

DISCLOSURE OF INFORMATION TO SHAREHOLDERS OF PT MERDEKA COPPER GOLD TBK (THE “COMPANY”)

THIS DISCLOSURE OF INFORMATION TO SHAREHOLDERS IS PROVIDED BY THE COMPANY IN COMPLIANCE WITH THE PROVISIONS OF FINANCIAL SERVICE AUTHORITY (“OJK”) REGULATION NO. 17/POJK.04/2020 ON MATERIAL TRANSACTION AND CHANGE OF BUSINESS ACTIVITY (“OJK REGULATION 17/2020”) AND OJK REGULATION NO. 42/POJK.04/2020 ON AFFILIATED AND CONFLICT OF INTEREST TRANSACTIONS (“OJK REGULATION 42/2020”).

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY STATED THAT THE TRANSACTION IS A MATERIAL TRANSACTION WITH A TRANSACTION VALUE OF MORE THAN 20% BUT LESS THAN 50% OF THE EQUITY OF THE COMPANY AND THEREFORE, ONLY NEEDS TO FULFILL THE PROVISIONS AS REGULATED UNDER ARTICLE 6 PARAGRAPH (1) LETTER (a), LETTER (b), AND LETTER (c) OF OJK REGULATION 17/2020.

THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION MUST BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU HAVE ANY DIFFICULTY IN UNDERSTANDING THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION, PLEASE CONSULT WITH YOUR LEGAL ADVISOR, PUBLIC ACCOUNTANT, FINANCIAL ADVISOR, OR OTHER PROFESSIONALS.

THE BOARD OF DIRECTORS OF THE COMPANY PROVIDES THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION TO PROVIDE COMPLETE INFORMATION AND DESCRIPTION REGARDING THE TRANSACTION TO THE SHAREHOLDERS OF THE COMPANY AS PART OF THE COMPLIANCE OF THE COMPANY TO OJK REGULATION 17/2020 AND OJK REGULATION 42/2020.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY, SEVERALLY AND JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THAT THE INFORMATION IN THIS DISCLOSURE OF INFORMATION IS COMPLETE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION IN THIS DISCLOSURE OF INFORMATION IS CORRECT AND THAT THERE ARE NO MATERIAL AND RELEVANT FACTS OMITTED WHICH CAN CAUSE THE INFORMATION STATED HEREIN TO BE UNTRUE AND/OR MISLEADING.



PT MERDEKA COPPER GOLD TBK

Business Activities

Mining of gold, silver, copper, and other associated minerals, mining services, as well as industries and other related business activities through subsidiaries of the Company

Domiciled in South Jakarta, DKI Jakarta, Indonesia

Headquarter Office

The Convergence Indonesia Building, 20th Floor
Jl. H.R. Rasuna Said, Karet Kuningan, Setiabudi, South Jakarta 12940
Telephone: +62 21 2988 0393
Facsimile: +62 21 2988 0392
Email: corporate.secretary@merdekacoppergold.com
Website: www.merdekacoppergold.com

This Disclosure of Information
is issued in Jakarta on 18 August 2022

DEFINITIONS AND ABBREVIATIONS

Disclosure of Information means this Disclosure of Information to the Shareholders of the Company in compliance with the provisions of OJK Regulation 17/2020 and OJK Regulation 42/2020.

Consolidated Financial Statements of the Company means the Company's Interim Consolidated Financial Statements as of 31 March 2022 for the year ended on that date which has been limitedly reviewed by Public Accountant Tanubrata Sutanto Fahmi Bambang & Rekan.

Minister means the Minister of Law and Human Rights of the Republic of Indonesia.

MTI means PT Merdeka Tsingshan Indonesia, domiciled in South Jakarta, is a limited liability company established and operated under the laws of the Republic of Indonesia.

