

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 to the heavy equipment rental agreements between PT Merdeka Mining Indonesia (a Controlled Company of the Company) and, among others, PT Gorontalo Sejahtera Mining, PT Pani Bersama Tambang, and PT Mentari Alam Persada, all of the which are the Controlled Company 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

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This Information Disclosure
is issued in Jakarta on 3 January 2024

DEFINITIONS

- “Affiliation”** : means the parties referred to UUP2SK, namely:
- a. family relationship due to marriage up 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”** : The regulator in the capital market for stock exchange transactions, which in this case is held by PT Bursa Efek Indonesia, domiciled in South Jakarta.
- “GSM”** : PT Gorontalo Sejahtera Mining, domiciled in South Jakarta, a limited liability company established and operating under the laws of the Republic of Indonesia.
- “MAP”** : PT Mentari Alam Persada, domiciled in Pohuwato Regency, Gorontalo Province, a limited liability company established and operating under the laws of the Republic of Indonesia.

“MOLHR”	: Minister of Law and Human Rights of the Republic of Indonesia.
“MMI”	: PT Merdeka Mining Indonesia, domiciled in Pohuwato Regency, Gorontalo Province, a limited liability company established and operating under the laws of the Republic of Indonesia.
“Financial Services Authority or OJK”	: An independent state institution, which has the functions, duties, and authorities to regulate, supervise, examine, and investigate as referred to in Law No. 21/2011 on the Financial Services Authority, as amended by UUP2SK.
“PBT”	: PT Pani Bersama Tambang, domiciled in Pohuwato Regency, Gorontalo Province, 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 Services 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”	: The Heavy Equipment Leasing Services Agreements made by and between MMI and among others GSM, PBT, and MAP which is effective 2 (two) business days after the issuance of fairness opinion from independent appraiser declaring that the transaction stipulated in this Agreement is in accordance with the arm’s length principle 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 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” or “IDR”	: 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 company 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 major 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, major 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.
- “UUP2SK”** : Law No. 4 of 2023 dated 12 January 2023 on Financial Sector Development and Strengthening, State Gazette of the Republic of Indonesia No. 4 of 2023, 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 3 January 2024, the MMI along with each of GSM, PBT, and MAP has signed the Agreement with detail as described in the Transaction summary below.

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which MMI, as well as GSM, PBT, and MAP, is the controlled company of the Company. However, this Transaction is not a Conflict of Interest Transaction 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. 00468/2.0118-00/BS/02/0596/1/XII/2023 dated 29 December 2023 on the Fairness Opinion Report on the Proposed Rental Transaction of Heavy Equipment to PT Gorontalo Sejahtera Mining, PT Pani Bersama Tambang, and PT Mentari Alam Persada by PT Merdeka Mining Indonesia (a Controlled Company 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. GSM

GSM, domiciled in South Jakarta, was a limited liability company established by the name of PT Newcrest Nusa Sulawesi based on Deed of Articles of Association No. 82 dated 28 July 1994, made before Siti Safariyah, S.H. C.N., as the substitute of B.R.Ay Mahyastoeti Notonagoro, S.H., Notary in Jakarta, which has been approved by the Minister of Justice of the Republic of Indonesia by virtue of the Decree No. C2-12.169 HT.01.01-Th.94 dated 12 August 1994.

GSM's Articles of Association have been amended several times as lastly amended by the Deed of Statement of Shareholders' Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 19 dated 8 June 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR based on Receipt of Notification on the Amendment of Articles of Association No. AHU-AH.01.03-0073642 dated 8 June 2023 ("**Deed 19/2023**").

Based on the provisions of Article 3 of the Articles of Association of GSM, the purpose and objective of GSM is to engage business in the field of gold and silver mining. To achieve such purpose and objective, GSM may conduct business activities of mining, cleaning and separation of gold and silver ore.

