

PT Merdeka Copper Gold Tbk.
IDX Code: MDKA
As at 31 March 2023

Capital Structure (8 May 2023)
24,110,850,771 listed shares
Share price: IDR 3,394
Market capitalisation: \$5.6 billion

Cash & Debt

Cash: \$381 million
Bank Debt: \$369 million
IDR Bond: \$1,010 million

Board of Commissioners

Edwin Soeryadjaya (President)
Tang Honghui
Yoke Candra
Muhamad Munir (Independent)
Budi Bowoleksono (Independent)

Board of Directors

Albert Saputro (President)
Jason Greive*
Andrew Phillip Starkey
(Executive Chairman)
David Thomas Fowler
Titien Supeno
Gavin Arnold Caudle
Hardi Wijaya Liong
Chrisanthus Supriyo

* Effectively appointed on 12 April 2023

Registered Office

Treasury Tower, 67 – 68th Floor,
District 8 SCBD Lot. 28
Jl. Jend. Sudirman Kav. 52-53,
Senayan, Kebayoran Baru
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 March 2023 quarterly activities.

Merdeka is a major mining company with a portfolio of globally significant assets and a world-class management team. Merdeka is strategically positioned to become a significant copper, nickel and gold producer, establishing itself as a leading player in the clean energy transition.

Merdeka’s major assets are:

- 1) Tujuh Bukit Copper Project (“TB Copper Project”)
- 2) Merdeka Battery Materials (IDX: MBMA) (“MBMA”)
- 3) Pani Gold Project (“Pani”)
- 4) Tujuh Bukit Gold Mine (“TB Gold Mine”)
- 5) Wetar Copper Mine (“Wetar”)

At TB Gold Mine, gold produced for the quarter was 25,830 ounces at an all-in sustaining cost (“AISC”) of \$1,262/oz. No Lost Time Injury (“LTI”) occurred during the quarter.

At Wetar, copper produced for the quarter was 4,053 tonnes at an AISC of \$4.84/lb. Planned lower production and higher sustaining capital expenditure contributed to higher costs. No LTI occurred during the quarter.

At MBMA, nickel in nickel pig iron (“NPI”) production for the quarter was 9,368 tonnes at an AISC of \$15,436/t. No LTI occurred during the quarter. Subsequent to the quarter, MBMA announced it has entered into a conditional agreement to acquire a 60% interest in PT Huaneng Metal Industry (“HNMI”), a high-grade nickel matte (“HGNM”) conversion facility, located within the Indonesia Morowali Industrial Park (“IMIP”). The proposed acquisition of HNMI will allow MBMA to transition its larger RKEF asset base to *Class 1* nickel production and unlock value. The proposed acquisition is targeted for completion in mid-2023, subject to completing conditions customary for a transaction of this nature.

At TB Copper Project, a resource and reserve model were produced from the 2022 infill drilling program to support the proposed Sub-Level Cave (“SLC”) and Block Cave (“BC”) mines with indicated category resource. An inaugural reserve statement for the TB copper Project is planned to be released in Q2 2023 supported by the Pre-Feasibility Study (“PFS”) economic assessment. The quarterly drilling program continued to return strong results. Latest results include 524 metres @ 0.9 % Cu and 0.8 g/t Au from 274 metres in hole UHGZ-22-112 (including 448 metres @ 1.0 % Cu and 0.8 g/t Au from 348 metres). The PFS was substantially complete at the end of the quarter and results are expected to be reported in Q2 2023.

At Pani, drilling results continue to: demonstrate the continuity of mineralisation, increase confidence in the resource categories and show potential for resource expansion. Latest results include 44 metres @ 14.89 g/t Au from 69 metres in hole BGD038 and 320 metres @ 1.79 g/t Au from 129 metres in BGD029. During the quarter, Merdeka announced the first combined Mineral Resource Estimate (“MRE”) of 263.6Mt of ore at a grade of 0.75 g/t Au containing 6.4Moz gold.

Subsequent to the quarter, MBMA successfully completed its IPO on the Indonesia Stock Exchange. Shares of MBMA commenced trading on Tuesday, 18 April 2023. The IPO, priced at IDR 795 per share, was well supported by domestic and foreign institutional investors, regional sovereign wealth fund and strategic investors. A total of 11.6 billion new shares was issued representing approximately \$619 million and approximately 10.7% of the total number of shares outstanding.

1) TB Copper Project

World Class Resource: TB Copper Project is wholly owned by Merdeka and is located beneath the existing TB Gold Mine concession. The TB Copper Project hosts Mineral Resources of 1.71 billion tonnes of ore at a grade of 0.47% Cu and 0.50 g/t Au containing approximately 8.1Mt copper and 27.4Moz gold, including an Indicated Resource of 442Mt at 0.60% Cu and 0.66 g/t Au¹.

Since 2018, Merdeka has invested \$156 million on detailed feasibility work to advance the project including an 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.

Pre-Feasibility Study (“PFS”): Merdeka commissioned a PFS in February 2022. Principal objectives included:

- Assess the technical and economic viability of the project as a large-scale underground operation;
- Maximise value generation whilst minimising execution risk and reducing funding requirements;
- Build upon the prior technical work to further optimise development options and identify fatal flaws;
- Conduct detailed engineering, geotechnical, processing and other investigative work to determine the preferred mining, processing and infrastructure configurations;
- Determine the optimal operating and capital investment alternatives; and
- Select a single preferred development pathway for the Feasibility Study stage.

The PFS was substantially complete at the end of the quarter, with the support of independent technical consultants including Stantec for the mine design, WSP Golder for geotechnical work, DRA for infrastructure and the processing plant and Hatch for the port design, and has achieved the above objectives.

The PFS confirms the technical and economic viability of developing the TB Copper Project adopting a phased approach, starting with a 4Mtpa SLC mine, transitioning to a larger BC operation, with staged construction of processing plant modules supporting the ramp up in output to 24Mtpa. Development of the proposed SLC mine is anticipated to commence in 2024 from the existing exploration decline which is situated at the top of the orebody with production commencing in 2026. The SLC mine takes advantage of an area of higher copper and gold grades, making it an optimal and appropriate mining method for this portion of the orebody. The SLC will generate cashflow that will be re-invested into funding the BC, reducing the maximum negative cashflow from developing the TB Copper Project

The PFS identified several opportunities which have the potential to improve the project economics. Stantec and DRA have been retained to assess:

- **Processing circuits:** identifying the optimal circuit configuration
- **Infrastructure:** staging and value engineering
- **Mine design:** optimisation of design constraints in the mining schedule

A comprehensive summary of the PFS results will be reported in Q2 2023.