OJK means the independent institution as referred to in Law No. 21 of 2011 on Financial Services Authority ("OJK Law"), whose duties and authorities include the regulation and supervision of financial service activities in the sectors of banking, capital market, insurance, pension funds, financial institution and other financial institutions, whereby since 31 December 2012, OJK is an institution that replaces and accepts the rights and obligations to carry out regulatory and supervisory functions from the Capital Market and Financial Institutions Supervisory Agency with following the provisions of Article 55 OJK Law.

Shareholders mean shareholders of the Company.

Independent Appraiser or KJPP means Public Appraisal Office of Iskandar and Partners, independent appraisers registered with the OJK who have been appointed by the Company to conduct an assessment of the fair value and/or fairness of the Transaction.

Agreement means Capital Expenditure Bridge Facility Agreement dated 4 February 2022 between the Company and MTI, which later was amended based on the Amendment and Restatement.

Company means PT Merdeka Copper Gold Tbk, domiciled in South Jakarta, a publicly listed company whose shares are listed on the Indonesia Stock Exchange, which was duly established and organized under the laws of the Republic of Indonesia.

Amendment and Restatement mean Amendment and Restatement of the Bridge Facility Agreement dated 15 August 2022 between the Company and MTI.

A controlled Company means any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 17/2020.

INTRODUCTION

In compliance with OJK Regulation 17/2020 and OJK Regulation 42/2020, the Board of Directors of the Company announces this Disclosure of Information to provide information to the Shareholders of the Company that the Company, as the indirect shareholder of MTI, has signed the Amendment and Restatement and other supporting documents with, among others, MTI dated 15 August 2022. Previously, the Company and MTI had signed the Agreement dated 4 February 2022, in which the disclosure of information was issued on 7 February 2022, which later was amended in accordance with the Amendment and Restatement.

Based on the Amendment and Restatement, the Company and MTI agree to amend the provisions regarding the amount of financing fund to be provided by the Company to MTI based on the Agreement to a maximum of US\$200,000,000.00 (two hundred million United States Dollars) (“**Transaction**”) which will be used to repay MTI’s debts to other parties and/or to the Company, capital expenditures, construction and operational costs (“**Purpose of the Transaction**”).

In accordance with the provisions of Article 6 paragraph (1) of POJK 17/2020, the Transaction is a material and an affiliated transaction that is required to use an appraiser in determining the fairness of the Transaction in which the disclosure of information of the Transaction must be announced to the public and notified to the OJK. The Company has received a fair result for the Transaction in accordance with the Appraisal Report from the KJPP No. 00314/2.0118-00/BS/02/0596/1/VIII/2022 dated 11 August 2022 on the Fairness Opinion Report on the Proposed Funding Facility to PT Merdeka Tsingshan Indonesia by PT Merdeka Copper Gold Tbk (“**Appraiser’s Report**”).

The Transaction has complied with the procedures set forth in Article 3 of OJK Regulation 42/2020 *juncto* Article 10 paragraph (1) of OJK Regulation 17/2020 and has been implemented in accordance with generally accepted business practices.

In accordance with Article 33 letter (a) of OJK Regulation 17/2020, since the Transaction is a material transaction which is also an affiliated transaction as stipulated in OJK Regulation 42/2020, the Company is only required to comply with the provisions as stipulated in OJK Regulation 17/2020.

Based on the abovementioned and in accordance with the applicable laws and regulations, especially OJK Regulation 17/2020 and OJK Regulation 42/2020, the Board of Directors of the Company hereby announces this Disclosure of Information is in accordance with the procedures for implementing material transactions with a transaction value of more than 20% (twenty per cent) but less than 50% (fifty per cent) of the equity of the Company and, therefore, in compliance with the provisions of Article 6 paragraph (1) letter (a), letter (b), and letter (c) and Article 17 of OJK Regulation 17/2020 with the purpose of providing information and a more complete description to the Shareholders regarding the Transaction.

TRANSACTION OF THE FUNDING FACILITY

1. BACKGROUND AND BENEFIT OF THE TRANSACTION

MTI, as a Controlled Company whose shares are indirectly owned by the Company in the amount of 79.99% (seventy-nine point nine nine per cent), is conducting a business in the field of other basic inorganic chemical industries; iron and steel making industry; precious base metal manufacturing industry; non-ferrous base metal manufacturing industry, and special telecommunications operations for its own purposes.

