

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 loan agreement made by and between the Company and PT Prima Puncak Mulia (“PPM”), 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:

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This Information Disclosure is issued in Jakarta on 19 May 2022

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 Market Law, in this case held by PT Bursa Efek Indonesia, domiciled in Jakarta.
- “MOLHR”** : Minister of Law and Human Rights of Republic of Indonesia.
- “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.
- “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.
- “PPM”** : PT Prima Puncak Mulia, domiciled in South Jakarta, a limited liability company established and operated under the laws of the Republic of Indonesia.

- “PUI”** : PT Prima Ultima Investama, domiciled in South Jakarta, a limited liability company established and operated under the laws of the Republic of Indonesia.
- “Capital Market Law”** : Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 Year 1995.
- “Rupiah or Rp or IDR”** : A reference to Rupiah, Rp, or IDR is a reference to the lawful currency of the Republic of Indonesia.

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 18 May 2022, the Company and PPM have signed a loan agreement (“**Agreement**”) to provide loan funds from the Company to PPM with the total amount up to IDR727,300,000,000 (seven hundred twenty-seven billion three hundred million Rupiah) (as adjusted in accordance with the prevailing rate of the Bank Indonesia’s middle rate on the effective utilisation date) to be used by PPM for, including but not limited to, general corporate purposes including for its capital and operating expenditures, working capital of PPM, and other purposes which are deemed necessary by PPM including but not limited to subscribe or invest into a limited liability company which has main business in mineral’s mining (“**Transaction**”). Moreover, there are several encumbrances provided by PUI, as one of the shareholders of PPM, to the Company in this Transaction that will be furtherly explained in this Information Disclosure.

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which PPM is Affiliated with one of the Controllers of the Company, which is PT Provident Capital Indonesia. However, this Affiliated Transaction is not a Transaction with Conflict of Interest as set forth in POJK 42/2020.

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 Company has received the fairness value for this Transaction based on Appraisal Report from KJPP Iskandar and Partners No. 00198/2.0118-00/BS/02/0596/1/V/2022 dated 17 May 2022 on Fairness Opinion Report of Proposed Transaction of Loan Agreement to PT Prima Puncak Mulia by PT Merdeka Copper Gold Tbk (“**Appraiser’s Report**”).

Moreover, the Company is obliged to announce Information Disclosure to the public and submit the appraisal report along with other supporting documents to OJK no later than the end of the 2nd (second) business days after the date of the Transaction as referred to Article 4 of POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. 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 up before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by the 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 Laws and Human Rights of the Republic of Indonesia (“**Ministry**”) 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. 9 dated 12 May 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to the MOLHR 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 and has been registered in the Company Register in the Ministry under No. AHU-0090086.AH.01.11.TAHUN 2022 dated 13 May 2022.

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

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 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 of Amendment of Articles of Association No. 9 dated 12 May 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has been notified to the MOLHR 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 and has been registered in the Company Register in the Ministry under No. AHU-0090086.AH.01.11.TAHUN 2022 dated 13 May 2022, the Company's capital structure and shareholding composition as of the date of this Information Disclosure are as follows:

Authorized Capital : IDR1,400,000,000,000
 Issued Capital : IDR482,217,015,420
 Paid up Capital : IDR482,217,015,420

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

According to the Shareholders Register of the Company dated 30 April 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. 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	17.378
2) PT Mitra Daya Mustika	2,948,833,595	58,976,671,900	12.230
3) Garibaldi Thohir	2,010,647,705	40,212,954,100	8.339
4) PT Suwarna Arta Mandiri	1,386,733,708	27,734,674,160	5.751
5) Gavin Arnold Caudle	80,066,431	1,601,328,620	0.332
6) Hardi Wijaya Liong	69,276,728	1,385,534,560	0.287
7) Andrew Phillip Starkey	527,000	10,540,000	0.002
8) Richard Bruce Ness	1,633,500	32,670,000	0.007
9) Simon James Milroy	166,003	3,320,060	0.001
10) Public (respectively under 5%)	13,422,397,817	268,447,956,340	55.670
Treasury Stock	597,100	11,942,000	0.002
Total of Issued and Fully Paid up Shares	24,110,850,771	482,217,015,420	100.000
C. Portofolio Shares	45,889,149,229	917,782,984,580	

