

Exploration Report – Quarter 1 2023

Summary: PT Merdeka Copper Gold (Merdeka) continues exploration activities at four locations in Indonesia (Tujuh Bukit in East Java, Wetar Island in Southwest Maluku, Pani in Gorontalo, and Konawe in Southeast Sulawesi), as shown in Figure 1 below. In Tujuh Bukit the focus is on copper-gold resources and gold-silver resources, in Wetar the focus is on copper, and in Pani, it focuses on exploring a gold resource, then in Konawe, it focuses on exploring a nickel resource.

The total spending on exploration in Indonesia by Merdeka in Quarter 1 2023 is approximately Rp379.5 billion.



Figure 1: Merdeka Exploration Project Locations

Copper and Gold: Tujuh Bukit Project

- A. Expenditure:
The total expenditure for exploration-related activities for the Tujuh Bukit Project in Quarter 1 2023 is Rp198.6 billion consisting of decline maintenance, underground resource definition drilling, and associated test work.
- B. Area:
Tujuh Bukit copper and gold resource, Banyuwangi, East Java.
- C. Exploration Party:
All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Services.
- D. Assessment Method:
Drilling from underground and surface with associated test work.

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**E. Election of Assessment Area:**

The selected area for the current drilling program is an area of the Tujuh Bukit porphyry deposit that contains the largest zone of high-grade drilling results for copper and gold to date and is well positioned for drilling from the current decline location.

F. Results of Exploration:

Six underground rigs conducted Resource Definition drilling totalling 10,072 metres and one surface rig completed a total of 384.6 metres as shown in Table 1.

Two underground rigs were stood down at the end of January 2023.

G. Action Plan:

Diamond drilling will continue using six underground diamond drill rigs, and three surface diamond rigs will conduct geotechnical and hydrological drilling.

Table 1: Tujuh Bukit Copper Project Drilling Statistics Quarter 1 2023

Hole_ID	From	To	Interval	Comments
UHGZ-22-117	349.7	823.3	473.6	UG
UHGZ-22-123W	639.6	692.8	53.2	UG
UHGZ-22-124	572.5	711	138.5	UG
UHGZ-22-126	78.2	372.8	294.6	UG
UHGZ-22-127	307.5	965.1	657.6	UG
UHGZ-22-128	121	334	213	UG
UHGZ-22-129	503.6	958.4	454.8	UG
UHGZ-22-130	22.7	920.2	897.5	UG
UHGZ-23-128A	0	10	10	UG
UHGZ-23-128AA	0	796.4	796.4	UG
UHGZ-23-128AAW	441.6	541	99.4	UG
UHGZ-23-129W	911	972.9	61.9	UG
UHGZ-23-131	0	918.8	918.8	UG
UHGZ-23-132	0	677.4	677.4	UG
UHGZ-23-132W	590.6	804.9	214.3	UG
UHGZ-23-133	0	557.6	557.6	UG
UHGZ-23-134	0	806.3	806.3	UG
UHGZ-23-135	0	54.8	54.8	UG
UHGZ-23-135A	0	613.7	613.7	UG
UHGZ-23-136	0	659.5	659.5	UG
UHGZ-23-137	0	409.9	409.9	UG
UHGZ-23-138	0	444.5	444.5	UG
UHGZ-23-139	0	564.7	564.7	UG
GTD-22-725A	965.2	1314	348.6	Surface

