

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 additional capital increase in PT Hamparan Logistik Nusantara ("HLN") carried out by PT Batutua Tambang Abadi ("BTA"), in which both are Controlled Companies of the Company.

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

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This Information Disclosure is issued in Jakarta on 1 July 2022

DEFINITIONS

“Affiliate”	:	Affiliate means <ol style="list-style-type: none">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; or6. 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.
“BTA”	:	PT Batutua Tambang Abadi, a limited liability company duly established pursuant to the laws of the Republic of Indonesia, domiciled in Southwest Maluku Regency, Maluku Province.
“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.
“HLN”	:	PT Hamparan Logistik Nusantara, a limited liability company duly established pursuant to the laws of the Republic of Indonesia, domiciled in South Jakarta.
“MOLHR”	:	Ministry of Law and Human Rights of Republic of Indonesia.
“Minister”	:	Minister of Law and Human Rights of Republic of Indonesia.
“Financial Services Authority or OJK”	:	An independent institution whose duties and authorities covers regulatory, supervisory, inspection, and investigation within the capital markets sector, insurance, pension funds, financial institutions, and other financial service bodies, as stipulated in Law No. 21 of 2011 dated 22 November 2011.
“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.
“Controlled Company(-ies)”	:	Any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 42/2020.
“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.
“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 effective on 30 June 2022, BTA has carried out the injection of additional capital as well as subscribed to new shares issued by HLN in the amount of 292,907 (two hundred ninety-two thousand nine hundred seven) shares, having a total nominal amount of IDR292,907,000,000.00 (two hundred ninety-two billion nine hundred seven million Rupiah) which has been approved by the shareholders of HLN in accordance with Deed of Statement of Circular Resolutions of Shareholders *in lieu* of the Extraordinary General Meeting of Shareholders of HLN No. 90 dated 29 June 2022 made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta which has been notified to the Minister based on Letter of Notification Receipt of Amendment of the Company’s Articles of Association No. AHU-AH.01.03-0258408 dated 30 June 2022 (“**Deed 90/2022**”). Whereas the amount paid-up by BTA on the aforesaid subscription of new shares is IDR376,867,612,856.00 (three hundred seventy-six billion eight hundred sixty-seven million six hundred twelve thousand eight hundred fifty-six Rupiah) in which an amount of IDR83,960,612,856.00 (eighty-three billion nine hundred sixty million six hundred twelve thousand eight hundred fifty-six Rupiah) will be recorded as premium (“**Transaction**”). After the Transaction becomes effective, BTA will own 55.3% (fifty-five point three percent) of the shares issued by HLN. This Transaction is conducted in order to further support corporate actions that will be carried out by HLN.

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which both BTA and HLN are Controlled Companies of the Company. 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 requires the engagement of an Appraiser in determining the fairness of the Affiliated Transaction, which fairness of the transaction needs to be announced to the public. The Company has received the fair value for this Transaction based on Appraisal Report from KJPP

Iskandar and Partners No. 00254/2.0118-00/BS/02/0596/1/VI/2022 dated 27 June 2022 on Fairness Opinion Report of Proposed Transaction of Increase of Paid-up Capital to PT Hamparan Logistik Nusantara by PT Batutua Tambang Abadi (“**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 in Article 4 of POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. BTA

BTA is a limited liability company domiciled in Southwest Maluku Regency, Maluku Province, established based on Deed of Establishment No. 147 dated 20 December 2019, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta which has been ratified by Minister by virtue of Decree No. AHU-0068145.AH.01.01.Tahun 2019 dated 21 December 2019 (“**Deed of Establishment of BTA**”).

The latest amendment of articles of association of BTA is stated in the Deed of Statement of Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 95 dated 24 February 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-0013782.AH.01.02.TAHUN 2022 dated 24 February 2022, and notified to the Minister based on the Letter of Receipt of Notification of Change of the Data No. AHU-AH.01.03-0123227 dated 24 February 2022 (“**Deed 95/2022**”).

