

INFORMATION DISCLOSURE TO SHAREHOLDERS RELATED TO AFFILIATED TRANSACTION PT MERDEKA COPPER GOLD TBK. (the "COMPANY")

This Information Disclosure to the shareholders (as defined below) is made to provide an explanation to the public in connection with the conditional shares subscription agreement made by and between the Company and PT Andalan Bersama Investama ("ABI"), to subscribe new shares that will be issued by ABI, which is an affiliated party from one of the Controller of the Company, PT Provident Capital Indonesia.

The transaction is an Affiliated Transaction as stipulated in the Regulation of the Financial Services Authority of the Republic of Indonesia No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions.

THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU HAVE DIFFICULTIES TO UNDERSTAND THE INFORMATION AS SET FORTH IN THIS INFORMATION DISCLOSURE YOU SHOULD CONSULT WITH A LEGAL COUNSEL, A PUBLIC ACCOUNTANT, FINANCIAL ADVISOR OR ANY OTHER PROFESSIONAL.

BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY, EITHER SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY REPRESENTS THE COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION CONTAINED IN THIS INFORMATION DISCLOSURE ARE TRUE AND THERE ARE NO IMPORTANT MATERIAL AND RELEVANT FACTS THAT HAVE NOT BEEN DISCLOSED OR REMOVED IN THIS INFORMATION DISCLOSURE CAUSING THE INFORMATION PROVIDED ON THIS INFORMATION DISCLOSURE TO BE UNTRUE AND/OR MISLEADING.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THAT THIS AFFILIATED TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.



PT MERDEKA COPPER GOLD Tbk.

Business Activities

Mining of gold, silver, copper and other associated minerals, and mining services through its subsidiaries

Domiciled in South Jakarta, DKI Jakarta, Indonesia

Headquarter Office:

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

This Information Disclosure is issued in Jakarta on 30 December 2021

DEFINITIONS

- “Affiliate”** : Affiliate means
1. family relations due to marriage and descent up to the second degree, both horizontally and vertically;
 2. relationship between a party and employees, directors, or commissioners of the party;
 3. relationship between 2 (two) companies where there is 1 (one) or more same members of the board of directors or board of commissioners;
 4. the relationship between a company and a party, both directly or indirectly, controlling or being controlled by the said company;
 5. relationship between 2 (two) companies that are controlled, both directly or indirectly, by the same party; or
 6. the relationship between a company and the principal shareholders.
- “Conflict of Interest”** : The difference between the economic interest of a public company and the personal economic interest of members of board of directors, members of board of commissioners, principal shareholders, or Controllers that may be harmful to the public company concerned.
- “Indonesia Stock Exchange”** : Stock exchange as defined in Article 1 point 4 Capital Markets Law, in this case held by PT Bursa Efek Indonesia, domiciled in Jakarta.
- “Ministry of Law and Human Rights”** : Ministry of Law and Human Rights of Republic of Indonesia.
- “Minister of Law and Human Rights or MOLHR”** : Minister of Law and Human Rights of Republic of Indonesia (formerly known as the Minister of Justice of the Republic of Indonesia which changed its name to the Minister of Law and Legislation of the Republic of Indonesia).
- “ABI”** : PT Andalan Bersama Investama, domiciled in South Jakarta, a limited liability company established and operated under the laws of the Republic of Indonesia.
- “Financial Services Authority or OJK”** : 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 in accordance with the provisions of Article 55 OJK Law.
- “Shareholders”** : Parties who have the benefit of the Company’s shares, both in the form of scripts and in collective custody which are kept and administered in the securities account at Indonesia Central Securities Depository, registered in the Shareholder Register of the Company which is

administered by the Securities Administration Bureau appointed by the Company.