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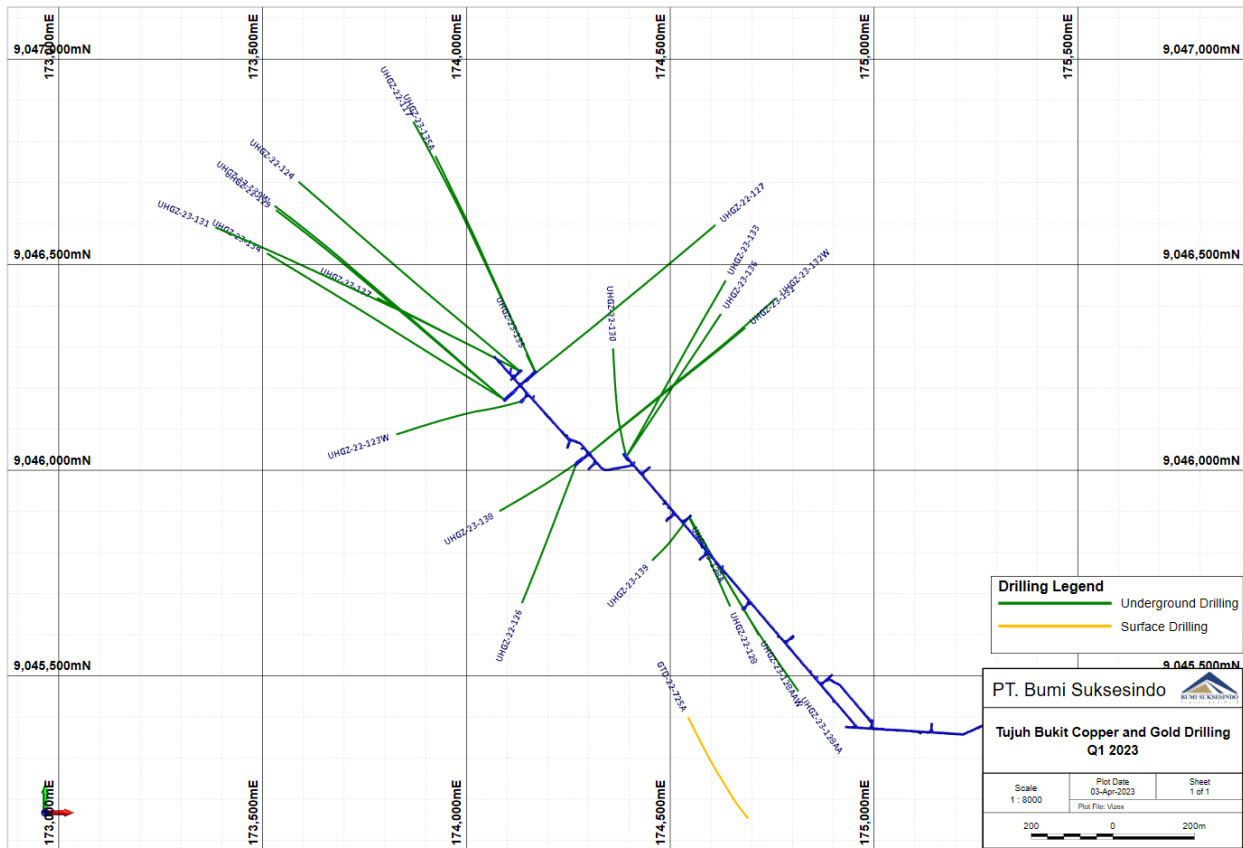


Figure 2: Tujuh Bukit – Underground and Surface Copper and Gold Drilling Drill Holes Quarter 1 2023

Gold and Silver: Tujuh Bukit Project

A. Expenditure:

The total expenditure for exploration related activities for the Tujuh Bukit gold and silver project in Quarter 1 2023 is Rp36.2 billion consisting of life of mine resource definition drilling and regional exploration work.

B. Area:

Tujuh Bukit gold and silver project, Banyuwangi, East Java.

C. Exploration Party:

All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Services.

D. Assessment Method:

Drilling from the surface, regional mapping, sampling and geophysical survey.

E. Election of Assessment Area:

The areas were selected for the life of mine drilling programs and for the regional work as they are near the current pits and with anomalous geochemical results.

F. Results of Exploration:

One Reverse Circulation (RC) rig and five diamond drill (DD) rigs conducted drilling with a total of 11,191.2 metres for both life of mine (LoM) and regional exploration drilling.

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Two DD rigs from LoM were stood down and another two DD rigs from LoM and regional exploration were allocated to other programs at the end of January 2023.

G. Action Plan:

LoM drilling will continue using one RC rig and two DD rigs.

