

QUARTERLY REPORT: SEPTEMBER 2022

PT Merdeka Copper Gold Tbk.

IDX Code: MDKA

As at 30 September 2022

Capital Structure

24,110,850,771 listed shares

Share price: IDR 3,940

Market capitalisation: \$6.2 billion

Cash & Debt

Cash: \$365 million

Bank Debt: \$280 million

IDR Bond \$821 million

Board of Commissioners

Edwin Soeryadjaya (President)

Garibaldi Thohir

Tang Honghui

Yoke Candra Katon

Muhamad Munir (Independent)

Budi Bowoleksono

(Independent)

Board of Directors

Albert Saputro (President)

Simon James Milroy (Vice

President)

Andrew Phillip Starkey

David Thomas Fowler

Titien Supeno

Gavin Arnold Caudle

Hardi Wijaya Liong

Chrisanthus Supriyo

Executive Management

Boyke Abidin

Eric Rahardja

Zach Casley

Doug Jones

Peter Scanlon

Tim Mortimer

Registered Office

Treasury Tower, 67th Floor,

District 8 SCBD Lot. 28

Jl. Jend. Sudirman Kav. 52-53,

South Jakarta 12910

Telephone: +62 21 3952 5580

Facsimile: +62 21 3952 5589

PT Merdeka Copper Gold Tbk. is proudly an Indonesian owned and operated company and is listed on the Indonesian Stock Exchange.

PT Merdeka Copper Gold Tbk ("Merdeka", "MDKA" or "the Company") is pleased to report on its September 2022 quarter activities.

Since its IPO in June 2015, MDKA has transformed from a company with a single undeveloped gold project into a multi asset diversified producer with an exciting portfolio of long-life development projects. With the successful execution of its strategy, MDKA management expects it will become a globally significant copper, nickel and gold producer, establishing itself as a leading player in the clean energy transition.

MDKA major assets consist of:

- 1) Tujuh Bukit Copper Project ("TB Copper Project")
- 2) Merdeka Battery Materials ("MBM")
- 3) Wetar / Morowali Acid Iron Metal Project ("AIM Project")
- 4) Pani Gold Project ("Pani Project")
- 5) Tujuh Bukit Gold Mine ("TB Gold Mine")
- 6) Wetar Copper Mine ("Wetar")

At the Tujuh Bukit Gold Mine, gold produced for the quarter was 37,385 ounces at an all-in sustaining cost ("AISC") of \$1,026/oz. Year to date ("YTD") gold production was 107,168 ounces at an AISC of \$985/oz. No Lost Time Injury ("LTI") occurred during the quarter.

At the Wetar Copper Mine, copper produced for the quarter was 5,842 tonnes at AISC of \$3.12/lb. YTD copper produced was 15,793 tonnes at AISC of \$3.14/lb. No LTI occurred during the quarter.

At MBM, nickel in Nickel Pig Iron ("NPI") production for the quarter was 10,374 tonnes at an all-in sustaining cost ("AISC") of \$13,967/t. YTD nickel production in NPI was 28,918 tonnes at an AISC of \$13,661/t. No LTI occurred during the quarter.

At the AIM Project, construction continued with detailed design, engineering and equipment purchases of critical long lead items. The project remains on budget, with a total of \$181 million committed to date.

At the Pani Project, a 50,000 metre drilling campaign is underway to follow up on previous drilling, with results from the first seven holes demonstrating the continuity of mineralisation. Results for the quarter include 292 metres @1.46 g/t Au from 0 meters in hole ILD293.

Subsequent to the quarter, MDKA released a project update for the TB Copper Project. The Scoping Study completed confirms attractive project economics for the development of a globally significant, long life, underground mine producing gold and copper, a critical metal to supply the oncoming electrification and decarbonisation era. The Scoping Study highlights the project's potential for a mine life of 40 years, estimated to produce 2.9 million tonnes of copper and 10.1 million ounces of gold. The project is anticipated to be a low-cost underground operation with a 1st quartile cost and a Base Case Life of Mine ("LOM") AISC of \$0.50/lb copper net of gold credits.

On 31 August 2022, PT Merdeka Tsingshan Indonesia entered into (i) \$260 million Term Loan Facility ("MTI Term loan") with Credit Agricole, ING Bank, Natixis, OCBC, HSBC Indonesia, OCBC NISP and UOB Indonesia and (ii) IDR430 billion of MTI VAT funding facility ("MTI VAT Facility") with PT Bank UOB Indonesia. As of September 2022, MTI has drawn \$160 million of MTI Term Loan and IDR138.5 billion (or equivalent to \$9 million) of MTI VAT Facility.

MDKA's MSCI ESG rating has been upgraded from 'BB' to 'BBB' as of 27 October 2022. MDKA is one of only a number of Indonesian mining companies that has received the 'BBB' rating, which is the highest MSCI ESG rating received by Indonesian Metals and Mining companies.

1) **TB Copper Project**

World Class Resource: TB Copper Project is 100% owned by MDKA and is located beneath the existing TB Gold Mine. The TB Copper Project hosts Mineral Resources of 1.78 billion tonnes of ore at a grade of 0.46% copper and 0.50 g/t gold containing approximately 8.2Mt copper metal and 28.6Moz gold, including an Indicated Resource of 372Mt at 0.61% copper and 0.68 g/t gold¹.

Scoping Study: Subsequent the quarter, MDKA released a project update in the form of a Scoping Study which confirms attractive economics for the development of a globally significant underground mine producing gold and copper, a critical metal in the clean-energy transition. The Scoping Study was independently prepared by ORELOGY with significant specialist contributions from Stantec, DRA, Ausenco and Hatch.

The Scoping Study envisages a large-scale underground block cave mine with a peak mill feed of 24Mtpa, which is estimated to produce 2.9Mt of copper and 10.1Moz of gold over a mine life of 40 years. Pre-production capital investment is estimated at \$2.1 billion, including 25% contingency, to reach first production. This capital expenditure includes the establishment of the block cave, construction of new surface plants and facilities to accommodate an initial 12Mtpa throughput. A further capital investment of \$894 million is required to construct additional plant infrastructure facilities to support the full production throughput of 24Mtpa².

Pre-Feasibility Study ("PFS"): MDKA has invested \$131 million to date on detailed feasibility work to advance the project including a 1,890 metre long exploration decline, past and current resource definition drilling, geological modelling and ongoing technical studies. The bulk of the PFS expenditure during the quarter was spent on resource definition drilling and technical studies. No LTI occurred during the quarter, with the project achieving 120,000 hours for a total 1.4 million LTI free man-hours since project inception.

Mine planning and economic assessment of caving development options for the PFS continued as well as processing studies and project permitting. The PFS will include an examination of the technical and economic viability of an initial 4Mtpa Sub-Level Cave ("SLC") operation focusing on the high-grade upper portion of the TB Copper deposit and will seek to identify the optimal scenario across mining, processing and related infrastructure. The potential development of a SLC operation will enable Merdeka to significantly reduce upfront pre-production capital investment and achieve earlier production before transitioning to the development of a larger, block cave operation as contemplated in the Scoping Study. A SLC operation will enable early access to higher grade portions of the TB Copper orebody and enable Merdeka to apply the ongoing learnings from the SLC operation and increased orebody knowledge to de-risk and optimise the block cave expansion. Merdeka has appointed Stantec and DRA as the lead technical consultants for the PFS which is advancing towards completion in Q1 2023. The PFS will focus on an assessment of the first 20 years of production from the first lift of the block cave and via a potential SLC operation.

