

INFORMATION DISCLOSURE TO SHAREHOLDERS RELATED TO AFFILIATED TRANSACTION PT MERDEKA COPPER GOLD TBK (the “COMPANY”)

This Information Disclosure to the Shareholders (as defined below) is made to provide an explanation to the public in connection with a conditional shares subscription and purchase agreement between PT Merdeka Mining Indonesia, PT Pani Bersama Jaya and the Company, in which PT Merdeka Mining Indonesia and PT Pani Bersama Jaya are the controlled companies of the Company (“**Transaction**”).

The Transaction is an Affiliated Transaction as stipulated in the Regulation of the Financial Services Authority of the Republic of Indonesia No. 42/POJK.04/2020 on Affiliated Transaction and Conflict of Interest Transactions.

INFORMATION AS STATED IN THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND CONSIDERED BY THE COMPANY'S SHAREHOLDERS.

IF YOU HAVE DIFFICULTIES TO UNDERSTAND THE INFORMATION AS SET FORTH IN THIS INFORMATION DISCLOSURE YOU SHOULD CONSULT WITH A LEGAL COUNSEL, A PUBLIC ACCOUNTANT, A FINANCIAL ADVISOR OR ANY OTHER PROFESSIONAL.

THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY DECLARE THAT ALL INFORMATION OR MATERIAL FACTS CONTAINED IN THIS INFORMATION DISCLOSURE ARE COMPLETE AND TRUE AND NOT MISLEADING.

THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY DECLARE THAT THIS AFFILIATED TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.



PT MERDEKA COPPER GOLD TBK

Business Activities

Mining of gold, silver, copper, nickel, and other associated minerals, industries, and other related business activities through subsidiaries of the Company

Domiciled in South Jakarta, DKI Jakarta, Indonesia

Headquarter Office:

Treasury Tower, 67-68th floor, District 8 SCBD Lot. 28
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This Information Disclosure
is issued in Jakarta on 20 September 2023

DEFINITIONS

- “Affiliation”** : means the parties referred to in Article 1 point 1 of the Capital Market Law, namely:
- a. family relationship due to marriage to the second degree, both horizontally and vertically, namely the relationship of a person with:
 1. husband or wife;
 2. parents of the husband or wife and the husband or wife of the children;
 3. grandparents of the husband or wife and the husband or wife of the grandchildren;
 4. siblings of the husband or wife along with their respective spouse; or
 5. the husband or wife of the sibling of the person concerned.
 - b. family relationship due to descent up to the second degree, both horizontally or vertically, namely the relationship of a person with:
 1. parents and children;
 2. grandparents and grandchildren; or
 3. siblings of the person concerned.
 - c. relationship between a party and employees, directors or commissioners of the party;
 - d. relationship between 2 (two) or more companies which there is 1 (one) or more members of the board of directors, management, board of commissioners, or supervisors who are the same;
 - e. relationship between a company and a party, whether direct or indirect, by any means, controlling or controlled by the company or that party in determining the management and/or policies of the company or the concerned party;
 - f. relationship between 2 (two) or more companies controlled, whether direct or indirect, by any means, in determining the management and/or policies of the company by the same party; or
 - g. relationship between a company and a major shareholder, that is a party that directly or indirectly owns at least 20% (twenty percent) of the shares with voting rights of the company.
- “Conflict of Interest”** : The difference between the economic interest of a public company and the personal economic interest of members of the board of directors, members of the board of commissioners, major shareholders, or controllers that may be harmful to the public company concerned.
- “Indonesia Stock Exchange”** : Stock exchange as defined in Article 1 point 4 of the Capital Market Law, in this case held by PT Bursa Efek Indonesia, domiciled in Jakarta.
- “MOLHR”** : Minister of Law and Human Rights of the Republic of Indonesia.