Table 2: Tujuh Bukit surface drilling project statistics Quarter 1 2023

Hole_ID	From	To	Interval	Comments
GTD-22-733	201.6	201.6	0	Surface
GTD-22-737	305.7	305.7	0	Surface
GTD-22-739	0	158	158	Surface
GTD-22-741	0	260.7	260.7	Surface
GTD-23-740	0	271.6	271.6	Surface
GTD-23-742	0	297.2	297.2	Surface
GTD-23-743	0	250.2	250.2	Surface
GTD-23-744	0	367.6	367.6	Surface
GTD-23-745	0	229.1	229.1	Surface
GTD-23-745W	224.1	359.4	135.3	Surface
GTD-23-746	0	320.5	320.5	Surface
GTD-23-747	0	124.5	124.5	Surface
GTR-22-566	200	200	0	Surface
GTR-23-564	0	240	240	Surface
GTR-23-565	0	240	240	Surface
GTR-23-567	0	200	200	Surface
GTR-23-568	0	203	203	Surface
GTR-23-569	0	160	160	Surface
GTR-23-570	0	180	180	Surface
GTR-23-571	0	180	180	Surface
GTR-23-572	0	250	250	Surface
GTR-23-573	0	240	240	Surface
GTR-23-574	0	200	200	Surface
GTR-23-575	0	200	200	Surface
GTR-23-576	0	200	200	Surface
GTR-23-577	0	200	200	Surface
GTR-23-578	0	250	250	Surface
GTR-23-579	0	228	228	Surface
GTR-23-580	0	250	250	Surface
GTR-23-581	0	200	200	Surface
GTR-23-582	0	200	200	Surface
GTR-23-583	0	260	260	Surface

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GTR-23-584	0	270	270	Surface
GTR-23-585	0	220	220	Surface
GTR-23-586	0	220	220	Surface
GTR-23-587	0	325	325	Surface
GTR-23-588	0	250	250	Surface
GTR-23-589	0	145	145	Surface
GTR-23-590	0	220	220	Surface
GTR-23-591	0	200	200	Surface
GTR-23-592	0	200	200	Surface
GTR-23-593	0	200	200	Surface
GTR-23-594	0	204	204	Surface
GTR-23-595	0	250	250	Surface
GTR-23-596	0	150	150	Surface
GTR-23-598	0	354	354	Surface
GTR-23-603	0	250	250	Surface
GTR-23-604	0	30	30	Surface
GTR-23-605	0	250	250	Surface
GTR-23-607	0	250	250	Surface
CND-22-011	2	709.5	707.5	Surface