- “Independent Appraiser or KJPP”** : 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.
- “Company”** : PT Merdeka Copper Gold Tbk., domiciled in South Jakarta, a public limited company whose shares are listed on the Indonesia Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
- “Controller”** : Any party who either directly or indirectly:
a. own over than 50% (fifty percent) of all shares possessing voting rights which has been fully paid-up of a Publicly Trade Company’s shares; or
b. have the ability to determine, either directly or indirectly in any way, the management and/or policy of Publicly Traded Companies,
as stipulated in the OJK Regulation No. 9/POJK.04/2018 regarding The Acquisition of Publicly Traded Companies *juncto* OJK Regulation No. 3/POJK.04/2021 regarding Implementation of the Capital Market Activities.
- “POJK 17/2020”** : OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
- “POJK 42/2020”** : OJK Regulation No. 42/POJK.04/2020, enacted on 1 July 2020 regarding Affiliated Transaction and Conflict of Interest Transaction.
- “Affiliated Transaction”** : Any activity and/or transaction conducted by a public company or a controlled company with an Affiliate of a public company or an Affiliate of a member of board of directors, a member of board of commissioners, the principal shareholders, or the Controller, including any activity and/or transaction conducted by a public company or controlled company for the benefit of an Affiliate of public company or an Affiliate of a member of board of directors, member of board of commissioners, principal shareholders or the Controller.
- “Conflict of Interest Transaction”** : Transactions that are carried out by public companies or controlled entities with any party, both with Affiliates and parties other than Affiliates that contain a Conflict of Interest.
- “Capital Markets Law”** : Law No. 8 of 1995 dated 10 November 1995 on Capital Markets, State Gazette of the Republic of Indonesia No. 64 Year 1995.

INTRODUCTION

In order to comply with the provisions of POJK 42/2020, the Board of Directors of the Company announces Information Disclosure to provide information to the Shareholders of the Company that on 28 December 2021, the Company has signed a conditional shares subscription agreement to subscribe new shares that will be issued by ABI in sufficient amount for the Company to hold shares representing 50.1% (fifty point one percent) from the issued and paid-up capital of ABI, with subscription price at

amount of IDR1,143,081,600,000 (one trillion one hundred forty-three billion eighty-one million six hundred thousand Rupiah) or equivalent with US\$80,160,000 (eighty million one hundred sixty thousand United States of America Dollar) ("**Transaction**").

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, where ABI is an Affiliated to one of the Controller of the Company, which is PT Provident Capital Indonesia.

The Affiliated Transaction carried out by the Company has complied with the procedures as set forth in Article 3 of POJK 42/2020 and has been executed in accordance with generally accepted business practices.

In accordance with the provisions of Article 4 paragraph 1 of POJK 42/2020, this Transaction is an Affiliated Transaction that is required to use an Appraiser in determining the fairness of the Affiliated Transaction in which the fairness of the transaction needs to be announced to the public. The Appraisal Report used is a report from the Public Appraisal Service Office (*Kantor Jasa Penilai Publik* or "**KJPP**") Iskandar and Partners No. 00420/2.0118-00/BS/02/0596/1/XII/2021 dated 15 December 2021 on the Fairness Opinion Report of the Transaction Plan for the Paid-up Capital in PT Andalan Bersama Investama by PT Merdeka Copper Gold Tbk ("**Appraiser's Report**"). The Appraiser's Report provides the fair value for this Transaction.

This Affiliated Transaction is not a Conflict of Interest Transaction as set forth in POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. ABI

ABI is a limited liability company duly incorporated under and by virtue of the laws of the Republic of Indonesia and having its domicile at Mayapada Tower 11th Floor, Jl. Jend. Sudirman Kav. 28, South Jakarta.

ABI was established pursuant to the Deed of Establishment No. 03 dated 2 July 2015, drawn up before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok, which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia ("**MOLHR**") by virtue of his Decree No. AHU-2446595.AH.01.01.Tahun 2015 dated 2 July 2015, and registered in the Company Registry maintained by Ministry of Law and Human Rights under No. AHU-3528081.AH.01.11.Tahun 2015 dated 2 July 2015 and registered in the Company Registry maintained by the Ministry of Law and Human Rights under No. AHU-3528081.AH.01.11.Tahun 2015 dated 2 July 2015.

Until the date of this Disclosure of Information, ABI's Articles of Association has been amended several times, most recently by the Deed of Circular Resolutions of the Shareholders of ABI No. 13 dated 7 October 2021, drawn before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by MOLHR by virtue of the Letter No. AHU-0055275.AH.01.02.TAHUN 2021 dated 7 October 2021.