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

Deed of Statement of Meeting Resolution No. 142 dated 27 January 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the MOLHR as reflected in the Letter of Notification Receipt of Change of the Company's Data No. AHU-AH.01.03-0067009 dated 28 January 2022 and has been registered in the Company Register in the Ministry under No. AHU-0020622.AH.01.11.TAHUN 2022 dated 28 January 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 : Richard Bruce Ness
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

2. PPM

PPM is a limited liability company established based on Deed of Establishment No. 43 dated 15 December 2021, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by MOLHR by virtue of Decree No. AHU-0080235.AH.01.01.TAHUN 2021 dated 15 December 2021, and has been registered in the Company Register at the Ministry under No. AHU-0222425.AH.01.11.TAHUN 2021 dated 15 December 2021 ("**Deed of Establishment of PPM**").

PPM is domiciled in South Jakarta, with the office address at Mayapada Tower, 11th Floor, Jl. Jend. Sudirman Kav. 28, Kel. Karet, Kec. Setiabudi, South Jakarta 12920 – Indonesia.

Based on the provisions of Article 3 of the Deed of Establishment of PPM, the purpose and objective of PPM is to carry out activities of holding companies.

To achieve the above-mentioned purpose and objective, PPM may carry out activities of holding companies in which the main activity is ownership and/or control of assets of a group of subsidiary companies and its main activity is ownership of the aforesaid group. Holding companies' activities include counsellors service and negotiators service in planning merger and acquisition.

Capital Structure and Shareholders Composition of PPM

PPM's capital structure and composition of shareholders is as stated in the Deed of Establishment of PPM as follows:

Authorised Capital	:	IDR300,000,000
Issued Capital	:	IDR150,000,000
Paid-up Capital	:	IDR150,000,000

PPM's Authorised Capital is divided into 30,000 shares, each having nominal value of IDR10,000 per shares.

The shareholding composition of PPM stood as follows:

Description	Total Shares	Nominal Value per Share (Rp)	Total Value of Share (Rp)	%
Authorized Capital				
	30,000	10,000	300,000,000	
Issued and Paid-up Capital				
PUI	14,999	10,000	149,990,000	99.993
Tri Boewono	1	10,000	10,000	0.007
Total	15,000		150,000,000	100.000
Portfolio Shares	15,000		150,000,000	

Composition of the Board of Commissioners and Board of Directors of PPM

Based on the Deed of Establishment of PPM, the composition of the Board of Directors and the Board of Commissioners of PPM is as follows:

Board of Commissioners

Commissioner : Tri Boewono

Board of Directors

Director : Devin Antonio Ridwan

3. PUI

PUI is a limited liability company established based on Deed of Establishment No. 77 dated 30 November 2021, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by MOLHR by virtue of Decree No. AHU-0076465.AH.01.01.TAHUN 2021 dated 30 November 2021, and has been registered in the Company Register at the Ministry under No. AHU-0211345.AH.01.11.TAHUN 2021 dated 30 November 2021 ("**Deed of Establishment of PUI**").

PUI is domiciled in South Jakarta, with the office address at Mayapada Tower, 11th Floor, Jl. Jend. Sudirman Kav. 28, Kel. Karet, Kec. Setiabudi, South Jakarta 12920 – Indonesia .

Based on the provisions of Article 3 of the Deed of Establishment of PUI, the purpose and objective of PUI is to carry out activities of holding companies.

To achieve the above-mentioned purpose and objective, PUI may carry out activities of holding companies in which the main activity is ownership and/or control of assets of a group of subsidiary companies and its main activity is ownership of the aforesaid group. Holding companies' activities include counsellors service and negotiators service in planning merger and acquisition.

Capital Structure and Shareholders Composition of PUI

PUI's capital structure and composition of shareholders is as stated in the Deed of Establishment of PUI as follows:

Authorised Capital	:	IDR300,000,000
Issued Capital	:	IDR150,000,000
Paid-up Capital	:	IDR150,000,000

PUI's Authorised Capital is divided into 30,000 shares, each having nominal value of IDR10,000 per shares.