Moreover, the Transaction is conducted for MTI to conduct the payment required for the implementation of the Purpose of the Transaction.

2. NATURE OF THE TRANSACTION

The value of the Transaction is US\$200,000,000.00 (two hundred million United States Dollars), which constitutes 22.34% (twenty-two-point three four per cent) of the total consolidated equity based on Consolidated Financial Statements of the Company. In this case, the Transaction is a material transaction, where the value of the Transaction exceeds 20% (twenty per cent) but is less than 50% (fifty per cent) of the equity of the Company as calculated based on the Consolidated Financial Statements of the Company.

Therefore, based on Article 6 paragraph (1) letter (a), letter (b), and letter (c) *juncto* Article 27 paragraphs (1) of OJK Regulation 17/2020, the Company must announce this Disclosure of Information regarding the Transaction to the public at least on the Company's website and the Indonesia Stock Exchange's website by no later than 2 (two) business days after the date of the Transaction and notify this Disclosure of Information and its supporting documents to the OJK.

BRIEF DESCRIPTION OF THE TRANSACTION

1. TRANSACTION OBJECT AND VALUE

The details on the object and value of the Transaction are as follows:

Based on the Amendment and Restatement, the Company agrees to provide loan funds with the total maximum amount of up to US\$200,000,000.00 (two hundred million United States Dollars) ("**Commitment**") which will be utilized by MTI for the Purpose of the Transaction. On the provided Commitment will be subject to the interest rate at the amount of 3 (three) months LIBOR (or if such page or service ceases to be available, then any other rate that internationally determined as the replacement of it) plus margin amounting to 5% (five per cent) per annum.

Moreover, the period of the Amendment and Restatement commences on the date of execution of the Amendment and Restatement, and shall expire on 5 (five) business days after the funds from the first utilisation of the senior facility that will be entered by MTI with onshore and/or offshore banks, or a such later date agreed in writing by the MTI and the Company, and until all the obligations of MTI and the Company therein have been fulfilled in accordance with the Amendment and Restatement.

Guarantee/Security:

Up until the date of this Information Disclosure, the Company will not be a beneficiary of any of the security, guarantee, or other credit support which has been provided by MTI under the Amendment and Restatement.

Negative Covenant(s):

During the term of the Amendment and Restatement, MTI shall ensure that the management of the MTI will not be involved in a status issue or legal matter that may affect the continuity of MTI's business.

2. PARTIES INVOLVED IN THE TRANSACTION

a. MTI

MTI is a limited liability company established based on Deed of Establishment No. 40 dated 18 March 2021, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the Minister by virtue of Decree No. AHU-0019293.AH.01.01.TAHUN 2021 dated 18 March 2021 ("**Deed of Establishment of MTI**"), whose articles of association were lastly amended based on Deed of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 33 dated 9 March 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by Minister by virtue of Decree No. AHU-0016812.AH.01.02.TAHUN 2022 dated 9 March 2022 and has been notified to the Minister as evidenced by the

Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0154821 dated 9 March 2022 (“**Deed 33/2022**”).

MTI is domiciled in South Jakarta, with the office address at The Convergence Indonesia 21st Floor, Rasuna Epicentrum Boulevard, Jl. H.R. Rasuna Said, Karet Kuningan Sub-District, Setiabudi District, Administrative City of South Jakarta, 12940, Special Capital Region of Jakarta Province.

Based on the provisions of Article 3 of Articles of Association of MTI, the purpose and objective of MTI are to carry out a business in the field of other inorganic basic chemical industries; iron and steel making industry; precious base metal manufacturing industry; non-iron base metal manufacturing industry; and specific telecommunications operations for self-purposes.

