

17<sup>th</sup> March 2023

## Corporate Update – PT Merdeka Battery Materials

**Jakarta, Indonesia – PT Merdeka Copper Gold Tbk (IDX: MDKA) (“Merdeka” or the “Company”)** is pleased to announce a corporate update regarding its subsidiary, PT Merdeka Battery Materials (“**MBM**”).

### **IKIP HPAL 1**

MBM intends to develop its first high pressure acid leach plant at the Indonesia Konawe Industrial Park in Sulawesi, Indonesia (“**IKIP HPAL 1**”).

It is intended that IKIP HPAL 1 will be a 120,000tpa operation (nickel equivalent) split into two 60,000tpa tranches and it will source limonite from MBM’s adjacent SCM mine, one of the world’s largest JORC compliant nickel resources.

### **IKIP HPAL 1a**

In an important first step regarding IKIP HPAL 1, on 16<sup>th</sup> March 2023, MBM entered into a Memorandum of Understanding (“**MoU**”) with Ningbo Brunp Contemporary Amperex Co., Ltd., an affiliate of Contemporary Amperex Technology Co., Limited (“**Brunp CATL**”) regarding the development of the first 60,000tpa tranche (“**IKIP HPAL 1a**”).

Detailed engineering and construction of IKIP HPAL 1a is expected to commence in 2023, with commissioning expected within 24 months of commencement of construction.

Under the terms of the MoU, Brunp CATL will be responsible for the construction of IKIP HPAL 1a and will take the lead in procuring construction loan financing on market terms, with support from MBM.

Until commissioning of IKIP HPAL 1a, MBM and Brunp CATL will own 49.3% and 50.7% respectively. Upon successful commissioning and replacement of the construction loan financing, MBM’s ownership in IKIP HPAL 1a will increase to 66%, with 34% owned by Brunp CATL.

The MoU remains subject to definitive documentation and approvals.

### **IKIP HPAL 1b**

Discussions are at an advanced stage in relation to the second 60,000tpa tranche (“**IKIP HPAL 1b**”) in which it is intended that MBM will own a 66% stake. A further announcement will be made in relation to IKIP HPAL 1b as soon as practicable.

Merdeka’s Executive Chairman, Andrew Starkey stated:

“Brunp CATL became a shareholder in Merdeka in May 2022, and this marked the start of our ongoing strategic cooperation with Brunp CATL in relation to the battery value chain in Indonesia.

MBM’s nickel and cobalt resource is globally significant and as such MBM aspires to become a leading vertically integrated battery materials company. Partnering with Brunp CATL in relation to IKIP HPAL 1a is closely aligned with MBM’s aspirations.”

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## ABOUT PT MERDEKA COPPER GOLD TBK.

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

Merdeka’s major assets are the: (i) Tujuh Bukit Copper Project; (ii) Merdeka Battery Materials (“**MBM**”); (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<sup>1</sup>.

MBM holds a portfolio of high-quality businesses which include one of the world’s largest nickel resources (known as the Sulawesi Cahaya Mineral Mine) containing approximately 13.8 million tonnes of nickel and 1.0 million tonnes of cobalt<sup>2</sup>, operating RKEF smelters with a total nameplate capacity of 88,000 tonnes of nickel in NPI per annum<sup>3</sup>, the Acid Iron Metal (AIM) Project which will produce acid and steam for use in HPAL plants, in addition to producing other metals such as copper, gold and iron, and a strategic joint venture interest with Tsingshan to develop a future nickel and battery materials-focused industrial estate, known as Indonesia Konawe Industrial Park.

The Pani Gold Project is a significant undeveloped gold resource, containing approximately 6.4 million ounces of gold<sup>4</sup> and is expected to become a long-life and low-cost gold mine with the potential to produce a significant amount of gold.

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

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<sup>1</sup> Refer to Annual Statements of Mineral Resources and Ore Reserves on [www.merdekacoppergold.com](http://www.merdekacoppergold.com)

<sup>2</sup> SCM Mineral Resource: February 2022 JORC prepared by AMC Consultants Pty Ltd. Total resource of 1.9 billion wmt of ore (equivalent to 1.1 billion dmt of ore) at 1.22% Ni containing 13.8Mt of nickel and at 0.09% Co containing 1.0Mt of cobalt

<sup>3</sup> ZHN RKEF smelter is under construction with a nameplate capacity of 50,000 tonnes per annum

<sup>4</sup> Pani resources update (<https://merdekacoppergold.com/wp-content/uploads/2023/02/Pani-February-2023-Mineral-Resource-Estimate.pdf>)