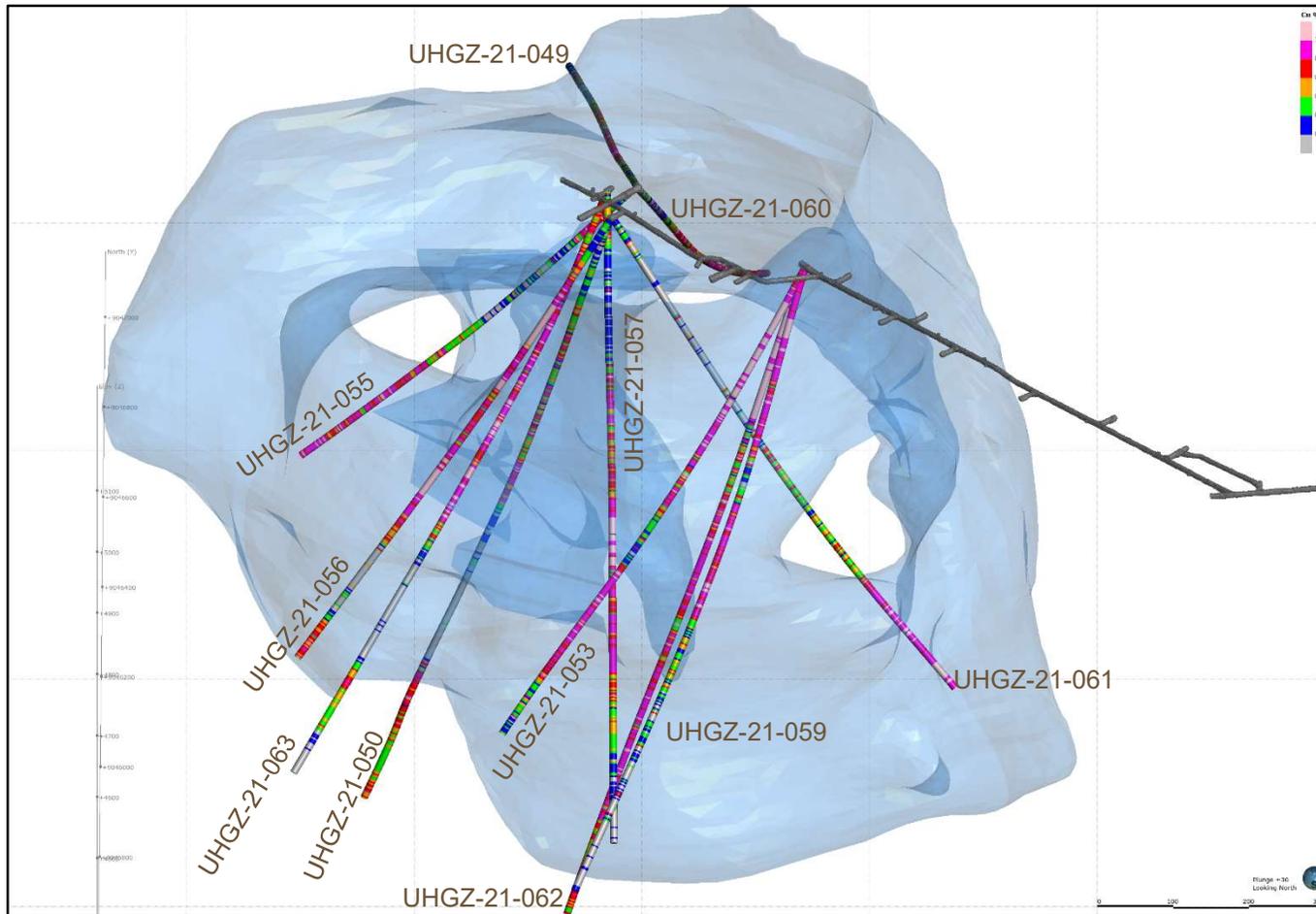
**7 Drill Hole UHGZ-21-062 (released Oct 2021)**  
918 metres @ 0.7 % Cu and 0.9 g/t Au from 0 metres  
(including 212 metres @ 1.3% Cu and 1.7 g/t Au from  
2 metres)

1. As disclosed in the 31 December 2020 Resources and Reserves Report  
2. Annual Report for 31 December 2020

# TB Copper Project

## Leading Underground Copper/Gold Deposit

### Perspective View 1: August & October 2021 Drillholes



### Comments

- Mineralisation tested has either met or exceeded expectations. This is expected to provide a solid foundation for ongoing study work
- MDKA has invested US\$99m up to 31 December 2021 in a PFS programme. The bulk of the PFS expenditure was spent on decline development, resource definition drilling, geological modelling and technical studies.
- Given the exceptional drill results in 2021 which resulted in increases in orebody size and changes to the overall geological model, additional mining optimisations are required to support a higher Indicated Resource which in turn supports higher throughput levels and means the PFS is now expected to be announced in Q1 2023.