- “MMI”** : PT Merdeka Mining Indonesia, domiciled in South Jakarta, a limited liability company established and operating under the laws of the Republic of Indonesia.
- “Financial Services Authority or OJK”** : The independent institution, as referred to in Law No. 21 of 2011 on Financial Services Authority as amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector (“**OJK Law**”), whose duties and authorities include the regulation and supervision of financial service activities in the sectors of banking, capital market, insurance, pension funds, financial institution, and other financial institutions, whereby since 31 December 2012, OJK is an institution that replaces and accepts the rights and obligations to carry out regulatory and supervisory functions from the Capital Market and Financial Institutions Supervisory Agency with following the provisions of Article 55 OJK Law.
- “PBJ”** : PT Pani Bersama Jaya, domiciled in South Jakarta, a limited liability company established and operating under the laws of the Republic of Indonesia.
- “Shareholders”** : Parties who have the benefit of the Company’s shares, both in the form of scripts and in collective custody which is kept and administered in the securities account at Indonesia Central Securities Depository, registered in the Shareholders Register of the Company which is administered by the Securities Administration Bureau appointed by the Company.
- “Independent Appraiser or KJPP”** : Public Appraisal Office of Iskandar and Rekan, independent appraisers registered with the OJK who have been appointed by the Company to conduct an assessment of the fair value and/or fairness of the Transaction.
- “Agreement”** : Conditional Shares Subscription and Purchase Agreement, executed and signed by and between the Company, PBJ, and MMI which became effective on 18 September 2023 together with any amendments, additions, and substitutes, which may be subsequently made.
- “Company”** : PT Merdeka Copper Gold Tbk, domiciled in South Jakarta, is a publicly listed limited liability company whose shares are listed on the Indonesia Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
- “POJK 17/2020”** : OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
- “POJK 42/2020”** : OJK Regulation No. 42/POJK.04/2020, enacted on 1 July 2020 regarding Affiliated Transaction and Conflict of Interest Transaction.
- “Rupiah or Rp”** : Reference to Rupiah which is the legal currency of the Republic of Indonesia.

- “Affiliated Transaction”** : Any activity and/or transaction conducted by a public company or a controlled companies with an Affiliation of a public company or an Affiliation of a member of the board of directors, a member of the board of commissioners, the principal shareholders, or the controller, including any activity and/or transaction conducted by a public company or controlled companies for the benefit of an Affiliation of a public company or an Affiliation of a member of the board of directors, member of the board of commissioners, principal shareholders or the controller.
- “Conflict of Interest Transaction”** : Transactions that are carried out by public companies or controlled entities with any party, both with Affiliations and parties other than Affiliations that contain a Conflict of Interest.
- “USD”** : Reference to United States Dollars which is the legal currency of the United States.
- “Capital Market Law”** : Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 Year 1995 as amended by Law Number 4 Year 2023 regarding Development and Strengthening of the Financial Sector along with all of its implementing regulations.

INTRODUCTION

In order to comply with the provisions of POJK 42/2020, the Board of Directors of the Company announces Information Disclosure to provide information to the Shareholders of the Company that effective on 18 September 2023, the Company, PBJ, and MMI have signed an Agreement with details as described in the Transaction summary below.

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which PBJ and MMI are the controlled companies of the Company. However, this Transaction is not a Transaction with a Conflict of Interest as set forth in POJK 42/2020.

The Transaction carried out by the Company has complied with the procedures set forth in Article 3 of POJK 42/2020 and has been executed per generally accepted business practices.

In accordance with the provision of Article 4 Paragraph 1 of POJK 42/2020, this Transaction is an Affiliated Transaction that is required to use an Independent Appraiser in determining the fairness of the Affiliated Transaction which the fairness of the transaction needs to be announced to the public. The Company has received the fairness value for this Transaction based on the Appraisal Report from KJPP Iskandar and Rekan No. 00345/2.0118-00/BS/02/0596/1/IX/2023 dated 15 September 2023 on the Fairness Opinion Report on the Proposed Conditional Shares Subscription and Purchase in PT Merdeka Mining Indonesia by PT Pani Bersama Jaya (Controlled Companies of the Company) (“**Appraiser’s Report**”).