Capital Structure and Shareholders' Composition of GSM

Based on Deed of Statement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders No. 23 dated 2 March 2023, made before Darmawan Tjoa, S.H., S.E., which has been approved by the MOLHR based on the Decree No. AHU-0013538.AH.01.02.Tahun 2023 dated 2 March 2023 and has been notified to the MOLHR based on the Receipt of Notification of the Amendment to the Articles of Association No. AHU-AH.01.03-0033981 dated 2 March 2023 *juncto* Deed 19/2023, capital structure and composition of shareholders of GSM are as follows:

Authorized Capital	:	IDR2,167,000,000,000
Issued Capital	:	IDR1,675,901,165,455
Paid-up Capital	:	IDR1,675,901,165,455

The Authorized Capital of GSM is divided into 1,000,000,000 (one billion) shares, with a nominal value of IDR2.167 (two thousand one hundred and sixty-seven Rupiah).

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

No.	Shareholders' Name	Nominal Value of IDR2,167 per share		
		Number of Shares	Nominal Value (IDR)	%
1.	PT Pani Bersama Jaya	773,373,864	1,675,901,163,288	99.99
2.	The Company	1	2,167	0.01
Total		773,373,865	1,675,901,165,455	100.00
Portfolio Shares		226,626,135	491,098,834,545	-

Composition of the Board of Commissioners and Board of Directors of GSM

Based on the Deed of Statement of Shareholders' Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 57 dated 28 April 2023, made before Darmawan Tjoa, SH., S.E., Notary in Jakarta, which has been notified to the MOLHR based on the Receipt of Notification of the Change of the Company's Data No. AHU-AH.01.09-0116922 dated 12 May 2023, the composition of the Board of Directors and the Board of Commissioners of GSM is as follows:

Board of Commissioners

President Commissioner : Adi Adriansyah Sjoekri
Commissioner : Edi Permadi

Board of Directors

President Director : Boyke Poerbaya Abidin
Director : Cahyono Seto

2. MAP

MAP, domiciled in Pohuwato Regency, Gorontalo Province, is a limited liability company established by the name of PT Batutua Tambang Energi, pursuant to Deed of Establishment No. 145 dated 20 December 2019, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been ratified by the MOLHR by virtue of the Decree No. AHU-0068142.AH.01.01.TAHUN 2019 dated 21 December 2019 ("**MAP's Deed of Establishment**").

MAP'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. 53 dated 18 December 2023 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-0079049.AH.01.02.TAHUN 2023 dated 18 December 2023 and has been notified to the MOLHR based on Receipt of Notification of the Amendment of the Company's Articles of Association No. AHU-AH.01.03-0157460 dated 18 December 2023 ("**Deed 53/2023**").

Based on Article 3 of the Articles of Association of MAP, the purpose and objective of MAP is to engage in wholesale trading activities based on fees or contracts, other transportation support activities YTDL (*yang tidak termasuk dalam lainnya* or which are not included in others), and other business support service activities YTDL (*yang tidak termasuk dalam lainnya* or which are not included in others).

To achieve the above-mentioned purposes and objectives, MAP may carry out business activities as follows:

- a. Large-Scale Trading based on Fee or Contract (KBLI 46100)
carrying out business activities of an agency receiving commissions, brokers, auctions, and other wholesale who trade commodities domestically, internationally on behalf of other parties. Activities include commission agents, commodity brokers, and all other wholesalers who sell on behalf and at the risk of other parties; activities involved in joint sales and purchases or conducting transactions on behalf of the company, including through the internet; and agents involved in trade such as agricultural raw materials, live animals; textile raw materials and semi-finished commodity; fuels, ores, metals and chemical industries, including fertilizers; food, beverages, and tobacco; textiles, clothing, furs, footwear, and leather goods; timber and building materials; machinery, including office machines and computers, industrial equipment, ships, aircraft;

furniture, household goods, and hardware; wholesale trading activities of auction houses; commission agents for radioactive substances and ionizing radiation generators. Includes commodity auction market organizers;