Note:<sup>1</sup> Bornite-Chalcocite-Covelite high grade domain shell shown in blue

# TB Copper Project

## Eight of World's Top 20 Best Copper and Gold Drill Results over the Last Two Years



No	Project Name	Company Name	Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
1	Onto	PT Sumbawa Timur Mining	VHD037	536	1,485	949	1.3	0.7
2	Onto	PT Sumbawa Timur Mining	VHD073	730	1,471	741	1.3	0.9
3	Red Chris	Newcrest Mining Limited	RC611	542	1,170	628	0.9	1.7
4	Filo del Sol	Filo Mining Corp.	FSDH041	188	1,046	858	0.9	0.7
5	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-062	0	918	918	0.7	0.8
6	Filo del Sol	Filo Mining Corp.	FSDH041	376	1,046	670	1.1	0.9
7	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-046	0	636	636	0.8	1.0
8	Red Chris	Newcrest Mining Limited	RC623	534	1,066	532	0.8	1.3
9	Red Chris	Newcrest Mining Limited	RC634	650	1,164	514	0.8	1.3
10	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-051	254	700	446	0.8	1.6
11	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-045	14	530	516	0.9	0.9
12	Red Chris	Newcrest Mining Limited	RC623	598	830	232	1.5	2.6
13	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-053	0	380	380	1.0	1.4
14	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-063	2	512	510	0.7	1.0
15	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-056	64	522	458	0.8	0.9
16	Red Chris	Newcrest Mining Limited	RC700	738	1,104	366	0.9	1.1
17	Onto	PT Sumbawa Timur Mining	VHD034	548	835	287	1.0	1.1
18	Red Chris	Newcrest Mining Limited	RC595	668	1,054	386	0.7	0.8
19	Tujuh Bukit	PT Merdeka Copper Gold Tbk	UHGZ-21-043	364	634	270	1.2	0.8
20	Red Chris	Newcrest Mining Limited	RC705	718	972	254	1.1	1.0

Source: S&P Market Intelligence, Company Data

S&P criteria include >200 m interval, primarily copper and/or gold interval and reported after 30 September 2019. Results are ordered based on interval of drill meters, Cu grades and Au grades. MDKA has not verified the individual exploration results from other companies as shown in the table above.

# 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>	108 kt Cu contained
Copper Mineral Resources <sup>1</sup>	163 kt Cu contained
Workforce	1,100 employees and contractors

## Operational & Financial Performance

	Unit	2019 Actual	2020 Actual	2021 Actual
<b>Open Pit Mining</b>				
Ore Mined	M Tonnes	2.3	0.5	2.4
Waste Mined	M Tonnes	3.8	2.4	11.1
<b>Heap Leach Production</b>				
Ore Crushed and Stacked	M Tonnes	1.9	0.4	2.4
Recovered Metal	Cu t	16,777	5,377	19,045
<b>Financials</b>				
Cash Costs	US\$/ lb	1.29	3.41	1.70
All-in Sustaining Costs	US\$/ lb	1.86	4.62	2.33
Sales	US\$m	101	32	162
Operating EBITDA	US\$m	41	(12)	NR <sup>2</sup>

