

PT Merdeka Copper Gold Tbk.
IDX Code: MDKA
As of 30 September 2023

**Capital Structure
(25 October 2023)**

Shares outstanding:
24,110,850,771 shares
Share price: IDR 2,420
Market capitalisation: \$3.7 billion

Cash & Debt

Cash: \$431million
Bank Debt: \$283 million
IDR Bond: \$1.0 billion

Board of Commissioners

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

Board of Directors

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

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 (IDX: MDKA) (“Merdeka” or the “Company”) is pleased to report on the September 2023 quarter.

Merdeka owns three world class *Tier 1* mining projects that are in development, and these are complemented by existing gold and copper/pyrite mines that provide cash flow to support project development.

Pani Gold Project: Pani is a low-risk, high-margin, large-scale open pit project commencing with heap leach processing (similar to TB Gold Mine) and with Carbon-in-Leach (“CIL”) processing following in future years. Due to Pani’s low-risk, highly profitable attributes, Merdeka has already completed substantial development work on-site and invested more than \$100 million in resource drilling, mining fleet purchases and site infrastructure development. Concurrently, Merdeka is completing a feasibility study to optimise the project. Construction capex for the 7Mtpa heap leach project is estimated to cost approximately \$200 million, and gold production is expected to commence by the end of 2025. The heap leach project has all material permits in place to commence gold production. Ultimate production is planned to be in excess of 450,000 ounces of gold per annum, making it Indonesia’s largest and one of Asia Pacific’s largest gold mines. Future project expansion at Pani will be self-funding once the initial heap leach processing commences.

TB Copper Project: Having established the economic attractiveness of the underground project, Merdeka is now completing optimisation studies, including the potential for improved metallurgical recoveries, higher underground production throughput and open pit mining of additional copper ore. Recent underground drilling has also continued, with the next mineral resource update, targeted for Q1 2024, expected to deliver significant additional indicated resource tonnage.

Drilling during the quarter, which related to the extension of the TB Gold Mine, has identified copper-gold mineralisation extending from below the TB Gold Mine open pits to the underground indicated resource. The potential mining of this copper-gold mineralisation from an open pit is a low-risk, brownfield expansion of the existing mining operations. It would potentially increase, accelerate and de-risk the initial production profile of the TB Copper Project. Preliminary drilling of this potential open pit copper-gold resource and other high-priority open pit prospects within the concession area is ongoing.

MBMA: Significant developments during the quarter include:

- SCM Mine saprolite ore delivery to MBMA’s RKEF Smelters commenced in mid-August. During the quarter, 44,000 wet metric tonnes were hauled. Haulage will increase in Q4 2023 to 600,000 – 800,000 wet metric tonnes (“wmt”) and ramp up to six million wmt by the end of 2024, generating significant operating cash flow;
- NPI production increased by 55% compared to the previous quarter and production costs have decreased by 14% and 25% over the past three and six months, resulting in a higher NPI profit margin;
- Agreement with GEM Co., Ltd (“GEM”) to construct a majority MBMA owned HPAL processing plant, located within IMIP, with a nameplate capacity of 30,000 tonnes per annum of contained nickel in MHP; and
- The AIM Project commenced commissioning.

TB Gold Mine: Gold production of 44,882 and 109,159 ounces for the quarter and year to date (“YTD”), respectively.

Wetar Copper/Pyrite Mine: Copper production of 2,128 and 9,309 tonnes for the quarter and YTD, respectively. During the quarter, Wetar commenced shipments of pyrite ore to the AIM Project with the target of reaching run-rate shipment of one million tonnes per annum by the end of 2024.

Pani Gold Project

Overview: Pani is a significant gold project under development in Gorontalo Province, Sulawesi. Pani will be a low cost, long life, sustainable gold mining operation in the near term. Merdeka owns an effective 70% economic interest in Pani.

Current Activities: All pre-development construction activities are now completed and operational, including independent access roads, mobile fleet maintenance facilities, personnel accommodation camp and geology core shed facilities.

In addition to the considerable expenditure incurred in previous years, Merdeka has recently invested over \$100 million in Pani on resource drilling, mining fleet purchases and site infrastructure development.

Construction of a 7Mtpa heap leach project is estimated to have a construction capex cost of approximately \$200 million, and gold production is expected to commence by the end of 2025. The heap leach project has all material permits in place to commence gold production. The intention is for a CIL processing facility, with slurry tailings storage facilities, to be added to Pani following the ramp-up of the heap leach operation, with a combined heap leach and CIL processing capacity of 19Mtpa producing in excess of 450,000 ounces of gold per annum.

Future project expansion at Pani will be self-funding once the initial heap leach processing commences.

The project is being executed cost effectively by engaging in-house construction expertise, combined with local contractors, and by adopting an owner mining strategy for pit development and mining production.

A long-term, 100% renewable energy power supply agreement has been executed with PLN and permitting, land access and design activities are advanced. A steering committee, consisting of PLN and Merdeka representatives, has been established to manage the execution of the substation and overhead transmission network to the site.



Figure 1: Pani 1,000-person camp, offices, and mobile fleet maintenance facilities

Resource Definition Activities: The 2023 drill program was designed to define mineralisation in areas of limited previous drilling, to test the continuity of mineralisation, and to upgrade areas of the mineral resource from inferred to indicated. Merdeka has completed 60,923 metres of drilling from 1 January 2023 to the end of September 2023, with a further 14,000 metres of drilling scheduled for the remainder of 2023.