To achieve the above-mentioned purpose and objective, MTI may carry out the following business activities:

- 1) Other Inorganic Basic Chemical Industry (KBLI 20114);
Carrying out other basic inorganic chemical industries that produce chemical substances such as phosphorus with its derivatives, sulfur with its derivatives, nitrogen with its derivatives, and basic chemical industry that produces halogen compound and their derivatives, metals except alkali metal, oxide compounds except for pigments. Including the raw material industry for explosives, including carrying out an inorganic basic chemical industry that produces chemical substances through the construction and operation of the project (Project) which includes a sulphide roast plant, crusher factory, grinder and float (CGF) factory, chloridising roast factory, acid filter plant high pressure (HPAL) and metal extraction or screening plants (as a whole, Factories) and other necessary infrastructure;
- 2) Iron and Steel Making Industry (KBLI 24101);
Carrying out the business of making iron and steel in basic forms, such as iron ore pellets, sponge iron, pig iron and the making of iron and steel in the form of coarse steel such as ingots, steel billets, bloom steel and steel slabs. This includes the manufacture of iron and alloy steel. Including furnace, steel converter, rolling mill and finishing activities; production of pig iron in basic forms such as blocks; production of iron alloy; production of iron products that are reduced directly from iron ore and other hollow iron products; production of iron from refining by electronic processes and other chemical processes; production of iron grains and iron powder; production of ingots or other basic forms; re-smelting of scrap iron or steel ingots; and semi-finished steel production.
- 3) Base Metal Manufacturing Industry (KBLI 24201);
Carrying out the business of refining, smelting, alloying and casting precious metals in basic forms (ingots, billets, slabs, rods, pellets, blocks, sheets, pigs, alloys and powders) such as silver ingots, gold ingots, platinum pellets and so on.
- 4) Non-Iron Base Metal Manufacturing Industry (KBLI 24202);
Carrying out a refining, smelting, alloying and casting business of non-ferrous metals in basic forms (ingots, billets, slabs, rods, pellets, blocks, sheets, pigs, alloys and powders) such as brass ingots, aluminum ingots, zinc ingots, copper ingots, tin ingots, brass billets, aluminum billets, brass slabs, aluminum slabs, brass rods, aluminum bars, brass pellets, aluminum pellets, bronze alloys, nickel alloys and bearing metals and rare earth metals and alloys rare earth metals (15 elements lanthanides plus elements scandium and yttrium).

- 5) Specific Telecommunications Activities for Self-Purpose (KBLI 61992);
Carrying out a telecommunications operation that is specifically used for self-purpose in terms of developing hobbies and self-training.

Capital Structure and Shareholders' Composition of MTI

In accordance with Deed of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 42 dated 10 May 2021, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by Minister by virtue of Decree No. AHU-0028507.AH.01.02.TAHUN 2021 dated 10 May 2021 and has been notified to the Minister as evidenced by the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0301259 dated 10 May 2021 *juncto* Deed 33/2022, capital structure and composition of shareholders of MTI are as follows:

Description	Total Shares	Nominal Value per Share (Rp)	Total Value of Share (Rp)	%
Authorised Capital	1,260,000	1,000,000	1,260,000,000,000	
Issued and Paid-up Capital				
PT Batutua Pelita Investama	1,008,000	1,000,000	1,008,000,000,000	80
Wealthy Source Holding Limited	252,000	1,000,000	252,000,000,000	20
Total	1,260,000		1,260,000,000,000	100
Portfolio Shares	-		-	

Composition of the Board of Commissioners and Board of Directors of MTI

Based on Deed of Establishment of MTI *juncto* Deed of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 66 dated 20 June 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the Minister as evidenced by the Receipt of Notification of the Change of Data No. AHU-AH.01.09-0023789 dated 20 June 2022, the composition of the Board of Directors and the Board of Commissioners of MTI is as follows:

Board of Commissioners

President Commissioner : Winato Kartono
 Commissioner : Gavin Arnold Caudle
 Commissioner : Simon James Milroy
 Commissioner : Xin Zhi
 Commissioner : Renhui Wang