## Open Pit Mining



## Process Plant



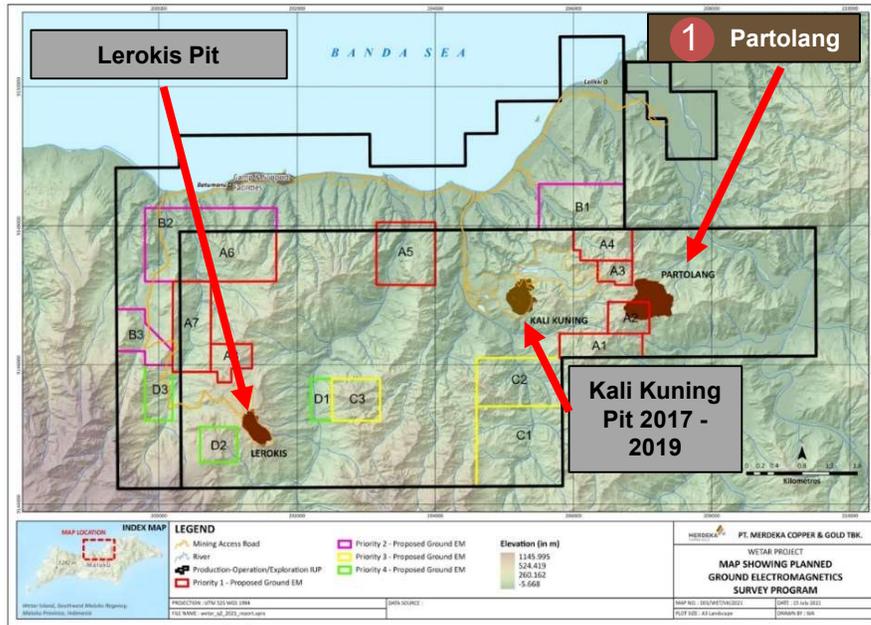
## 2022 Operating Outlook

Guidance for 2022 is expected to be in the range of 18,000 to 22,000 tonnes of copper at an AISC of \$3.10/lb to \$3.40/lb

<sup>1</sup> Source: Company filings. Resources and reserves information as at 31 December 2020 (<http://www.merdekacoppergold.com/en/assets/resources-and-reserves>)

<sup>2</sup> Financial results for Full Year 2021 not released

# Wetar: Extending Mine Life



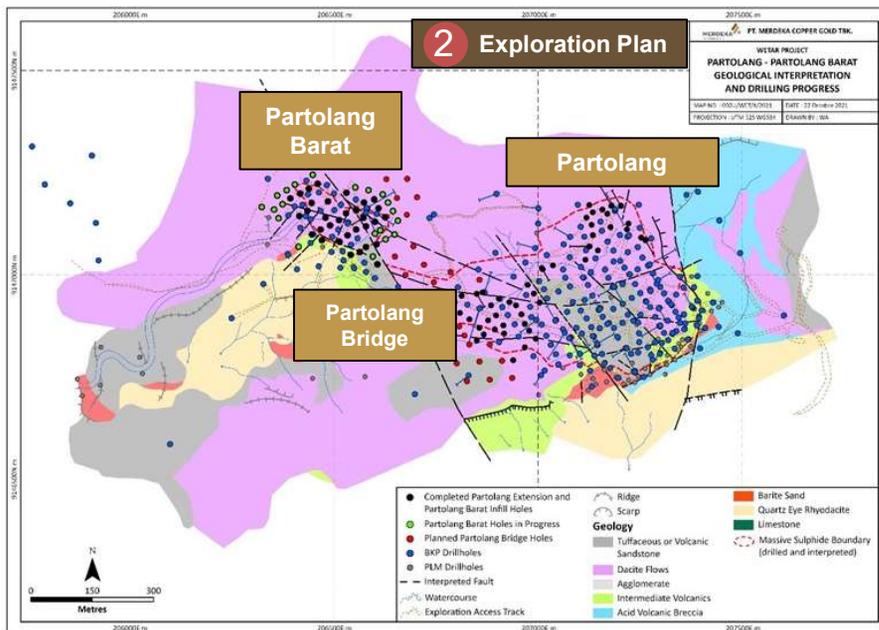
A geophysical survey of Wetar was completed during 2019 with approximately 20 targets identified within the mining lease. These types of deposits generally appear in clusters, which has resulted in the continued discovery of resources over time

## 1 Partolang Resource

- 12 Mt of ore @ 1.1% Cu for 131,600 tonnes of contained copper.