During the quarter, up to twelve diamond drill rigs were operating at Pani, completing 138 drill holes for 16,460 metres of diamond drilling (“DD”).

Currently, seven DD rigs are operating at Pani resource upgrade, and three DD rigs are performing geotechnical and sterilisation drilling for infrastructure placement.

Results from the most recent drill holes continue to demonstrate the continuity of mineralisation, increase confidence in the resource categories and show potential for resource expansion.

A combined mineral resources estimate (“MRE”) was issued in May 2023¹, summarised in Table 1 below.

Table 1: Pani Mineral Resource Estimate by classification (Cut-off of 0.2 g/t Au)²

Resource Classification	Tonnes (Mt)	Au (g/t)	Cont. Au (Moz)
Indicated	217.5	0.79	5.54
Inferred	58.3	0.58	1.08
Total	275.8	0.75	6.63

Selected drilling results announced in October 2023, but not included in the May 2023 MRE, include (results reported using a 0.2 g/t Au cut-off, and a minimum intercept length of six metres)³:

- 134.0 metres at 1.35 g/t Au from 0 metres in PEDR0090
- 91.7 metres at 1.96 g/t Au from 0 metres in GSDR0018
- 123.0 metres at 1.17 g/t Au from 0 metres in PEDR0218
- 100.0 metres at 1.13 g/t Au from 0 metres in PEDR0214
- 110.1 metres at 0.97 g/t Au from 117 metres in PEDR0147
- 116 metres at 0.99 g/t Au from 10 metres in PEDR0093
- 67.00 metres at 1.48 g/t Au from 0 metres in PEDR0162
- 98.00 metres at 1.01 g/t Au from 35 metres in PEDR0099

Project Development: Merdeka is completing a feasibility study to optimise project capital expenditure, mining schedule and maximise throughput and recovery for both the initial heap leach and subsequent CIL processing.

Heap Leach

An infill drilling program of the oxide resource is now 90% complete, with updated resource modelling advancing to confirm the homogeneity of the oxide ore.

Sampling completed during this drilling program is now subject to an extensive metallurgical test work program consisting of intermittent bottle roll tests (“IBRT”) and column tests of various crushed product top sizes, with size adjustment applied to simulate industrial crusher size distributions. Agglomeration, percolation, and ore geotechnical stability test work is being run in parallel.

¹ Full details of the resource upgrade announced in May 2023 can be obtained at the following location:

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

² The MRE is reported in accordance with the 2017 Kode KCMI 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”.

³ Full details of all the drilling results announced in October 2023 can be obtained at the following location:

https://merdekacoppergold.com/wp-content/uploads/2023/10/2023.10.10_Pani-October-2023-Drill-Results_vF.pdf

Preliminary results from this test work program conclude:

- Oxidised samples (by 30-day IBRT method) yield higher gold extraction (80 – 90%) compared to transition samples (50 – 70%).
- Coarse column samples (100% passing 75mm) yield above 80% gold extraction in 40 – 60 day column tests.
- Column tests continue on smaller crushed product sizes; however, general indications are that crush sizes above 100% passing 16mm will not require agglomeration.
- Early data suggests sodium cyanide (NaCN) consumption will be low to moderate, ensuring low operating costs by industry standards.

Based on these preliminary results and reasonable assumptions, gold recoveries of fine agglomerated oxide material are estimated up to 85%, coarse secondary crushed material up to 75% and primary crushed material 65%.

The test work programs will remain ongoing across a range of crushed product sizes whilst processing plant, stacking configurations and water / solution management are taken to a feasibility study level of design completion.

The current mining schedule and stacking configurations support a total capacity of up to 70Mt of heap leachable oxide mineralisation, with a proposed processing rate of up to 7Mtpa, with ore stacking via truck placement.

The heap leach project strategy will adopt mining and processing methods similar to Merdeka’s TB Gold Mine, which was also successfully developed as a greenfield project by Merdeka.

Carbon-in-Leach

The metallurgical test work program confirmed that by combining a standard three-stage gravity-recoverable-gold with a CIL cyanide leaching process, an overall gold extraction of 92 – 95% will be consistently achievable across all ore types.

Leaching test work confirms low cyanide and lime consumption, ensuring low operating costs by industry standards.

Process engineering has now concluded, with a CIL initial throughput of 7.5Mtpa, by adopting a SAG mill and ball mill comminution circuit, expanding to 12.0Mtpa with the addition of a second ball mill and pebble crushing circuit as the mining rates increase.



Figure 2: Pani core shed and analytical laboratory area



Figure 3: Pani main haul road construction



Figure 4: Pani site access road

TB Copper Project

World Class Resource: TB Copper Project is wholly owned by Merdeka and is located beneath the TB Gold Mine. 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 Au⁴.

Since 2018, Merdeka has invested \$176 million on detailed feasibility work to advance the project including an 1,890-metre exploration decline, resource definition drilling, geological modelling, technical studies and a pre-feasibility study (“PFS”) released in May 2023⁵. The bulk of the feasibility expenditure during the quarter was spent on resource definition drilling and technical studies. Underground drilling has advanced, with the next mineral resource update, targeted for Q1 2024, expected to deliver significant additional indicated resource tonnage.