Currently ABI is carrying out holding company business activities and other management consultation activities.

Capital Structure and Shareholders Composition of ABI

Description	Total Shares	Nominal Value per Share (Rp)	Total Value of Shares (Rp)	%
Authorized Capital				
	30,000	10,000	300,000,000,000	
Issued Capital and Fully Paid-Up Capital				
PT Provident Indonesia	14,999	10,000	149,990,000	99.99
Tri Boewono	1	10,000	10,000	0.01
Total	15,000		150,000,000	100%
Portfolio Shares	15,000		150,000,000	

Composition of the Board of Commissioners and Board of Directors of ABI

Pursuant to Deed of Circular Resolutions No. 69 dated 27 September 2021, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta (“**Deed No. 69/2021**”) which has been notified to MOLHR by virtue of the Letter of Notification Receipt of Changes of the Companies Data No. AHU-AH.01.03-0454525 dated 29 September 2021, the latest composition of the Board of Directors and Board of Commissioners of ABI is as follow:

Board of Commissioners

Commissioner : Tri Boewono

Board of Directors

Director : Devin Antonio Ridwan

2. The Company

The Company, established under the name of PT Merdeka Serasi Jaya, pursuant to the Deed of Establishment No. 2 dated 5 September 2012, drawn before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by MOLHR by virtue of its Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, has been registered in the Company Register in the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-0081346.AH.01.09.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 has been amended several times, most recently by the Deed of Statement of Meeting Resolution on Amendment to Articles of Association No. 125 dated 25 May 2021, drawn before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to MOLHR by virtue of the Letter of Notification Receipt of Amendment of the Articles of Association No. AHU-AH.01.03-0336093 dated 28 May 2021 and has been registered in the Company Register in the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-0094735.AH.01.11.TAHUN 2021 dated 28 May 2021.

The Company is domiciled at The Convergence Indonesia Building, 20th Floor, Jl. HR. Rasuna Said, Karet Kuningan, Setiabudi, South Jakarta 12940.

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

1. provide funding and/or financing required by the companies in which the Company participates its equity, both directly and indirectly; and
2. provide 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 the Deed of Statement of Meeting Resolution No. 38 dated 5 March 2021, drawn before drawn before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to MOLHR by virtue of the Letter of Notification Receipt of Amendment of the Articles of Association No. AHU-AH.01.03-0144571 dated 5 March 2021, and has been registered in the Company Register in the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-0042187.AH.01.11.TAHUN 2021 dated 5 March 2021, the Company's capital structure and shareholding composition are as follows:

Authorized Capital : IDR1,400,000,000,000
 Issued Capital : IDR458,097,016,300
 Paid up Capital : IDR458,097,016,300

Authorized capital of the Company is divided into 70,000,000,000 shares each with a par value of Rp20.00.

According to the Shareholders Register of the Company dated 30 November 2021 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)	(%) ⁽¹⁾
A. Authorized Capital	70,000,000,000	1,400,000,000,000	
B. Issued and Paid up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,189,971,184	83,799,423,680	18.293
2) PT Mitra Daya Mustika	2,948,833,595	58,976,671,900	12.875
3) Garibaldi Thohir	2,028,836,137	40,576,722,740	8.858
4) PT Suwarna Arta Mandiri	1,386,733,708	27,734,674,160	6.055
5) Pemda Kabupaten Banyuwangi	973,250,000	19,465,000,000	4.249
6) Gavin Arnold Caudle	79,526,728	1,590,534,560	0.347

Description	Nominal Value of Rp20 per Shares		
	Number of Shares	Nominal Value (Rp)	(%) ⁽¹⁾
7) Hardi Wijaya Liong	69,276,728	1,385,534,560	0.302
8) Heri Sunaryadi	4,520,630	90,412,600	0.020
9) Richard Bruce Ness	1,633,500	32,670,000	0.007
10) Simon James Milroy	157,700	3,154,000	0.001
11) Public (respectively under 5%)	11,221,513,805	224,430,276,100	48.993
	22,904,253,715	458,085,074,300	100.000
Treasury Stock	597,100	11,942,000	-
Total of Issued and Fully Paid up Shares	22,904,850,815	458,097,016,300	100.000
C. Portofolio Shares	47,095,149,185	941,902,983,700	

Note:

(1) Calculation is based on voting rights.