## 2 Exploration Plan

- Ongoing exploration activities since 2021 focusing on resource definition RC drilling at Partolang. The objective is to convert Inferred resources to Indicated to support an upgrade of ore reserves, as well as extending the known Partolang resources to the northwest.
- The majority of Partolang drilling results thus far have confirmed previous interpretations of the Partolang mineralisation, with grade being either in line with, or exceeding the expected grades in the majority of the holes. The information obtained from the drilling program indicate the potential for future resource additions and is supportive of an eventual update of ore reserves.
- Following on from this drilling at Partolang, the program continued into Partolang Barat. Results have been received for forty-one holes thus far and have largely confirmed geological interpretations, with grades being in line with expectations. High-grade results along the south-east margin remain open and indicate potential for extensions into the “Bridge” zone, between Partolang and Partolang Barat, which was previously thought to be unmineralised.
- After completion of Partolang Barat, the drilling will relocate to the “Bridge” zone with the aim to assist in long term mining infrastructure planning in this area



# Wetar Copper Mine

## Latest Drill Results

### New Drill Holes and Results

#### Selected October 2021 Drill Results (Partolang)

Hole ID	From (metres)	To (metres)	Interval (metres)	Cu %	Au g/t	Ag g/t
<b>PTR154</b>	80	91	11	7.03	1.56	73.1
<b>PTR155</b>	82	101	19	2.75	0.51	20.4
<b>PTR171</b>	106	117	11	2.56	0.83	32.9
<b>PTR186</b>	54	81	27	2.90	0.84	26.2
<b>PTR199</b>	77	95	18	1.75	0.87	34.9

#### Selected February 2022 Drill Results (Partolang Barat)

Hole ID	From (metres)	To (metres)	Interval (metres)	Cu %	Au g/t	Ag g/t
<b>BMR050</b>	87	97	10	3.64	1.20	58.7
<b>BMR052</b>	103	111	8	1.73	0.64	26.4
<b>BMR055</b>	44	60	16	2.77	0.98	30.1
<b>BMR056</b>	18	40	22	2.06	0.49	38.2
<b>BMR062</b>	60	75	15	4.36	1.62	71.8
<b>BMR067</b>	70	79	9	4.30	1.56	82.0

### Comments

#### Partolang

- The majority of drilling results from Partolang thus far have confirmed previous interpretations of the Partolang mineralisation, with grade being either in line with, or exceeding the expected grades in the majority of the holes.

#### Partolang Barat

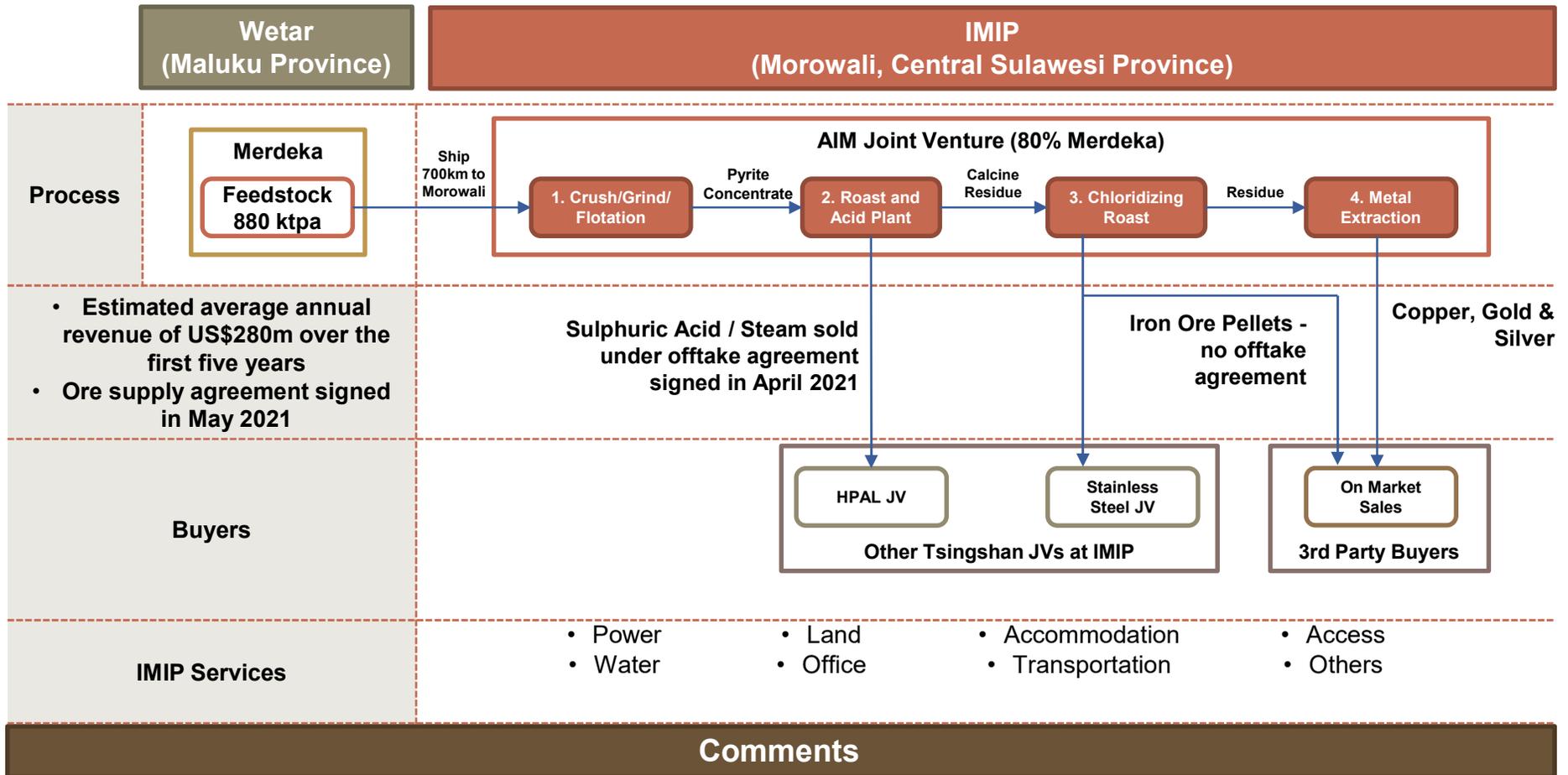
- Results have been received for forty-one holes thus far and have largely confirmed geological interpretations, with grades being in line with expectations. High-grade results along the south-east margin remain open and indicate potential for extensions into the “Bridge” area, between Partolang and Partolang Barat, which was previously thought to be unmineralised.