Recent drilling related to the extension of the TB Gold Mine has identified copper-gold mineralisation extending from below the TB Gold Mine open pits to the underground indicated resource. The potential mining of this copper-gold mineralisation from an open pit is a low-risk, brownfield expansion of the existing mining operations. It would potentially increase, accelerate and de-risk the initial production profile of the TB Copper Project. Preliminary drilling of this potential open pit copper-gold resource and other high-priority open pit prospects within the concession area is ongoing.

Study Work: Following the completion of the PFS and the discovery of a potential open pit copper-gold resource, Merdeka is focusing on project enhancement work, prior to commencing with a bankable feasibility study including:

- Optimising the sub-level cave (“SLC”) to increase production throughput;
- Metallurgical recovery enhancement – improving the flotation process and exploring alternative methods for pyrite material beneficiation;
- The potential application of the AIM Project to treat TB Copper concentrates;
- Investigation of an open pit copper-gold ore supply – recent drill data has indicated that there is copper mineralisation below the TB Gold Mine open pits;
- Investigating the expandability of the ore concentrator to allow for a supplementary feed from an open pit copper-gold resource; and
- Block cave (“BC”) and SLC design extensions into a significant and newly defined indicated resource.

Commercial work is well advanced on critical path activities needed to prepare the mine for SLC development, drill and blast contract mining activities. International mining contractors participated in Merdeka’s early engagement process.

Drilling Activities: During the quarter, eight drill rigs operated underground, supported by three surface drill rigs. Sixteen holes were completed underground, with seven holes in progress at the end of the quarter, for a total of 8,978 metres drilled. The three surface rigs completed two holes, with one hole in progress at the end of the quarter, for a total of 777 metres drilled. Underground drilling prioritised resource definition activities focusing on infill drilling to convert inferred resources to indicated classification during the quarter and confirm the outer boundaries of mineralisation. To support the SLC, the surface drilling concentrated on hydrological and geotechnical studies, such as vent rise investigation holes and cover holes for the proposed conveyor decline.

Underground resource definition drilling has progressed well in 2023, with 26,290 metres completed to the end of the quarter and will continue throughout the rest of the year with a further 10,375 metres of resource definition drilling planned. Planning for 2024 underground drilling is underway, initially focussing on infilling the SLC area and additional resource definition drilling in the Northwest of the deposit. Surface drilling will also continue and include geotechnical and hydrogeological investigations for surface and underground infrastructure.

Selected drilling results from the October 2023 announcement include (results reported using a 0.2% Cu cut-off, and a minimum intercept length of 30 metres)⁶:

⁴ 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>

⁵ Full details of the Tujuh Bukit Copper Project PFS results are available at: <https://merdekacoppergold.com/wp-content/uploads/2023/05/Tujuh-Bukit-Copper-Project-PFS-Results.pdf>

⁶ Full details of the latest TB Copper drilling result is available at: https://merdekacoppergold.com/wp-content/uploads/2023/10/20231009_TBQP-October-2023-Release_vF.pdf

- 756 metres @ 0.65% Cu and 0.84 g/t Au from 188 metres (including 410 metres @ 0.93% Cu and 1.18 g/t Au from 364 metres) in UHGZ-23-138/138W
- 306 metres @ 1.07% Cu and 1.34 g/t Au from 0 metres (including 260 metres @ 1.21% Cu and 1.51 g/t Au from 26 metres) in UHGZ-23-141
- 60 metres @ 0.81% Cu and 2.06 g/t Au from 76 metres and 428 metres @ 0.57% Cu and 0.54 g/t Au from 258 metres (including 72 metres @ 0.98% Cu and 1.02 g/t Au from 536 metres) in UHGZ-23-144
- 327.9 metres @ 0.49% Cu and 0.63 g/t Au from 262 metres (including 134 metres @ 0.66% Cu and 0.94 g/t Au from 310 metres) in UHGZ-23-143
- 86.6 metres @ 1.16% Cu and 0.82 g/t Au from 376 metres in UHGZ-23-145



Figure 5: Resource definition drilling from underground



Figure 6: Drilling a decline cover hole to geotechnically assess ground conditions



Figure 7: Spectral analysis of all drill core using an Analytical Spectral Device



Figure 8: Coarse blades of alunitic crystals in the drill core

PT Merdeka Battery Materials Tbk. (“MBMA”)

Overview: MBMA aims to become a leading, vertically integrated, global battery materials company. MBMA holds a portfolio of high-quality assets in the battery materials value chain located in Central and Southeast Sulawesi, Indonesia. Since completing a series of asset acquisitions in 2022 and an Initial Public Offering (“IPO”) on the Indonesia Stock Exchange (“IDX”) in April 2023, MBMA has made significant progress in expanding and developing its downstream business along the battery value chain.

MBMA, together with its strategic partners Tsingshan Group, CATL, Huayou and GEM, is well positioned to deliver its long-term strategy of maximising the value of its assets by pursuing downstream expansion projects to produce materials critical to support the fast-growing electric vehicle value chain.