Board of Directors

President Director : Albert Saputro
 Director : David Thomas Fowler
 Director : Fan Zhang
 Director : Cheng Li

b. The Company

The Company, established under the name of PT Merdeka Serasi Jaya, pursuant to Deed of Establishment No. 2 dated 5 September 2012, made before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by Minister by virtue of its

Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, and has been published in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

The Company's Articles of Association have been amended several times as lastly amended by Deed of Statement of Meeting Resolution on Amendment to Articles of Association No. 9 dated 12 May 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the Minister by virtue of the Letter of Notification Receipt of Amendment of the Articles of Association No. AHU-AH.01.03-0237201 dated 13 May 2022 ("**Deed 9/2022**").

The Company is domiciled at The Convergence Indonesia Building 20th Floor, Rasuna Epicentrum Boulevard, Jl. H.R. Rasuna Said, Karet Kuningan Sub-District, Setiabudi District, Administrative City of South Jakarta, 12940, Special Capital Region of Jakarta Province.

According to Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are as follows:

- 1) carrying out activities of holding companies where the main activity is ownership and/or control of assets of a group of subsidiary companies both domestic and overseas among others including but not limited to, those engaged in the mining sector; and
- 2) conducting other management consulting activities, to provide advice, guidance and business operations for various management functions, strategic and organizational scheming, human resources planning, practices and policies, management consulting of agronomist processing and agricultural economist including but not limited to mining, agriculture, and the like, design of accounting methods and procedures, cost accounting programs, budget control supervision procedures, providing advice and assistance to businesses and community services in planning, organizing, efficiency and control, management information, processing and tabulating all types of data covering all stages processing and writing reports from data provided by customers, or only part of the processing stages and others.

To carry out the main business activities above, the Company may carry out business activities as follows:

- 1) providing funding and/or financing required by the companies in which the Company participates its equity, both directly and indirectly; and
- 2) providing funding and/or financing required by other companies in order to carry out the equity participation in such company or group companies or in the investment framework of any other assets in such company or group companies.

Capital Structure and Shareholders' Composition of the Company

Pursuant to Deed of Statement of Meeting Resolution of the Amendment of Articles of Association No. 69 dated 25 September 2019 made before Liestiani Wang, S.H., M.Kn., Notary in South Jakarta which has been notified to the Minister based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0339775 dated 2 October 2019 *juncto* Deed 9/2022, the Company's capital structure and shareholding composition as of the date of this Information Disclosure is as follows:

Authorised Capital : IDR1,400,000,000,000

Issued Capital : IDR482,217,015,420
 Paid up Capital : IDR482,217,015,420

The Company's authorised capital is divided into 70,000,000,000 (seventy billion) shares each with a par value of Rp20 (twenty Rupiah).

According to the Shareholders Register of the Company dated 31 July 2022 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

Description	Nominal Value of Rp20 per Shares		
	Number of Shares	Nominal Value (Rp)	(%)
A. Authorised Capital	70,000,000,000	1,400,000,000,000	
B. Issued and Paid up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,423,174,297	88,463,485,940	18.345
2) PT Mitra Daya Mustika	2,907,302,421	58,146,048,420	12.058
3) Garibaldi Thohir	1,774,021,214	35,480,424,280	7.358
4) PT Suwarna Arta Mandiri	1,347,254,738	26,945,094,760	5.588
5) Hongkong Brunp & Catl Co., Limited	1,205,542,539	24,110,850,780	5.000
6) Gavin Arnold Caudle	80,066,431	1,601,328,620	0.332
7) Hardi Wijaya Liong	69,596,728	1,391,934,560	0.289
8) Andrew Phillip Starkey	527,000	10,540,000	0.002
9) Albert Saputro	177,800	3,556,000	0.001
10) Simon James Milroy	521,403	10,428,060	0.002
11) Titien Supeno	88,900	1,778,000	0.000 ^(*)
12) Public (respectively under 5%)	12,234,280,500	244,685,610,000	50.742
Treasury Stock	68,296,800	1,365,936,000	0.283
Total of Issued and Fully Paid up Shares	24,110,850,771	482,217,015,420	100.000
C. Portfolio Shares	45,889,149,229	917,782,984,580	