Other studies include metallurgical flowsheet evaluations for the configuration of the processing plant, geotechnical and geometallurgical studies, permitting, tailings disposal options and other ongoing work.

Figure 1: Underground drilling operations at Tujuh Bukit Copper Project



¹ Full details of the Tujuh Bukit Copper Project Mineral Resource is available at: <https://merdekacoppergold.com/wp-content/uploads/2022/10/Consolidated-Mineral-Resources-and-Ore-Reserves-Statement-as-of-31-December-2021-Final.pdf>

² Full details of the Scoping Study announcement is available at: <https://merdekacoppergold.com/wp-content/uploads/2022/10/TB-Copper-Project-Update-English-version-2.pdf>

QUARTERLY REPORT: SEPTEMBER 2022

During the quarter, eight drill rigs were operating underground supported by two surface drill rigs. Fifteen holes were completed underground during the quarter, with eight holes in progress at the end of the quarter for a total of 9,195 metres drilled underground. The two surface rigs completed three holes during the quarter, with two holes in progress at the end of the month, for a total of 1,948 metres.

Resource definition drilling will continue throughout 2022, with 15,000 to 18,000 metres of drilling scheduled after Q3 2022 from underground and surface. Surface drilling will also continue for geotechnical and hydrogeological investigations for both surface and underground infrastructure.

Figure 2: Surface drilling operations at Tujuh Bukit.



Outlook: Good progress towards completion of the PFS, expected in Q1 2023.

Drilling capacity was increased with PQ sized drill core from underground and surface exploration drilling providing samples for comprehensive geotechnical and metallurgical test programs. Surface geotechnical drilling of the proposed processing plant and mine infrastructure areas has commenced.

QUARTERLY REPORT: SEPTEMBER 2022

2) Merdeka Battery Materials

Overview:

MBM consist of the following assets:

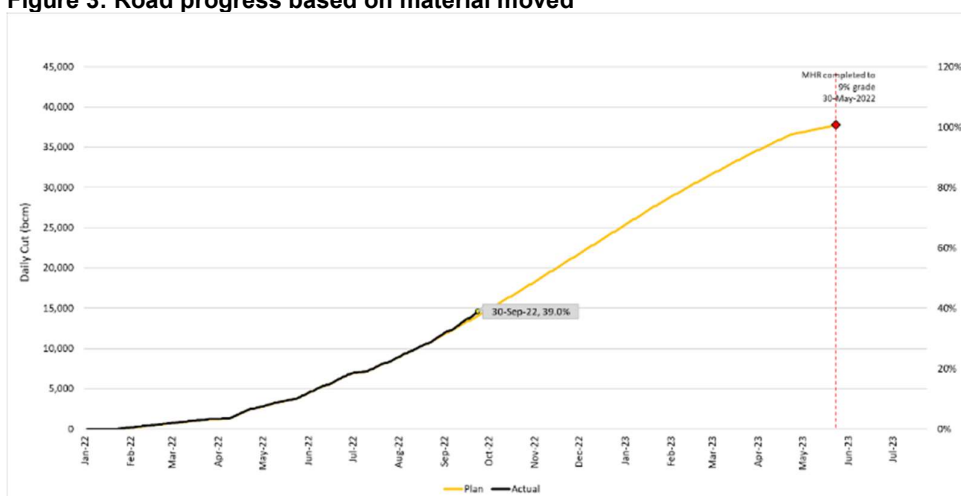
- SCM Mine ("SCM"): Holds the mining permit ("IUP") for one of the world's largest pre-production nickel resources. Within total resources of 1.9 billion wmt of ore at 1.22% nickel containing 13.8Mt nickel and at 0.08% cobalt containing 1.0Mt cobalt³.
- RKEF Smelters: Two operating nickel RKEF plants (CSIS and BSIS) producing Nickel Pig Iron ("NPI"). Each RKEF plant has a nameplate capacity of 19,000 tonnes of nickel in NPI per annum. Both have been operating successfully since early 2020. A third smelter (ZHN) is currently under construction with a nameplate capacity of 50,000 tonnes of nickel in NPI per annum. Construction is expected to be completed in July 2023
- Indonesia Konawe Industrial Park ("IKIP"): IKIP is a joint venture between MBM and Tsingshan Holding Group to develop a 3,600 ha nickel industrial park, with a focus on nickel processing for battery metals within the SCM IUP area.
- MBM also has interests in several companies with projects that support the overall nickel processing chain, including a limestone IUP and hydro power project.

MBM is a vertically integrated nickel producer. The SCM mine will supply saprolite ore to RKEF plants producing NPI at the Indonesia Morowali Industrial Park ("IMIP"), including CSIS, BSIS and ZHN. SCM will also supply limonite ore to high pressure acid leach ("HPAL") plants at IMIP producing Mixed Hydroxide Precipitate. Following the development of IKIP, SCM will also supply limonite ore to HPAL plants within the park.

Processing: During the quarter, the CSIS and BSIS smelters processed 1.0 million wmt of ore at a grade of 1.75% to produce a combined 10,374 tonnes of nickel in NPI. The combined AISC for CSIS and BSIS for the quarter and YTD was \$13,967/t and \$13,661/t, respectively.

Haul Road: MBM is currently upgrading the haul road from the mine site to IMIP to improve access and allow the efficient delivery of saprolite ore from the mine site to the RKEF smelters. The project construction is being managed by Merdeka Mining Services ("MMS") and significant progress has been made with 7.8 million cubic meters of material movement or 39% of completion for this quarter. MBM will continue to upgrade the road further with the aim of achieving a 9% grade by the end of Q2 2023. This will allow the transport of saprolite ore to begin. As of 30 September 2022, \$27 million has been spent on the haul road upgrade with further \$53 million expected to be spent from Q4 2022 to Q2 2023.

Figure 3: Road progress based on material moved



³ Source: Mineral Resource: February 2022 JORC prepared by AMC Consultants Pty Ltd.

Figure 4: Physical progress of haul road

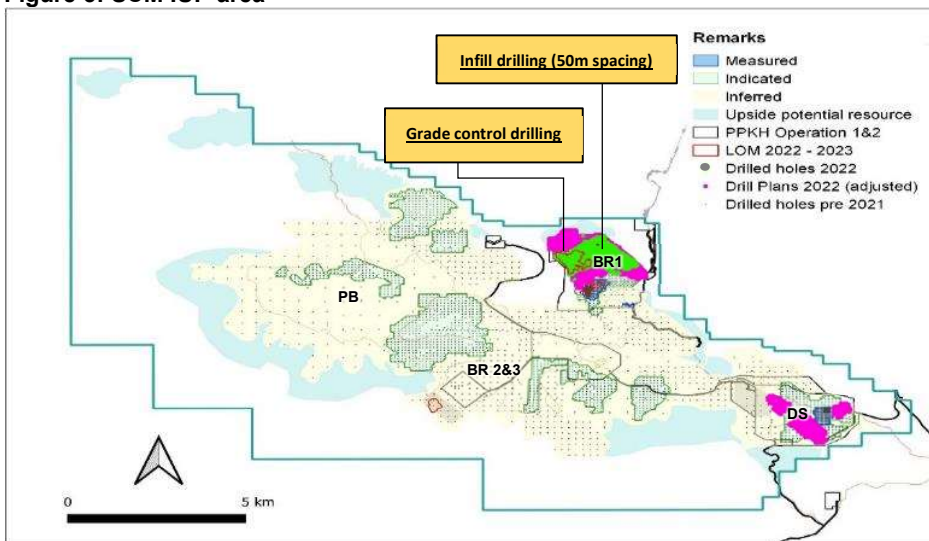


Other construction: During the quarter, two bailey bridges were completed providing improved access to the SCM site (“Cahaya Bridge 1 and 2”). SCM also continued to improve site infrastructure to support its mining operations, including developing a number of mine site roads, ore haulage facility, batching plant, fuel storage and camp facilities. These construction activities are supported by both the MMS and SCM project teams.