MBMA consists of the following assets and growth projects:

- Sulawesi Cahaya Mineral Mine (“SCM Mine”)
- Rotary Kiln-Electric Furnace Smelters (“RKEF Smelters”)
- Nickel Matte Converter (“Nickel Matte”)
- Acid Iron Metal Project (“AIM Project”)
- High Pressure Acid Leach (“HPAL”) facilities
- Indonesia Konawe Industrial Park (“IKIP”)

Significant developments during the quarter include:

- SCM Mine saprolite ore delivery to MBMA’s RKEF Smelters commenced in mid-August. During the quarter, 44,000 wet metric tonnes were hauled. Haulage will increase in Q4 2023 to 600,000 – 800,000 wmt and ramp up to six million wmt by the end of 2024, generating significant operating cash flow;
- NPI production increased by 55% compared to the previous quarter and production costs have decreased by 14% and 25% over the past three and six months, resulting in a higher NPI profit margin;
- Agreement with GEM to construct a majority MBMA owned HPAL processing plant, located within IMIP, with a nameplate capacity of 30,000 tonnes per annum of contained nickel in MHP; and
- The AIM Project commenced commissioning.

Production: Mining activities at the SCM Mine continue to ramp up. During the quarter, the total material mined was 2.1 million wmt, comprising 1.6 million wmt of limonite ore, 0.2 million wmt of saprolite ore and 0.3 million wmt of waste.

During the quarter, the RKEF Smelters processed 2.2 million wmt of ore at an average grade of 1.70% to produce 21,738 tonnes of nickel in NPI. The combined AISC for the quarter was \$11,616/t, representing a 14% reduction compared to the previous quarter. The cost reduction can be attributed to a lower price for nickel ore, electricity generation, and smelting costs. Cumulative production for 9M 2023 is 42,976 tonnes of nickel in NPI at an AISC of \$12,958/t. Average NPI sales price for the quarter and YTD is \$13,193/t and \$14,267/t, respectively.

During the quarter, HNMI produced 13,210 tonnes of nickel matte at an AISC of \$15,154/t. The cost of production is primarily attributable to the purchase of low-grade nickel matte (“LGNM”) at \$14,470/t. The balance of the production costs consists of materials, electricity, labour and sustaining capital. Cumulative production, post-acquisition completion, is 17,649 tonnes of nickel in nickel matte at an AISC of \$15,247/t. Average nickel matte sales price for the quarter and YTD is \$16,346/t and \$16,503/t, respectively.

MBMA adheres to the highest safety standards. By the end of the quarter, the accumulated manhours without an LTI stood at 3,756,332.

The complete September 2023 quarterly activities report⁷ is available on the MBMA website.

⁷ Full details of the MBMA Q3 2023 report is available at: <https://assets.merdekabattery.com/dist/documents/MBMA-Activities-Report-Q3-2023.pdf>

Tujuh Bukit Gold Mine

Summary: Gold production of 44,882 ounces at an AISC of \$1,147/oz net of silver credits. Cumulative gold production for 9M 2023 is 109,159 ounces at an AISC of \$1,138/oz. Average sales price for the quarter and YTD is \$1,946/oz and \$1,942/oz, respectively.

Mining: Ore mined for the quarter of 2.2 million tonnes with waste mined of 2.0 million tonnes. Mining operations achieved total material movement of 4.6 million tonnes including rehandling ore stockpiles during the quarter.

Processing: During the quarter, the ore preparation plant operated in line with expectation with throughput of 2.2 million tonnes of crushed and agglomerated ore, at an average grade of 0.69 g/t Au (containing 48,886 ounces of gold).

The heap leach pads continued to perform as per design with project to date gold recoveries of 79.1%. The adsorption, desorption and recovery (“ADR”) plant continued to operate at full throughput design rates.

Environmental, Safety and Social Performance: Cumulative manhours without LTI until the end of September 2023 is 22,154,192 hours. There were four incidents that occurred during the reporting period: one first aid injury and three property damage incidents with one classified as serious potential incident.

The workforce at the mine (including all employees and contractors) is 3,538 people, comprising 3,521 Indonesian natives and 17 expatriates. Of the workforce, 2,487 (70.3%) are residents of Banyuwangi and 1,508 (42.6%) from the sub-district of Pesanggaran.

A total of 3,105 environmental samples were taken during the quarter, encompassing statutory based sampling requirements as well as company driven monitoring. In addition, 277 trees (0.36 Ha) of pioneer and 300 trees (0.48 Ha) of local species were planted including 2.97 Ha of cover crops through both manual and hydroseeding methods.

Operational Cost Summary: The total cash cost and AISC for the quarter was \$805/oz and \$1,147/oz, respectively.

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

Exploration: Recent drilling and updated geological interpretation of the gold and silver high sulphidation epithermal mineralisation have continued to identify multiple near mine targets. During the quarter, Merdeka continued an aggressive drilling program to test these new targets to extend mine life. The current expectation is that the TB Gold Mine will be producing gold beyond 2026.

Six diamond drill rigs and one reverse circulation (“RC”) rig drilled nineteen diamond holes for 4,372 metres and 30 RC holes for 8,234 metres during the quarter. A total of approximately 15,000 metres of RC and DD is planned to continue testing along strike and infilling current resources for the remainder of 2023.

Several geotechnical / hydrological investigation holes proximal to Pit A and Pit C were extended to accommodate testing oxide mineralisation in areas of sparse drilling. 2,693 metres were drilled over nine holes with four drill rigs.

A resource update is planned for Q1 2024, which, based on preliminary results of recent drilling, is expected to add significantly to the current open pit designs.

Ten RC holes were drilled for 1,974 metres into the Candrian high sulphidation alteration area, proximal to a proposed waste dump location. A further eight RC holes and nine diamond drill holes are planned to be drilled in this area in Q4 2023. Results are pending. Two rigs drilled a total of six shallow geotechnical investigation holes for 152 metres in this area. All drill cores will be analysed for the standard analysis suite, including gold and copper.