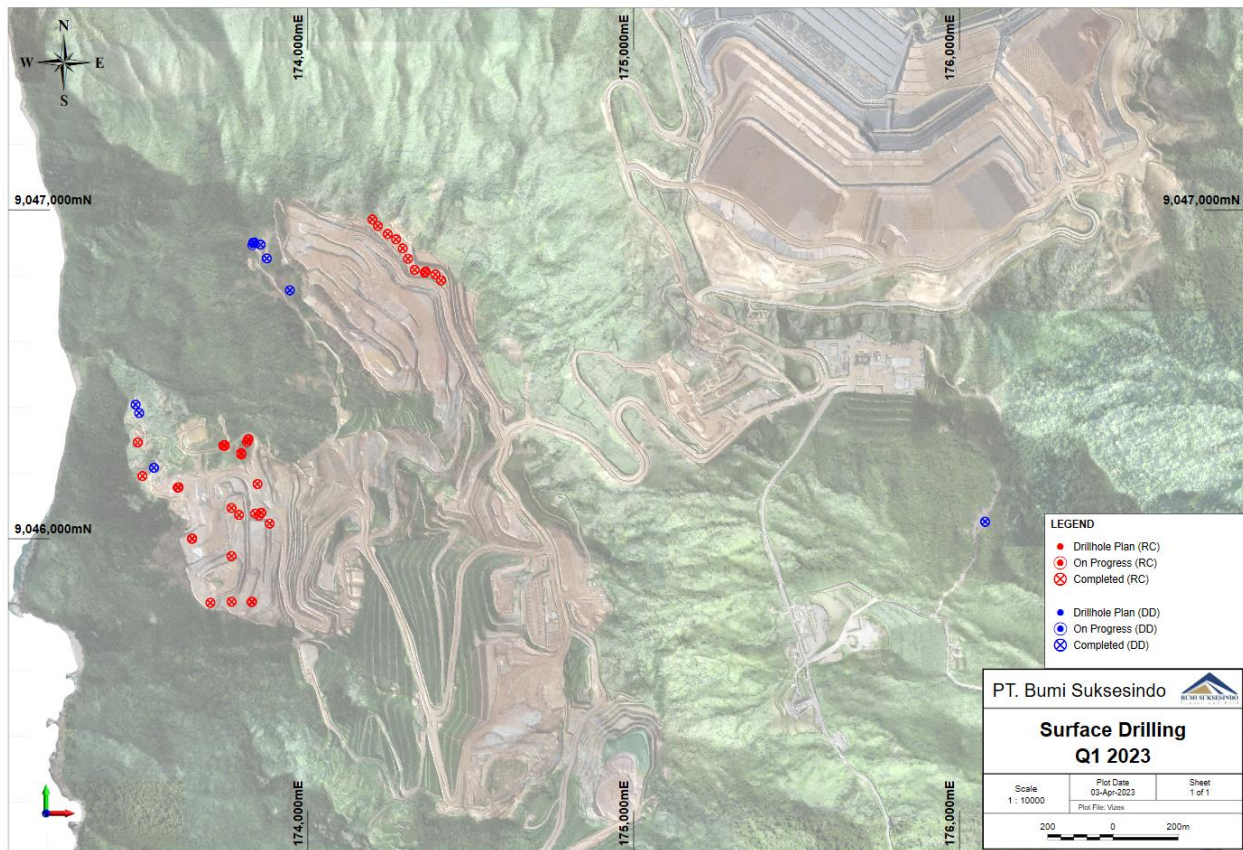


Figure 3: Tujuh Bukit Surface Drilling Map – Quarter 1 2023

Copper: Wetar Project

- A. Expenditure:
Total estimated exploration cost for the Wetar Project in Quarter 1 2023 is Rp30.2 billion.
- B. Area:
Wetar Project, Wetar Island, West Maluku.
- C. Exploration Party:
All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Services.
- D. Assessment Method:
Geological interpretation and geochemical results have been used to define drilling targets for the resource definition program in Partolang.
- E. Election of Assessment Area:
The exploration areas were selected from the previous significant drill intersections, ground and airborne electromagnetic (EM) geophysical surveys and historical mining activity which identified features with potential for VMS deposits.
- F. Results of Exploration:

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Four drill rigs were operated during January reducing to two rigs thereafter with fifty-three drill holes completed (including two metallurgical holes) for a total drilled depth of 8,527.4 metres in Partolang.

G. Action Plan:

Infill and extension resource drilling will continue in the Partolang area, including metallurgical drilling utilising one DD and one RC rig.

Table 3: Wetar Project Drilling Statistics Quarter 1 2023

Drill Type	Holes Completed	Metres Drilled (m)	HoleID	Details
DD Partolang	10	1,767.40	PTD120-PTD125, PTDR0126- PTDR0127, PTDM0128- PTDM0129	Extension drilling to define resources in Partolang. Two drill holes were drilled as metallurgical holes and 1 hole is still in progress
RC Partolang	43	6,760	PTR293-PTR310, PTRR0311- PTRR0335	Infill drilling and extension drilling in Partolang
Totals	53	8527.40		

