



## 1H Results Presentation

29<sup>th</sup> September 2023





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# 1H 2023 Highlights



**Consolidated revenue and EBITDA of US\$520 million and US\$75 million**

**Group production of 64,277 ounces of gold, 7,181 tonnes of copper, 21,238 tonnes of nickel in NPI and 4,438 tonnes of nickel in nickel matte**

**Group sales of 49,540 ounces of gold, 7,876 tonnes of copper, 19,222 tonnes of nickel in NPI and 3,036 tonnes of nickel in nickel matte**

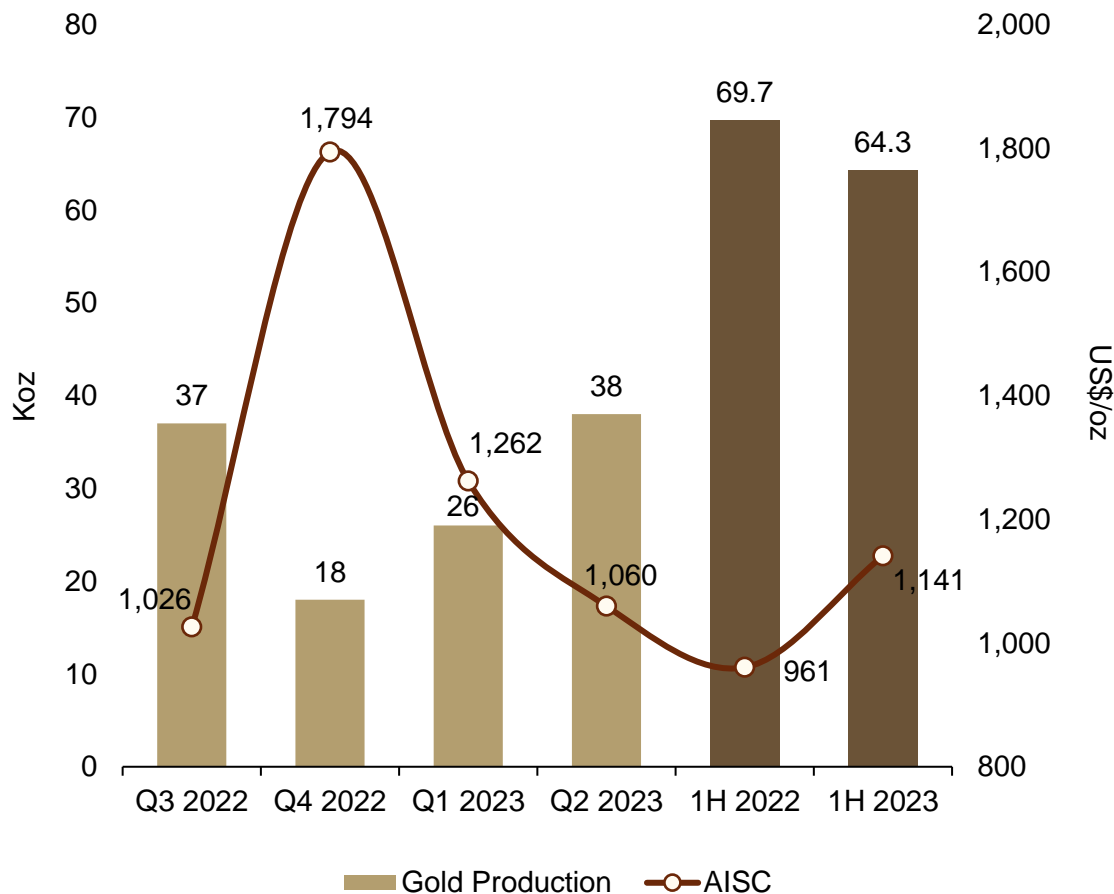
**Average selling price of US\$1,937/oz gold, US\$8,745/t copper, US\$15,543/t nickel in NPI and US\$17,196/t nickel in nickel matte**

**Pani gold project feasibility study is nearing completion with positive results to be announced in 4Q 2023. A low capex, heap leach starter operation can be expected to commence before the end of 2025**

**Other events since 1H include completion of the haul road linking the SCM mine to IMIP, commencement of nickel ore sales, HPAL JV with GEM and commissioning of the Wetar barge jetty delivering first pyrite ore**

# 1H 2023 Gold Highlights

## Gold Production and AISC

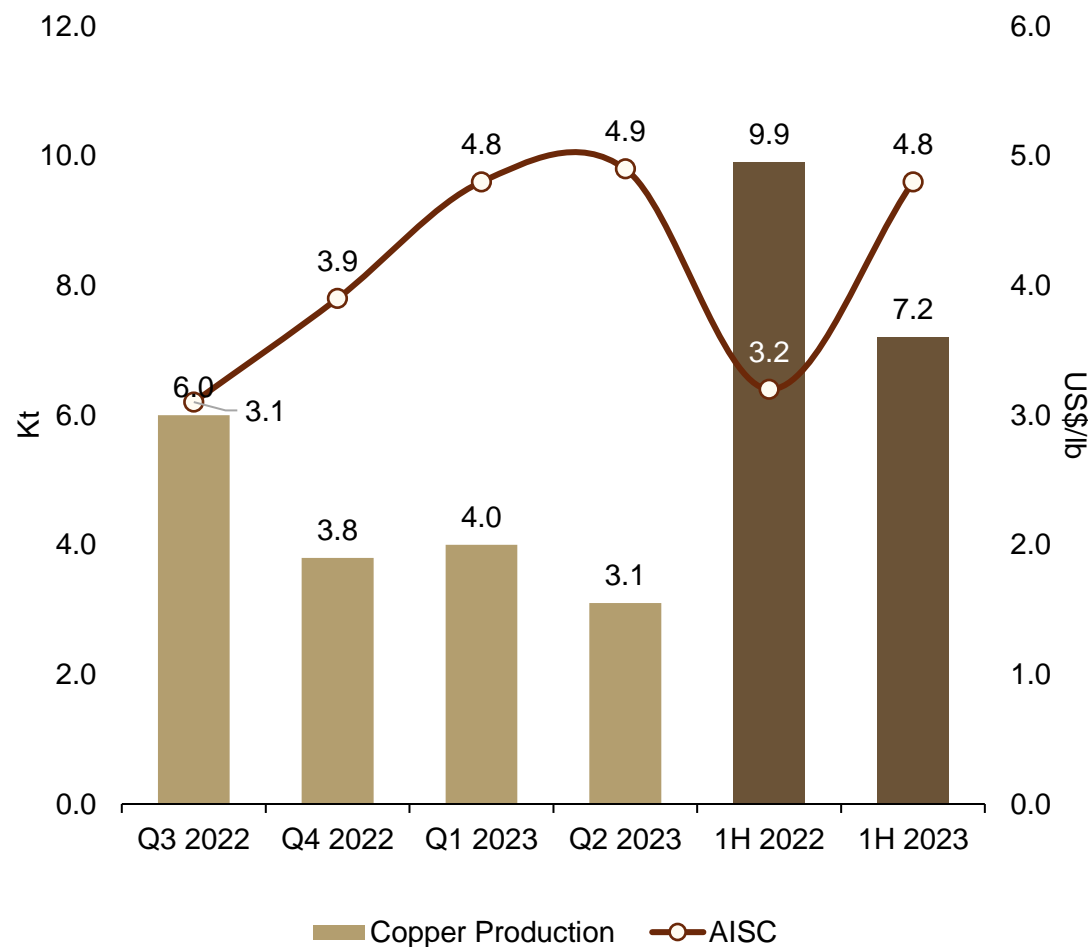


## Commentary

- Production for 1H 2023 was in line with the planned mining schedule
- Gold produced in 1H 2023 was 64,277 ounces at an AISC of \$1,141/oz
- MDKA is on track to achieve guidance of 120,000 – 140,000 ounces of gold at an AISC of US\$1,100 – 1,300/oz, net of silver credits
- In 1H 2023, MDKA achieved 37.5 million manhours without Lost Time Injury (“LTI”) and surpassed 20.0 million manhours without LTI in July 2023
- Average selling price of gold in 1H 2023 was US\$1,937/oz, compared to US\$1,870/oz in 1H 2022

# 1H 2023 Copper Highlights

## Copper Production and AISC

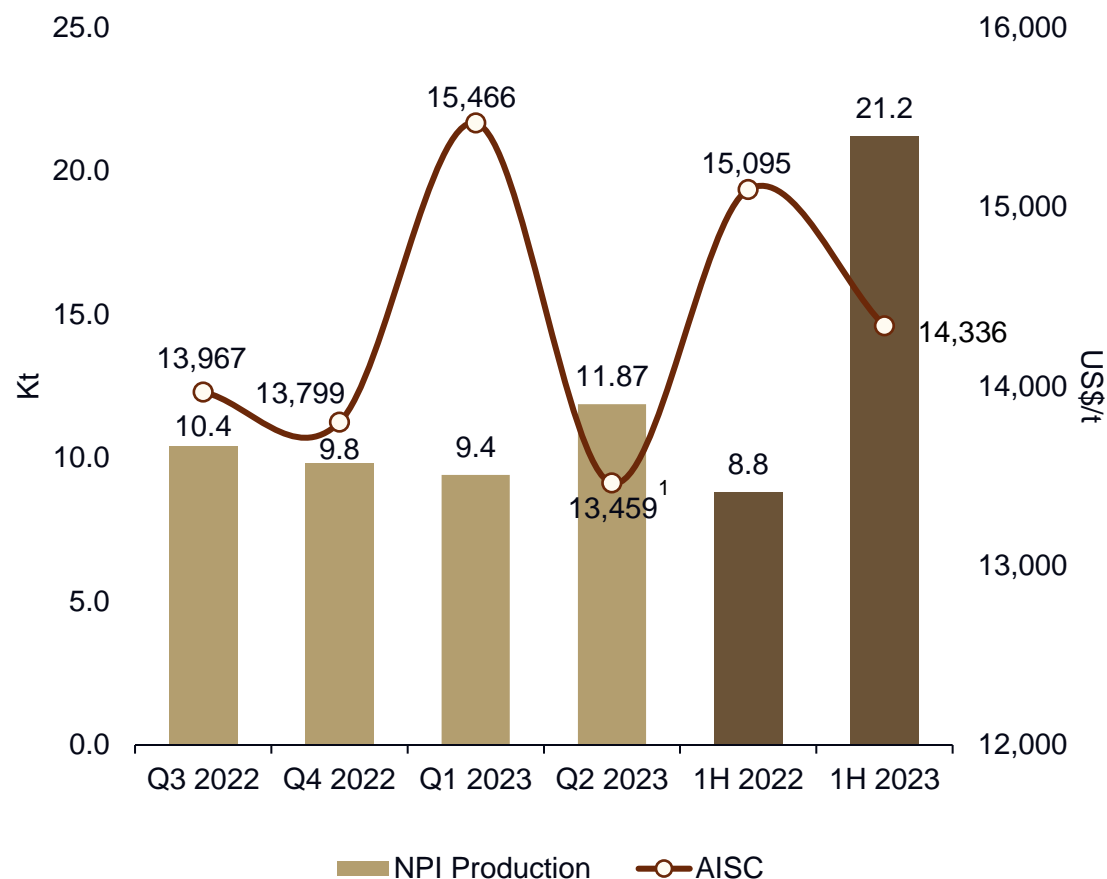


## Commentary

- Production in 1H 2023 was in line with the planned mining schedule
- Copper produced in 1H 2023 was 7,181 tonnes at an AISC of US\$10,714/t
- Copper production guidance revised to 14,000 – 16,000 at an AISC of US\$4.20 – 5.00/lb. The revision is a result of lower waste mining in 3Q 2023 which delays access to planned mining areas in 4Q 2023. Lower waste mining occurred as deliveries of explosives were restricted due to inability to adjust the quotas under the RKAB. Production will instead be deferred to 2024
- By the end of 1H 2023, MDKA achieved 9.9 million manhours without LTI
- Average selling price of copper in 1H 2023 was US\$8,745/t, compared to US\$9,797/t in 1H 2022
- Subsequent to 1H 2023, MDKA commissioned the Wetar barge jetty with maiden loading and shipment of pyrite ore for delivery to the AIM Project

# 1H 2023 NPI Highlights

## NPI Production and AISC



## Commentary

- Production in 1H 2023 was 21,238 tonnes of nickel in NPI
- A third RKEF smelter, PT Zhao Hui Nickel (“ZHN”) was successfully commissioned in June 2023, producing 2,145 tonnes of nickel in NPI. ZHN will more than double MBMA’s NPI production capacity from 38,000 to 88,000 tonnes per annum of nickel in NPI
- Production cost has decreased to US\$14,336/t in 1H 2023, primarily attributed to a lower commodity price and a reduction in electricity generation costs. However, production cost is expected to further decrease due to economies of scale from the larger, next generation ZHN RKEF smelter and lower input costs
- Guidance for 2023 is upgraded to include expected production of 21,000 – 25,000 tonnes of nickel in NPI from ZHN. BSID and CSID are expected to produce 18,000 – 20,000 tonnes of nickel in NPI at an AISC of US\$13,000 – 15,000/t
- Average selling price<sup>2</sup> for NPI for 1H 2023 was US\$15,543/t, compared to US\$18,813/t in 1H 2022

1. Combined CSI, BSI and ZHN. ZHN’s AISC is only for June 2023  
2. Combined average realised price of CSI, BSI and ZHN



# 1H 2023 Nickel Matte Highlights

## Nickel Matte Converter and HGNM Product



## Commentary

- On 31 May 2023, MBMA completed the acquisition of a 60% interest in PT Huaneng Metal Industry (“HNMI”), a high-grade nickel matte (“HGNM”) conversion facility located in IMIP, with the remaining 40% interest held by Tsingshan Group
- June 2023 production of 4,438 tonnes of nickel in nickel matte was recorded at an AISC of US\$15,517/t
- MBMA recognised revenue of US\$52.2 million reflecting sales of 3,036 tonnes of nickel in nickel matte at an average price of US\$17,196/t
- More than 90% of the costs are associated with the purchase of low-grade nickel matte (“LGNM”), the primary raw material to produce HGNM
- HNMI is expected to produce 28,000 to 31,000 tonnes of nickel in nickel matte in 2H 2023
- Average selling price for HGNM in 1H 2023 was US\$17,196/t

# 1H 2023 Financial Highlights

In US\$ million	1H 2022	1H 2023
<b>Profit &amp; Loss</b>		
Consolidated revenue	341	520
Cost of revenue	(237)	(474)
EBITDA	183	75
Net profit / (loss)	100	(55)
<b>Cash Flow</b>		
Cash flow from operations	186	(23)
Capital expenditures	(258)	(338)
Acquisition	(298)	(67)
Investment	(74)	(67)
<b>Financial Position</b>		
Cash and cash equivalents	411	496
Debt	643	1,320
Net debt	233	824

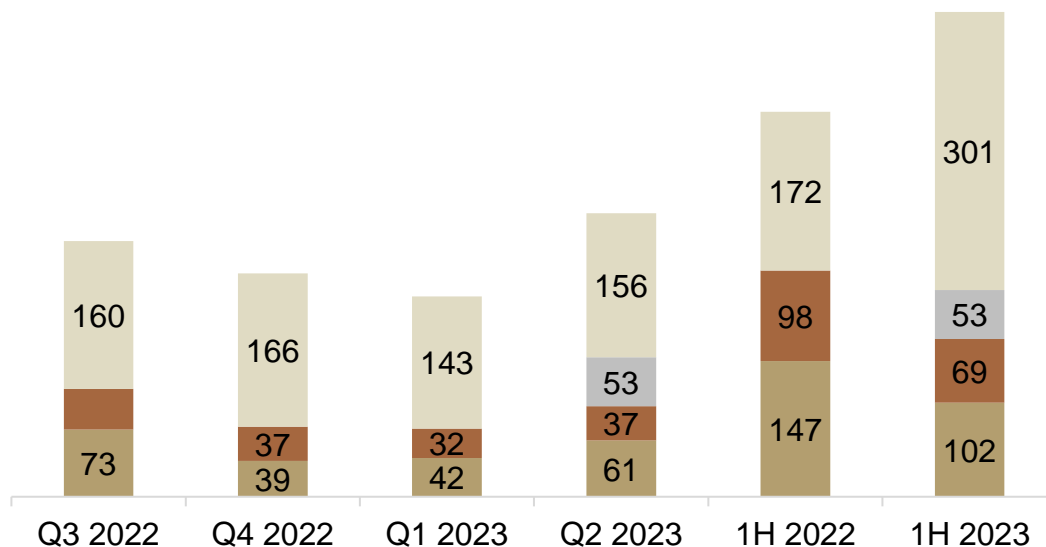
Commentary
<ul style="list-style-type: none"> <li>• Increase in revenue, mostly attributable to US\$222 million of nickel sales from MBMA</li> <li>• Group EBITDA of US\$75 million in 1H 2023. The 1H 2022 EBITDA included a non-recurring, final insurance claim of US\$42 million. The decrease in EBITDA can also be attributed to deferral in gold sales, lower copper production levels and lower NPI margins from MBMA</li> <li>• The increase in cost of revenue is primarily attributable to an increase in MBMA's cost of revenue. Total cost of revenue attributable to NPI was US\$282 million from six months of operation, compared to US\$107 million from two months of operation in 1H 2022</li> <li>• Finance costs have increased due to higher interest rates and higher overall debt levels to finance current growth phase</li> <li>• Other one-off expenses in 1H 2023 includes founders' tax on the MBMA IPO of US\$16 million, FX losses of US\$8 million from the depreciation of the IDR against the USD and the resulting revaluation of IDR bonds</li> </ul>



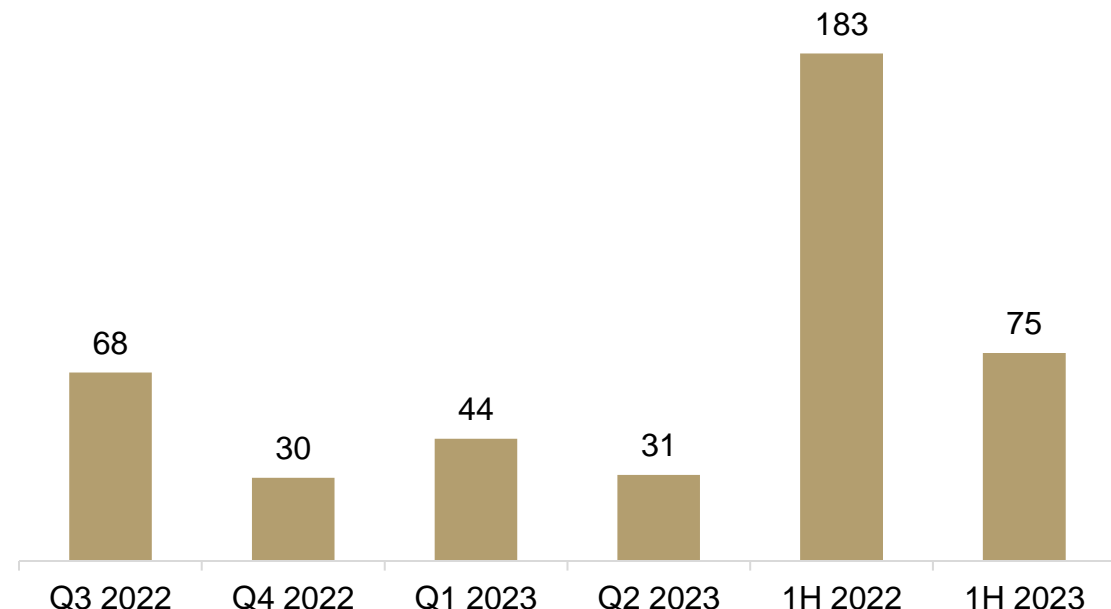
# 1H 2023 Financial Highlights

## Revenue (US\$ million)

■ Gold & Silver ■ Copper ■ HGNM ■ Nickel



## EBITDA (US\$ million)



## Average Realised Price (US\$/oz, US\$/t)

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	1H 2022	1H 2023
<b>Gold</b>	1,728	1,711	1,887	1,972	1,870	1,937
<b>Copper</b>	8,414	7,324	8,799	8,700	9,797	8,745
<b>NPI</b>	15,510	15,931	17,470	14,118	18,813	15,543
<b>Ni Matte</b>	n.a.	n.a.	n.a.	17,196	n.a.	17,196

- A reduction in the gross profit margin can be attributed to the fall in average selling price of NPI of US\$15,543/t, compared to US\$18,813/t in 1H 2022
- EBITDA in 1H 2022 included a one-time, non-recurring final insurance claim of US\$42 million
- MBMA is expected to generate higher profitability in 2H 2023, driven by additional production from ZHN, HNMI and sale of nickel ore from the SCM mine

# SCM Mine Haul Road

The dedicated haul road upgrade linking the mine site to IMIP is now complete and saprolite ore haulage has commenced





# SCM Mine Haul Road (cont.)





In mid August, MBM loaded the first shipment of saprolite ore onto haulage trucks for delivery to IMIP RKEF plants





# HPAL Development Plan

**MBM plans to develop multiple HPAL processing plants in partnership with leading battery material companies**

Partner	CATL		GEM	
Capacity	<ul style="list-style-type: none"><li>Nameplate capacity of 60ktpa of nickel in MHP</li></ul>		<ul style="list-style-type: none"><li>Nameplate capacity of 30ktpa of nickel in MHP, to be developed in two stages: Stage 1 at 20ktpa and Stage 2 increasing total nameplate capacity to 30ktpa</li></ul>	
Ore Supply	Multi decade supply of nickel ore secured from the SCM mine			
Responsibilities	<ul style="list-style-type: none"><li>CATL is responsible for arranging project financing, design and construction of the processing plant</li><li>MBM will take the lead in obtaining relevant Indonesian government permitting, approvals and incentives and local community relations</li></ul>		<ul style="list-style-type: none"><li>GEM will guide the design, construction, and operation of the processing plant</li><li>MBM will take the lead in obtaining relevant Indonesian government permitting, approvals and incentives, and arranging project financing, with support from GEM</li></ul>	
Proposed Location	<ul style="list-style-type: none"><li>IKIP</li></ul>		<ul style="list-style-type: none"><li>IMIP</li></ul>	
Indicative Timeline	<ul style="list-style-type: none"><li>Detailed feasibility and engineering in 2023</li></ul>		<ul style="list-style-type: none"><li>Stage 1 late 2024, Stage 2 by mid-2025</li></ul>	
Ownership	JV Parties	Ownership	JV Parties	Ownership
		66.0%		55.0%
		34.0%		45.0%

# Pani Gold Project

Pani is expected to be a long-life and low-cost gold mine producing more than 450,000 ounces of gold per annum upon achieving maximum throughput

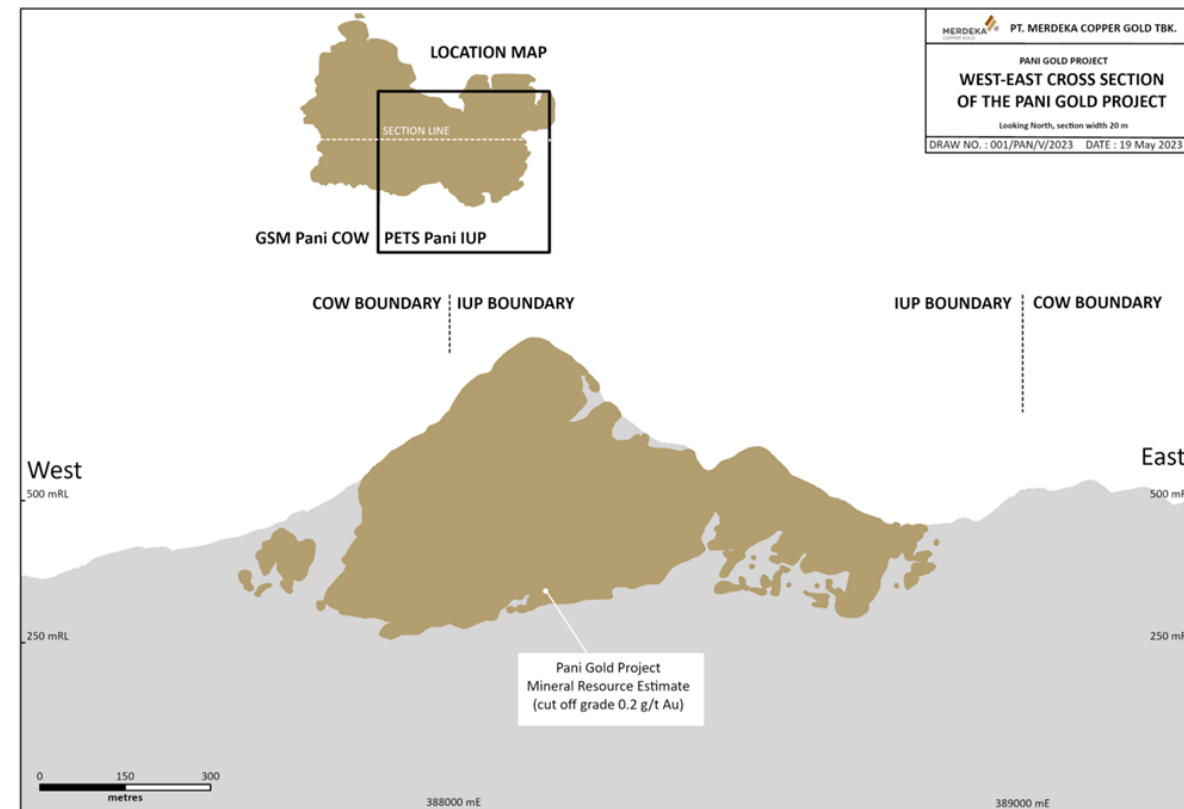
A combined mineral resource estimate was declared in February 2023 and further upgraded in May 2023, bringing the total indicated resources to 5.5Moz of gold<sup>1</sup>

Critical path pre-development activities, including establishment of independent access roads, accommodation facilities and utilities, are now complete, shortening the construction period when a final investment decision is taken

Approximately 59,700 metres completed from 70,000 metres 2023 drilling program, with the final stage well advanced, infilling areas of remaining inferred resources, targeting conversion to indicated resources

The Feasibility Study (FS) is assessing two processing methods, including a fast-tracked path to production through an oxide gold heap leach recovery starter operation commencing before the end of 2025. Positive FS results to be announced in 4Q 2023

## Combined Pani Gold Project Schematic Section



**Combined mineral resources of 275.8Mt at 0.75 g/t Au containing 6.6Moz of gold<sup>1</sup>**

1. Pani resources update <https://merdekacoppergold.com/wp-content/uploads/2023/05/Pani-Gold-Project-Resource-Upgrade.pdf>

# Pani Development Progress

Pre-development construction activities continued across the site, with the development of an independent access road, establishment of accommodation facilities, and supporting infrastructure

Bypass Road



Pioneer Camp



Core Shed Activities





# Summary

**MDKA on track to deliver gold production of 120,000 to 140,000 ounces at an AISC of US\$1,100 – 1,300/oz, net of silver credits. Copper production guidance revised to 14,000 to 16,000 tonnes at an AISC of US\$4.20 – 5.00/lb**

**MBMA production guidance upgraded to reflect expected production of 21,000 to 25,000 tonnes of nickel in NPI from ZHN and 28,000 to 31,000 tonnes of nickel in nickel matte from HNMI**

**Strong growth pipeline underpinned by the Tujuh Bukit copper project and the Pani gold project, with positive feasibility study results expected in 4Q 2023**

**Step change increase in MBMA revenue profile following commissioning of ZHN, acquisition of nickel matte converter, sale of nickel ore and first acid expected in 4Q 2023**

**Continuation of downstream battery materials expansion strategy through new HPAL JV with GEM and ongoing assessment of value accretive opportunities**





For more information, please contact or visit

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