The shareholding composition of PUI stood as follows:

Description	Total Shares	Nominal Value per Share (Rp)	Total Value of Share (Rp)	%
Authorized Capital				
	30,000	10,000	300,000,000	
Issued and Paid-up Capital				
PT Provident Indonesia	14,999	10,000	149,990,000	99.993
Tri Boewono	1	10,000	10,000	0.007
Total	15,000		150,000,000	100.000
Portfolio Shares	15,000		150,000,000	

Composition of the Board of Commissioners and Board of Directors of PUI

Based on Deed of Establishment of PUI, the composition of the Board of Directors and the Board of Commissioners of PUI is as follows:

Board of Commissioners

Commissioner : Tri Boewono

Board of Directors

Director : Devin Antonio Ridwan

Transaction Value

Pursuant to the Agreement, the total value of the Transaction is at amount of up to IDR727,300,000,000 (seven hundred twenty-seven billion three hundred million Rupiah) (as adjusted in accordance with the prevailing rate of the Bank Indonesia's middle rate on the effective utilisation date). Therefore, the Transaction is not a material transaction as referred to POJK 17/2020 considering that 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 31 March 2022 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm.

Nature and Affiliated Relation

PPM and PUI are affiliated parties of one of the Controllers 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

Loan Agreement dated 18 May 2022

Party:

1. PPM; and
2. The Company.

Hereinafter shall be collectively referred to as the “Parties” and each as “Party”.

Scope of the Agreement:

Under the Agreement, the Company, as the partner of PPM in PT Hamparan Logistik Nusantara, have agreed to provide loan funds to PPM to be used by PPM for, including but not limited to, general corporate purposes including for its capital and operating expenditures, working capital of PPM, and other purposes which are deemed necessary by PPM including but not limited to subscribe or invest into a limited liability company which has main business in mineral’s mining.

Transaction Value:

The Transaction Value is up to IDR727,300,000,000 (seven hundred twenty-seven billion three hundred million Rupiah) (as adjusted in accordance with the prevailing rate of the Bank Indonesia’s middle rate on the effective utilisation date).

Applicable Law:

Laws of the Republic of Indonesia

Dispute Resolution:

Indonesian National Arbitration Board (BANI)

Other Information

There are several encumbrances provided by PUI in this Transaction with details of the encumbrances are as follows:

a. Undertaking and Indemnity Agreement

Pursuant to the Undertaking and Indemnity Agreement, in relation to securing the payment and implementation of the obligations of PPM under the Agreement, PUI has agreed to provide encumbrance to the Company in the form of irrevocably and unconditionally undertakings as a continuing obligation, the due and punctual performance by PPM in accordance with the Agreement. If PPM fails to perform its obligation when due, PUI will pay such amount to the Company upon the Company’s first written demand.

b. Pledge of Shares Agreement

Pursuant to the Pledge of Shares Agreement, in relation to securing payment and implementation of the obligations of PPM under the Agreement, PUI has agreed to pledge 12,499 (twelve thousand four hundred ninety-nine) of its shares in PPM, being 83% (eighty-three percent) of the total issued and paid-up capital of PPM, including any additional shares which will be issued by PPM to the Company.

SUMMARY OF APPRAISER’S REPORT

KJPP Iskandar and Partners who has been appointed by the Company’s Board of Directors as independent appraisers in accordance with the proposal letter/contract work agreement No. 078.I/IDR/DO.2/Pr-FO/IV/2022 dated 28 April 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 summary of the KJPP’s fairness assessment on the Transaction as stated in its report No. 00198/2.0118-00/BS/02/0596/1/V/2022 dated 17 May 2022 as follows:

a. Transaction Parties

The transacting Parties are the Company and PPM, in which the Company acts as the lender, and PPM, as the borrower.

b. Appraisal Object

The Appraisal Object is the proposed loan facility transaction to PPM (borrower) from the Company (lender) amounting to USD50,000,000.- (fifty million United States of America Dollar) or equivalent to IDR727,300,000,000 (seven hundred twenty-seven billion three hundred million Rupiah) (as adjusted in accordance with the Agreement, the applicable rate is JISDOR as of 10 May 2022, USD 1=IDR14,546.-) or any other amount in IDR which will be adjusted on the date of the aforesaid adjustment within period of 3 (three) years and interest amounting to 8.00% (eight percent) per annum.

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 from 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 amount of the object of transaction in the form of loan facility from the Company to PPM is able to be repaid on maturity date, therefore it can be concluded that the amount of the object of transaction is **fair**.