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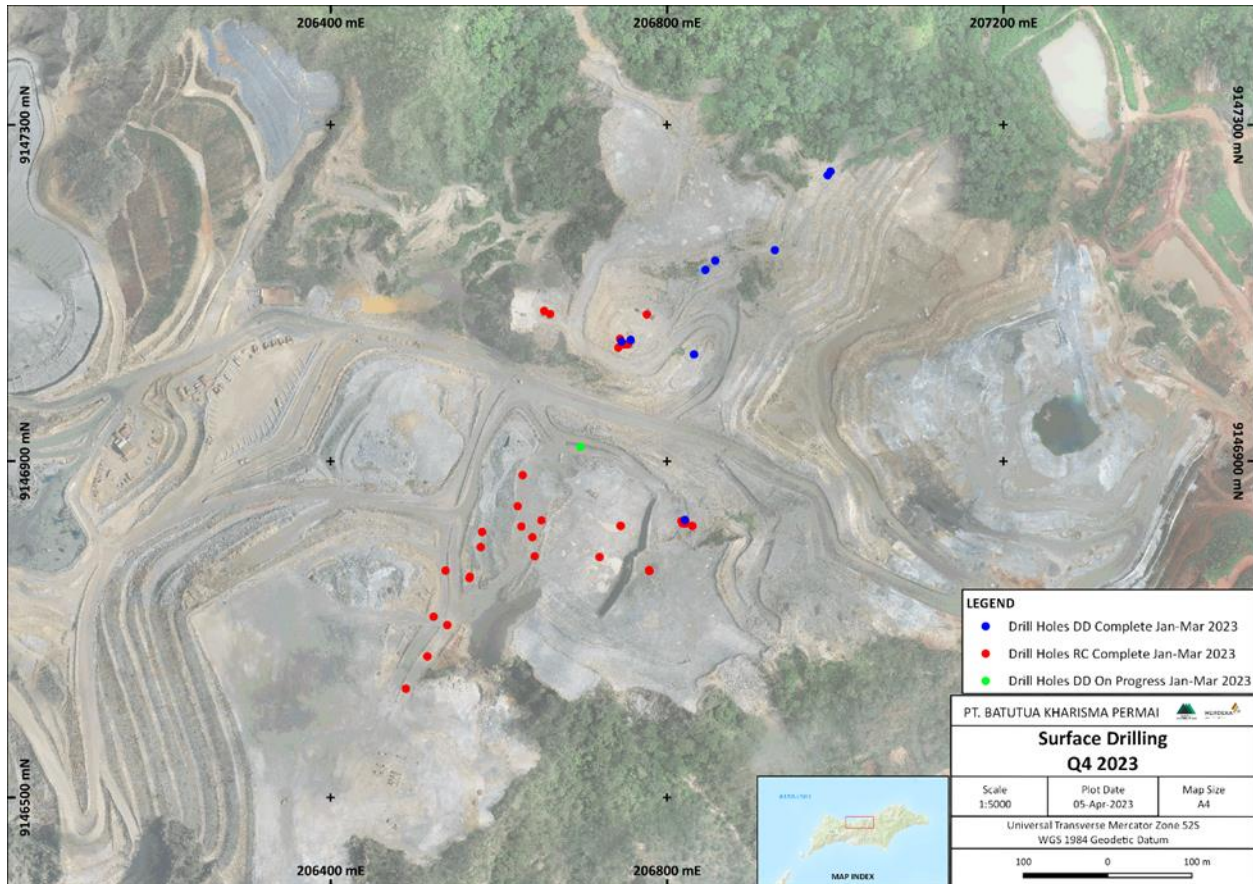


Figure 4: Drilling Status for DD & RC Holes in Partolang for Quarter 1 2023

Gold: Pani Project

- A. Expenditure:
Total estimated exploration costs for the Pani Project in Quarter 1 2023 is Rp100.4 billion.
- B. Area:
Pani Project, Gorontalo Province, Sulawesi.
- C. Exploration Party:
All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Services.
- D. Assessment Method:
Diamond drilling continued with thirteen drill rigs. Drill pad construction, water pipeline setup, core logging and sampling, relogging historical drill core, geological mapping and alteration mineral analysis by LIBS and XRF were conducted during the month.
- E. Election of Assessment Area:
The area selected for drilling was chosen as there is a gap between historical drilling within the IUP and that of the adjoining CoW also the inferred resource within the pit plan area.
- F. Results of Exploration:

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One hundred nine drill holes were completed for a total of 25,703 metres during Quarter 1 2023, for resource definition, metallurgy and sterilisation drilling programs. The progress of the current drilling program is shown in Figure 5.

G. Action Plan:

The DD program will continue using thirteen diamond drill rigs for resource definition and sterilisation drilling programs.