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

Pursuant to the Deed of Statement of General Meeting Resolution of PT Merdeka Cooper Gold Tbk No. 143 dated 29 July 2020, drawn before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta which has been notified to MOLHR as reflected in the Letter of Acceptance of Notification of Amendment of the Companies Data No. AHU-AH.01.03-0346266 dated 13 August 2020 and has been registered in the Company Register in the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-0133140.AH.01.11.TAHUN 2020 dated 13 August 2020 *juncto* Deed of Statement of Meeting Resolution No. 124 dated 25 May 2021, drawn before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to MOLHR as reflected in the Letter of Acceptance of Notification of Amendment of the Companies Data No. AHU-AH.01.03-0336665 dated 28 May 2021 and has been registered in the Company Register in the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-0094862.AH.01.11.TAHUN 2021 dated 28 May 2021, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this Disclosure of Information are as follows:

Board of Commissioners

President Commissioner : Edwin Soeryadjaya
 Commissioner : Garibaldi Thohir
 Commissioner : Richard Bruce Ness
 Commissioner : Heri Sunaryadi⁽¹⁾
 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 : Michael W.P. Soeryadjaya⁽²⁾
 Director : David Thomas Fowler
 Director : Titien Supeno
 Independent Director : Chrisanthus Supriyo

Notes:

- (1) *The Company has received the resignation letter of Mr. Heri Sunaryadi from his position as Commissioner as of 26 November 2021 and it has been announced on the IDX website on 29 November 2021 in accordance with the Company's letter No. 156/MDKA-JKT/CORSEC/XI/2021 dated 29 November 2021.*
- (2) *The Company has received the resignation letter of Mr. Michael W.P. Soeryadjaya from his position as Director as of 13 December, 2021 and has been announced on the IDX website on 14 December 2021 in accordance with the Company's letter No. 170/MDKA-JKT/CORSEC/XII/2021 dated 14 December 2021.*

Transaction Value

Pursuant to the Services Provision Agreement No. 006/MTI.SRVC/VI/2021 dated 28 December 2021, the total value of the Transaction is at amount of IDR1,143,081,600,000 (one trillion one hundred forty-three billion eighty-one million six hundred thousand Rupiah) or equivalent with US\$80,160,000 (eighty million one hundred sixty thousand United States of America Dollar). Therefore, the Transaction is not a material transaction as referred to POJK 17/2020 considering that (i) the value of Transaction does not reach 20% (twenty percent) of the Company's equity value in accordance with the Company's Interim Consolidated Financial Statements for period ended on 30 June 2021 which was audited by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm and the Company's Interim Consolidated Financial Statements for the period ended on 30 September 2021 which limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm, (ii) the amount of total assets of ABI divided by total assets of the Company is not exceeding 20% (twenty percent), (iii) the amount of net profit of ABI divided by net profit of the Company is not exceeding 20% (twenty percent), and (iv) the amount of revenue of ABI divided by revenue of the Company is not exceeding 20% (twenty percent).

Nature and Affiliated Relation

ABI is an affiliated party of one of the Controller of the Company which is PT Provident Capital Indonesia. PT Provident Capital Indonesia has an indirect shares ownership in the Company through PT Mitra Daya Mustika dan PT Suwarna Arta Mandiri.

Summary of Transaction Agreement

Conditional Shares Subscription Agreement dated 28 December 2021

Parties:

1. ABI; and
2. The Company, as the subscriber in ABI.

Scope of the Agreement:

Within the Agreement, the Parties have agreed that the Company will subscribe new shares that will be issued by ABI in the sufficient amount for the Company to hold shares representing 50.1% (fifty point one percent) from the issued and paid-up capital of ABI. Moreover, this Transaction is necessary to conduct strategic measures to conduct corporate actions that will be implemented by ABI hereinafter, particularly in relation to the acquisition conducted by ABI on PT Gorontalo Sejahtera Mining.