Mining: The SCM site is expected to begin ramping up mining in the coming months. Some mining activities were undertaken during the quarter, with 108,678 wmt of material mined.

Exploration: Drilling activities are currently focusing on the Bravo Romeo 1 area (“BR1”). There are a total of 19 drill rigs operating at the site. As of 30 September 2022, MBM had completed 10,760 meters of infill drilling and 3,830 meters of grade control drilling.

Figure 5: SCM IUP area



QUARTERLY REPORT: SEPTEMBER 2022

Operating Outlook: Production and cost guidance for full year 2022:

- Each of BSIS and CSIS are expected to produce in the range of 17,000 to 19,000 tonnes of nickel in NPI at an AISC of \$13,500/t to \$15,500/t. One of the major cost components of the smelters is ore, the price of which varies depending on the nickel price.
- SCM is expected to begin ramping up mining in Q4 2022, with volumes increasing significantly in 2023.

RKEF Construction: ZHN's RKEF is currently under construction within IMIP and has an expected completion date of July 2023. There has been significant progress made to date with construction reaching 58% of completion.

Figure 6: ZHN RKEF construction progress of Drying Kiln



Figure 7: ZHN RKEF construction progress of Smelting Plant



IKIP: Industrial park construction expected to begin in 2023. IKIP is processing land conversion, revision of AMDAL and ongoing discussion for other required permits and licenses.

3) **AIM Project**

Summary: During the quarter, construction of the AIM project continued with detailed design nearing completion, all mechanical and electric equipment purchase orders placed, and prioritised tender finalisation for pipes, cables, manual valves and remaining steel structures. Mechanical and steel deliveries continue to site with all pyrite plant mechanicals on site, along with acid plant mechanicals, with chloride plant mechanicals arriving in October. Site works continue to progress well in all areas, with the project currently on schedule.

Merdeka / Tsingshan Joint Venture Agreement (“JV”): On 11 February 2021, Merdeka, Tsingshan and their respective affiliates signed a JV for the AIM project. The AIM project will be constructed at the IMIP and will process pyrite ore from Wetar. Subsequently, on 18 March 2021 a joint venture company, PT Merdeka Tsingshan Indonesia (“MTI”) was established with Merdeka (through its subsidiary) owning 80% and Tsingshan, through its affiliate, owning 20%.

JV Overview: The AIM Project will purchase high-grade pyrite ore from Wetar. The ore, which contains copper, gold, silver and zinc will be transported by barge from Wetar Island to IMIP. An agreement to supply ore from Wetar to the AIM Project was signed in May 2021.

The AIM plant, under construction at IMIP, is designed to treat the pyrite ore from Wetar at a nominal rate of 1,060,000 tonnes per year. The plant will produce sulphuric acid, saturated steam, iron ore pellets, sponge copper, lead-zinc hydroxides, gold and silver doré. Significant growth in acid demand is expected as additional high pressure acid leach (“HPAL”) plants are planned to be constructed in Indonesia.

Figure 8: AIM Pyrite Plant



Figure 9: AIM Acid Plant



Construction and Progress: China Covid lockdowns that commenced in February 2022 are ongoing resulting in delays to some aspects of procurement and deliveries as different cities go into lockdown. These events that remain outside the control of Merdeka have slowed design, procurement, fabrication, manufacturing, and delivery for many mechanical items. As a result, first acid at the AIM Project is now anticipated in July 2023.

Design reached 98% complete while international procurement has reached 75%.

On site, AIM construction activities continue to progress well with MMS self-performing all project construction works. Progress as follows:

Pyrite plant - ahead of schedule

- Pyrite ROM storage concrete foundations near complete
- Pyrite ROM storage steel structure being delivered to site
- Concrete works for primary crusher and reclaim tunnels underway
- Ball mill installed
- Ongoing mechanical works in floatation area
- Tailing thickener complete
- Project services continue with:
 - Neutralization and pressure filtration
 - Wastewater treatment
 - Flocculant mixing
 - Sodium sulphide area
 - Waste acid treatment area
- Prepare for pipe rack foundation
- Permanent HDPE pipeline at pyrite underway

Acid Plant – ahead of schedule

- Concrete in all acid areas 99% complete
- First acid train steel installation near complete
- Slag cooler installed
- Installation of acid roaster
- Installation of Train 1 electrostatic precipitator
- Continue erection precast and grouting Cooling Water progress to date 75%
- SO₂ conversion mechanicals installed, with piping underway and acid brick installation
- Ongoing Erection Chemical Warehouse
- Piperack structure – prepare pipe rack foundation north side

QUARTERLY REPORT: SEPTEMBER 2022

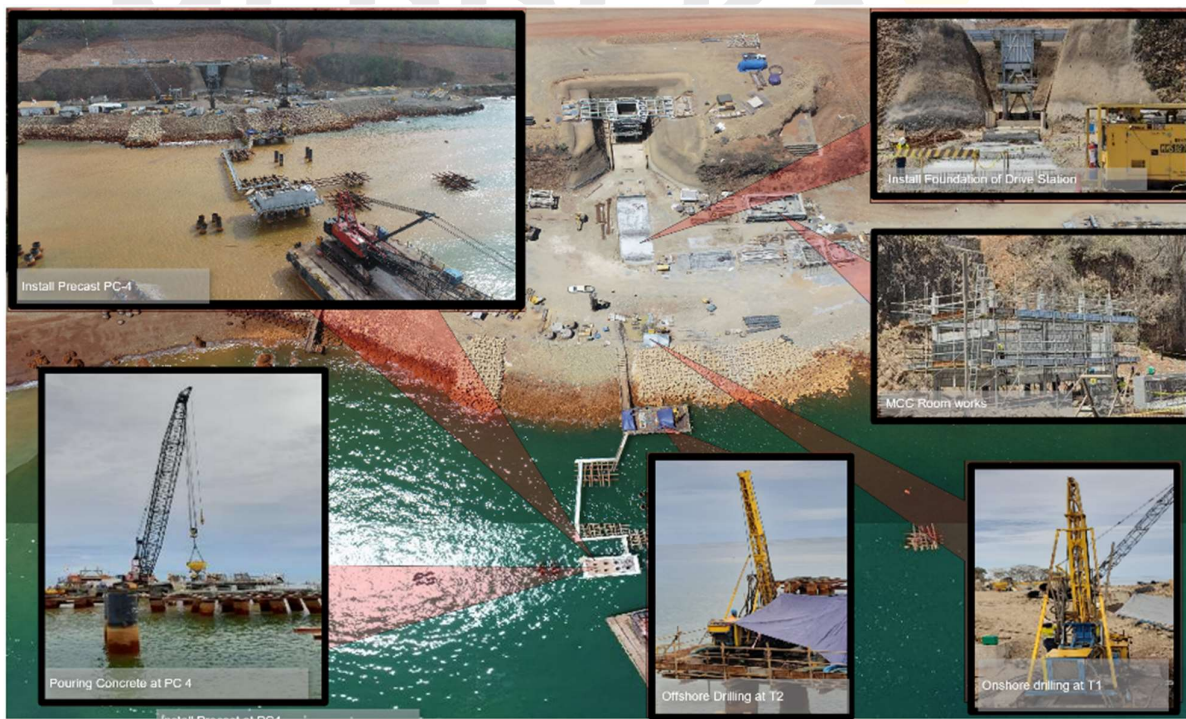
- Electric Heater on foundation
- Chloride – marginally behind schedule (waiting on mechanical deliveries from China)
- All piling complete
- Concrete works 85% complete - Ongoing works for primary substation
- Lean concrete for retaining wall behind 4311 – Iron Pallet Production Storage
- Disk pelletizers on site in October