^(*) Zero caused by a rounding

Composition of the Board of Commissioners and Board of Directors of the Company

Pursuant to Deed of Statement of Meeting Resolution No. 57 dated 10 June 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the Minister as reflected in the Letter of Notification Receipt of Change of the Company's Data No. AHU-AH.01.09.0022717 dated 16 June 2022, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this Information Disclosure are as follows:

Board of Commissioners

President Commissioner	: Edwin Soeryadjaya
Commissioner	: Garibaldi Thohir
Commissioner	: Tang Honghui
Commissioner	: Yoke Candra
Independent Commissioner	: Muhamad Munir
Independent Commissioner	: Budi Bowoleksono

Board of Directors

President Director	: Albert Saputro
Vice President Director	: Simon James Milroy
Director	: Gavin Arnold Caudle
Director	: Hardi Wijaya Liong
Director	: Andrew Phillip Starkey
Director	: David Thomas Fowler
Director	: Titien Supeno
Director	: Chrisanthus Supriyo

3. NATURE AND AFFILIATED RELATION

The natures of the affiliation relationship between the Company and MTI are as follows:

- a. MTI is a Controlled Company of the Company with shares owned indirectly by the Company through PT Batutua Pelita Investama in the amount of 79.99% (seventy-nine-point nine nine per cent); and
- b. there are members of the Board of Commissioners and Board of Directors of MTI who also serve as members of the Board of Directors of the Company.

4. SUMMARY OF APPRAISER'S REPORT

KJPP has been appointed by the Company's Board of Directors as independent appraisers in accordance with the proposal letter/contract work agreement No. 130.5/IDR/DO.2/Pr-FO/VII/2022 dated 25 July 2022 has been requested to provide an assessment of and provide an opinion of the Transaction's fairness.

Fairness Assessment Report on Transaction

The following is a summary of the KJPP's fairness assessment of the Transaction as stated in its report No. 00314/2.0118-00/BS/02/0596/1/VIII/2022 dated 11 August 2022 as follows:

a. Transaction Parties

The Transacting Parties are the MTI acts as the borrower and the Company acts as the lender.

b. Appraisal Object

The Appraisal Object is the proposed transaction plan for additional investment loan facilities for MTI's capital expenditures, construction and operational costs, as well as repayment of MTI's debts to the Company from a maximum amount of US\$50,000,000.00 (fifty million United States Dollars) to a maximum of US\$200,000,000.00 (two hundred million United States Dollars) hence the additional amount is US\$150,000,000.00 (one hundred and fifty million United States Dollars) which will mature in 5 (five) business days after receiving the funds from the first utilisation of the senior term loan facility and interest at LIBOR (3 months) + 5.00% (five per cent) per annum.

c. Purpose and Objective of Appraisal

The purpose of the appraisal is to provide a fairness opinion on the proposed Transaction for the purpose of the proposed Transaction's implementation.

d. Assumptions and Main Limit Conditions

- 1) This Appraisal Report is a non-disclaimer opinion.
- 2) The appraiser has reviewed the documents used in the appraisal process.
- 3) The data and information obtained come from trustworthy sources.
- 4) The financial projection used is an adjusted financial projection that reflects the fairness of the financial projections made by management with the ability to achieve (fiduciary duty), if the appraisal uses financial projections.
- 5) The appraiser is responsible for the implementation of appraisal and fairness of the financial projections.
- 6) This appraisal report is disclosed to the public, except for confidential information, which may affect the Company's operations.
- 7) The appraiser is responsible for this Appraisal Report and the conclusion of the final score.
- 8) The appraiser has obtained information on the legal status of the appraisal object from the assignor.
- 9) This opinion should be viewed as a whole and the use of any part of analysis and information without considering the entirety of information and analysis may cause a misleading view of the process where the opinion is based. The arrangement of this opinion is a complex process and may not be possible through incomplete analysis.
- 10) The Fairness Opinion is arranged by considering the market and economic conditions, general business and financial conditions, as well as government regulations on the issued date of this Opinion. This Fairness Opinion is only conducted upon the Transaction as described above.
- 11) The Fairness Opinion is prepared in accordance with the principle of information and data integrity. In arranging this Fairness Opinion, KJPP bases and is based on information and data as provided by the Company's management according to the nature of fairness is true, complete, reliable, and not misleading. KJPP does not