The Feasibility Study is planned to commence in May 2023 to assess longer term optimisation opportunities. These include primary economic drivers such as:

- **Metallurgy:** expansion of the test work regime aimed at improving the gold and copper recoveries
- **Open pit potential:** multiple porphyry and epithermal prospects identified that have the potential for hosting significant mineralisation

¹ Full details of the Tujuh Bukit Copper Project Mineral Resource is available at: <https://merdekacoppergold.com/wp-content/uploads/2023/04/Consolidated-Mineral-Resources-and-Ore-Reserves-Statement-as-of-31-December-2022.pdf>

QUARTERLY REPORT: MARCH 2023

Other Activities: Geological, geotechnical, mine planning, processing studies, infrastructure and project permitting were major areas of focus during the quarter. Detailed work advanced during the quarter includes metallurgical testwork, flowsheet evaluations for the configuration of the processing plant, process plant site geotechnical drilling, geometallurgical studies, permitting, tailings disposal options, infrastructure for power and water supply, port development, PLN power supply negotiations, product offtake, social and community engagement and environment studies. In September 2022, TB Copper Project's Government of Indonesia Feasibility Study ("GoIFS") was approved and the project commenced its AMDAL application process. In Q1 2023 the TB Copper Project team continued their scheduled AMDAL work program comprising studies, results reporting and consultation.



Figure 1: Underground drilling operations at Tujuh Bukit Copper Project



Figure 2: Surface drilling operations at Tujuh Bukit Copper Project

QUARTERLY REPORT: MARCH 2023

During the quarter, eight drill rigs were operating underground supported by four surface drill rigs. A total of 15 holes were completed underground with six holes in progress at the end of the quarter for a total of 10,072 metres drilled. The four surface rigs completed one hole for 348.6 metres, with three holes in progress at the end of the quarter for 1,593.6 metres.

Resource definition drilling will continue throughout the rest of the year with a further 38,000 metres of drilling targeted from underground and surface. The surface drilling will also include geotechnical and hydrogeological investigations for both surface and underground infrastructure.

Selected results from the latest announcement in April 2023 include (results reported using a 0.2% Cu cut-off, and a minimum intercept length of 30 metres)²:

- 524 metres @ 0.9% Cu and 0.8 g/t Au from 274 metres in hole UHGZ-22-112 (including 448 metres @ 1.0% Cu and 0.8 g/t Au from 348 metres)
- 534 metres @ 0.8% Cu and 0.7 g/t Au from 50 metres in hole UHGZ-22-111 (including 346 metres @ 1.0% Cu and 0.7 g/t Au from 116 metres)
- 405 metres @ 0.8% Cu and 0.9 g/t Au from 266 metres in hole GTD-22-701/W (including 259 metres @ 1.0 % Cu and 1.0 g/t Au from 378 metres)
- 304 metres @ 0.8% Cu and 1.2 g/t Au from 524 metres in hole GTD-22-698 (including 228 metres @ 0.9% Cu and 1.3 g/t Au from 530 metres)



MERDEKA
COPPER GOLD

² Full details of the latest TB Copper drilling result is available at: <https://merdekacoppergold.com/wp-content/uploads/2023/04/TB-CP-March-2023-Drill-Results.pdf>

2) Merdeka Battery Materials

MBMA holds a portfolio of high-quality business in the battery materials value chain located in Central Sulawesi and Southeast Sulawesi, Indonesia. MBMA consists of the following assets:

- **SCM Mine (“SCM”):** Regarded as one of the world’s largest resources in terms of contained nickel, over a 21,100 Ha mining concession, with approximately 13.8 million tonnes of nickel and 1.0 million tonnes of cobalt³. SCM will supply saprolite ore to RKEF smelters producing NPI at IMIP, including CSID, BSID and ZHN, and supply limonite ore to High Pressure Acid Leach (“HPAL”) plants at IMIP and Indonesia Konawe Industrial Park (“IKIP”).
- **RKEF Smelters:** Two operating nickel RKEF plants (CSID and BSID) producing 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 an expected nameplate capacity of 50,000 tonnes of nickel in NPI per annum. Construction is expected to be completed in Q2 2023. Subsequent to the quarter, MBMA announced it has entered into a conditional agreement to acquire a 60% interest in PT Huaneng Metal Industry (“HNMI”), a high-grade nickel matte (“HGNM”) conversion facility, located within IMIP⁴.
- **AIM Project:** A modern processing plant capable of producing acid and steam for use in neighbouring HPAL plants, in addition to producing other metals such as copper, gold and iron.
- **HPAL Plants:** MBMA entered into a strategic partnership with Ningbo Brunp Contemporary Amperex Co., Ltd., an affiliate of Contemporary Amperex Technology Co., Limited (“Brunp CATL”) regarding the development of a HPAL plant, producing Mixed Hydroxide Precipitate (“MHP”), to be constructed within IKIP. The first phase of HPAL plants will have a full capacity of 120ktpa of nickel in MHP split into two 60ktpa tranches. Detailed engineering and construction are expected to commence in 2023, with commissioning expected within 24 months of commencement of construction.
- **Indonesia Konawe Industrial Park:** IKIP is a joint venture between MBMA and Tsingshan to develop a c.3,500 Ha battery materials focused industrial park, with a focus on HPAL processing technology for battery materials within the SCM concession area.
- **Other assets:** MBMA also has interests in several companies with projects that support the overall nickel processing chain, including a limestone IUP and hydro power project.

RKEF Smelter Production: During the quarter, the CSID and BSID smelters processed 0.95 million wmt of ore at a grade of 1.73% to produce a combined 9,368 tonnes of nickel in NPI. The combined AISC for CSID and BSID for the quarter was \$15,436/t. The operating cost are being driven by commodity price for nickel ore, and electricity costs. Average EBITDA margin per tonne for the quarter was \$2,037/t based on an average realised price of \$17,470/t for the quarter.

Haul Road: MBMA 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 SCM Mine to the RKEF smelters. The project construction is being managed by Merdeka Mining Servis (“MMS”) and significant progress has been made with 7.6 million cubic meters of material movement or 90% of completion at the end of the quarter. MBMA will continue to upgrade the road further with the aim of achieving a 9% grade by early Q3 2023. This will allow the transport of saprolite ore to begin. As of the end of the quarter, \$63.9 million has been spent on the haul road upgrade with further \$19.6 million expected to be spent to complete the upgrade.

³ Source: Mineral Resource: JORC prepared by AMC Consultants Pty Ltd issued in May 2022

⁴ Full details regarding the HNMI acquisition are available at

[https://www.merdekabattery.com/download.php?filename=230508_Corporate%20Update_Ni%20Matte%20\(vF\).pdf](https://www.merdekabattery.com/download.php?filename=230508_Corporate%20Update_Ni%20Matte%20(vF).pdf)



Figure 3: SCM haul road

Other Construction: MBMA continues to improve site infrastructure to support mining operations, including developing several 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. MBMA is also monitoring the Huayou Feed Preparation Plant (“FPP”) construction project taking place inside the SCM concession area. Huayou is also installing a slurry pipeline from the FPP to the PT Huayue Nickel Cobalt HPAL plant at IMIP. These construction projects are expected to be completed by the end of Q3 2023 allowing the transport and sale of limonite ore from the SCM Mine to begin.