Transaction Value:

The Transaction Value or subscription price is at amount of IDR1,143,081,600,000 (one trillion one hundred forty-three billion eighty-one million six hundred thousand Rupiah) or equivalent with US\$80,160,000 (eighty million one hundred sixty thousand United States of America Dollar).

Applicable Law:

Laws of the Republic of Indonesia

Dispute Resolution:

District Court of South Jakarta

SUMMARY OF APPRAISER'S REPORT

KJPP Iskandar and Partners who have been appointed by the Company's Board of Directors as independent appraisers in accordance with the proposal letter/contract work agreement No. 215.3/IDR/DO.2/Pr-BFO/XI/2021 dated 30 November 2021, 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 summary of the KJPP's fairness assessment on the Transaction as stated in its report No. 00420/2.0118-00/BS/02/0596/1/XII/2021 dated 15 December 2021 as follows:

a. Transaction Parties

The Transacting Parties are the Company, as subscriber and ABI as the subscribed company.

b. Appraisal Object

The Appraisal Object is the proposed paid-up capital in ABI by the Company at amount of US\$80,160,000 (eighty million one hundred sixty thousand United States of America Dollar).

c. Purpose and Objective of Appraisal

The purpose of appraisal is to provide a fairness opinion on the proposed Transaction for the purpose of 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 are 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 public, except for confidential information, which may affect the Company's operations.
7. The appraiser is responsible upon this Appraisal Report and the conclusion of the Final Score.
8. The appraiser has obtained information on the legal status of the Appraisal Object and the assignor.
9. This opinion should be viewed as a whole and that 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 test in details 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 informations 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. Conduct transaction analysis.
2. Conduct qualitative analysis of the Proposed Transaction.
3. Conduct quantitative analysis of the Proposed Transaction.
4. Conduct analysis of the fairness of the transaction value.
5. Conduct analysis of other relevant factors.

f. Conclusion

The analysis result of the Transaction value is that the transaction value is higher but still within the reasonable Market Price, which concludes that the transaction value is **fair**.

The analysis result of the Transaction's financial impact to be carried out on the Shareholders' interest concludes that the Transaction will increase the sales and profits of the Company which can provide added value for the Company in line with the Shareholders' interest.

The analysis result of the business considerations from management regarding the Transactions against the Shareholders' interest are to increase the Company's revenues and profits which will be consolidated to the Company and increase dividend to the Shareholders of the Company.

In accordance with the conclusion of analysis result above, KJPP is of the opinion that the transaction is **fair** for the Company and the Company's Shareholders.

**THE EFFECT OF THE TRANSACTION ON THE COMPANY'S
FINANCIAL CONDITION (PRO-FORMA).**

The Effect of the Transaction on the Company's Financial Condition

The table below shows an overview of the financial condition of the Company and its subsidiaries as of June 30, 2021 before and after carrying out the Affiliated Transaction.

Information	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	278,165	79,840	358,005
Trade receivables	7,700	-	7,700
Other receivables	24,887	-	24,887
Inventories - current portion	104,248	-	104,248
Claims for tax refund	21,995	-	21,995
Advances and prepayments - current portion	14,527	-	14,527
Derivative financial instrument - current portion	5,811	-	5,811
Total Current Assets	457,333	79,840	537,173
Non-Current Assets			
Advances and prepayments – non-current portion	2,058	-	2,058
Investment in shares	2,320	-	2,320
Loan to related party	6,736	-	6,736