Moreover, the Company is obliged to announce Information Disclosure to the public and submit the appraisal report along with other supporting documents to OJK no later than the end of the 2nd (second) business days after the date of the Transaction as referred to Article 4 of POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. The Company

The Company, established under the name of PT Merdeka Serasi Jaya, pursuant to Deed of Establishment of Limited Liability Company No. 02 dated 5 September 2012, made before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by MOLHR by virtue of its Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, and has been announced in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

The Company's Articles of Association have been amended several times as lastly amended by Deed of Statement of Meeting Resolution on Amendment to the Articles of Association No. 59 dated 12 April 2023, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been approved by the MOLHR by virtue of the Decree No. AHU-0023036.AH.01.02.TAHUN 2023 dated 17 April 2023 and has been notified to the MOLHR based on Receipt of Notification of the Change of the Company's Data No. AHU-AH.01.09-0111358 dated 17 April 2023 ("**Deed 59/2023**").

The Company is headquartered at Treasury Tower, 67th – 68th Floor, District 8 SCBD Lot. 28, Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia.

According to Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are to conduct business in the field of holding company activities and other management consulting activities.

To achieve the abovementioned purposes and objectives, the Company shall perform the main business activities as follows:

- a. Holding company activities, including ownership and/or control of their group of subsidiaries; and
- b. Other management consulting activities, in which the main business activities (as relevant) are the provision of advisory assistance, guidance and business operations and other organizational and management issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices, and policies; scheduling planning and production control.

To achieve the abovementioned main business activities of the Company, the Company shall perform the supporting business activities as follows:

- a. Provision of service as counsellors and negotiators in designing corporate mergers and acquisitions; and
- b. Provision of services including advisory assistance, guidance and business operations and other organizational and management issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies, human resource planning; practices and policies, scheduling planning and control of production. The provision of these business services may include funding support, advisory assistance, guidance and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and such, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, funding support, providing advice and assistance for business and

community services in planning, organizing, efficiency and supervision, management information and others, including but not limited to infrastructure investment study services.

Capital Structure and Shareholders' Composition of the Company

Pursuant to Deed of Statement of Meeting Resolution of the Amendment of the Articles of Association No. 69 dated 25 September 2019 made before Liestiani Wang, S.H., M.Kn., Notary in Administrative City of South Jakarta which has been notified to the MOLHR based on the Receipt of Notification of the Amendment of the Articles of Association No. AHU-AH.01.03-0339775 dated 2 October 2019 *juncto* Deed of Statement of Meeting Resolutions of the Amendment of the Articles of Association No. 9 dated 12 May 2022, made before Jose Dima Satria, S.H., M.Kn., Notary in the Administrative City of South Jakarta, which has been notified to the MOLHR based on the Receipt of Notification of Amendment to of the Articles of Association No. AHU-AH.01.03-0237201 dated 13 May 2022, the Company's capital structure and shareholding composition as of the date of this Information Disclosure is as follows:

Authorized Capital	:	IDR1,400,000,000,000
Issued Capital	:	IDR482,217,015,420
Paid-up Capital	:	IDR482,217,015,420

The Company's authorized capital is divided into 70,000,000,000 (seventy billion) shares, with a nominal value of Rp20 (twenty Rupiah) per share.