Figure 4: FPP Construction



Figure 5: Slurry pipe installation

Mining: During the quarter, total material mined was 1,903,748 wmt, comprising waste, limonite ore and saprolite ore with material movement of 1,044,100 wmt, 456,008 wmt and 403,640 wmt, respectively. Total ending stockpiles as of 31 March 2023 by ore type is set out below:

Table 1: MBMA Stockpiles at the end of Q1 2023

Ore Type	Ore (wmt)	Ni Grade (%)
Limonite ore	1,598,251	1.22%
Saprolite ore	666,519	1.82%
Total	2,264,770	1.38%

Exploration: Resource definition drilling activities are currently focusing on the Delta Sierra area (“DS”) with a total of 1,877 meters or 64 holes of infill drilling completed during the quarter. Infill diamond drilling was completed with 50 meters spacing with five drill rigs. Grade control drilling activities are currently focusing on the Bravo Romeo 1 area (“BR1”) and DS with a total of 7,803 meters or 430 holes completed using 16 diamond drill rigs with 25 meters spacing.

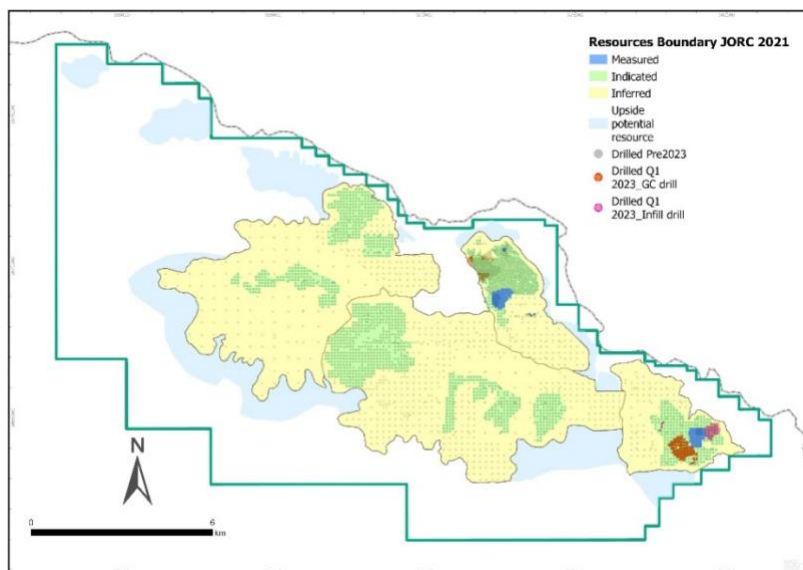


Figure 6: SCM IUP area

Operating Outlook:

Each of BSID and CSID are expected to produce in the range of 18,000 to 20,000 tonnes of nickel in NPI at an AISC of \$13,000/t to \$15,000/t. One of the major cost components of the smelters is nickel ore, the price of which varies depending on the international nickel price.

RKEF Construction: ZHN’s RKEF is currently under construction within IMIP with completion expected in Q2 2023. There has been significant progress made to date with construction reaching 91% completion.



Figure 7: ZHN RKEF construction progress - Plant



Figure 8: ZHN RKEF construction progress – air compressor room

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

HPAL Plants: On 16 March 2023, MBMA entered into a Memorandum of Understanding (“MoU”) with Brup CATL regarding the development of a HPAL plant, producing Mixed Hydroxide Precipitate (“MHP”), to be constructed within IKIP. The first phase of HPAL plants will have a full capacity of 120ktpa of nickel in MHP split into two 60ktpa tranches. Detailed engineering and construction are expected to commence in 2023 with commissioning expected within 24 months of commencement of construction. During the construction phase of the first 60ktpa tranche, MBMA and Brup CATL will own 49.3% and 50.7% respectively. Upon successful commissioning and replacement of the construction loan financing, MBMA’s will have the option to increase its ownership to 66%, with 34% owned by Brup CATL. The MoU remains subject to definitive documentation and approvals.

QUARTERLY REPORT: MARCH 2023

Nickel Matte: Subsequent to the quarter, MBMA announced⁵ it has entered into a conditional agreement to acquire HNMI, a high-grade nickel matte conversion facility located in IMIP. The proposed acquisition allows MBMA to transition its larger RKEF asset base to value-added *Class 1* battery materials production and unlock value. The proposed acquisition further demonstrates MBMA's ability to capture additional value downstream, which are critical to support the fast-growing electric vehicle value chain. MBMA continues to evaluate additional nickel matte and other downstream expansion projects to produce higher value-added *Class 1* battery materials, which are critical to support the fast-growing electric vehicle value chain.



MERDEKA
COPPER GOLD

⁵ Full details regarding the HNMI acquisition are available at [https://www.merdebattery.com/download.php?filename=230508_Corporate%20Update_Ni%20Matte%20\(vF\).pdf](https://www.merdebattery.com/download.php?filename=230508_Corporate%20Update_Ni%20Matte%20(vF).pdf)

AIM Project

Summary: Construction of the AIM Project is continuing with detailed design at completion, all mechanical and electric equipment purchase orders placed, and final orders have been placed for pipes, cables, manual valves and remaining steel structures. Site works continue to progress well in all areas.

Merdeka / Tsingshan Joint Venture (“JV”): Merdeka, Tsingshan and their respective affiliates signed a JV for the AIM project in February 2021. The AIM Project is being constructed at IMIP and will process pyrite ore from Wetar. Subsequently, in 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 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 HPAL plants are planned to be constructed in Indonesia.





Figure 9: AIM Project Acid and Pyrite Plant

Construction and Progress: Protracted China Covid lockdowns resulted in delays to some aspects of procurement and deliveries. These events that remained outside the control of Merdeka have slowed design, procurement, fabrication, manufacturing, and delivery for many structural and mechanical items. As a result, first acid at the AIM Project is anticipated in 2H 2023.

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

1. Pyrite Plant: Progress 83.6% planned vs 82.7% actual
2. Acid Plant: Progress 82.7% planned vs 82.5% actual
3. Chloride Plant: Progress 72.3% planned vs 71.9% actual
4. Copper Cathode Plant
 - EPC engineering work to be undertaken by Tsingshan
 - Geotechnical works are complete

3) Pani Gold Project

Overview: Merdeka owns a 70% interest in Pani. Pani hosts a significant gold resource that is located across two adjacent mining tenements (Pani CoW and Pani IUP) in Gorontalo Province, Sulawesi. Merdeka continued drilling and feasibility study work during the quarter.

Merdeka's objective is to expeditiously develop Pani into a low cost, long life, sustainable gold mining operation in the near term.