- b. Other Transportation Support Activities YTDL (KBLI 52299)
carrying out business activities of shipping and/or packing of goods in other large volumes, other than those included in the KBLI groups 52291 to 52298, such as shipping and/or packing services for valuables item from sunken ship cargo and other cultural objects; and
- c. Other Business Support Service Activities YTDL (KBLI 82990)
carrying out business activities of providing other support services that cannot be classified elsewhere, such as court reporting services and stenotype records and stenography services for the public, live television broadcast services for meetings and conferences, bar code addressing services, bar code printing services, fundraising organization services based on fees or contracts, mail sorting services, storage services, parking fees using meter coins, independent auction activities, loyalty program administration, and other supporting activities provided for businesses that are not classified elsewhere. Including the activities of the warehouse receipt system registration center.

Capital Structure and Shareholder's Composition of MAP

Based on Deed 53/2023 *juncto* Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 54 dated 18 December 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR based on Receipt of Notification of the Change of Company's Data No. AHU-AH.01.09-0197083 dated 18 December 2023 ("**Deed 54/2023**"), the capital structure and shares ownership composition of MAP are as follows:

Authorized Capital	:	IDR300,000,000,000
Issued Capital	:	IDR227,050,000,000
Paid-up Capital	:	IDR227,050,000,000

The Authorized Capital of MAP is divided into 1,200,000 (one million two hundred thousand) shares, with a nominal value of IDR250,000 (two hundred and fifty thousand Rupiah).

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

No.	Shareholders' Name	Nominal Value of IDR250,000 per share		
		Number of Shares	Nominal Value (IDR)	%
3.	PT Pani Bersama Jaya	908,199	227,049,750,000	99.99
4.	PT Merdeka Kapital Indonesia	1	250,000	0.01
Total		908,200	227,050,000,000	100.00
Portfolio Shares		291,800	72,950,000,000	-

Composition of the Board of Directors and Board of Commissioners of MAP

Based on the MAP's Deed of Establishment *juncto* Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 96 dated 24 February 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-0013784.AH.01.02.TAHUN 2022 dated 24 February 2022, and has been notified to the MOLHR based on the Receipt of Notification of the Change of the Company's Data No. AHU-AH.01.03-0123252 dated 24 February 2022, the composition of the Company's Board of Directors and Board of Commissioners of MAP is as follows:

Board of Commissioner

Commissioner : Albert Saputro

Board of Directors

President Director : Boyke Poerbaya Abidin

Director : Cahyono Seto

3. **MMI**

MMI, domiciled in Pohuwato Regency, Gorontalo Province, 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 the MOLHR by virtue of the Decree No. AHU-0031389.AH.01.01.TAHUN 2022 dated 12 May 2022 ("**MMI's Deed of Establishment**")

MMI's Articles of Association have been amended several times as lastly amended by the Deed of Statement of Circular Resolutions of Shareholders in Lieu of Extraordinary General Meeting of Shareholders No. 43 dated 20 November 2023 which was 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-0071570.AH.01.02.TAHUN 2023 dated 20 November 2023 and has been notified to the MOLHR based on Receipt of Notification of the Change of the Company's Data No. AHU-AH.01.09-0186805 dated 20 November 2023 ("**Deed 43/2023**").

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

To achieve the above-mentioned purposes and objectives, MMI may carry out business activities as follows:

- a. Mining and Other Excavation Supporting Activities (KBLI 09900);
carrying out supporting services activities based on fees or contracts, which are required in the mining activities of 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 services and distribution of mining products, as well as trial services for excavation and drilling for mining fields or wells.
- b. Rental of Construction Equipment with Operators (KBLI 43905);
this group encompasses the businesses of rental of 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 group encompasses the activities of leasing and operational leasing without option rights 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