Wetar Barge Jetty: Detailed design of the Wetar Barge Jetty (“WBJ”) is complete with procurement 95% complete. The out-loading conveyer scheduled to be completed at the end of Q1 2023.

Site construction progresses with:

- Onshore:
 - Installation of dump hopper, waiting shipment #2 to complete
 - Continue Construction Drive Station foundation
 - MCC building works ongoing
 - Onshore pile socket extension works
 - Pre-casting for offshore pile caps
- Offshore:
 - Continue drilling for onshore area (T1) and offshore area (T2) for BLC by IDP drilling.
 - Continue civil works for MCC Room and Drive Station.
 - Pouring Concrete Plug for 8 point PC4 Pile.
 - Complete install pre-cast PC-4 and already in place.
 - Offsite fabrication of dolphins, gantries, galleries, and bridge progresses well
 - Continue bore pile drilling at onshore & offshore by 2 units drilling.
 - 3rd drilling rig delivered from Bogor, arrived in Kupang. ETA Wetar at the end of October 2022
 - 4th and 5th drilling rig ETA Surabaya at the end of October 2022

Figure 10: Wetar Barge Jetty



4) Pani Project

Overview: Merdeka owns a 70% effective economic interest in Pani. The Pani project hosts a significant undeveloped gold resource that is located across two adjacent mining tenements (Pani CoW and Pani IUP) in Gorontalo Province Sulawesi. Merdeka commenced drilling and feasibility study work on Pani during Q1 2022.

Merdeka's objective is to expeditiously develop Pani into a low cost, long life, sustainable gold mining operation, capable of producing more than 250koz of gold per annum over a mine life of 15 years.

Exploration Activities: A 50,000 metre drill program has been designed to define mineralisation within the area between the Pani IUP and the Pani CoW ("Baganite zone") and to test the depth of mineralisation. The Baganite zone is a sparsely tested zone, with only two historical drillholes (by Utah International in 1982) drilled on the western edge of the Pani IUP returning assays of 406m @ 0.5g/t (GPD-04) and 154m @ 0.57g/t (GPD-05).

Significant historical drilling at Pani has defined Mineral Resources on both the Pani IUP and the Pani CoW. These Mineral Resource Estimates ('MRE') are summarised in Table 1 below.

Table 1: Current Pani Mineral Resource Estimates Results (Historical Cutoff of > 0.2 g/t for Pani IUP MRE, and 0.4 g/t for Pani CoW MRE)⁴

Pani IUP Resources at 0.2g/t Au Cu cut-off			
Category	Tonnage (Mt)	Grade (g/t Au)	Au (Moz)
Measured	10.8	1.13	0.39
Indicated	62.4	0.81	1.63
Inferred	16.2	0.67	0.35
Total Pani IUP	89.5	0.82	2.37
Pani CoW Resources at 0.4g/t Au Cu cut-off			
Category	Tonnage (Mt)	Grade (g/t Au)	Au (Moz)
Measured	15.49	1.03	0.51
Indicated	41.34	0.98	1.31
Inferred	15.91	0.93	0.48
Total Pani CoW	72.74	0.98	2.30

By the end of Q3 2022, nine drill rigs were operating at Pani targeting the central Baganite zone and two rigs were operating in the Paceda area undertaking a sterilisation drilling program, with a total of ~22,600 metres of diamond drilling completed. Twenty-nine drill holes were completed (including twelve sterilisation holes). Drilling operations were routinely operating on a 24-hour basis at the end of the period.

Preparations for the mobilisation of a further two diamond drilling rigs are currently underway. These additional rigs are expected to be on-site during early Q4 2022 and will be focused on targeting the central Baganite zone for Resource Definition drilling program.

Selected results from the latest drilling results announced in August 2022 include (results reported using a 0.2 g/t Au cut-off, and a minimum intercept length of 6 metres)⁵:

- 292m @ 1.46 g/t Au from 0 metres in hole ILD293;
- 277m @ 0.47 g/t Au from 28 metres in hole ILD294;
- 148m @ 0.38 g/t Au from 0 metres and 52m @ 1.48 g/t Au from 172 metres in hole ILD295;
- 295m @ 1.27 g/t Au from 0 metres and 41m @ 0.49 g/t Au from 309 metres in hole ILD296;
- 232m @ 0.66 g/t Au from 0 metres and 76m @ 0.56 g/t Au from 278 metres in hole ILD297;
- 62.9m @ 0.40 g/t Au from 34 metres and 50m @ 2.68 g/t Au from 186 metres in hole ILD298; and
- 206m @ 0.87 g/t Au from 96 metres in hole NND312

An updated Mineral Resource Estimate for the entire Pani Project incorporating new drilling data is scheduled for completion in Q1 2023.

⁴ Full details of the Pani Mineral Resources is available at <https://merdekacoppergold.com/wp-content/uploads/2022/10/Consolidated-Mineral-Resources-and-Ore-Reserves-Statement-as-of-31-December-2021-Final.pdf>.

⁵ Full details of all the drilling results announced in August 2022 can be obtained at the following location: https://merdekacoppergold.com/wp-content/uploads/2022/09/MDKA_2022-08-02_Pani-August-2022-Drill-Results-2-1.pdf

Figure 11: Drill pad set up at PAD14



Figure 12: Pani Base Camp – Resource Drilling Base



Figure 13: PBC Heli-port and Hangar



Project Development: The feasibility study program for Pani continues to progress and remains focused on optimising the project capital, mining schedule and maximising milling throughput opportunity from the early mining years.

The metallurgical test work program continues to define high gold recoveries (plus 92%), with a significant gravity component to be included optimising the proposed processing flow sheet. Tailings storage options are being evaluated with geotechnical drilling of these tailings storage and infrastructure sites advancing. Terms with PLN for the provision of grid power, including the potential for a green energy component were progressed.

The feasibility study is scheduled for completion in late Q3 2023 with a subsequent investment decision for the project construction.

Pre-development construction activities continued on site, with land acquisition and the development of an independent access road to the site that bypasses the Marissa township along with the establishment of the construction camp, upgraded infrastructure and facilities to ensure construction ramp up from Q3 2023.

Pani remains on track to achieve the first gold production in H2 2025.

Figure 14: Pani mine access and Marissa township bypass road construction.