Initial surface exploration continued at the Lompongan regional prospect during the quarter. In addition to mapping, soil sampling, and trenching, drilling commenced at Gua Macan and Lompongan. Three diamond holes were drilled by two rigs for 481 metres, with two holes in progress at the end of the quarter. Assay results are pending. The primary target is near surface gold mineralisation, as well as near surface porphyry copper-gold mineralisation. A further 1,800 metres of DD at Lompongan is planned for Q4 2023. Man-portable rigs are utilised to reduce the environmental impact.



Figure 9: Drilling equipment mobilisation to the new drill site at Lompongan



Figure 10: Drilling in Gua Macan

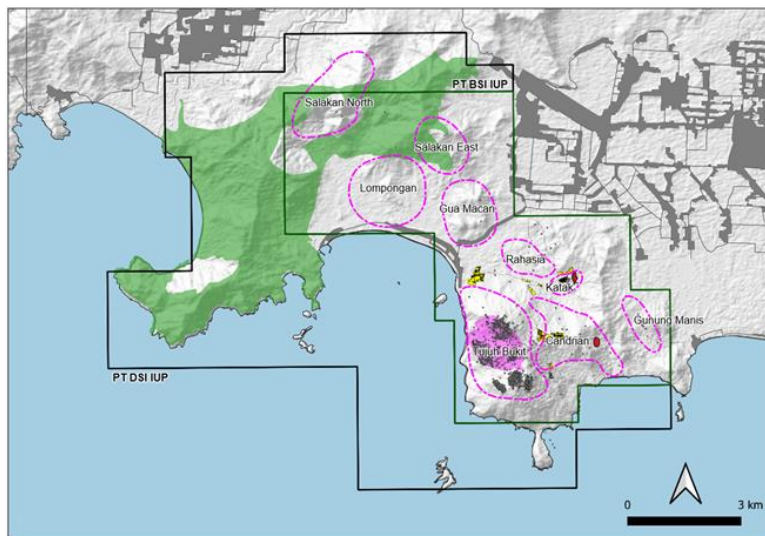


Figure 11: Location map

Wetar Copper Mine

Summary: Copper production of 2,128 tonnes at an AISC of \$7.28/lb. Cumulative copper production for 9M 2023 is 9,309 tonnes at an AISC of \$5.44/lb. Average sales price for the quarter and YTD is \$8,444/t and \$8,660/t, respectively. Additionally, pyrite ore shipments from Wetar to the AIM Project commenced during the quarter.

With the development of the AIM Project, the focus going forward will be on extracting maximum value from the Wetar ore including both production of copper at Wetar and the sale of pyrite ore to the AIM Project to be used to produce acid, iron, steam, copper, gold and silver. The first shipment of pyrite ore to the AIM Project was successfully completed during the quarter.

Mining: 4.7 million tonnes of material was mined during the quarter comprising 0.5 million tonnes of ore and 4.2 million tonnes of waste. Contained copper in ore mined totalled 7,894 tonnes at a grade of 1.59% Cu.

Processing: 0.4 million tonnes of ore was crushed and stacked on to the heap leach pad at a grade of 1.62% Cu.

Environmental, Safety and Social Performance: Wetar recorded one LTI during the quarter and achieved 1.5 million manhours free without LTI, whilst the mine’s YTD Total Recordable Injury Frequency Rate (“TRIFR”) per million hours was 0.60 with one recordable injury during the quarter.

Water monitoring was carried out in accordance with the AMDAL. Average monthly rainfall during the quarter was 34.81 mm. Domestic waste management has been implemented with 3R (Reduce, Reuse, Recycle) programs. Domestic waste was segregated based on organic and inorganic characteristics. On top of that, a total of 645 kg of cardboard was successfully sorted from the 24.10 tons of waste produced. Cardboard is processed into mulch planting media.

Social activities and programs, including education, health, sustainable economy, cash income generating occupation, social & culture, local institution development and infrastructure development, continue during the quarter.

Operational Cost Summary: The total cash cost and AISC for the quarter was \$4.80/lb and \$7.28/lb of copper produced, respectively.

Operating Outlook: Guidance for 2023 is revised to 14,000 – 16,000 tonnes of copper at an AISC \$4.20/lb to \$5.00/lb. The revision is a result of lower waste mining during the quarter which resulted in delays in accessing planned ore. Lower waste mining occurred as deliveries of explosives were temporarily limited. As a result, this production is now deferred to 2024.

Exploration: Activities during the quarter focused on RC drilling and DD at Partolang and surrounding areas, along with regional mapping in Kali Kuning West and South, Lerokis and West Karkopang.

During the quarter 57 RC holes were completed for 8,035 metres, and twelve DD holes were completed for 1,300 metres. RC drilling focused on resource definition programs, both infill and extension drilling, in Ortega, Partolang Bridge and beneath the Partolang pit. The DD programs were used to provide samples for metallurgical test work in Partolang Bridge and Ortega and to test for extensions to mineralisation in Partolang Northeast.