Exploration Activities: A combined Mineral Resource Estimate ("MRE") was declared during the quarter following approximately 25,000 metres of drilling targeting the area between the Pani IUP and the Pani CoW ("Baganite zone"). The Baganite zone was previously a sparsely tested zone, with only two historical drillholes on the western edge of the Pani IUP. The MRE, incorporating the latest drilling data as of end December 2022, was reported in February 2023 as follows⁶:

Table 2: Pani Mineral Resource Estimate by classification (Cut-off of 0.2 g/t Au)⁷

Resource Classification	Tonnes (Mt)	Au (g/t)	Cont. Au (Moz)
Indicated	177.7	0.78	4.46
Inferred	85.9	0.68	1.89
Total	263.6	0.75	6.35

At the end of March 2023, eleven drill rigs were operating at Pani carrying out metallurgical drilling and resource definition drilling and two rigs were operating in the Dulamayou area undertaking a sterilisation drilling program. 109 drill holes were completed (including 19 sterilisation holes) for approximately 25,703 metres of diamond drilling during the quarter. Drilling is continuing with approximately 367 drill holes for 43,000 – 45,000 metres planned for the remainder of 2023.

Selected results from the latest drilling results announced in April 2023 include (results reported using a 0.2 g/t Au cut-off, and a minimum intercept length of six metres)⁸:

- 44 metres @ 14.89 g/t Au from 69 metres in BGD038
- 320 metres @ 1.79 g/t Au from 129 metres in BGD029
- 432 metres @ 1.25 g/t Au from 46 metres in BGD025
- 368 metres @ 1.34 g/t Au from 86 metres in BGD019
- 288 metres @ 1.56 g/t Au from 0 metres in ILD321
- 296 metres @ 1.43 g/t Au from 18 metres in ILD314
- 311 metres @ 1.32 g/t Au from 0 metres in ILD326
- 400 metres @ 1.00 g/t Au from 0 metres in ILD330.
- 38 metres @ 10.02 g/t Au from 85 metres in BGD016

⁶ Full details of the Pani Mineral Resource Estimate is available at <https://merdekcoppergold.com/wp-content/uploads/2023/02/Pani-February-2023-Mineral-Resource-Estimate.pdf>.

⁷ The MRE is reported in accordance with the 2017 Kode KCM I for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, and the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

⁸ Full details of all the drilling results announced in April 2023 can be obtained at the following location:

<https://merdekcoppergold.com/wp-content/uploads/2023/04/Pani-Gold-Project-April-2023-Drill-Results.pdf>

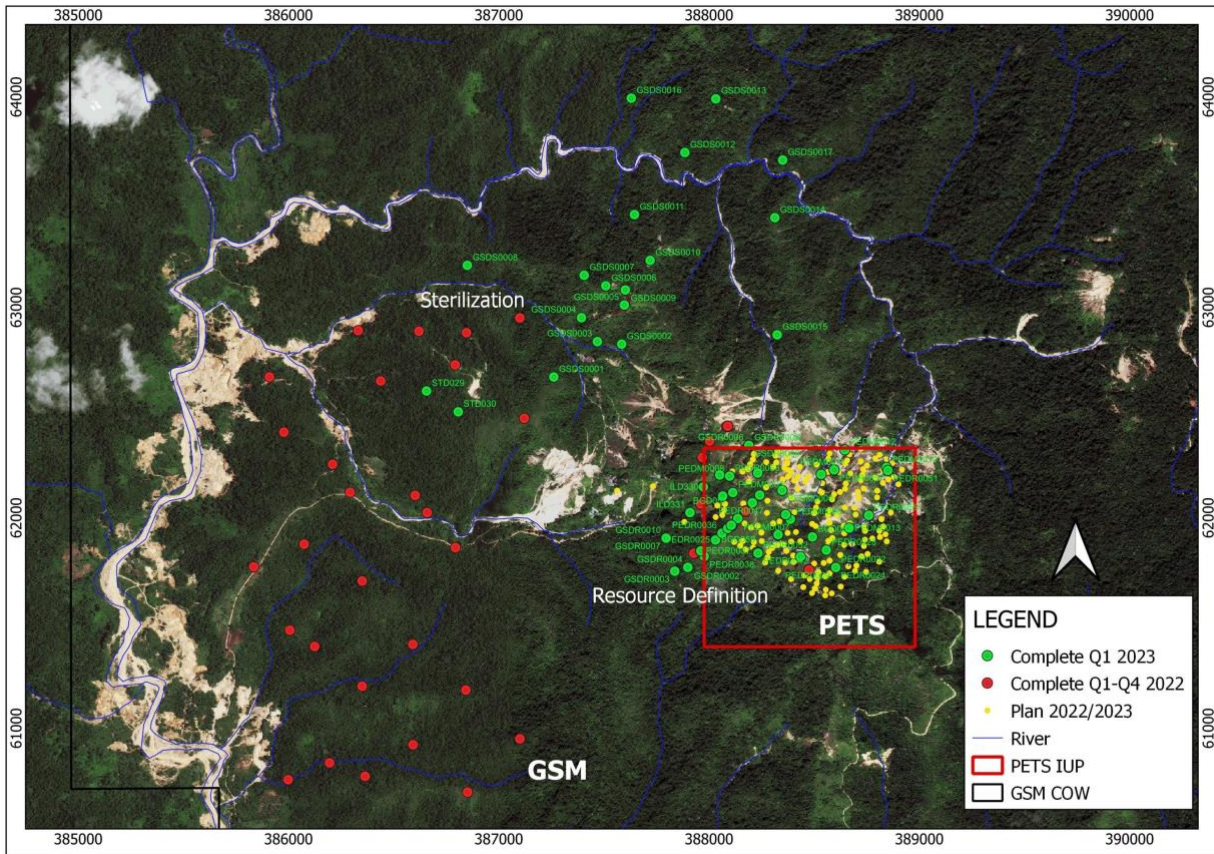


Figure 10: Plan view showing location of drill holes completed in Q1 2023 at Pani

Note: Multiple holes drilled from one collar location

Project Development: The feasibility study program for Pani is advancing and remains focused on optimising the project capital, mining schedule and maximising throughput and recovery opportunities from the early mining years, using conventional processing methods.

The gravity / carbon-in-leach metallurgical test work program continues to return high gold recoveries across all ore zones of the deposit. Siting studies have identified two potential tailings storage facility locations, with both now the subject of geotechnical drilling, feasibility planning and early stage permitting considerations.

An additional metallurgical test work program has commenced on a potential oxidised ore zone of the PETS deposit, to determine its amenability to gravity / heap leach processing, as a possible low-capex starter project option.

Geotechnical investigations were completed across the proposed processing and infrastructures areas of the project, with no flaws identified.

Processing, mining, and tailings consultants have been appointed, with the feasibility study on schedule for completion in late Q3 2023.

Pre-development construction activities continued across site, with the development of an independent access road, establishment of accommodation, facilities and supporting infrastructure all ahead of schedule, ensuring the construction ramp up from Q3 2023.



Figure 11: Pioneer Camp Establishment



Figure 12: Bypass Road

4) 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 25,830 ounces at an AISC of \$1,263/oz net of silver credits.