Based on Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 43 dated 20 September 2023 which was 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-0056558.AH.01.02.TAHUN 2023 dated 20 September 2023 and has been notified to the MOLHR based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0119645 dated 20 September 2023 *juncto* Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 44 dated 20 September 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR based on Receipt of Notification of the Change of Company's Data No. AHU-AH.01.09-0165221 dated 20 September 2023 ("**Deed 44/2023**"), the capital structure and shares ownership composition of MMI is as follows:

Authorized Capital	:	IDR20,000,000,000
Issued Capital	:	IDR5,000,000,000
Paid-up Capital	:	IDR5,000,000,000

The Authorized Capital of MMI is divided into 4,000,000 (four million) shares, with a nominal value of IDR5,000 (five thousand Rupiah) per share.

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

No.	Shareholders' Name	Nominal Value of IDR5,000 per share		
		Number of Shares	Nominal Value (IDR)	(%)
1.	PT Pani Bersama Jaya	999,999	4,999,995,000	99.99
2.	PT Merdeka Kapital Indonesia	1	5,000	0.01
Total		1,000,000	5,000,000,000	100.00
Portfolio Shares		3,000,000	15,000,000,000	-

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

Based on the MMI's Deed of Establishment, the composition of the Board of Directors and Board of Commissioner of MMI is as follows:

Board of Commissioner

Commissioner : Adi Adriansyah Sjoekri

Board of Directors

President Director : Boyke Poerbaya Abidin
Director : Cahyono Seto

4. PBT

PBT, domiciled in Pohuwato Regency, Gorontalo Province, is a limited liability company established pursuant to the Deed of Establishment of Limited Liability Company No. 88 dated 20 November 2015, made before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been ratified by the MOLHR by virtue of the Decree No. AHU-2467718.AH.01.01.TAHUN 2015 dated 20 November 2015.

PBT's Articles of Association have been amended several times. They were as lastly amended by the Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 59 dated 18 December 2023 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-0079180.AH.01.02.TAHUN 2023 dated 18 December 2023 and has been notified to the MOLHR based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0157761 dated 18 December 2023 ("**Deed 59/2023**").

Based on Article 3 of PBT's Articles of Association, the purpose and objectives of PBT are to operate in the field of manufacturing precious base metal industry.

To achieve the above-mentioned purposes and objectives, PBT may carry out business activities in the manufacturing of precious base metal industry (KBLI 24201), which carries out business activities of refining, smelting, alloying and pouring of precious metals in basic forms (ingots, billets, slabs, rods, pellets, blocks, sheets, pigs, alloys and powders) such as silver ingots, gold ingots, platinum pellets and others including business activities of trading the processed product.

Capital Structure and Shareholder's Composition of PBT

Based on Deed 59/2023, the capital structure and shares ownership composition of PBT are as follows:

Authorized Capital : IDR1,100,000,000,000
Issued Capital : IDR869,528,000,000
Paid-up Capital : IDR869,528,000,000

The Authorized Capital of PBT is divided into 1,100,000 (one million one hundred thousand) shares, with a nominal value of IDR1,000,000 (one million Rupiah) per share.

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

No.	Shareholders' Name	Nominal Value of IDR1,000,000 per share		
		Number of Shares	Nominal Value (IDR)	(%)
1.	PT Pani Bersama Jaya	869,527	869,527,000,000	99.99
2.	Januarius Felix Lumban Gaol	1	1,000,000	0.01
Total		869,528	869,528,000,000	100.00
Portfolio Shares		230,472	230,472,000,000	-

Composition of the Board of Commissioner and Board of Directors of PBT

According to the Deed of Statement of Circular Resolutions of Shareholders in Lieu of Extraordinary General Meeting of Shareholders No. 44 dated 14 March 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 Change of the Company's Data No. AHU-AH.01.09-0100462 dated 14 March 2023, the composition of the Board of Directors and Board of Commissioners of PBT is as follows:

Board of Commissioner

Commissioner : Januarius Felix Lumban Gaol

Board of Directors

President Director : Syamsul Bahri Ilyas

Director : Cahyono Seto

Transaction Value and Scope of the Agreement

Pursuant to the Agreement, MMI as the owner of the heavy equipment agrees to rental the heavy equipment among others to GSM, PBT, and MAP which is effective since 2 (two) business days after the issuance of the Appraiser's Report by the Independent Appraiser and will continue until 31 December 2028. The estimated value of the Transaction on each agreed Agreement is as follows:

- a. rental of heavy equipment between MMI and GSM, in the amount of IDR446,939,520,394 (four hundred forty-six billion nine hundred thirty-nine million five hundred twenty thousand three hundred ninety-four Rupiah);
- b. rental of heavy equipment between MMI and PBT, in the amount of IDR1,200,934,631,120 (one trillion two hundred billion nine hundred thirty-four million six hundred thirty-one thousand one hundred twenty Rupiah); and
- c. rental of heavy equipment between MMI and MAP, in the amount of IDR21,826,364,573 (twenty-one billion eight hundred twenty-six million three hundred sixty-four thousand five hundred seventy-three Rupiah).

The scope of work for the rental of heavy equipment which provided by MMI among others to GSM, PBT, and MAP includes but is not limited to providing:

1. heavy equipment operation;
2. heavy equipment commissioning;
3. heavy equipment inspection, maintenance, and repair;
4. Provision of heavy equipment operator (optional) and heavy equipment mechanics; and
5. Other implementation activities of heavy equipment rental services.

Furthermore, the Transaction is not a material transaction as referred to in POJK 17/2020 considering that the value of the 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 30 September 2023 which was audited by Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan.

Nature and Affiliation Relationship with the Company

The nature of the Affiliation relationship between GSM, PBT, MAP and MMI with the Company is as follows:

- a. GSM is a controlled company of the Company, whose shares owned directly and indirectly by the Company in the amount of 70.05% (seventy point zero five percent);
- b. MAP is a controlled company of the Company, whose shares owned indirectly by the Company in the amount of 70.05% (seventy point zero five percent);
- c. MMI is a controlled company of the Company, whose shares owned indirectly by the Company in the amount of 70.05% (seventy point zero five percent);
- d. PBT is a controlled company of the Company, with shares owned indirectly by the Company in the amount of 70.04% (seventy point zero four percent); and
- e. there is a member of the Board of Commissioner of MAP who also serves as a member 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. 132.4/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 report of the Transaction as stated in its report No. 00468/2.0118-00/BS/02/0596/1/XII/2023 dated 29 December 2023:

a. Transacting Parties

The transacting parties are GSM, PBT, and MAP as a lessee and MMI as the owner of heavy equipment.

b. Appraisal Object

The object of the appraisal is the proposed Transaction of the heavy equipment rental between MMI (a controlled company of the Company) with GSM, PBT, and MAP.

c. Purpose and Objective of Appraisal

The purpose of the appraisal is to provide a 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 Company.
 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 of heavy equipment rental to GSM, PBT, and MAP by MMI is that the Transaction value is higher than the market rental value but still in the fair range, which gives a conclusion that the Transaction value is **fair**.

The analysis results of the financial impact of the Transaction to be carried out on the interests of Shareholders gives a conclusion that by carrying out the Transaction the Company's financial impact does not change, but the Company through MMI can integrate the provision of heavy equipment so that the Company's subsidiaries will be more effective and efficient in one operational control that can provide added value to the Company in line with the interests of Shareholders.

The analysis results of business considerations used by the Company's management related to the Transaction that will be carried out on the interests of Shareholders are to integrate the provision of heavy equipment so that the business process of each company will be more effective and efficient because they are under one operational control in line with the interests of Shareholders.