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Results from drilling at Partolang continue to be encouraging, showing potential to improve the resource category and add more resources outside the current ultimate pit design. Significant intersections reported during the quarter include⁸:

- 44.5 metres @ 3.59% Cu, 1.0 g/t Au, 41.4 g/t Ag from 135 metres in PTD105
- 21.65 metres @ 6.58% Cu, 1.56 g/t Au, 108.25 g/t Ag from 179.85 metres in PTD95
- 45.4 metres @ 2.85% Cu, 0.61 g/t Au, 19.35 g/t Ag from 128.6 metres in PTD103
- 29.0 metres @ 4.25% Cu, 1.04 g/t Au, 70.04 g/t Ag from 109 metres in PTR295
- 20 metres @ 4.93% Cu, 1.33 g/t Au, 201.97 g/t Ag from 51.7 metres in PTDM0133
- 48 metres @ 2.00% Cu, 0.53 g/t Au, 17.01 g/t Ag from 128 metres in PTDM0128
- 16 metres @ 5.99% Cu, 1.33 g/t Au, 159.94 g/t Ag from 34 metres in PTR285
- 24 metres @ 3.85% Cu, 0.83 g/t Au, 52.50 g/t Ag from 51 metres in PTR286

The metallurgical drill holes have confirmed the geometry and mineralisation characteristics of the previous RC holes that they were designed to twin.

Regional mapping has been conducted in several areas this quarter, to obtain detailed geological information around the geophysical and geochemical anomalies, which will assist with targeting exploration drill programs next year.

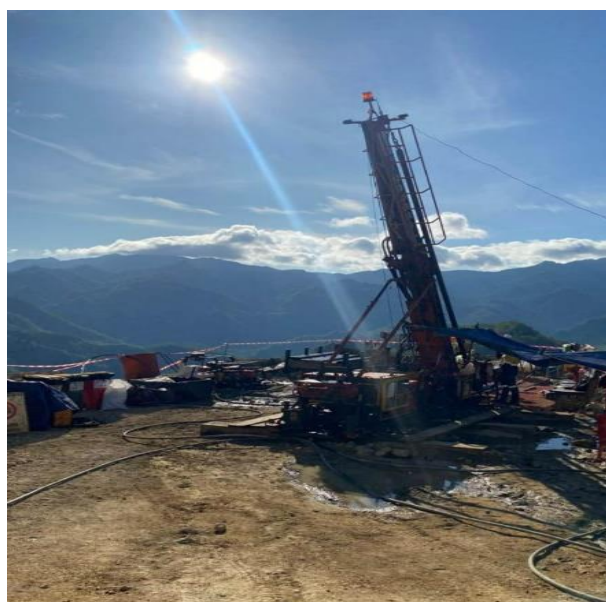


Figure 12: Exploration drilling with RC (left) and DD (right) at the Wetar

⁸ Full details of the latest Wetar drilling result is available at: https://merdekacoppergold.com/wp-content/uploads/2023/10/Wetar-Oct-2023-Exploration-Results_vFF.pdf

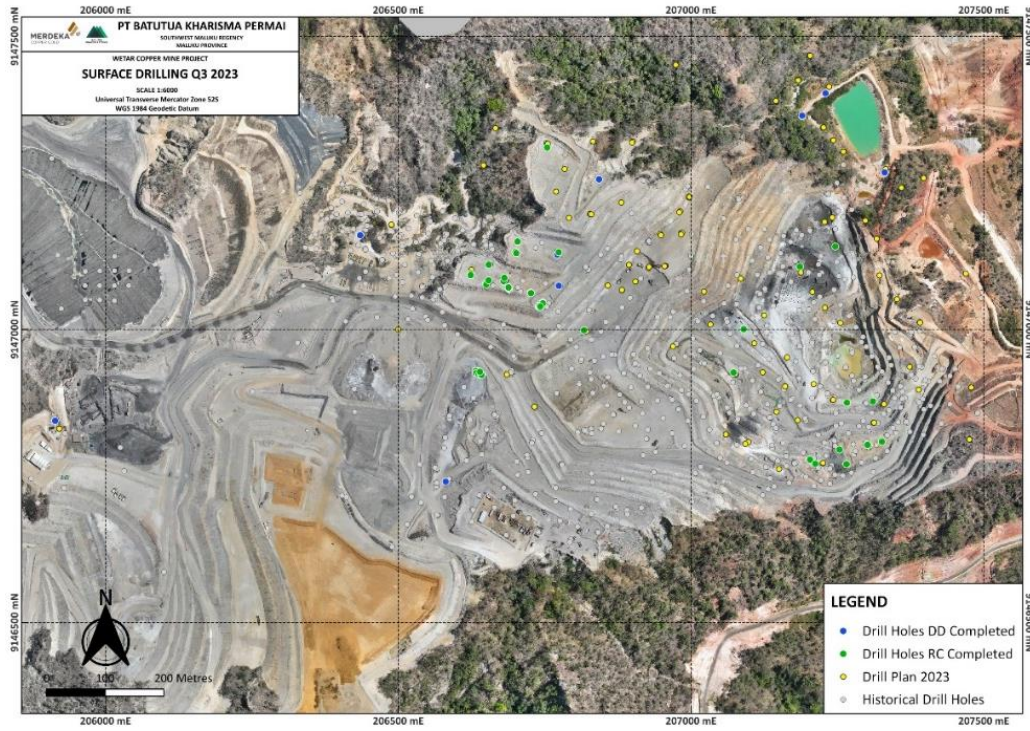


Figure 13: Location map

Sustainability

ESG Policies Update and Development

Merdeka has updated its human resources policies as part of its commitment to continuing to strengthen its sustainability practices. This update includes Merdeka's commitment to adhering to the ILO Declaration on Fundamental Principles and Rights at Work and the Core International Labor Convention and details on performance oversight by the Board of Directors. The updated policies cover a range of areas, including Diversity and Inclusivity Policy, Freedom of Association and Protection of Organisation Policy, Abolition of Forced Labor Policy, Child Labor Protection Policy, Anti-Discrimination and Gender Equality Policy, Anti-Corruption Policy, Anti-Money Laundering Policy, Anti-Bribery Policy, Conducive and Positive Work Environment Policy, Speaking Up and Anti-Retaliation Policy, and Conflict of Interest Policy.