According to Deed of Establishment of BTA *juncto* Deed 95/2022, the composition of BTA’s Board of Directors and Board of Commissioners are as follows:

Board of Directors

President Director : Boyke Poerbaya Abidin
Director : Cahyono Seto

Board of Commissioner

Commissioner : Albert Saputro

The BTA’s capital structure and composition of shareholders are as stated in the Deed of Establishment of BTA *juncto* Deed of Statement of Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 59 dated 16 March 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to Minister by virtue of the Letter of Notification Receipt of Amendment of Data No. AHU-AH.01.03-0172611 dated 16 March 2022 are as follows:

Authorised Capital	:	IDR200,000,000
Issued Capital	:	IDR50,000,000
Paid-up Capital	:	IDR50,000,000

BTA’s Authorised Capital is divided into 800 shares, each having nominal value of IDR250,000 per share.

The shareholding composition of BTA stands as follows:

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
1.	The Company	199	49,750,000	99.50
2.	PT Batutua Abadi Jaya	1	250,000	0.50
Total		200	50,000,000	100
Shares in Portfolio		600	150,000,000	

Thus, BTA is a Controlled Company of the Company in accordance with OJK Regulation No. 17/2020 and OJK Regulation No. 42/2020.

According to Article 3 of Articles of Association of BTA, the objectives and purposes of the BTA are carrying out activities of holding companies and conducting other management consulting activities. To carry out the objectives and purposes above, BTA may carry out the supporting activities as follows:

- a. carrying out activities of holding companies which 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; and
- b. conducting other management consulting activities, to provide advice, guidance and business operations for various management functions, strategic and organizational scheming, decision regarding financial purpose; marketing purpose and policy; human resources planning, practices and policies; schedule planning and control of production, including providing advice, guidance and business operations for various management functions, management consulting of agronomist processing and agricultural economist in agricultural sector and similar sector, 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, managemnt information, *et cetera*.

2. HLN

HLN was established pursuant to the Deed of Establishment No. 66 dated 20 August 2019, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been ratified by Minister by virtue of its Decree No. 0041804.AH.01.01.TAHUN 2019 dated 22 August 2019,.

The latest amendment of articles of association of HLN is stated in the Deed 90/2022.

HLN is domiciled at RDTX Tower 16th Floor, Karet Kuningan, Setiabudi, Jakarta Selatan 12950, DKI Jakarta.

According to Article 3 of HLN's Articles of Association, the purposes and objectives of HLN are to engage in activities of holding companies and other management consulting.

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

1. carrying out the business activities of holding companies, namely companies that control the assets of a group of subsidiary companies and the main activity is ownership of the group; and
2. carrying out business activities in providing advice, guidance, and business operations and other management organizational issues, such as strategic and organizational planning;

decisions related to finance; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control. The provision of these business services may include advisory assistance, guidance and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and the like, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, providing advice and assistance for business and community services in planning, organizing, efficiency and control, information management and others. Including infrastructure investment study services.

Capital Structure and Shareholders Composition of HLN

Pursuant to the Deed of Statement of Shareholders' Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 54 dated 17 May 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-0033209.AH.01.02.TAHUN 2022 dated 17 May 2022 and notified to Minister by virtue of the Letter of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0237960 dated 17 May 2022 and Letter of Notification Receipt of Changes of Data No. AHU-01.03-0012843 dated 17 May 2022 ("**Deed 54/2022**") *juncto* Deed 90/2022, HLN's capital structure and shareholding composition are as follows:

Authorized Capital : IDR20,000,000,000,000.00
 Issued Capital : IDR7,918,157,000,000.00
 Paid up Capital : IDR7,918,157,000,000.00

The authorized capital of HLN is divided into 20,000,000 shares each with a par value of IDR1,000,000.