Heap Leach Construction: There are three projects ongoing related to heap leach pad (“HLP”) construction: Pad A-B Stage 4 (Actual: 33.68% vs Plan: 26.03%), Pad C Stage 1 (Actual: 99.93% vs Plan: 100%), and Pad C Stage 2 (Actual: 11.20% vs Plan: 6.20%).

Mining: Ore mined during the quarter was 2,073,369 tonnes with waste mined of 1,119,921 tonnes. Mining operations achieved total material movement of 3,339,673 tonnes including rehandling ore stockpiles during the quarter.

Processing: During the quarter the ore preparation plant (“OPP”) was operated in line with expectation with throughput of 2,029,490 tonnes of crushed and agglomerated ore, at a grade of 0.66 g/t Au (containing 43,067 ounces of gold), hauled and stacked onto the HLP for the quarter. The HLP continued to perform as per design achieving gold recoveries of 79.6%. The adsorption, desorption and recovery (“ADR”) plant is operating at full throughput design rates.

Environmental, Safety and Social Performance: At the end of the quarter, TB Gold Mine operations achieved 17,691,638 hours without Lost Time Injury (“LTI”), whilst the mine’s total year-to-date recordable injury frequency rate per million hours worked was 0.46 at the end of March 2023, with one recordable injury (Medical Treatment Injury) during the quarter.

TB Gold Mine currently employs 3,144 people (employees and contractors) comprising 3,124 Indonesian natives and 20 expats. Approximately 70% of the workforce are residents of Banyuwangi and 45% are from the sub-district of Pesanggaran.

A total of 4,018 environmental samples were collected during the quarter, encompassing statutory based sampling requirements as well as company driven internal monitoring. In addition, 200 trees (0.4 Ha) of local species were planted; and 1.15 ha of cover crops were planted during the quarter.

Operational Cost Summary: Total cash cost and AISC for the quarter was \$786/oz and \$1,262/oz, respectively.

Operating Outlook: Guidance for 2023 is expected to be in the range of 120,000 – 140,000 ounces of gold at AISC of \$1,100 – \$1,300/oz net of silver credits.

Exploration: Recent drilling and updated geological interpretation of controls on the gold and silver high sulphidation epithermal mineralisation, has identified multiple targets in close proximity to the current operations. During the quarter, Merdeka continued an aggressive drilling program testing these targets aimed to support potential mine life extensions.

Four diamond drill rigs and one RC rig drilled 12 diamond holes for 3,122 metres, and 37 RC holes for 8,069 metres during the quarter.

A total of 30,000 metres of RC and diamond drilling is planned to continue testing along strike and adjacent to current resources during 2023.

Initial surface exploration commenced on the Salakan and Lompongan regional prospects during the quarter. 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.



Figure 13: RC drilling into the Pit A highwall and along strike of Pit A



Figure 14: Diamond drilling along strike of Pit A

5) Wetar Copper Mine

Summary: Copper produced during quarter was 4,053 tonnes at an AISC of \$4.84/lb. This production level was in accordance with planned production for the quarter.

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: 4.5 million tonnes of material was mined during the quarter comprising 0.2 million tonnes of ore and 4.3 million tonnes of waste. Contained copper in ore mined totalled 5,380 tonnes at a grade of 2.28% Cu. Compared to the reserve model ore tonnes mined was negative on total tonnes -23% and positive on the grade of ore mined 80%.

Processing: Copper produced was 4,053 tonnes in accordance with expectations for the quarter. 0.2 million tonnes of ore were crushed and stacked onto the heap leach pad at a grade of 2.33% Cu.

Environmental, Safety and Social Performance: Wetar achieved 0 LTI during the quarter and achieved a record of 4.10 million Manhours Free without an LTI, whilst the mine's year-to-date Total Recordable Injury Frequency Rate (TRIFR) per million hours was 0.58 with one recordable injury during the quarter.

During the quarter, Wetar successfully carried out revegetation activities covering an area of 2.4 Ha. A total of 8,392 seedlings were planted. Slope erosion control was applied by installing jute net covering an area of 5.5 Ha. The total seeds production in the nursery was 28,188 seedlings. Watershed rehabilitations were conducted since early September 2022 with a target area of 154.5 Ha as compensation for 134 Ha PPKH Permit. The achievement represents 100% of the target.

During the quarter, water monitoring was carried out in accordance with AMDAL. The average monthly rainfall during the quarter was 380.66 mm with the highest daily rainfall of 136 mm recorded at the Lerokis Pit. During the quarter, 195.8 tons of hazardous waste was generated, and 258.7 tons were managed to third parties. Domestic waste management has been implemented since mid-February 2022 with 3R (Reduce, Reuse, Recycle) programs. Domestic waste was segregated based on organic and inorganic characteristics. In Q1 2023, a total of 1.6 tons of cardboard have been segregated from the 72.0 tons of waste generated.

Historical Waste Dump Geotechnical Event: The remediation was substantially complete by the end of the quarter, with only minor works remaining in April 2023.

Operational Cost Summary: Total cash cost and ASIC for the quarter was \$3.88/lb and \$4.84/lb of copper produced, respectively. Planned lower production and higher sustaining capital expenditure contributed to higher AISC.

Operating Outlook: Guidance for 2023 is in the range of 16,000 to 20,000 tonnes of copper at an AISC of \$3.70/lb to \$4.70/lb.

Wetar Barge Jetty: Detailed design of the Wetar Barge Jetty ("WBJ") is complete with procurement 82.7% complete. All offshore works encountered issues with pile socketing, delaying progress for pile concrete and all superstructures and conveyors above, plus a loss of nine weeks offshore works due to high seas. However recently there have been good gains with multiple drills mobilised to site. Conveyor installation continues to progress well with completion anticipated in August 2023.



Figure 15: Wetar Barge Jetty

Exploration: Activities during the quarter focused on reverse circulation (“RC”) drilling and diamond drilling (“DD”) at Partolang and surrounding areas, and regional Ground Electromagnetic (EM) data acquisition.

During Q1 2023, fifty-three drill holes were completed with RC and DD for 8,527.4 metres in the Partolang area, consisting of 43 RC holes for 6,760 metres, eight DD resource definition holes for 1,418.4 metres and two DD metallurgical holes for 349 metres.

Results from drilling at Partolang continue to be encouraging, with the end December 2022 mineral resource estimate showing an increase in tonnes of copper, at a lower cut-off grade, after mining depletion (Table 3).