In addition, Merdeka is currently developing comprehensive environmental policies and standards related to water management, waste management, climate change, toxic emissions, biodiversity management, closure and reclamation, hazardous materials management, tailing storage facility, and waste rock stockpile. Developing these comprehensive environmental policies and standards aims to enhance environmental stewardship, minimise adverse impacts and promote sustainable practices within Merdeka's operations.

Environmental

GHG Emissions Accounting and Reporting

Merdeka is committed to contributing to climate change solutions by continuously monitoring and reducing its carbon footprint. During this Quarter, Merdeka adopted the TruCount Emission Accounting Platform to measure, monitor, manage and report its GHG emissions across the group.

The TruCount Platform is built on the foundation of two globally recognised standards, namely the Greenhouse Gas Protocol and ISO 14064-1 (2018), which was a consideration factor in ensuring the reporting accuracy of Merdeka's GHG accounting and adherence to international standards.

Reef Transplanting and Hatchling Release

Merdeka carried out coral transplantation in late August 2023 on the reef at Grand Watudodol beach at Banyuwangi Regency. Approximately 1,000 coral buds were planted in 20 racks, which were then deployed at a depth of five meters from the beach. This program was supported and conducted jointly by the Regional Fisheries Office, the Regional Environmental Office, and the Local Tourism Group. The coral transplantation will be monitored on a quarterly basis until May 2024.

On 10 August 2023, 500 hatchlings were released at Mbaduk tributary in the vicinity of Meru Betiri National Park. The hatchlings were provided by the management of Meru Betiri National Park. The local government, a local tourism group, and students also supported this program.

Social and Governance

Health and Safety

At the end of the quarter, Merdeka’s YTD safety performance, as measured by the TRIFR, was 0.59, compared to the 2022 result of 0.97. There were two LTIs during the quarter, resulting in a 2023 YTD LTI of 0.09, and bringing the total number of LTIs to three during the year.

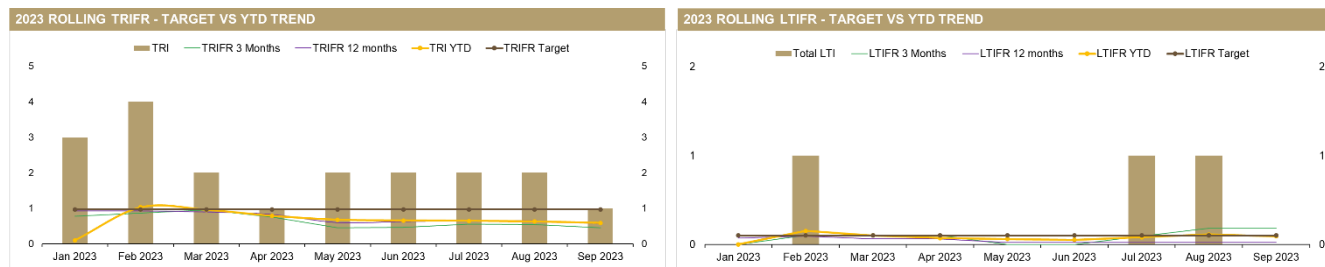


Figure 14: Merdeka’s TRIFR and LTIFR

Traffic management and operator skills continue to be an area of focus, with the recruitment of a senior operator trainer to oversee the implementation of a risk-focused operator training package and to standardise equipment operator training systems. To address fatigue risk, new types of fatigue camera detection system trials were conducted on haul trucks.

With respect to the management of contractors, the socialisation and monitoring of the Merdeka Contractor Management System program continued during the quarter.

Merdeka’s critical risk management program, involving app-based observation checklists for operational critical risks, continued with the implementation at MBMA subsidiary, PT Sulawesi Cahaya Mineral (“SCM”). Risk management training was also conducted at managerial and supervisory levels to improve risk comprehension across the business.

During this quarter and to enhance emergency system preparedness, an emergency response audit was conducted by an independent auditor across each of the sites. An industrial hygiene review and health risk assessment were also conducted across the sites.

Merdeka’s Support to Address Jakarta’s Clean Water Crisis

In collaboration with the National Amil Zakat Agency (“BAZNAS”), Merdeka is assisting several Jakarta areas facing a clean water crisis. Merdeka and BAZNAS also coordinate with the West Jakarta Administrative City Government to identify the communities most needing assistance.

Merdeka will progressively distribute 650 thousand litres of clean water. On 22 September 2023, an initial 12 thousand litres of clean water were distributed to affected communities in Cengkareng Barat Subdistrict, West Jakarta, reaching over 500 households or approximately 1,500 individuals.

The program to distribute clean water aligns with Merdeka’s commitment to supporting the achievement of Sustainable Development Goal 6 regarding clean water and proper sanitation.