QUARTERLY REPORT: SEPTEMBER 2022

5) Tujuh Bukit Gold Mine

Summary: Production for the quarter was in line with planned mining and stacking of lower grade ore. Gold produced during the quarter was 37,385 ounces at an AISC of \$1,026/oz net of silver credits.

Heap Leach Expansion: Construction across pad C during the quarter. Pad C first RL.57m was completed on 30 July, Irrigation pipe works has commissioned on 13 August, and 2nd Pad RL.76m bay 8CD completed on 15 Sept. Pad A interlift RL.126m and Stage 4 were commenced early September.

Mining: 3.8 million tonnes of material was mined in Q3 2022; 2.2 million tonnes of ore and 1.6 million tonnes of waste. Mining operations achieved total material movement of 4.0 million tonnes including rehandling ore stockpiles and mine area preparation during the quarter.

Processing: During Q3 2022 the ore preparation plant ("OPP") was operated in line with expectation with throughput of 2,063,700 tonnes of crushed and agglomerated ore, at a grade of 0.49 g/t Au (containing 32,977 ounces of gold), hauled and stacked onto the HLP for the quarter.

The HLP continued to perform as per design with project to date gold recoveries of 82%. The adsorption, desorption and recovery ("ADR") plant continued to operate at full throughput design rates after the resumption of processing activities.

Environmental, Safety and Social Performance: By the end of quarter, Tujuh Bukit Operations achieved 13,203,098 man-hours without Lost Time Injury ("LTI"), whilst the mine's total year-to-date recordable injury frequency rate per million hours worked was 0.51 at the end of Sept 2022, with 1 recordable injury (Restricted Work Injury) during the quarter.

The workforce at the mine, including all employees and contractors, is currently 3,153 people, comprising over 99.5% Indonesian nationals and 0.5% expatriates. Of the workforce, 2,190 (69.5%) are residents of Banyuwangi, with 1,459 (46.3%) of the number hailing from the local sub-district of Pesanggaran.

During Q3 2022, External Affairs Department ("EA") focused on permitting and licensing, intensifying coordination with government offices regarding the request for amendment to the East Java Zonation Plan for Coastal Areas and Small Islands (RZWP3K), the 7th addendum of AMDAL, plan for tsunami emergency access at Gate 9 of Tujuh Bukit Operations, and Dam Operations Permit. EA was also actively involved in preparation of Salakan exploration, engaging stakeholders and providing familiarization materials. Internally, EA worked closely with other departments in preparation of verification processes for, among others, GMP Awards and World Environment Day competition held by Indonesian Mines Department ("ESDM"), as well as preparation of IFRC 19th Challenge.

A total of 3,070 environmental samples were taken in this quarter, encompassing statutory-based sampling requirements as well as company-driven internal monitoring and consultant requirements.

YTD 2022 reclamation progress was 1.3 ha of the 4.2 ha target, which was still on schedule.

Water recycled and reuse during the quarter was 350,800 m³. It was rainwater that was collected in dams and used for ore processing and mine activities such as road dust control, vehicle washing, and ore agglomeration in crushers.

Operational Cost Summary: The Q3 2022 total cash cost was \$809/oz and the AISC was \$1,026/oz.

Operating Outlook: Guidance for 2022 is expected to be in the range of 110,000 to 125,000 ounces of gold at an AISC of \$1,000 to \$1,200/oz net of silver credits.

Exploration: Recent drilling and updated geological interpretation for controls on the gold and silver epithermal mineralisation has identified multiple near mine targets to the current operations. During Q3 2022, Merdeka has continued the aggressive drilling program aimed at testing these new targets which are near the existing open pit operations with the aim of extending mine life.

Four diamond drill rigs and one RC rig drilled 18 diamond holes for 3,812.3 metres, and 28 RC holes for 5,841 metres during the quarter. This program is currently ramping up, with an additional two diamond rigs scheduled to arrive in Q4, with 7,000 metres of diamond drilling and 6,500 metres of RC drilling planned for the Q4 2022.

QUARTERLY REPORT: SEPTEMBER 2022

Initial surface exploration is planned to commence on the Salakan and Lompongan prospects in Q4, where the program will follow up historic surface soil and stream geochemical sampling, looking for both near surface high sulphidation gold mineralisation, as well as potential porphyry copper-gold mineralisation at depth.

Selected results from the latest drilling results announced in September 2022 include (Results reported using ≥ 0.15 g/t Au threshold, ≤ 7.5 metres consecutive internal waste, ≤ 15.0 metres total waste and a minimum composite length of 3 metres)⁶:

- 38 metres @ 1.93 g/t Au from 48 metres in hole GTR-22-484
- 73 metres @ 1.00 g/t Au from 85 metres in hole GTR-22-466
- 24 metres @ 1.54 g/t Au from 58 metres in hole GTD-22-698
- 46 metres @ 0.56 g/t Au from 147 metres in hole GTD-22-697
- 33 metres @ 0.54 g/t Au from 150 metres in hole GTD-22-705
- 27 metres @ 0.73 g/t Au from 0 metres in hole GTR-22-454A
- 28 metres @ 0.63 g/t Au from 0 metres and 58 metres @ 0.37 g/t Au from 146 metres in hole GTR-22-455A
- 35 metres @ 0.57 g/t Au from 33 metres in hole GTR-22-457
- 79 metres @ 0.55 g/t Au from 23 metres in hole GTR-22-461
- 55 metres @ 0.78 g/t Au from 28 metres in hole GTR-22-479
- 62 metres @ 0.86 g/t Au from 74 metres and 36 metres @ 1.01 g/t Au from 144 metres in hole GTR-22-480

These results, along with further planned drilling in 2022 will be incorporated into an updated Mineral Resource and Reserve estimate for 31 December 2022 to be released by 31 March 2023.

Figure 15: Surface Resource Definition drilling operations at Tujuh Bukit.



⁶ Full details of all the drilling results announced in September 2022 can be obtained at the following location:

https://merdekacoppergold.com/wp-content/uploads/2022/09/MDKA_2022-09-01_TB-Gold-Sept-2022-Surface-Results-Release.pdf

Merdeka Copper Gold (IDX: MDKA)

All figures are denominated in US Dollars, unless otherwise indicated

6) Wetar Copper Mine

Summary: Copper produced in Q3 2022 was 5,842 tonnes with YTD production reaching 15,793 tonnes.

With the development of the AIM project, the focus going forward will be on extracting maximum value from the Wetar ore including production of copper at Wetar and the sale of ore to the AIM Project to be used to produce acid, iron, steam, copper, gold and silver.

Mining: 4.1 million tonnes of material was mined in Q3 2022; 0.3 million tonnes of ore and 3.8 million tonnes of waste. Mining during Q3 was focused on waste stripping to provide ongoing access to ore. Contained copper in ore mined totalled 6,822 tonnes, 13% higher than the corresponding ore in the reserve model of 6,049 tonnes with higher copper grades offsetting lower tonnes mined.

Processing: During Q3 2022, 0.4 million tonnes of ore were crushed and stacked on to the heap leach pad at a grade of 1.87% Cu. The 0.4 million tonnes of ore crushed was 46% lower than the previous quarter, reflecting the focus on waste stripping during Q3 2022. The 5,842 tonnes of copper was produced during Q3 2022.