Inventories – non-current portion	58,959	-	58,959
Prepaid taxes	11,161	-	11,161
Property, plant and equipments	285,753	-	285,753
Right-of-use assets	6,863	-	6,863
Mining properties	99,637	-	99,637
Exploration and evaluation assets	232,519	-	232,519
Deferred tax assets	21,250	-	21,250
Derivative financial instrument – non-current portion	1,435	-	1,435
Other non-current assets	5,034	-	5,034
Total Non-Current Assets	733,725	-	733,725
TOTAL CURRENT ASSETS	1,191,058	79,840	1,270,898
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	21,770	-	21,770
Accrued expenses	22,641	-	22,641
Taxes payable	5,101	-	5,101
Borrowings - current portion			
Bank loans	66,442	-	66,442
Bonds payable	95,016	-	95,016
Lease liabilities	20,115	-	20,115
Provision for mining rehabilitation - current portion	170	-	170
Total Current Liabilities	231,255	-	231,255
Non-Current Liabilities			-
Borrowings – non-current portion			
Bank loans	32,631	-	32,631
Bonds payable	125,160	-	125,160
Lease liabilities	16,476	-	16,476
Post-employment benefits liability – non-current portion	16,346	-	16,346
Provision for mining rehabilitation – non-current portion	33,193	-	33,193
Total Non-Current Liabilities	223,806	-	223,806
TOTAL LIABILITIES	455,061	-	455,061
Equity		-	-
Share capital	36,112	-	36,112
Additional paid-in capital	454,864	-	454,864
Treasury stock	(283)	-	(283)
Cash flows hedging reserve	5,682	-	5,682
Other equity components	35,167	-	35,167
Retained earnings	194,090	-	194,090
Non-controlling interests	10,365	79,840	90,205
Total Equity	735,997	79,840	815,837
TOTAL LIABILITIES AND EQUITY	1,191,058	79,840	1,270,898

(* Expressed in US Dollars and refers to the Company's Interim Consolidated Financial Statements dated 30 June 2021.

DESCRIPTION, CONSIDERATIONS AND REASONS FOR THE TRANSACTION COMPARED WITH OTHER SIMILAR TRANSACTIONS WHICH ARE NOT PERFORMED WITH AFFILIATED PARTIES

In accordance with the information that has been provided to the Company, on 29 December 2021 ABI has acquired shares in PT Gorontalo Sejahtera Mining (“**GSM**”), a limited liability company which operates a mining business activities with a Contract of Work and is located in Gorontalo.

Provided that all of the terms and conditions in the Transaction have been fulfilled and the Company has become a shareholder of ABI with shares ownership at amount of 50.1% (fifty point one percent), hence it is expected that the Company: (i) is able to develop its business activities in mining sector in order to develop the potential from Mining Business License owned by PT Puncak Emas Tani Sejahtera, one of the Company’s subsidiaries, along with Contract of Work owned by GSM; and (ii) increase its revenue and financial performance hereinafter and subsequently is able to provide added value to the Shareholders of the Company.

Documents related to the Transaction between the Company and ABI, have been made using similar terms and conditions which if done with an unaffiliated party, that the terms and conditions of the Transaction are carried out on an arm’s length basis.

STATEMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY

The Board of Commissioners and Board of Directors of the Company, either individually or jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading and the Transaction is not considered a Conflict of Interest Transaction as referred to POJK 42/2020 and is not a material transaction as referred to POJK 17/2020 considering that (i) the Transaction value does not reach 20% (twenty percent) of the Company’s equity value in accordance with the Company’s Interim Consolidated Financial Statements for period ended on 30 June 2021 which was audited by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm and the Company’s Interim Consolidated Financial Statements for period ended on 30 September 2021 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm; (ii) the amount of total assets of ABI divided by total assets of the Company is not exceeding 20% (twenty percent), (iii) the amount of net profit of ABI divided by net profit of the Company is not exceeding 20% (twenty percent), and (iv) the amount of revenue of ABI divided by revenue of the Company is not exceeding 20% (twenty percent).

The Board of Directors of the Company stated that the Transaction was carried out in accordance with the procedures owned by the Company as required in POJK 42/2020 to ensure that Affiliated Transactions have been carried out in accordance with prevailing regulations and generally accepted business practices.

ADDITIONAL INFORMATIONS

For further information, you can contact the Company with the following address:

PT Merdeka Copper Gold Tbk.

Corporate Secretary

The Convergence Indonesia, Lantai 20

Jl. HR. Rasuna Said, Karet Kuningan, Setiabudi, South Jakarta 12940

Telephone: (021) 2988 0393

Facsimile: (021) 2988 0392

Email: corporate.secretary@merdekacoppergold.com

Website: www.merdekacoppergold.com

Initial: 