carry out audits and compliance tests in detail upon the explanations and data provided by the Company's management, both verbally and in writing, and thus KJPP can not provide guarantees or be responsible for the correctness and completeness of the information or explanations.

- 12) This Fairness Opinion is only arranged by considering the perspective of the Company's Shareholders and does not consider the viewpoints of other stakeholders and other aspects.

e. Approach and Methods

In accordance with the scope of appraisal, the approach and methods used are as follows:

- 1) conducting Transaction analysis;
- 2) conducting a qualitative analysis of the proposed Transaction;
- 3) conducting a quantitative analysis of the proposed Transaction;
- 4) conducting an analysis of the fairness of the Transaction value; and
- 5) conducting an analysis of other relevant factors.

f. Fairness Opinion on the Transaction

The amount of the object of Transaction in the form of a funding facility to MTI by the Company is able to be repaid on the maturity date, therefore it can be concluded that the amount of the object of the transaction is **fair**.

The analysis result on the interest rate from the Company, as the lender, which is imposed on MTI, as the borrower, for an investment loan is higher than the interest rate range in the market from bank(s) and for the similar loan(s), therefore, it can be concluded that the interest rate of loan imposed by the Company to MTI is **fair**.

The analysis result of the financial impact of the Transaction to be carried out in the interests of Shareholders is that MTI can complete the construction of a refining plant and concentrator hence it can operate commercially, subsequently it will increase the Company's revenues and profits, thus in accordance with the interests of Shareholders.

The analysis result of business considerations from management related to the Transaction in the interests of Shareholders is that the Company is able to fulfill MTI's funding demands to complete the construction of nickel processing facilities hence MTI can operate commercially, it concludes that the business considerations of management are aligned with the interests of Shareholders.

In accordance with the conclusion of the analysis result above, KJPP is of the opinion that the Transaction is **fair**.

5. EXPLANATION, CONSIDERATION, AND REASONING FOR THE TRANSACTION TO BE CONDUCTED AND THE EFFECT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION

Explanation, Consideration and Reasons for the Transaction (Including If the Transaction is Compared to Other Similar Transactions Which are Conducted with Unaffiliated Parties)

By conducting the Transaction, the Company is able to provide a funding facility that will be utilized by MTI for the Purpose of the Transaction, hence MTI is able to conduct its business activities optimally and provide a positive impact to the Company as the indirect shareholder of MTI.

This Transaction has been conducted with arm's length value in accordance with the same terms and conditions if a similar transaction is carried out with an unaffiliated party and is in accordance with general business practices.

The Effect of Transactions on the Company's Financial Condition

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 31 March 2022 before and after carrying out the Affiliated Transaction, in which this Affiliated Transaction does not have a consolidated impact on the Company since the Transaction is a transaction between subsidiaries which is eliminated on a consolidated basis by the Company.