Table 4: Pani Project Drilling Statistics Quarter 1 2023

Drill Type	Holes Completed	Metres Drilled	Hole_ID	Details
DD Baganite	65	17,955.7	BGD052, BGD057, BGD059, BGD061-BGD063, PEDR0001-PEDR0059	Infill Drilling
DD Ilota-Nanasi	12	2,726.7	GSDR0001-GSDR0010, ILD330-ILD331	Infill Drilling
DD Metallurgy	13	2,243.3	PEDM0001-PEDM0013	Metallurgy Drilling
DD Sterilisation	19	2,777.3	GSDS0001-GSDS0017, STD029-STD030	Sterilisation Drilling
Totals	109	25,703		

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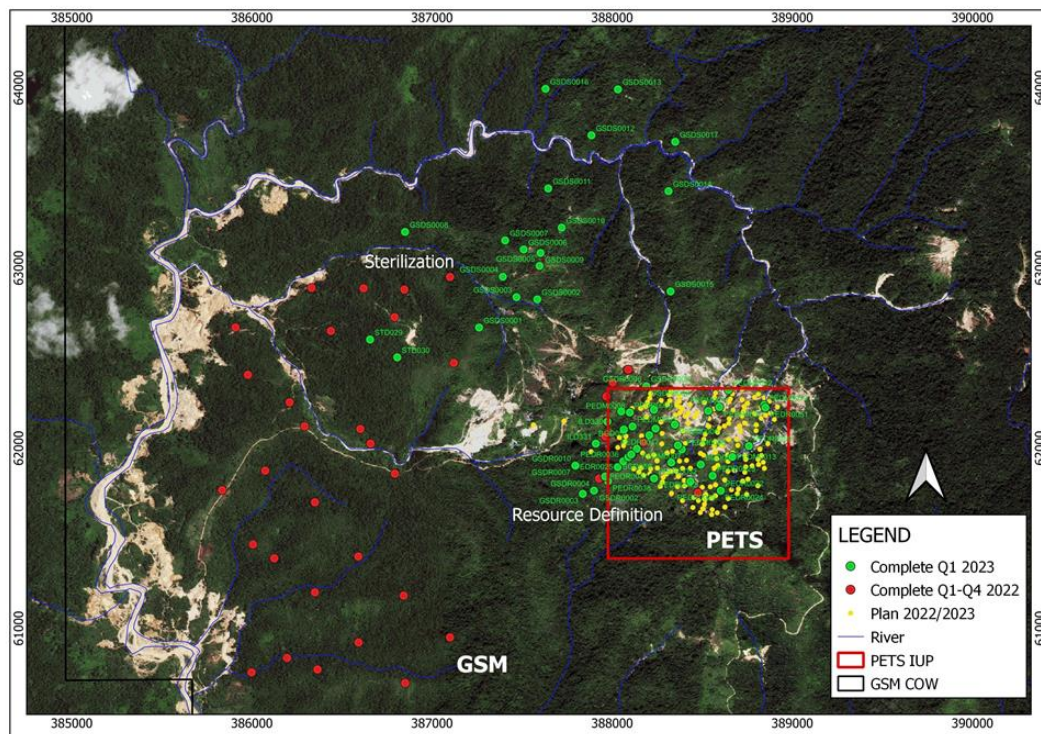


Figure 5. Pani Proposed and Completed Drill Holes Overlain on Topography

Nickel: Sulawesi Cahaya Mineral (SCM) Project

- A. Expenditure:
Total estimated exploration costs for the SCM Project in Quarter 1 2023 is Rp 14.1 billion.
- B. Area:
Sulawesi Cahaya Mineral Project, Konawe, Southeast Sulawesi Province.
- C. Exploration Party:
All work was completed by PT Sulawesi Cahaya Mineral.
- D. Assessment Method:
Diamond drilling with five to fifteen drill rigs. Drill pad construction, water pipeline setup, core logging and sampling, and ground penetration radar were conducted during Quarter 1 2023.
- E. Election of Assessment Area:
The area selected for drilling was chosen to be aligned with the long-term mining plan.
- F. Results of Exploration:
Sixty-five drill holes were completed for a total of 1,905.6 metres during Quarter 1 2023, for resource definition. The progress of the current drilling program is shown in Figure 6.
- G. Action Plan:
The diamond drilling program will continue using fifteen diamond drill rigs for exploration and infill drilling programs.

