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PT Merdeka Copper Gold Tbk Successfully Completes Investment in a New RKEF Smelter and an Increased Stake in Existing Operational RKEF Smelters

PT Merdeka Copper Gold Tbk (IDX: MDKA, “**Merdeka**” or the “**Company**”) is pleased to announce that MDKA’s controlled subsidiary, PT Batutua Tambang Abadi (“**BTA**”) has completed the acquisition of PT Hampanan Logistik Nusantara (“**HLN**”). On the 17 May 2022 BTA fully subscribed for 55.67% shares of HLN. The total value of the subscription was IDR5.4trillion (“**HLN Acquisition**”).

HLN is also pleased to announce it has successfully completed the acquisition of an increased stake in its two existing RKEF smelters and a stake in a new RKEF smelter currently under construction within the Indonesia Morowali Industrial Park (“**IMIP**”). Total consideration for the transactions was USD319million, consisting of:

- An increase in Merdeka’s indirect stake in its two existing operating RKEF smelter companies. With HLN’s stake in both the Cahaya Smelter Indonesia (“**CSI**”) and Bukit Smelter Indonesia (“**BSI**”) increasing to 50.1%
- A newly acquired 50.1% stake in PT Zhao Hui Nickel (“**ZHN**”), which is currently constructing an RKEF smelter

HLN, is also currently the majority indirect owner of PT Sulawesi Cahaya Mineral (“**SCM**”), which holds the mining permit (“**IUP**”) for one of the world’s largest pre-production nickel resources. As the SCM mine ramps up production it will become an important source of saprolite nickel ore for the ZHN, CSI and BSI smelters. This saprolite ore is in addition to the limonite nickel ore that will be supplied to existing HPAL plants within IMIP and future HPAL developments that are expected to be developed in the Indonesia Konawe Industrial Park (“**IKIP**”) within SCM’s IUP.

PT Zhao Hui Nickel

The new PT Zhao Hui Nickel RKEF smelter is currently being constructed within the Indonesia Morowali Industrial Park (“**IMIP**”). The ZHN smelter will comprise of four lines and is scheduled to be fully commissioned by July 2023.

Existing RKEF Smelters – BSI and CSI

BSI and CSI were developed by Tsingshan and have been jointly owned since they began operating in 2020. HLN’s 95.3% owned subsidiary J&P previously owned a 28.4% stake in BSI and a 49.0% stake in CSI. J&P has increased its stake in both smelters to 50.1%.

Simon Milroy, Vice President Director of Merdeka commented, “The acquisition of these RKEF smelters is a key part of Merdeka’s move into the nickel industry in Indonesia. It is important to gain exposure to all parts of the value chain from the mining of the ore through the processing of the ore and eventually into production of the down-stream products.

The SCM nickel laterite ores consist of both saprolite and limonite ore types. RKEF smelting will be used to treat the saprolite ore and HPAL processing will be used to treat the limonite ores in the future.”

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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 Company’s major assets are the: (i) Tujuh Bukit Copper Project; (ii) Nickel Mining and Refining Assets; (iii) Pani Gold Project; (iv) Wetar / Morowali Acid Iron Metal Project; (v) Tujuh Bukit Gold Mine and; (vi) 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 8.2 million tonnes of copper and 28.6 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 to the Annual Statements of Mineral Resources and Ore Reserves on www.merdekacoppergold.com