Environmental, Safety and Social Performance: By the end of the Quarter, Wetar Copper Mine achieved a record of 503,516 man-hours without Lost Time Injury. Whilst the mine's year-to-date, Total Recordable Injury Frequency Rate ("TRIFR") per million hours was 1.27, with 2 recordable injuries (1 LTI and 1 Medical Treatment Injury cases).

In the Q3 2022, Wetar successfully carried out revegetation activities covering an area of 1.71 Ha. A total of 5,285 seedlings were planted. Slope erosion control was applied by installing jute net covering an area of 5.04 Ha. YTD, the total seedling production in the nursery was 21,672 seedlings. The watershed planting program has been conducted since September 2022 and achieved 37 Ha out of target area of 154 Ha.

During Q3 2022, water monitoring has been carried out in accordance with the AMDAL. A total of 119 samples requested by the Environmental Monitoring Plan (RPL) were taken and sent to the accredited laboratories this quarter.

Year to date, approximately 6.7 tonnes of waste, such as kitchen waste, cardboard, and plant debris, were reused and recycled on-site. For this quarter, 3.9 tonnes of waste were reused.

Historical Waste Dump Geotechnical Event: During Q2 2022, a land slip occurred in a historic reclaimed waste dump which had been constructed during earlier gold mining operations at Wetar, approximately 25 years ago. The land slip area was not within current operational areas but did damage some infrastructure including the access road to the processing operations and the power supply cable to the processing operations.

An alternative access road was constructed, and backup generators were used to continue the leaching operations until full power was restored to the processing site. Mining operations were unaffected.

An area on the top of the waste dump was used to stockpile 670,000 tonnes of ore that will sent to AIM. This ore will be completely recovered and moved to a new storage location before being shipped to aim in the future.

Remediation work to stabilise the old waste dump, buttress the base of the dump and re-establish infrastructure is expected to cost \$12-14 million. This will be spent in the second half of 2022. Cost spent to the end of Q3 was \$8.8 million.

Operational Cost Summary: Q3 2022 total cash cost was \$2.61/lb of copper produced and the AISC was \$3.12/lb of copper produced. YTD 2022 total cash cost was \$2.47/lb of copper produced and the AISC was \$3.14/lb of copper produced.

Operating Outlook: Guidance for 2022 is expected to be in the range of 18,000 to 22,000 tonnes of copper at an AISC \$3.20/lb to \$3.60/lb. This cost guidance excludes rehabilitation costs of \$12-14 million.

QUARTERLY REPORT: SEPTEMBER 2022

Water Treatment Plant ("WTP"): To maintain long term copper production at the Wetar Copper Mine, neutralisation plant upgrade is ongoing to treat Wetar leach solutions to reduce iron, acid and other dissolved metals and manage the site water balance.

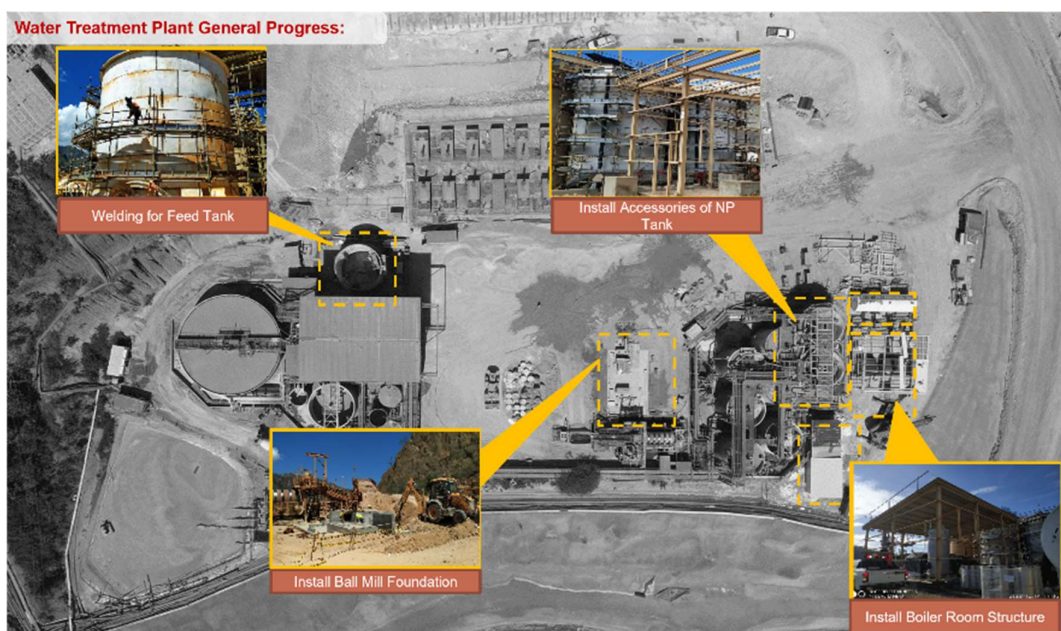
Detailed design is complete with procurement 85% complete.

The WTP is expected to be operational in January 2023.

Site construction progresses with:

- Tanks installation
- Ball mill foundations
- Boiler room structural steel
- Installation of ancillary steel

Figure 16: Wetar WTP



QUARTERLY REPORT: SEPTEMBER 2022

Exploration: Activities during the quarter focused on scout diamond drilling in the Lerokis area, reverse circulation (“RC”) drilling and diamond drilling (“DD”) at Partolang and Partolang Bridge, and ground EM data acquisition.

During Q3 2022, in Partolang and surrounding areas thirty drillholes have been completed with RC and DD for 6,733.6 metres.

Results have been received for forty-six holes in the Partolang area this quarter, with those in the Bridge area providing further confirmation of the continuation of mineralisation between Partolang and Partolang Barat. Refer PTR230 and PTR232 below that were drilled in this area.

Scout drilling in the Lerokis area continued through Q3 2022 with twenty-one diamond drill holes completed for 2,385.9 metres.

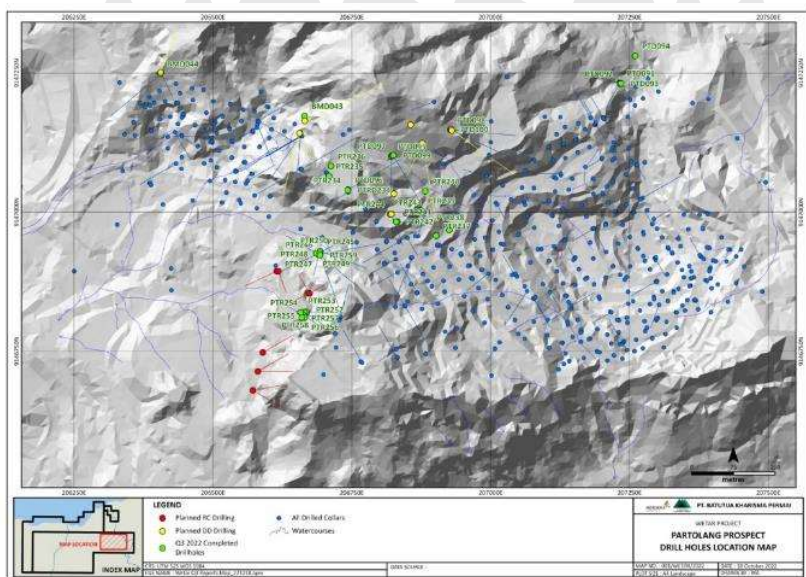
Results have been received for thirty-three holes in the Lerokis area this quarter. These are mostly positive, although the intersection widths and grades have varied from the previous interpretation in some areas. Selected results from the latest drilling results announced in October 2022 include (Results reported using a 0.4% Cu cut-off, a minimum intercept length of 2 metres and maximum internal waste of 2 metres)⁷:

- 9 metres @ 10.35% Cu, 1.62 g/t Au, 81.10 g/t Ag from 77.9 metres in PTD067
- 13.2 metres @ 3.2% Cu, 0.75 g/t Au, 25.63 g/t Ag from 53.4 metres in PTDM072
- 10.2 metres @ 3.55% Cu, 0.69 g/t Au, 15.44 g/t Ag from 55.8 metres in PTDM079
- 20 metres @ 4.71 % Cu, 0.89 g/t Au, 58.38 g/t Au, 1.72 % Zn from 124 metres in PTR230
- 44 metres @ 2.26 % Cu, 0.59 g/t Au, 33.64 g/t Ag, 1.23 % Zn from 129 metres in PTR232
- 23.9 metres @ 3.18% Cu, 0.73 g/t Au, 21.66 g/t Ag from 57.1 metres in PTD069

Drilling activity is continuing with both DD and RC, targeting extensions of the Partolang and Partolang Barat resources, and firming up the connection in the Bridge area.

Exploration drilling continues to test the EM targets in the Lerokis area.

Figure 17: Planned and completed drilling in the Partolang area at end of September 2022.



⁷ Full details of all the drilling results announced in October 2022 can be obtained at the following location: <https://merdekcoppergold.com/wp-content/uploads/2022/10/Wetar-Oct-2022-Exploration-Results-Release.pdf>

7) **Sustainability & Environment, Social and Governance Planning**

Sustainability & Environmental

Three key ESG related projects have been progressing through this quarter. Firstly, an ESG gap analysis is being conducted by a third-party to assess ESG rating improvement opportunities.

Secondly, a consultant has been engaged to compile Merdeka's Greenhouse Gas ("GHG") emissions and conduct facilitation sessions with respective sites to prepare GHG emission reduction plans. These plans will be compiled into Merdeka's GHG emission reduction roadmap towards achieving Net Zero commitments to reduce 29% GHG emission intensity by 2030 and achieve net zero emission by 2050. The GHG emission reduction roadmap is expected to be finalized in Q4 of 2022.

Thirdly, Merdeka has assigned a separate third-party consultant to conduct a Taskforce on Climate related Financial Disclosures ("TCFD") Assessment for Merdeka; This assessment covers climate change transitional risks analysis and physical risks analysis. The consultant is expected to deliver the assessment report in Q4 of 2022.

Social

Health and Safety

Health and safety activities during the third quarter included the implementation of a Critical Risk Management ("CRM") program across the operational Merdeka Group of Companies. This program incorporates critical control observations by management levels to confirm effectiveness of controls in preventing fatalities.

Other health and safety activities covered during the quarter include;

- Safety leadership training sessions for Supervisor levels and above,
- Finalizing Covid-19 vaccine boosters for those employees who have not yet received a booster vaccine,
- Industrial hygiene monitoring for Merdeka Sites,
- Health promotion for preventing hypercholesterolemia,
- Development and socialization of a Contractor Management System,
- Traffic management training and auditing on our Operational Mine Sites,
- Incident Cause Analysis Method ("ICAM") training for Senior Management representatives from each site.

Human Rights Policy

Merdeka published its Human Rights Policy in August 2022, formalizing Merdeka's commitment to respecting human rights across its operations. The Human Rights Policy refers to the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights, national human rights law, and other relevant human rights laws and regulations. Merdeka's human rights policy is applicable to all of Merdeka's employees and business partners and is available on Merdeka's webpage.

Governance

As part of Merdeka's commitment to sustainability and good corporate governance, Merdeka had also reviewed and updated its Code of Conduct ("CoC"). The updated CoC provides guidance on the highest standards of ethical behaviors to all Merdeka's personnel. The ethical behaviors also include respecting human rights in line with Merdeka's Human Rights Policy.

Merdeka has also refreshed the whistleblowing system (WBS) policy and procedure, allowing Merdeka's employees to report violations that occurred within Merdeka's operation. The WBS policy guarantees the confidentiality of the whistle-blower and that there is no retaliation towards the whistle-blower.

Merdeka conducted CoC and WBS training for employees in Q3 of 2022 with a total of 811 participants consisting of 652 Merdeka employees and 159 vendors' representatives.

In addition, Merdeka also conducted Cultivating Respect Culture training for 147 employees in Q3 of 2022. The Cultivating Respect Culture training is part of embedding Merdeka's corporate values and culture, Growth Respect Accountability Excellence Safety ("GReAtnESS") within its operations.

MSCI ESG Rating

Merdeka's MSCI ESG rating has been upgraded from 'BB' to 'BBB' as of 27 October 2022. Merdeka is one of only a number of Indonesian mining companies that has received the 'BBB' rating, which is the highest MSCI ESG rating received by Indonesian Metals and Mining companies.

The rating upgrade demonstrates Merdeka's commitment and continuous efforts to improve its ESG performance. It also reflects Merdeka's recent ESG related programs and activities which include Human Rights Policy launch, Code of Practice socialization sessions, review and improvements on Merdeka's Whistleblower policy and internal ISO Audits in preparation for upcoming external ISO Surveillance audits against ISO14001 (Environment), ISO 45001 (Health & Safety) and ISO9001 (Quality).



MERDEKA
COPPER GOLD

QUARTERLY REPORT: SEPTEMBER 2022

Appendix 1: Finance and Corporate

Cash and Cash Equivalents: Cash and cash equivalents, net of restricted cash, at 30 September 2022 was \$365 million. In addition to this, MDKA has \$269 million in undrawn debt facilities.

Debt:

Tujuh Bukit - PT Bumi Suksesindo ("BSI") Prepayment Facility

As of 30 September 2022, the balance of Secured Bullion Forward Hedge and Financing Transaction ("BSI Prepayment Facilities") was \$36 million, with details below:

- July 2021: Prepayment amount of \$16.3 million with a total of 9,012 oz gold was hedged with scheduled monthly settlements from October 2022 to December 2022, at an average price of \$1,902/oz. The facility has an effective interest rate of ~3.42% per annum.
- March 2022: Prepayment amount of \$19.5 million with a total of 10,609 oz gold was hedged with scheduled monthly settlements from January to June 2023, at an average price of \$1,842/oz including interest charges. The facility has an effective interest rate of ~4.64% per annum.

BSI RCF

BSI has an undrawn \$50 million of Revolving Credit Facility ("BSI RCF") in September 2022. The BSI RCF has an applicable margin of 3.0% per annum plus LIBOR with a final repayment date of 365 days from drawdown, subject to extension options.

Subsequent to the quarter, BSI has amended and restated Facility Agreement of BSI RCF whereas total facility increases to \$60 million with extension of final repayment date on 4 October 2023. The amendment includes the changes on applicable interest rate benchmark from LIBOR to SOFR with applicable Credit Adjustment Spread.