Appendix 1: Finance and Corporate

Cash and Cash Equivalents: Cash and cash equivalents, net of restricted cash, on 30 September 2023 was \$431 million. In addition to this, Merdeka has \$160 million in undrawn debt facilities.

Debt:
Tujuh Bukit - PT Bumi Suksesindo (“BSI”) Prepayment Facility

As of 30 September 2023, the balance of Secured Bullion Forward Hedge and Financing Transaction (“BSI Prepayment Facilities”) was \$19 million with a total of 10,000 ounces gold hedged with scheduled monthly settlements from October to December 2023, at an average price of \$1,883/oz.

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 2024. This \$60 million RCF was undrawn at the end of the quarter.

Merdeka IDR Bonds

On 4 August 2023, the Company successfully completed the issuance of the third tranche of Continuation Bonds IV for a total amount of Rp2.6 trillion (or equivalent to approximately \$170 million), offered in two series with details as follow:

- Series A: Bond principal amounting to Rp1,084,485,000,000, coupon rate of 6.75% per annum for 367 days tenor;
- Series B: Bond principal amounting to Rp1,475,000,000,000, coupon rate of 8.00% per annum for a three-year tenor.

The outstanding balance of IDR Bonds on 30 September 2023 was equivalent to \$1,018 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 2024. Merdeka has \$100 million of undrawn Merdeka RCF at the end of the quarter.

PT Merdeka Tsingshan Indonesia (“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 30 September 2023, MTI has fully drawn both facilities.

Finance Lease

The outstanding finance lease balance as of 30 September 2023 was \$47 million.

QUARTERLY REPORT: SEPTEMBER 2023

Sales and Hedging: During the quarter, at TB Gold Mine, a total of 49,162 ounces of gold and 197,791 ounces of silver were sold at an average price of \$1,946/oz and \$22.9/oz, respectively, for total revenue of \$100 million.

At Wetar, 3,136 tonnes of copper were sold at an average price of \$8,444/t for total revenue of \$26 million.

At MBMA, 22,831 tonnes of nickel in NPI were sold at an average price of \$13,193/t for total revenue of \$301.2 million and 13,394 tonnes of nickel in nickel matte at an average price of \$16,346/t for total revenue of \$218.9 million.

Mark to market position for gold hedge increased from a liability position of \$0.1 million on 31 December 2022 to \$0.8 million as of 30 September 2023.

Table 2: MDKA production, average sales price and revenue

Product	Product Sold (oz, tonnes)	Average Sales Price (\$/oz, \$/t)	Revenue (\$m)
Q3 2023			
Gold	49,162	1,946	96
Silver	197,791	22.9	4
Copper	3,136	8,444	26
NPI	22,831	13,193	301
Nickel Matte	13,394	16,364	219
Total			646
9M 2023			
Gold	98,694	1,942	192
Silver	443,936	23.0	10
Copper	11,011	8,660	95
NPI	42,054	14,267	600
Nickel Matte	16,430	16,503	271
Total			1,168

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

Table 3: Major shareholders as of 30 September 2023

Shareholders	No. of shares	%
PT Saratoga Investama Sedaya Tbk	4,484,361,397	18.6
PT Mitra Daya Mustika (Provident)	2,907,302,421	12.1
Thohir Group	1,774,021,214	7.4
PT Suwarna Arta Mandiri (Provident)	1,347,254,738	5.6
Hongkong Brunp & Catl Co., Limited	1,205,542,539	5.0
Total	11,718,482,309	48.6
Treasury Stock	66,194,700	0.3
Others	12,326,173,762	51.1
Total shares on issue as of 30 September 2023	24,110,850,771	100.0

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 world-class Indonesian mining company engaging in mining and processing activities across gold, silver, copper and nickel.

Merdeka’s major assets are the: (i) Pani Gold Project; (ii) Tujuh Bukit Copper Project; (iii) PT Merdeka Battery Materials Tbk (IDX: MBMA); (iv) Tujuh Bukit Gold Mine and (v) Wetar Copper / Pyrite Mine.

The Pani Gold Project is a significant growth project, containing approximately 6.6 million ounces of gold and is expected to become a long-life and low-cost gold mine with the potential to produce a significant amount of gold. Merdeka has already completed substantial development work on-site and invested more than \$100 million in resource drilling, mining fleet purchases and site infrastructure development. Gold production is expected to commence by the end of 2025 and ultimate production is planned to be in excess of 450,000 ounces of gold per annum, making it Indonesia’s largest and one of Asia Pacific’s largest gold mines.

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 gold.

MBMA’s portfolio includes one of the world’s largest nickel resources containing approximately 13.8 million tonnes of nickel and 1.0 million tonnes of cobalt, three operating RKEF smelters with a total nameplate capacity of 88,000 tonnes of nickel in NPI per annum, a high-grade nickel matte conversion facility located within IMIP with an average annual production of 50,000 tonnes of nickel in nickel matte, the Acid Iron Metal (“AIM”) Project which will produce acid and steam for use in high pressure acid leach (“HPAL”) plants, in addition to producing other metals such as copper, gold and iron. MBMA is also developing substantial HPAL processing capabilities across multiple joint ventures at the Indonesia Konawe Industrial Park (“IKIP”) and IMIP.

Merdeka is owned by prominent Indonesian shareholders, among others: Provident Capital, PT Saratoga Investama Sedaya Tbk and the Thohir Group who have exceptional track records in successfully identifying, building and operating multiple publicly listed companies in Indonesia.

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