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

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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 30 June 2023 before and after carrying out the Affiliated Transaction:

Description	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	496.347.175	0	496.347.175
Trade receivables			
- third parties	131.306.502	0	131.306.502
- related parties	824.570	0	824.570
Other receivables - third parties	7.877.454	0	7.877.454
Inventories - current portion	447.497.973	0	447.497.973
Claims for tax refund	59.123.021	0	59.123.021
Advances and prepayments - current portion	29.548.521	0	29.548.521
Investment in equity instrument and other securities	41.331.265	0	41.331.265
Total Current Assets	1.213.856.481	0	1.213.856.481
Non-Current Assets			
Advances and prepayments - non-current portion	113.607.979	0	113.607.979
Advance of investment	6.113.705	0	6.113.705
Investment in shares and associate entity	730.393	0	730.393
Loan from third party	38.617.353	0	38.617.353
Inventories - non-current portion	59.335.480	0	59.335.480
Prepaid taxes	109.655.768	0	109.655.768
Property, plant and equipments	1.536.749.775	0	1.536.749.775
Right-of-use assets	19.672.952	0	19.672.952
Mining properties	604.817.947	0	604.817.947
Exploration and evaluation assets	492.534.522	0	492.534.522
Goodwill	358.694.582	0	358.694.582
Deferred tax assets	30.109.854	0	30.109.854
Derivative financial instrument	2.670.807	0	2.670.807
Other non-current assets	11.200.944	0	11.200.944
Total Non-Current Assets	3.384.512.061	0	3.384.512.061
TOTAL CURRENT ASSETS	4.598.368.542	0	4.598.368.542
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables			
- third parties	305.933.200	0	305.933.200
- related parties	180.741	0	180.741
Accrued expenses	74.970.009	0	74.970.009
Unearned revenue	19.809.504	0	19.809.504
Taxes payable	12.690.288	0	12.690.288
Other payables	5.866.808	0	5.866.808

Borrowings - current portion:			
Bank loans and credit facility	3.231.405	0	3.231.405
Bonds payable	323.102.062	0	323.102.062
Lease liabilities	18.057.133	0	18.057.133
Derivative financial instrument - current portion	1.988.232	0	1.988.232
Provision for mining rehabilitation - current portion	62.848	0	62.848
Total Current Liabilities	765.892.230	0	765.892.230
Non-Current Liabilities			
Borrowings - net of current portion:			
Bank loans and credit facility	283.318.140	0	283.318.140
Bonds payable	703.036.528	0	703.036.528
Lease liabilities	21.577.370	0	21.577.370
Loan from associate entity	104.540.500	0	104.540.500
Deferred tax liabilities	94.019.871	0	94.019.871
Post-employment benefits liability - non-current portion	22.046.768	0	22.046.768
Provision for mining rehabilitation - non-current portion	39.657.387	0	39.657.387
Total Non-Current Liabilities	1.268.196.564	0	1.268.196.564
TOTAL LIABILITIES	2.034.088.794	0	2.034.088.794
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
Other equity components	-31.353.643	0	-31.353.643
Retained earnings:			
Appropriated	1.400.000	0	1.400.000
Unappropriated	232.170.131	0	232.170.131
Non-controlling interests	1.651.004.016	0	1.651.004.016
Total Equity	2.564.279.748	0	2.564.279.748
TOTAL LIABILITIES AND EQUITY	4.598.368.542	0	4.598.368.542

(*) Expressed in US Dollar and refer to the Interim Consolidated Financial Statements of the Company and its subsidiaries for the period ended 30 June 2023.

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

By implementing the Transaction, it is expected that the Company's subsidiaries involved in the Agreement can increase efficiency and effectiveness in conducting their business activities while better meeting operational needs. This step is expected to generate a positive impact on the Company as a whole, creating added value not only directly perceived by the subsidiaries, but also indirectly by the Company's Shareholders. Thus, this Transaction is expected to contribute positively to the Company's performance and strengthen the investment value for 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 30 September 2023 which was audited 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 has 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

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Telephone: +62 21 3952 5580; Facsimile: +62 21 3952 5589

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Initial: 