#### Latest Wetar drilling results:

- ✓ <https://www.merde kacoppergold.com/download/october-2021-wetar-exploration-results-release/>
- ✓ <https://merde kacoppergold.com/download/wetar-partolang-barat-drill-results/>

# AIM Project: Processing Overview

AIM is a huge growth opportunity for Merdeka given the nickel developments taking place in Indonesia, which will demand significant volumes of sulphuric acid. Potential for exploration at Wetar to support 2-3 Mt of acid production



- 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
- Pyrite concentration, acid production and iron pellet production are all very conventional processes. MDKA has undertaken several site visits as a part of the feasibility work
- Acid and Steam Supply Agreement signed on 30 April 2021. Long term contract (take or pay basis) to a customer currently constructing a HPAL plant at IMIP. The agreement for ore supply from Wetar to AIM Project was signed in May 2021

# AIM Project: in Pictures

AIM Acid Tanks



Chloride Plant: Piling works



## Highlights on site works performed in Q4 2021

- Acid plant perimeter retaining walls reached 60% completion
- Piling underway at both the Acid and Chloride Plants
- QMB Acid Tank installation is progressing with jack-up methods underway for tanks 3 and 4, with concrete works ongoing for tanks 1 and 2
- MMS concrete batch plant foundations are underway, with the batch plant scheduled to depart China late January 2022
- Axis International are now assisting MTI in China with procurement for mechanical and steel fabrication, including QA QC inspections and logistics to China ports
- Design reached 70% completion while international procurement reached 30% completion