Description	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	121,959,805	-	121,959,805
Trade receivables	825,326	-	825,326
Other receivables	60,410,715	-	60,410,715
Inventories - current portion	155,904,932	-	155,904,932
Claims for tax refund	22,876,420	-	22,876,420
Advances and prepayments - current portion	18,666,048	-	18,666,048
Investment in equity instrument and other securities	47,882,116	-	47,882,116
Derivative financial instrument - current portion	104,232	-	104,232
Total Current Assets	428,629,594	-	428,629,594
Non-Current Assets			
Advances and prepayments - non-current portion	50,499,209	-	50,499,209
Advance of investment	349,644,665	-	349,644,665
Investment in shares	1,230,013	-	1,230,013
Loan to related parties - non-current portion	9,528,967	-	9,528,967
Inventories - non-current portion	52,156,551	-	52,156,551
Prepaid taxes	15,695,652	-	15,695,652
Property, plant and equipments	330,887,074	-	330,887,074
Right-of-use assets	17,304,051	-	17,304,051
Mining properties	68,631,495	-	68,631,495
Exploration and evaluation assets	411,717,799	-	411,717,799
Deferred tax assets	18,719,785	-	18,719,785
Derivative financial instrument - non-current portion	6,273,094	-	6,273,094
Other non-current assets	6,842,869	-	6,842,869
Total Non-Current Assets	1,339,131,224	-	1,339,131,224
TOTAL ASSETS	1,767,760,818	-	1,767,760,818

LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	44,015.161	-	44,015.161
Accrued expenses	32,405.383	-	32,405.383
Unearned revenue	8,092.502	-	8,092.502
Taxes payable	28,842.490	-	28,842.490
Other payables	38,783.423	-	38,783.423
Borrowings - current portion			
Bank Loans and Credit Facility	128,735.321	-	128,735.321
Bonds payable	209,807.988	-	209,807.988
Lease liabilities	25,968.471	-	25,968.471
Derivative financial instrument - current portion	6,269.389	-	6,269.389
Provision for mining rehabilitation - current portion	78.720	-	78.720
Total Current Liabilities	522.998.848	-	522.998.848
Non-Current Liabilities			
Borrowings - non-current portion			
Bonds payable	266,710.392	-	266,710.392
Bank Loans and Credit Facility	9,706.866	-	9,706.866
Lease liabilities	18,072.592	-	18,072.592
Deferred tax liabilities	947.349	-	947.349
Derivative financial instrument - non-current portion	732.932	-	732.932
Post-employment benefits liability - non-current portion	19,093.466	-	19,093.466
Provision for mining rehabilitation - non-current portion	34,271.564	-	34,271.564
Total Non-Current Liabilities	349.535.161	-	349.535.161
TOTAL LIABILITIES	872.534.009	-	872.534.009
Equity			
Share capital	36,112.298	-	36,112.298
Additional paid-in capital	454,779.498	-	454,779.498
Treasury stock	(113.972)	-	(113.972)
Cash flows hedging reserve	(291.007)	-	(291.007)
Other equity components	13,829.371	-	13,829.371
Retained earnings	294,016.074	-	294,016.074
Non-controlling interests	96,894.547	-	96,894.547
Total Equity	895.226.809	-	895.226.809
TOTAL LIABILITIES AND EQUITY	1.767.760.818	-	1.767.760.818

(*) Expressed in US Dollars and refers to the Company's Interim Consolidated Financial Statements dated 31 March 2022.

BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS STATEMENTS

1. This Disclosure of Information is complete and in accordance with the requirements regulated in OJK Regulation 17/2020.
2. The Transaction is a material transaction as referred to in OJK Regulation 17/2020 and an affiliated transaction nonetheless it does not contain a conflict of interest as referred to in OJK Regulation 42/2020.
3. The statement in this Disclosure of Information does not contain statements or information or facts that are not true or misleading and contains all material information or facts required for investors to make decisions in connection with the Transaction.

ADDITIONAL INFORMATION

Shareholders who need additional information can contact the Company at the address:

PT Merdeka Copper Gold Tbk

Corporate Secretary

The Convergence Indonesia Building, 20th floor

Jl. H.R. Rasuna Said, Karet Kuningan, Setiabudi, Jakarta Selatan 12940


Telephone: (021) 2988 0393

Facsimile: (021) 2988 0392

Email: corporate.secretary@merdekacoppergold.com

Website: www.merdekacoppergold.com

Initial:

A series of handwritten initials in black and blue ink, including 'A', 'R', 'G', 'S', 'B', 'M', 'J', and 'S'.