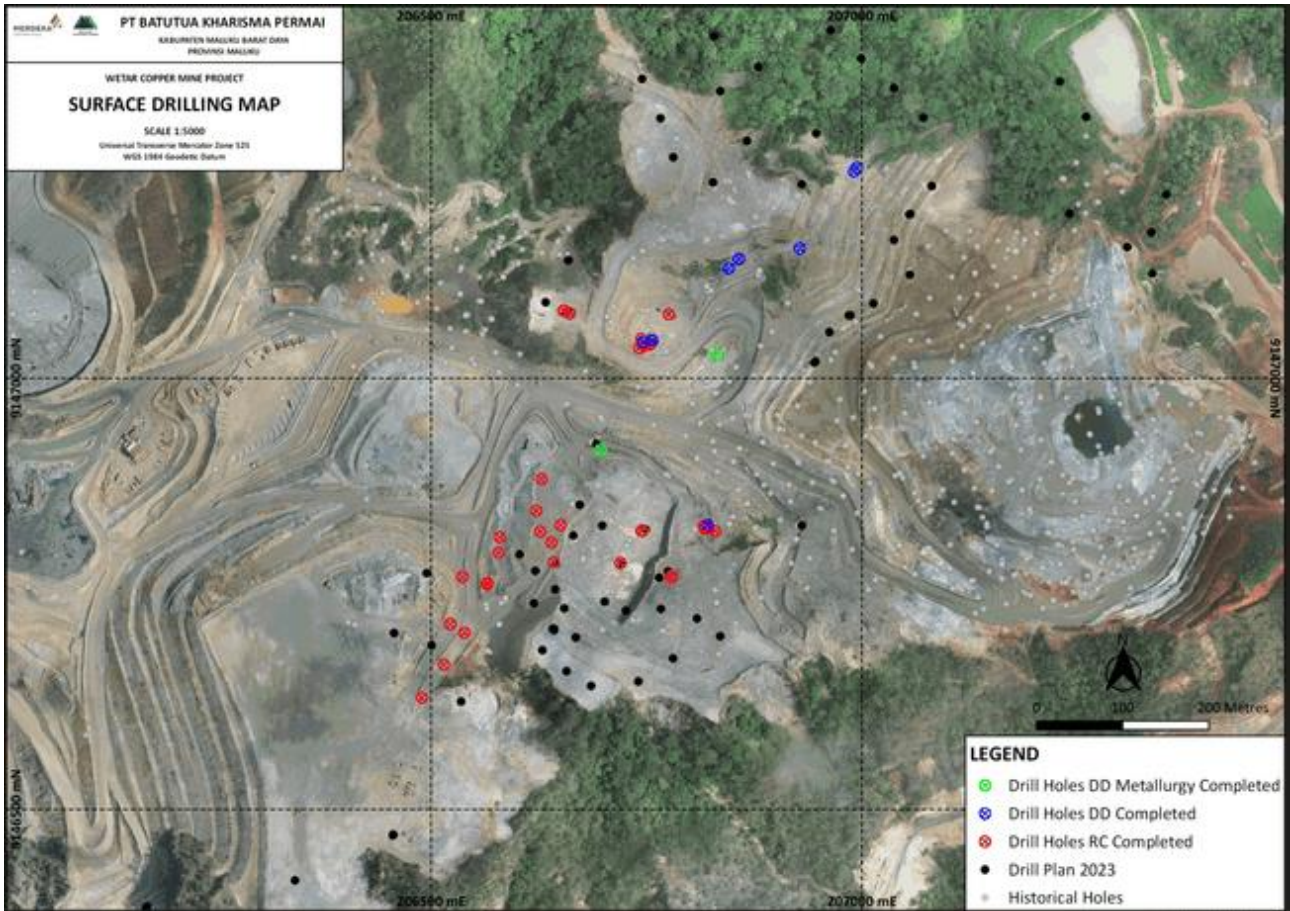


Figure 16: Location of Drill Holes completed in Partolang in Q1 2023

Table 3: Partolang Mineral Resource estimate, SBX (non AIM blocks), MPY, and PBX2 zones. Cu>0.25%. Reported as at December 31, 2022

Classification	Tonnes (Mt)	Cu (%)	Cu (T)	Fe (%)	S (%)
Measured	3.01	1.2	35,200	31.4	39.0
Indicated	4.31	1.5	64,400	27.3	35.1
Inferred	1.59	1.4	22,500	21.9	29.7
Total	8.91	1.4	122,000	27.7	35.5

AIM Project Resources

The Partolang end of year Mineral Resource for the AIM Project, provides estimates for Fe, Total Sulphur, Sulphide Sulphur as well as Cu, Au, Ag, Zn, Pb, As, Sb, Ba and Al with a cut-off grade of 14%Fe (Table 3). The AIM Mineral Resource is reported from the SBX, CLP, CLY, INV and QPD geological domains, which are located in the footwall zone of the deposit, as well as from the MPY and PBX2 domains above the footwall where blocks have interpolated grades of <0.25% Cu and Fe >14%.

Table 4: Partolang AIM Mineral Resource estimate, reported by Fe>14%, within the SBX, CLP, CLY, QPD and INV domains; and MPY and PBX2 domains where Cu<0.25% and Fe>14%. Reported as at December 31, 2022

Classification	Tonnes (Mt)	Fe (%)	Sulphide S (%)	S (%)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
Measured	0.37	33.5	36.4	43.0	0.2	<0.1	0.1	0.2	4
Indicated	6.17	21.6	21.7	24.8	0.2	0.1	0.1	0.1	4
Inferred	5.69	19.5	-	-	0.1	<0.1	0.1	0.1	3
Total	12.23	20.9	-	-	0.1	<0.1	0.1	0.1	4

Note: Due to the effects of rounding, the total may not represent the sum of all components. Analysis of sulphur and sulphide sulphur in Inferred Resource category contain historical data of poor quality and therefore were not reported. Re-assays will be performed for future estimates.

The Lerokis end of year Mineral Resource consists of a Mineral Resource for the AIM project with a cut-off grade of 14% Fe (Table 4). It estimates Fe, Total Sulphur, Sulphide Sulphur (SCIS), Cu, Au, Ag, Zn, Pb, As, Sb and Ba. The AIM Mineral Resource is reported from the SBX, CLP, and QPD geological domains, which are all located in the footwall zone of the deposit, and from the MPY, PBX2 and BKO geological domains above the footwall.

Table 5: Lerokis AIM Mineral Resource estimate, reported by FE>14%, within the MPY, PBX2, BKO, SBX, CLP, and QPD domains, reported below October 2022 mining surface.

Classification	Tonnes (Mt)	Fe (%)	Sulphide S (%)	S (%)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
Measured	0.95	32.5	38.1	41.0	2.1	0.2	1.2	0.6	26
Indicated	0.56	25.8	30.9	32.3	1.2	0.1	0.6	0.3	14
Inferred	0.70	21.8	-	-	0.2	0.1	0.1	0.1	9
Total	2.21	27.4	-	-	1.3	0.1	0.7	0.4	18

Note: Due to the effects of rounding, the total may not represent the sum of all components. Analysis of sulphur and sulphide sulphur in Inferred Resource category contain historical data of poor quality and therefore were not reported. Re-assays will be performed for future estimates.

Sustainability & Environment, Social and Governance Planning

Sustainalytics ESG Risk Rating Upgrade

Merdeka's Environmental, Social, and Governance ("ESG") risk rating was upgraded by Morningstar Sustainalytics in January 2023. Merdeka's ESG risk rating of 32.1 significantly improves its global ranking to 46th from 96th, placing Merdeka in the top quartile among the rated companies in the diversified metals industry. The rating upgrade also places Merdeka in the 18th percentile of 169 companies in the diversified metals mining subindustry.

Merdeka is now leading the Morningstar Sustainalytics ESG risk rating for companies in the diversified metals industry in Indonesia.

Sustainability Strategy

The sustainability strategy of Merdeka was formulated in February 2023, guided by Merdeka's vision, mission, and values, and to realise its commitment to sustainability as expressed in its Sustainability Policy.

The strategy consists of Six Sustainability Pillars, namely Preserving the Environment, Ensuring "Everyone Safe, Always", Empowering Our People, Caring for Communities, Respecting Human Rights, and Adopting Good Corporate Governance. These pillars aim to assist Merdeka in contributing to the achievement of Sustainable Development Goals ("SDG") that are related to the material impacts of its operations.

Environmental

Greencorp, an independent 3rd party consultant compiled and coordinated the GHG reduction roadmap in line with Merdeka's commitment to reduce 29% GHG emission intensity by 2030 and net zero emission by 2050. The roadmap consists of, among others, the baseline years for the reduction calculation and detailed GHG emission reduction strategies to achieve our proposed reduction targets. The GHG emission reduction strategy formulation also established a 2030 stretch target of 50% GHG emission intensity reduction for copper and gold operations.

As part of its strategies to achieve net zero emission by 2050, Merdeka's subsidiary PT Bumi Suksesindo ("BSI"), signed a Renewable Energy Certificate ("REC") Sale and Purchase Agreement with Indonesia State Electricity Company ("PLN") on 1 November 2022. With the REC purchase, BSI will use 100% green electricity until 2026 for the TB Gold Mine sourced from PLN's geothermal power plant in Kamojang, West Java. In addition, Merdeka entered into an MoU agreement with PLN for the provision of renewable energy for its future operations at Pani.

In addition, S&P Global, a leading independent consultant, completed the Task Force on Climate related Financial Disclosures ("TCFD") Climate Risk Assessment for Merdeka operations covering climate related transitional risks analysis and physical risk analysis. The TCFD Climate Assessment report also included areas covering carbon policy risk, market risk, reputation risk, and physical risks related to Merdeka's business.

Social and Governance

Health and Safety

At the end of the quarter, Merdeka's year to date safety performance as measured by the Total Recordable Injury Frequency Rate (TRIFR) was 0.97, against the 2022 End of Year (EOY) result of 0.97. There was one Lost Time Injury (LTI) during this first quarter, resulting in a 2023 year-to-date LTI Frequency Rate of 0.10 against 2022 EOY of 0.11. Key Health and Safety activities during the quarter included; the completion of annual Medical Check-ups for staff across the Company, the quarterly Occupational Health and Safety (OHS) Committee meeting involving previous year's safety performance review, and the confirmation of the 2023 OHS annual plan.

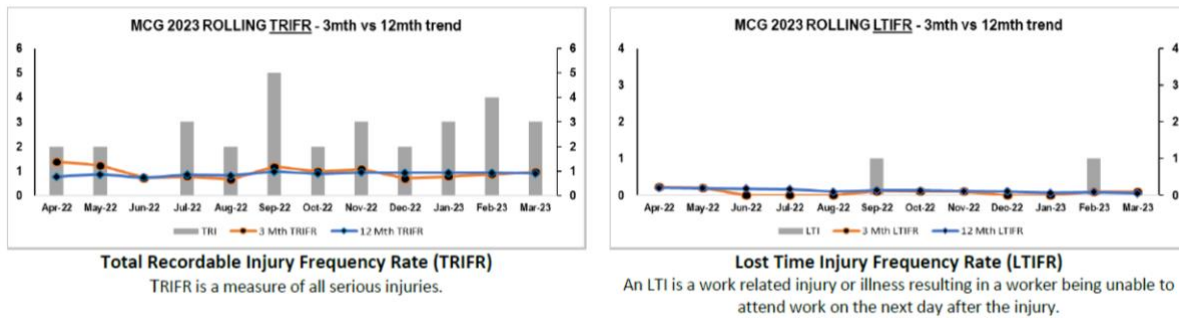


Figure 17: Incident Rolling Frequency Rates (incident per million man-hours worked)

Human Rights

As a follow-up to Merdeka’s membership with the UN Global Compact, Merdeka joined the UN Global Compact Business & Human Rights Accelerator in February 2023. The Business & Human Rights Accelerator is a 6-month program that activates companies participating in the UN Global Compact across industries and regions, helping them move from commitment to action on human rights and labour rights by establishing an ongoing human rights due diligence process. Two employees from Merdeka’s External Relations and Sustainability department represent the company in the Business & Human Rights Accelerator program.

MBMA’s subsidiaries, SCM (Konawe Mine site), PT BSI and PT CSI (RKEF smelters) have conducted several assessments/studies to comply with the international standards that refer to International Finance Corporation (IFC), such as the Human Right Risk Impact Assessment (HRRIA).

IGCN’s Coaching Clinic

Merdeka Copper Gold was one of the speakers at the “SDG 16 Business Framework: Inspiring Transformational Governance” organized by the Indonesia Global Compact Network (IGCN), an institution that promotes policies and implements corporate sustainability and supports broad goals of the United Nations, especially the Sustainable Development Goals (SDG).

This event was held by IGCN to increase understanding of SDG 16 – Peace, Justice, and Strong Institutions, a business framework developed by the UN Global Compact to help companies become more accountable, ethical, inclusive, and transparent as drivers of responsible business behaviour, through a number of coaching clinics. One of them is “Coaching Clinic 2: Creating a Safe, Fair, and Decent Work Environment: Sustainability Reporting and Impact Assessment for Human Rights” on 28 March 2023.

The coaching clinic was attended by more than 300 participants from companies and organizations which, like Merdeka, are members of the UN Global Compact. Merdeka’s participation in this coaching clinic demonstrates a strong commitment to respecting human rights and adhering to the Ten Principles of the UN Global Compact.

Discussion on International Women’s Day: The Role of Women in the Mining Industry

Merdeka held a discussion on the role of women in the mining industry on March 16, 2023, in celebration of International Women’s Day. The discussion was organised in collaboration with Women in Mining & Energy (WiME), a women’s advocacy organisation in the Indonesian mining and energy sector.

The discussion covered several issues, including the barriers to women’s career advancement and how gender equality could positively contribute to sustainable development. Furthermore, the speakers representing Merdeka elaborated on the policies and facilities that Merdeka has implemented to support women, including efforts to increase the number of women in leadership positions and a whistleblowing system to report harassment and violence.