According to the Shareholders Register of the Company dated 31 August 2023 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

Description	Nominal Value of Rp20 per share		
	Number of Shares	Nominal Value (Rp)	(%)
A. Authorized Capital	70,000,000,000	1,400,000,000,000	
B. Issued and Paid-up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,477,141,397	89,542,827,940	18.569
2) PT Mitra Daya Mustika	2,907,302,421	58,146,048,420	12.058
3) Garibaldi Thohir	1,774,021,214	35,480,424,280	7.358
4) PT Suwarna Arta Mandiri	1,347,254,738	26,945,094,760	5.588
5) Hongkong Brunp & Catl Co., Limited	1,205,542,539	24,110,850,780	5.000
6) Gavin Arnold Caudle	80,966,431	1,619,328,620	0.336
7) Hardi Wijaya Liong	69,596,728	1,391,934,560	0.289
8) Andrew Phillip Starkey	700,000	14,000,000	0.002
9) Albert Saputro	355,600	7,112,000	0.001
10) Titien Supeno	567,400	11,348,000	0.002
11) Public (respectively under 5%)	12,181,207,603	243,624,152,060	50.521
Treasury Shares	66,194,700	1,323,894,000	0.275 ⁽¹⁾
Total of Issued and Fully Paid-up Shares	24,110,850,771	482,217,015,420	100.000
C. Portfolio Shares	45,889,149,229	917,782,984,580	

Note:

(1) *treasury shares cannot be utilized to cast votes in the General Meeting of Shareholders and cannot be calculated to determine the quorum to be reached in the General Meeting of Shareholders as well as not being entitled to obtain dividend distribution.*

Composition of the Board of Directors and Board of Commissioners of the Company

Based on Deed 59/2023, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this Information Disclosure is as follows:

Board of Commissioners

President Commissioner	: Edwin Soeryadjaya
Commissioner	: Yoke Candra
Commissioner	: Tang Honghui
Independent Commissioner	: Budi Bowoleksono
Independent Commissioner	: Muhamad Munir

Board of Directors

President Director	: Albert Saputro
Vice President Director	: Jason Laurence Greive
Director	: Andrew Phillip Starkey
Director	: Gavin Arnold Caudle
Director	: Hardi Wijaya Liong
Director	: David Thomas Fowler
Director	: Titien Supeno
Director	: Chrisanthus Supriyo

2. PBJ

PBJ, domiciled in South Jakarta, is a limited liability company established based on the Deed of Establishment of Limited Liability Company No. 87 dated 20 November 2015, made before Humbert Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been ratified by the MOLHR by virtue of its Decree No. AHU-2467705.AH.01.01.TAHUN 2015 dated 20 November 2015.

PBJ's Articles of Association have been amended several times, as lastly amended by the Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 141 dated 19 December 2022 which was made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR based on (i) the Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0328481; (ii) the Receipt of Notification of to the Change of the Company's Data No. AHU-AH.01.03-0328485; and (iii) the Receipt of Notification of the Company's Merger No. AHU-AH.01.09-0088367, all dated 19 December 2022 ("**Deed 141/2022**").

Based on Article 3 of the Articles of Association of PBJ, the purpose and objective of PBJ is to conduct business in the field of holding company activities.

To achieve the abovementioned purposes and objectives, PBJ may carry out business activities, namely holding company activities (KBLI 64200), which is conducting activities as a holding company, namely a company that controls the assets of a group of subsidiary companies and the main activity is the ownership of the group.

Capital Structure and Shareholder's Composition of PBJ

Based on the Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 85 dated 30 May 2022, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the MOLHR by virtue of the Decree No. AHU-0036220.AH.01.02.TAHUN 2022 and has been notified to the MOLHR based on the Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0243208, both dated 30 May 2022 *juncto* Deed 141/2022, the capital structure and share ownership composition of PBJ are as follows:

Authorized Capital	:	Rp200,000,000,000
Issued Capital	:	Rp100,183,000,000
Paid-up Capital	:	Rp100,183,000,000

The Authorized Capital of PBJ is divided into 200,000 (two hundred thousand) shares, with a nominal value of Rp1,000,000 (one million Rupiah) per share.