Thus, the shareholders' composition of HLN are as follows:

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
1.	BTA	4,375,584	4,375,584,000,000	55.3
2.	PT Prima Puncak Mulia	1,222,358	1,222,358,000,000	15.4
3.	Winato Kartono	679,628	679,628,000,000	8.6
4.	PT Prima Langit Nusantara	447,317	447,317,000,000	5.6
5.	Hardi Wijaya Liong	291,269	291,269,000,000	3.7
6.	Garibaldi Thohir	381,813	381,813,000,000	4.8
7.	Edwin Soeryadjaya	229,088	229,088,000,000	2.9
8.	Philip Suwardi Purnama	259,812	259,812,000,000	3.3
9.	Agus Superiadi	23,288	23,288,000,000	0.3
10.	Trifena	8,000	8,000,000,000	0.1
Jumlah		7,918,157	7,918,157,000,000	100
Saham dalam Portepel		12,081,843	12,018,843,000,000	

Composition of the Board of Commissioners and Board of Directors of HLN

Pursuant to the Deed 54/2022, the composition of HLN'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 : Simon James Milroy

Commissioner : Albert Saputro
Commissioner : David Thomas Fowler

Board of Directors

President Director : Devin Antonio Ridwan
Director : Andrew Phillip Starkey
Director : Eko Widodo

Transaction Value

The total value of the Transaction is at amount of up to IDR376,867,612,856.00 (three hundred seventy-six billion eight hundred sixty-seven million six hundred twelve thousand eight hundred fifty-six Rupiah). 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: (i) the Company's Interim Consolidated Financial Statements as of 31 March 2022 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm; and (ii) the Company's Annual Financial Statements for period ended on 31 December 2021 which was audited by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm.

Nature and Affiliated Relation

As for the natures of the affiliation relationship between the Company towards BTA and HLN are as follows:

- a. BTA is a Controlled Company of the Company with shares owned directly by the Company in the amount of 99.50% (ninety-nine point five zero percent);
- b. HLN is a Controlled Company of the Company, whose shares prior to the effective of the Transaction, are owned indirectly by the Company in the amount of 55.67% (fifty-five point six seven percent); and
- c. There are members of the Board of Commissioners and Board of Commissioners of BTA and HLN which also serves as members of Board of Directors of 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. 095.7/IDR/DO.2/Pr-BFO/VI/2022 dated 3 June 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. 00254/2.0118-00/BS/02/0596/1/VI/2022 dated 27 June 2022 as follows:

a. Transaction Parties

The transacting Parties are BTA and HLN, in which BTA acts as the subscriber and HLN acts as the party who receives paid-up capital from BTA.

b. Appraisal Object

The Appraisal Object is the proposed paid-up capital on HLN by BTA (Controlled Companies of the Company).

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 Value.
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

The fairness opinion is provided after conducting analysis of:

- the value of the transaction object;
- the financial impact from the transaction which will be conducted toward the interest of the shareholders; and

- the business consideration used by the management of the company regarding the proposed Transaction which will be conducted toward the interest of the shareholders.

In conducting the above analysis, the following analysis are conducted:

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

f. Fairness Opinion upon the Transaction

The analysis result of the amount of Transaction is higher yet still within the range of its market price, hence it can be concluded that the amount of Transaction is fair.

The analysis result of the financial impact from the Transaction that will be conducted toward the shareholders' interest is that by carrying out the Transaction will increase profit that will be attributed to the Company which could provide added value for the Company which aligns with shareholders' interest.

The analysis result on the business consideration from the management related to the Transaction towards shareholders' interest is in order to maintain the shares ownership of BTA in HLN which could also maintain profit that will be attributed to the Company through BTA that will increase the dividend for 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.

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, where 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	185,470,530	-	185,470,530
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	-	411,315,044
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	-	8,734,448
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	-	867,277,615
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

The Transaction is carried out since BTA has an interest in the development of HLN's business activities and as a part of HLN's shareholders support to conduct strategic measures in corporate actions that will be carried out by HLN in the future. Currently, there is no other alternatives to conduct transaction with other parties other than BTA, as the shareholder of HLN, to achieve such objection.

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: (i) the Company's Interim Consolidated Financial Statements as of 31 March 2022 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm; and (ii) the Company's Annual Financial Statements for period ended on 31 December 2021 which was audited 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

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