MDKA IDR Bonds

On 1 September 2022, the Company successfully completed the issuance of 3rd tranche of Year 2022 IDR bonds for a total amount of Rp4.0 trillion (or equivalent to ~\$269 million), offered in three series with details as follow:

- Series A: Bond principal amounting to Rp1,472,965,000,000, coupon rate of 5.50% per annum for 367 days tenor;
- Series B: Bond principal amounting to Rp1,729,395,000,000, coupon rate of 8.25% per annum for a three-year tenor.
- Series C: Bond principal amounting to Rp797,640,000,000, coupon rate of 9.50% per annum for a five-year tenor.

The outstanding balance of IDR Bonds at 30 September 2022 was \$821 million.

MDKA RCF

Merdeka has an undrawn \$100 million of Merdeka Revolving Credit Facility ("MDKA RCF") as of September 2022. The MDKA RCF has an applicable interest rate of 3.85% per annum plus SOFR with a final repayment on 31 March 2023.

MBM Senior Loan

MBM entered a \$300 million loan with ING and Barclays on 19 May 2022 ("MBM Senior Loan"). The loan has an applicable interest rate of 4.25% per annum plus SOFR with final maturity date on 30 September 2026.

During the quarter, Merdeka provided debt funding of \$225 million to MBM to partially repay the MBM Senior Loan.

QUARTERLY REPORT: SEPTEMBER 2022

MTI Facility Agreement

MTI entered into a \$260 million term loan facility ("MTI Term Loan") and IDR430 billion (or equivalent to \$29 million) of MTI VAT funding facility ("MTI VAT Facility") on 31 August 2022.

MTI Term Loan is used to, among others finance capital expenditure, construction costs and operating costs of AIM Project, payment of interest, fees and expenses related to the facility and any general funding. MTI Term Loan has final maturity in August 2027 with applicable margin of:

- (i) Offshore lenders: 3.75% per annum plus SOFR; and
- (ii) Onshore lenders: 3.95% per annum plus SOFR.

MTI VAT Facility is to finance value added tax payable in connection with the capital expenditure, construction costs and operating costs of the AIM Project. This facility has an applicable margin of 3.50% per annum plus JIBOR with a final maturity in August 2026.

As of 30 September 2022, MTI has drawn \$160 million of MTI Term Loan and IDR138.5 billion (or equivalent to \$9 million) of MTI VAT Facility.

Finance Lease

The outstanding finance lease balance on 30 September 2022 was \$39 million. This resulted from the acquisition of owner mining equipment and implementation of new Statements of Financial Accounting Standards no. 73 related to leases.

Sales and Hedging: During the quarter, at Tujuh Bukit Gold Mine, a total of 39,510 ounces of gold and 251,097 ounces of silver were sold at an average price of \$1,727/oz and \$18/oz, respectively, for total revenue of \$73 million. Furthermore, 14,798 oz of gold hedging with a strike price of \$1,857/oz was closed out at an average price of \$1,704/oz resulting in a net gain on hedging for the quarter of \$2.26 million.

At Wetar, 5,227 tonnes of copper were sold at an average price of \$8,407/tonnes for total revenue of \$44 million. Furthermore, 1,500 tonnes of copper hedging with a strike price of \$10,000/tonnes was closed out at a price of \$7,653/tonnes resulting in a net gain on hedging for the quarter of \$3.52 million.

During the quarter, at MBM, a total of 10,345 tonnes of NPI were sold at an average price of \$15,595/tonne for total revenue of \$161 million.

Mark to market position for gold and copper hedge increased from asset position of \$2 million at 30 June 2022 to \$3 million at 30 September 2022.

Table 2: Gold, Silver, Copper and Nickel Sales for September 2022 Quarter

	Ounces	\$/oz	\$m
Gold	39,510	1,727	68
Silver	251,097	18	5
	Tonnes	\$/tonnes	\$m
Copper	5,227	8,407	44
	Tonnes	\$/tonnes	\$m
Nickel Pig Iron	10,345	15,595	161
Total			278

Table 3: Details of Gold and Copper Hedge Profile as at 30 September 2022

Period	Gold Hedged		Copper Hedged	
	oz Au	\$/oz	t Cu	\$/t
2022 (October to December)	9,012	1,904	-	-
2023 (January to June)	10,609	1,842	-	-

Insurance Claim for Tujuh Bukit Heap Leach Incident: The final claim value has been approved by the insurers amounted to \$80 million, with \$19.5 million was received in 2021 and \$58.5 million was received up to Q3 2022. The remaining is expected to be received in Q4 2022.

Capital Structure: Total issued and paid-up capital of MDKA is 24,110,850,771 shares.

Table 4: Major Shareholders as at 30 September 2022

Shareholders	No. of shares	%
PT Saratoga Investama Sedaya Tbk	4,423,174,297	18.345
PT Mitra Daya Mustika	2,907,302,421	12.058
Garibaldi Thohir	1,774,021,214	7.358
PT Suwarna Arta Mandiri	1,347,254,738	5.588
Hongkong Brup & Catl Co., Limited	1,205,542,539	5.000
Total Major Shareholders	11,657,295,209	48.349
Treasury Stock	68,296,800	0.283
Others	12,385,258,762	51.368
Total shares on issue as at 30 September 2022	24,110,850,771	100.00

As at 30 September 2022, the Company has completed the buyback of 61,347,200 shares.

MBM Senior Leadership Appointments: During the quarter, Merdeka announced a series of senior level, executive appointments to further strengthen the management team of MBM. Mr. Jason Grieve has been appointed as Chief Executive Officer and Mr. Tim Armstrong as Executive Chairman. These leadership positions are newly established roles within the MBM's executive management team and will be responsible for leading and executing MBM's operational and growth strategy⁸.



MERDEKA
COPPER GOLD

⁸ Full details of the announcement made in September 2022 can be obtained at the following location: <https://merdekacoppergold.com/wp-content/uploads/2022/09/Merdeka-Battery-Materials-Senior-Leadership-Appointments.pdf>

For further information, please contact:

Mr. David Fowler (Director)
Treasury Tower 67-68th Floor
District 8 SCBD Lot. 28
Jalan Jenderal Sudirman Kav. 52-53
South Jakarta 12910, Indonesia
T: +62 21 39525580

E: investor.relations@merdekacoppergold.com

About PT Merdeka Copper Gold Tbk.

PT Merdeka Copper Gold Tbk (“Merdeka” or “the Company”), a holding company with operating subsidiaries engaging in mining business activities, encompassing: (i) exploration; (ii) production of gold, silver, copper, nickel (and other related minerals); and (iii) mining services.

The Company’s major assets are the: (i) Tujuh Bukit Copper Project; (ii) Merdeka Battery Materials; (iii) Pani Gold Project; (iv) Wetar / Morowali Acid Iron Metal Project; (v) Tujuh Bukit Gold Mine and; (vi) Wetar Copper Mine.

The Tujuh Bukit Copper Project deposit is one of the world’s top ranked undeveloped copper and gold mineral resources, containing approximately 8.2 million tonnes of copper and 28.6 million ounces of gold.

As a world-class Indonesian mining company, Merdeka is owned by prominent Indonesian shareholders including: PT Saratoga Investama Sedaya Tbk., PT Provident Capital Indonesia and Mr. Garibaldi Thohir. Merdeka’s three major shareholders have exceptional track records in successfully identifying, building and operating multiple publicly listed companies in Indonesia.

Refer Annual Statements of Mineral Resources and Ore Reserves on www.merdekacoppergold.com