Therefore, the composition of PBJ's shares ownership is as follows:

No.	Shareholders' Name	Nominal Value of Rp1,000,000 per share		
		Number of Shares	Nominal Value (Rp)	%
1.	The Company	70,181	70,181,000,000	70.05
2.	Garibaldi Thohir	6,953	6,953,000,000	6.94
3.	PT Unitras Kapital Indonesia	2,204	2,204,000,000	2.20
4.	PT Elias Aldana Manajemen	1,002	1,002,000,000	1.00
5.	PT Nugraha Eka Kencana	1,501	1,501,000,000	1.50
6.	Winato Kartono	10,389	10,389,000,000	10.37
7.	Hardi Wijaya Liong	4,448	4,448,000,000	4.44
8.	Santoso Kartono	1,403	1,403,000,000	1.40
9.	Sakti Wahyu Trenggono	601	601,000,000	0.60
10.	Edi Permadi	1,501	1,501,000,000	1.50
Total		100,183	100,183,000,000	100.00
Portfolio Shares		99,817	99,817,000,000	-

Composition of the Board of Directors and Board of Commissioners of PBJ

According to the Deed of Statement of Circular Resolutions of Shareholders in Lieu of Extraordinary General Meeting of Shareholders No. 55 dated 28 April 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR based on the Receipt of Notification of the Amendment to the Company's Data No. AHU-AH.01.09-0121405 dated 27 May 2023, the composition of the Company's Board of Directors and Board of Commissioners of PBJ is as follows:

Board of Commissioners

President Commissioner	:	Albert Saputro
Commissioner	:	Januarius Felix Lumban Gaol

Board of Directors

President Director	: Syamsul Bahri Ilyas
Director	: Cahyono Seto
Director	: David Thomas Fowler
Director	: Boyke Poerbaya Abidin

3. MMI

MMI, domiciled in South Jakarta, is a limited liability company established pursuant to the Deed of Establishment No. 27 dated 12 May 2022, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been ratified by MOLHR by virtue of its Decree No. AHU-0031389.AH.01.01.TAHUN 2022 dated 12 May 2022 ("**MMI's Deed Establishment**").

MMI's Articles of Association were lastly amended based on the Deed of Statement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders No. 4 dated 3 April 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the MOLHR by virtue of its Decree No. AHU-0019982.AH.01.02.TAHUN 2023 dated 3 April 2023 ("**Deed 4/2023**").

Based on Article 3 of MMI's Articles of Association, the purpose and objectives of MMI are to carry out business in mining support services activities, construction equipment rental activities with operators, and leasing and operational leasing activities of mining and energy machinery and equipment without option rights.

To achieve the abovementioned purposes and objectives, MMI shall perform the main business activities as follows:

a. Mining and Other Excavation Supporting Activities (KBLI 09900);

Carry out supporting services activities based on compensation or contracts, which are required in the mining activities under the main categories 05, 07, and 08, such as exploration services, for example, in traditional methods such as taking ore samples and geological observations, pumping and distribution services for mining products, and trial services for excavation and drilling for loading or mining wells.

b. Rental of Construction Equipment with Operators (KBLI 43905);

This category includes businesses involved in renting construction equipment and its accessories with operators. This includes the rental of production and operational equipment for oil, gas, petrochemicals, geothermal, communication systems like SCADA (Supervisory Control and Data Acquisition), and crane rentals.

c. Rental and Operational Leasing of Mining and Energy Machinery and Equipment Activities (KBLI 77395);

This category encompasses the activities of leasing and operational leasing without option rights (operational leasing) of machinery and equipment for mining and excavation without operators, which are generally used as capital goods by companies, such as power generation machinery. This includes power generation machinery or steam and turbine engines, mining and oil equipment, and professional radio and communication equipment.