Drill Type	Prospect area	Holes Completed	Metres Drilled	Details
DD	DS	64	1.882,6	Infill drilling
DD	BR2&3	1	23	Infill drilling
Total		65	1.905,6	

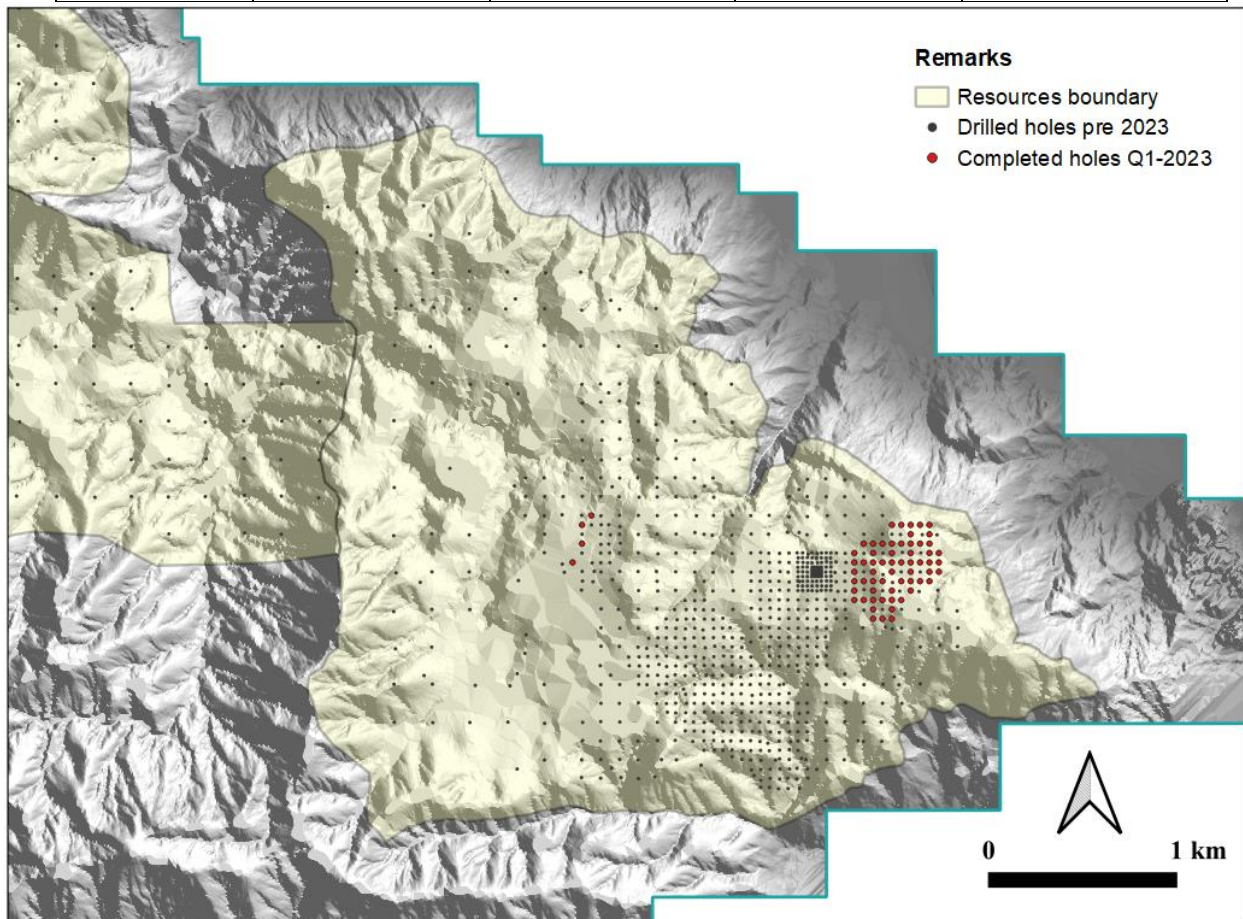


Figure 6. SCM Completed Drill Holes Overlain on Topography