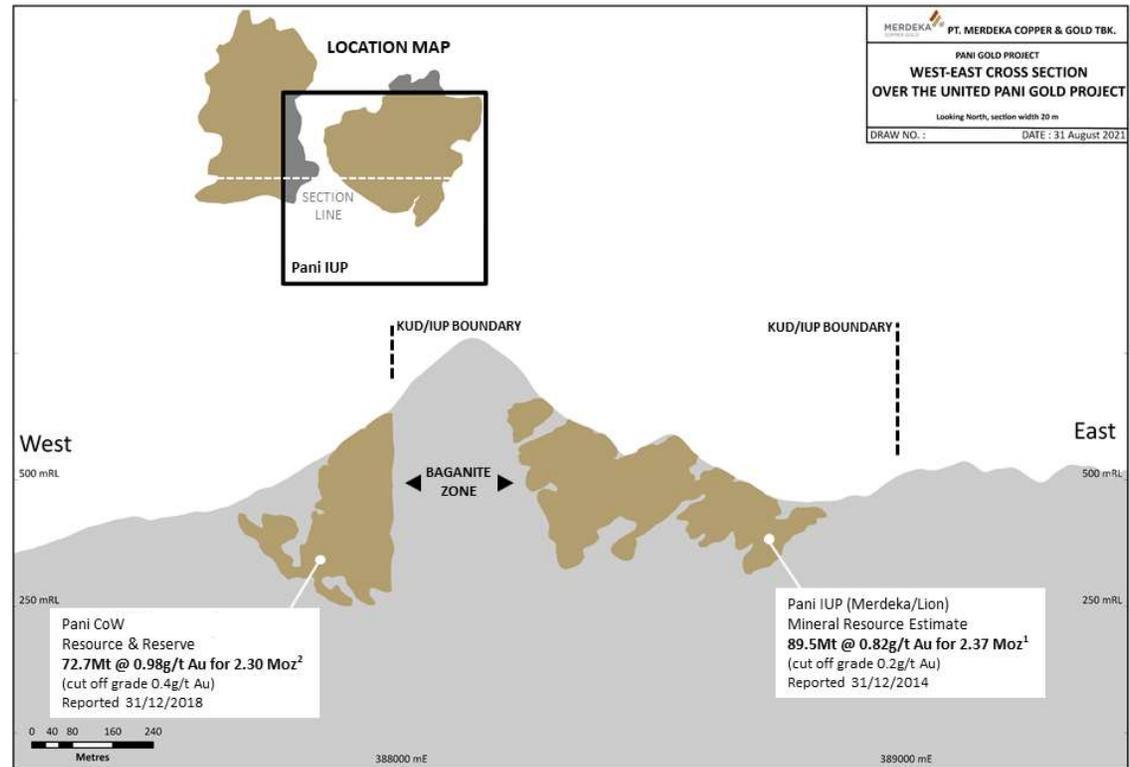


# Pani Gold Project

## Comments

- In December 2021, MDKA invested US\$80.16million to subscribe 50.1% of interest in PT Andalan Bersama Investama (“ABI”). ABI has recently completed the acquisition of PT Gorontalo Sejahtera Mining (“GSM”) from PT J Resources Nusantara (“JRN”), a subsidiary of PT J Resources Asia Pasifik Tbk (“PSAB”). GSM holds the Contract of Work for the Pani Project (“Pani CoW”) located in Gorontalo Province, Sulawesi.
- MDKA currently holds a 66.7% interest in PBJ, which holds the Pani IUP.
- The Pani IUP and Pani CoW mining properties are adjacent to each other and together form the complete Pani Gold Project. Significant benefits are expected to be delivered through a joint development of the properties.
- Following Merdeka’s transaction with Andalan, Merdeka will further increase its majority interest in the Pani Gold Project through controlling interests in both PBJ (~66.7%) and GSM (~50.1%). This allows Merdeka to move to a 60% economic interest in the Pani Gold Project, which will allow for the combined resources of Pani IUP and Pani CoW to be developed into one, larger gold mine project.
- During Q4 2021, planning commenced for early ground works to facilitate a rapid start to resource definition drilling in Q1 2022.
- MDKA will make a further announcement during Q1 2022 on the strategy to complete the feasibility study work and develop the project.

## West-East Cross Section over the United Pani Gold Project



### Note:

1. Two holes drilled by Utah International in 1982 between the two resources (“Baganite Zone”), 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

# Competent Person's Statement

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The information in this report which relates to Exploration Activities and Exploration Results is based on, and fairly represents, information compiled by Mr Zach Casley, BSc (Hons). Mr Casley is full-time employee of PT Merdeka Copper Gold Tbk.

Mr Casley is a certified Competent Person Indonesia (#CPI-199), a Member of the Indonesian Geologists Association (ID: 7083B), a Member of a Masyarakat Geologi Ekonomi Indonesia (ID: B-1173), a Fellow of the Australian Institute of Mining and Metallurgy (ID: 112745), and a Member of the Australian Institute of Geoscientists (ID: 1451)

Mr Casley has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2017 Kode KCMI for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, and the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Mr Casley consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.