Capital Structure and Shareholder's Composition of MMI

According to the MMI's Deed of Establishment, the capital structure and shares ownership composition of MMI are as follows:

Authorized Capital	:	Rp200,000,000
Issued Capital	:	Rp50,000,000
Paid-up Capital	:	Rp50,000,000

The Authorized Capital of MMI is divided into 40,000 (forty thousand) shares, with a nominal value of Rp5,000 (five thousand Rupiah) per share.

Therefore, the composition of MMI's shares ownership is as follows:

No.	Shareholders' Name	Nominal Value of Rp5,000 per share		
		Number of Shares	Nominal Value (Rp)	(%)
1.	The Company	9,999	49,995,000	99.99
2.	PT Merdeka Kapital Indonesia	1	5,000	0.01
Total		10,000	50,000,000	100.00
Portfolio Shares		30,000	150,000,000	-

Composition of the Board of Commissioner and Board of Directors of MMI

According to the MMI's Deed of Establishment, the composition of the Board of Directors and Board of Commissioners of MMI is as follows:

Board of Commissioner

Commissioner : Adi Adriansyah Sjoekri

Board of Directors

President Director : Boyke Poerbaya Abidin

Director : Cahyono Seto

Transaction Value

The total value of the Transaction is a maximum of IDR4,999,995,000 (four billion nine hundred ninety-nine million nine hundred and ninety-five thousand Rupiah).

Furthermore, the Transaction is not a material transaction as referred to in POJK 17/2020 considering that the value of Transaction does not reach 20% (twenty percent) of the Company's equity value in accordance with the Interim Consolidated Financial Statements of the Company and its subsidiaries for the period ended on 31 March 2023 which was limited reviewed by Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan.

PBJ will become the controller of MMI after the Transaction becomes effective, in which to become effective, PBJ and the Company are required to fulfill the requirements as stipulated in the Agreement.

Nature and Affiliation Relationship between PBJ and MMI with the Company

The nature of the Affiliation relationship of PBJ and MMI with the Company are as follows:

- a. PBJ is a Controlled Company of the Company, with shares owned directly by the Company in the amount of 70.05% (seventy-point zero five percent);
- b. MMI is a Controlled Company of the Company, with shares owned both directly and indirectly by the Company in the amount of 99.99% (ninety-nine-point nine nine percent); and
- c. there are members of the Board of Directors and/or members of the Board of Commissioners of PBJ who also serve as members of the Board of Directors of the Company.

SUMMARY OF APPRAISER'S REPORT

KJPP who has been appointed by the Company's Board of Directors as the independent appraiser in accordance with the proposal letter/contract work agreement No. 132.3/IDR/DO.2/Pr-BFO/VIII/2023 dated 2 August 2023, has been requested to provide an assessment of and provide an opinion of the Transaction's fairness.

Fairness Opinion Report on Transaction

The following is a summary of the KJPP's fairness opinion of the Transaction as stated in its report No. 00345/2.0118-00/BS/02/0596/1/IX/2023 dated 15 September 2023:

a. Transacting Parties

Proposed Transaction 1:

The parties involved in the Transaction are PBJ and MMI, where PBJ as shares subscription party and MMI as shares issuing party.

Proposed Transaction 2:

The parties involved in the Transaction are PBJ and the Company, where PBJ as the buyer and the Company as a seller that selling its shares in MMI.

b. Appraisal Object

The object of the assessment is the proposed Transaction of the Conditional Shares Subscription and Purchase in MMI by PBJ (Controlled Companies of the Company), which constitutes an integrated series of Transaction that can not be separated.

Based on this proposed Transaction, the series of Transaction can be divided into 2 (two) inseparable Transaction plans, as follows:

Proposed Transaction 1:

Proposed Transaction of shares subscription on MMI by PBJ.