The analysis result on the interest rate from the Company, as the lender, which imposed to PPM , for investment loan is still within the range of interest rate in the market of similar loan(s). Therefore, it can be concluded that the interest rate of loan imposed by the Company to PPM is **fair**.

The analysis result of the financial impact from the Transaction that will be conducted for the Company's interest is that PPM is able to deposit paid-up capital to HLN thus paid-up capital of HLN may be fulfilled since HLN is also a controlled entity of the Company, therefore it is aligned with the Company's interest.

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

**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 31 December 2021 before and after carrying out the Affiliated Transaction:

Description	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	185,470,530	(50,000,000)	135,470,530
Trade receivables	592,526	-	592,526
Other receivables	5,212,746	-	5,212,746
Inventories - current portion	131,417,430	-	131,417,430
Claims for tax refund	21,235,114	-	21,235,114
Advances and prepayments - current portion	18,890,103	-	18,890,103
Investment in equity instrument and other securities	47,065,590	-	47,065,590
Derivative financial instrument - current portion	1,431,005	-	1,431,005
Total Current Assets	411,315,044	(50,000,000)	361,315,044
Non-Current Assets			
Advances and prepayments - non-current portion	33,492,919	-	33,492,919
Advance of investment	80,160,000	-	80,160,000
Investment in shares	1,603,100	-	1,603,100
Loan to related parties	8,734,448	50,000,000	58,734,448
Inventories - non-current portion	59,093,115	-	59,093,115
Prepaid taxes	10,828,539	-	10,828,539
Property, plant and equipments	298,216,345	-	298,216,345
Right-of-use assets	18,056,266	-	18,056,266
Mining properties	79,378,252	-	79,378,252
Exploration and evaluation assets	253,482,867	-	253,482,867
Deferred tax assets	14,482,810	-	14,482,810
Derivative financial instrument - non-current portion	4,713,456	-	4,713,456
Other non-current assets	5,035,498	-	5,035,498
Total Non-Current Assets	867,277,615	50,000,000	917,277,615
TOTAL ASSETS	1,278,592,659	-	1,278,592,659

LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	29.609.241	-	29.609.241
Accrued expenses	29.190.451	-	29.190.451
Unearned revenue	5.468.036	-	5.468.036
Taxes payable	3.301.330	-	3.301.330
Other payables	19.618	-	19.618
Borrowings - current portion			
Bank loans and credit facility	63.966.178	-	63.966.178
Bonds payable	143.555.673	-	143.555.673
Lease liabilities	22.061.962	-	22.061.962
Derivative financial instrument - current portion	-	-	-
Provision for mining rehabilitation - current portion	68.970	-	68.970
Total Current Liabilities	297.241.459	-	297.241.459
Non-Current Liabilities			
Borrowings - non-current portion			
Bank loans and credit facility	-	-	-
Bonds payable	126.288.054	-	126.288.054
Lease liabilities	21.932.239	-	21.932.239
Derivative financial instrument - non-current portion	-	-	-
Deferred tax liabilities	699.533	-	699.533
Post-employment benefits liability - non-current portion	18.302.290	-	18.302.290
Provision for mining rehabilitation - non-current portion	34.718.787	-	34.718.787
Total Non-Current Liabilities	201.940.903	-	201.940.903
TOTAL LIABILITIES	499.182.362	-	499.182.362
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	4.947.007	-	4.947.007
Other equity components	35.480.390	-	35.480.390
Retained earnings	224.361.211	-	224.361.211
Non-controlling interests	23.843.865	-	23.843.865
Total Equity	779.410.297	-	779.410.297
TOTAL LIABILITIES AND EQUITY	1.278.592.659	-	1.278.592.659

*) US Dollar, please refer to the Consolidated Financial Statements of the Company dated 31 December 2021

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

By conducting the Transaction, the Company is able to provide funding facility that will be utilized by PPM for, including but not limited to, general corporate purposes including for its capital and operating expenditures, working capital of PPM, and other purposes which are deemed necessary by PPM as well as giving positive impact to the Company as the partner of PPM in PT Hamparan Logistik Nusantara.

Documents related to the Transaction between the Company and PPM, 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 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 31 March 2022 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm.

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, 20th Floor

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: 