MBMA has instituted a Female Forum in support of its commitment to Diversity Equality & Inclusion, a program that supports equality for female employees. This is also in line with the company’s support for the SDG - Gender Equality.

Appendix 1: Finance and Corporate

Cash and Cash Equivalents: Cash and cash equivalents, net of restricted cash, at 31 March 2023 was \$381 million. In addition to this, Merdeka has \$165 million in undrawn debt facilities. Subsequent to the completion of the MBMA IPO, the Merdeka cash and cash equivalents position, net of restricted cash, was \$712 million, as at 30 April 2023.

Debt:

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

As of 31 March 2022, the balance of Secured Bullion Forward Hedge and Financing Transaction ("BSI Prepayment Facilities") was \$10 million with a total of 5,304 oz gold hedged with scheduled monthly settlements from April to June 2023, at an average price of \$1,834/oz including interest charges. The facility has an effective interest rate of ~4.73% per annum.

BSI Revolving Credit Facility ("RCF")

The BSI RCF has an applicable margin of 3.0% per annum plus SOFR with applicable Credit Adjustment Spread with a final repayment date on 4 October 2023. This RCF for \$60 million was undrawn at the end of the quarter.

Merdeka IDR Bonds

On March 2023, the Company continued to raise second tranche of Continuation Bonds IV for a total amount of Rp2.5 trillion (equivalent to approximately \$164 million) with coupon rate 6.5% per annum for a one-year tenor.

The outstanding balance of IDR Bonds at 31 March 2023 was \$1,010 million.

Merdeka Revolving Credit Facility ("RCF")

The Merdeka RCF has an applicable interest rate of 3.85% per annum plus SOFR with a final maturity on 31 May 2023. Merdeka has \$100 million of undrawn Merdeka RCF at the end of the quarter.

MBMA Senior Loan

MBMA entered into a \$300 million loan with ING and Barclays on 19 May 2022 ("MBMA Senior Loan"). The loan has an applicable interest rate of 4.25% per annum plus SOFR with final maturity date on 30 September 2026. As of 31 March 2023, the remaining balance of the bank loan was \$75 million.

On 18 April 2023, MBMA has fully repaid its outstanding bank loan of \$75 million to ING, including the accrued interest.

MTI Facility Agreement

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

MTI Term Loan has a final maturity date of 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 has an applicable margin of 3.50% per annum plus JIBOR with a final maturity in August 2026.

As of 31 March 2023, MTI has drawn \$260 million of MTI Term Loan and IDR369 billion (equivalent to \$24 million) of MTI VAT Facility.

Finance Lease

The outstanding finance lease balance as at 31 March 2023 was \$45 million.

Sales and Hedging: During the quarter, at TB Gold Mine, a total of 19,996 ounces of gold and 116,386 ounces of silver were sold at an average price of \$1,887/oz and \$22/oz, respectively, for total revenue of \$40 million. Furthermore, 20,304 oz of gold hedging with a strike price of \$1,841/oz was closed out at an average price of \$1,905/oz resulting in a net loss on hedging for the quarter of \$1.3 million.

At Wetar, 3,603 tonnes of copper were sold at an average price of \$8,799/tonnes for total revenue of \$32 million.

At MBMA, a total of 8,170 tonnes of NPI (CSID and BSID) were sold at an average price of \$17,470/tonne for total revenue of \$143 million.

Mark to market position for gold hedge increased from a liability position of \$0.1 million at 31 December 2022 to \$3.7 million at 31 March 2023.

Table 6: Gold, Silver, Copper and Nickel Sales for Q1 2023

	Ounces	\$/oz	\$m
Gold	19,996	1,887	38
Silver	116,386	22	2
	Tonnes	\$/tonnes	\$m
Copper	3,603	8,799	32
	Tonnes	\$/tonnes	\$m
Nickel Pig Iron	8,170	17,470	143
Total			215

Table 7: Details of Gold and Copper Hedge Profile as at end of Q1 2023

Period	Gold Hedged		Copper Hedged	
	oz Au	\$/oz	t Cu	\$/t
2023 (April to June)	5,304	1,834	-	-

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

Table 8: Major Shareholders as at 31 March 2023

Shareholders	No. of shares	%
PT Saratoga Investama Sedaya Tbk	4,423,174,297	18.3
PT Mitra Daya Mustika	2,907,302,421	12.1
Garibaldi Thohir	1,774,021,214	7.4
PT Suwarna Arta Mandiri	1,347,254,738	5.6
Hongkong Brunn & Catl Co., Limited	1,205,542,539	5.0
Total Major Shareholders	11,657,295,209	48.3
Treasury Stock	66,194,700	0.3
Others	12,387,360,862	51.4
Total shares on issue as at 31 March 2023	24,110,850,771	100.0

MBMA Corporate Update: On 18 April 2023, MBMA successfully completed its IPO on the Indonesia Stock Exchange, raising IDR9.2 trillion with the IPO priced at IDR795 per share. A total 11.6 billion new shares were issued representing approximately 10.7% of the total number of shares outstanding.

MBMA plans to use the IPO proceeds to finance the construction and development of existing and growth projects, including phase 1 of the proposed first HPAL plant, repayment of debt and for working capital purposes.

AIM Transfer from MDKA to MBM: In January 2023, restructuring ownership of PT Batutua Pelita Investama ("BPI") from MDKA to MBMA was completed and resulted in MBMA holding an 80% effective interest in PT Merdeka Tsingshan Indonesia ("MTI"). MTI is a joint venture company for the AIM Project which own by MBMA through BPI and the Tsingshan group.

For further information, please contact:

Investor Relations
Treasury Tower 67 – 68th Floor
District 8 SCBD Lot. 28
Jalan Jenderal Sudirman Kav. 52–53
Senayan, Kebayoran Baru
South Jakarta 12910, Indonesia

E: investor.relations@merdekacoppergold.com

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) PT Merdeka Battery Materials Tbk (IDX: MBMA) (“**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 8.1 million tonnes of copper and 27.4 million ounces of gold⁹.

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 cobalt¹⁰, operating RKEF smelters with a total nameplate capacity of 88,000 tonnes of nickel in NPI per annum¹¹, 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. MBM is also developing its first high pressure acid leach plant at the Indonesia Konawe Industrial Park, a future nickel and battery materials-focused industrial estate in Sulawesi, Indonesia. It is intended that the first phase of the HPAL plants will be a 120,000tpa operation (nickel equivalent) split into two 60,000tpa tranches.

The Pani Gold Project is a significant growth project, containing approximately 6.4 million ounces of gold¹² 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.

⁹ Refer to Annual Statements of Mineral Resources and Ore Reserves on www.merdekacoppergold.com

¹⁰ 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

¹¹ ZHN RKEF smelter is under construction with a nameplate capacity of 50,000 tonnes per annum

¹² Pani resources update (<https://merdekacoppergold.com/wp-content/uploads/2023/02/Pani-February-2023-Mineral-Resource-Estimate.pdf>)