Proposed Transaction 2:

Proposed Transaction of conditional share purchase of the Company in MMI by PBJ.

c. Purpose and Objective of Appraisal

The purpose of the appraisal is to provide an independent appraisal of the fairness opinion on the proposed Transaction for the purpose of implementing the Transaction.

d. Principal Limiting Assumptions and Conditions

1. This appraisal report is a *non-disclaimer* opinion.
2. The appraiser reviewed the legal status of documents used in the appraisal process.
3. The data and information come from trustworthy sources.
4. The financial projection used is an adjusted financial projection that reflects the fairness of the financial projections made by management with the ability to achieve (*fiduciary duty*), if the appraisal uses financial projections.
5. The appraiser is responsible for the implementation of appraisal and fairness of the financial projections.
6. This appraisal report is disclosed to the public, except for confidential information, which may affect the Company's operations.
7. The appraiser is responsible for this appraisal report and the conclusion of the final score.
8. The appraiser obtained information on the legal status of the appraisal object from the assignor.
9. The assumptions and other limiting conditions are disclosed in the KJPP report.

e. Approach and Method

In accordance with the scope of the appraisal, the approaches and methods used are:

1. Conducting Transaction analysis;
2. Conducting a qualitative analysis of the proposed Transaction;
3. Conducting a quantitative analysis of the proposed Transaction;
4. Conducting an analysis of the fairness of the transaction value; and
5. Conducting an analysis of other relevant factors.

f. Conclusion

The analysis results of the Transaction value is equal to the market value, which giving a conclusion that the transaction value is **fair**.

The analysis results of the financial impact of the Transaction that will be conducted for the shareholder interests giving a conclusion that by conducting Transaction it will increased the Company's revenue and profit that provide, creating added value for the Company in line with the Shareholders' interest.

The analysis results of the business considerations from the Company's management related to the Transaction of Shareholders' interests that increasing PBJ's shares ownership in MMI will grant PBJ full control over MMI's policies that will be implemented by MMI, giving a conclusion that the business consideration from the Company's management in line with the Shareholders' interests.

In accordance with the conclusion of the analysis result above, KJPP is of the opinion that the Transaction is **fair**.

THE EFFECT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION

The Effect of the Transaction on the Company's Financial Condition

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 31 March 2023 before and after carrying out the Affiliated Transaction:

Description	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	380,842,919	0	380,842,919
Trade receivables			
- third parties	29,392,040	0	29,392,040
- related parties	837,200	0	837,200
Other receivables - third parties	9,006,760	0	9,006,760
Inventories - current portion	337,106,610	0	337,106,610
Claims for tax refund	44,957,972	0	44,957,972
Advances and prepayments - current portion	45,379,356	0	45,379,356
Investment in equity instrument and other securities	41,325,773	0	41,325,773
Total Current Assets	888,848,630	0	888,848,630
Non-Current Assets			
Advances and prepayments - non-current portion	169,712,506	0	169,712,506
Advance of investment	6,113,705	0	6,113,705
Investment in shares and associate entity	756,201	0	756,201
Loan from third party	29,825,911	0	29,825,911
Inventories - non-current portion	58,564,634	0	58,564,634
Prepaid taxes	81,915,063	0	81,915,063
Property, plant and equipments	1,305,271,321	0	1,305,271,321
Right-of-use assets	19,223,800	0	19,223,800
Mining properties	599,359,886	0	599,359,886
Exploration and evaluation assets	474,202,515	0	474,202,515
Goodwill	324,918,804	0	324,918,804
Deferred tax assets	29,276,769	0	29,276,769
Other non-current assets	21,189,776	0	21,189,776
Total Non-Current Assets	3,120,330,891	0	3,120,330,891
TOTAL CURRENT ASSETS	4,009,179,521	0	4,009,179,521

LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables			
- third parties	149,845,724	0	149,845,724
- related parties	207,685	0	207,685
Accrued expenses	62,831,457	0	62,831,457
Unearned revenue	30,298,422	0	30,298,422
Taxes payable	34,561,620	0	34,561,620
Other payables	46,790,878	0	46,790,878
Borrowings - current portion:			
Bank loans and credit facility	84,727,438	0	84,727,438
Bonds payable	316,398,439	0	316,398,439
Lease liabilities	16,905,415	0	16,905,415
Derivative financial instrument - current portion	5,122,481	0	5,122,481
Provision for mining rehabilitation - current portion	65,174	0	65,174
Total Current Liabilities	747,754,733	0	747,754,733
Non-Current Liabilities			
Borrowings - net of current portion:			
Bank loans and credit facility	272,641,158	0	272,641,158
Bonds payable	688,488,152	0	688,488,152
Lease liabilities	26,118,246	0	26,118,246
Loan from associate entity	74,600,500	0	74,600,500
Derivative financial instrument - non-current portion	1,067,065	0	1,067,065
Deferred tax liabilities	93,821,819	0	93,821,819
Post-employment benefits liability - non-current portion	20,375,669	0	20,375,669
Provision for mining rehabilitation - non-current portion	39,431,681	0	39,431,681
Total Non-Current Liabilities	1,216,544,290	0	1,216,544,290
TOTAL LIABILITIES	1,964,299,023	0	1,964,299,023
Equity			
Share capital:			
Authorized capital	37,792,783	0	37,792,783
Additional paid-in capital - net	690,575,911	0	690,575,911
Treasury stock	-17,309,450	0	-17,309,450
Cash flows hedging reserve	-2,886,077	0	-2,886,077
Other equity components	11,195,965	0	11,195,965
Retained earnings:			
Appropriated	1,300,000	0	1,300,000
Unappropriated	284,598,338	0	284,598,338
Non-controlling interests	1,039,613,028	0	1,039,613,028
Total Equity	2,044,880,498	0	2,044,880,498
TOTAL LIABILITIES AND EQUITY	4,009,179,521	0	4,009,179,521

(*) Expressed in US Dollar and refer to the Interim Consolidated Financial Statements of the Company and its subsidiaries for the period ended 31 March 2023.

**DESCRIPTION, CONSIDERATIONS, AND REASONS FOR THE TRANSACTION
COMPARED WITH OTHER SIMILAR TRANSACTIONS WHICH ARE NOT PERFORMED
WITH AFFILIATED PARTIES**

By implementing the Transaction, it is expected that there will be an increased efficiency and development of MMI's heavy equipment rental business activities, so it will increase the Company's revenue and profits on a consolidated basis which ultimately creates an indirect added value for the Company's shareholders indirectly Shareholders.

The Transaction has also been assessed by internal procedures with using similar terms and conditions if the Transaction were conducted with a non-affiliated party, hence the terms and conditions of the Transaction are carried out by commonly accepted business practices. Furthermore, the Transaction is also more effective and efficient if it is carried out by the affiliated parties of the Company.

**STATEMENT OF THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF
THE COMPANY**

The Board of Commissioners and Board of Directors of the Company, either individually or jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading and the Transaction is not considered a Conflict of Interest Transaction as referred to POJK 42/2020 and is not a material transaction as referred to POJK 17/2020 considering that the Transaction value does not reach 20% (twenty percent) of the Company's equity value in accordance with the Interim Consolidated Financial Statements of the Company and its subsidiaries for the period ended on 31 March 2023 which was limited review by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm.

The Board of Directors of the Company stated that the Transaction was carried out in accordance with the procedures owned by the Company as required in POJK 42/2020 to ensure that Affiliated Transaction have been carried out in accordance with prevailing regulations and generally accepted business practices.

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ADDITIONAL INFORMATION

For further information, you can contact the Company at the following address:

PT Merdeka Copper Gold Tbk
Corporate Secretary

Treasury Tower, 67-68th floor, District 8 SCBD Lot. 28
Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia
Telephone: +62 21 3952 5580; Facsimile: +62 21 3952 5589
E-mail: corporate.secretary@merdekacoppergold.com
Website: www.merdekacoppergold.com

Initial:

