

**Capital Structure  
(6 February 2024)**

Shares outstanding:  
24,110,850,771 shares  
Share price: IDR2,460 per share  
Market capitalisation: \$3.8 billion

**Cash & Debt**

Cash: \$519 million  
Bank Debt: \$383 million  
IDR Bond: \$1,145 million

**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

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**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 its operational results for the December 2023 quarter.

**Gold Operations**

- Gold production of 29,507 ounces for the quarter at a total cash cost of \$1,016/oz and an average sales price of \$1,931/oz.
- Full year gold production of 138,666 ounces at a total cash cost of \$842/oz and an average sales price of \$1,939/oz.
- Guidance for 2024 is 100,000 to 120,000 ounces of gold at a total cash cost of \$900 to 1,050/oz.
- The Pani Gold Project Feasibility Study (“FS”) was completed during the quarter, confirming the project as a technically simple, high-margin and long-life open pit mining operation. Construction activities are continuing for the initial heap leach operation, targeting project commissioning in late 2025.

**Copper & Pyrite Operations**

- Copper production of 3,397 tonnes for the quarter at a total cash cost of \$3.21/lb and an average sales price of \$8,169/t.
- Full year copper production of 12,706 tonnes at a total cash cost \$3.74/lb and an average sales price of \$8,578/t.
- Guidance for 2024 is 14,000 to 16,000 tonnes of copper at a total cash cost of \$3.25 to 4.00/lb.
- Delivery of pyrite ore from the Wetar Copper-Pyrite Mine (“Wetar”) continues to ramp up with a total of 30,000 tonnes of pyrite ore delivered to the AIM Project.
- At the Tujuh Bukit Copper Project (“TB Copper”), Merdeka continues to advance a targeted drilling program to test the potential of open pitable copper-gold mineralisation extending from below the Tujuh Bukit Gold Mine (“TB Gold”) to the top of the TB Copper underground indicated resource. Optimisation work targeting improved project economics is progressing and delivering encouraging preliminary results.

**Nickel Operations**

- Nickel production of 34,825 tonnes during the quarter, comprising 22,141 tonnes of nickel in Nickel Pig Iron (“NPI”) and 12,684 tonnes of nickel in nickel matte was achieved at listed subsidiary, PT Merdeka Battery Materials Tbk (IDX: MBMA).
- Full year nickel production of 95,450 tonnes, comprising 65,117 tonnes of nickel in NPI and 30,333 tonnes of nickel in nickel matte.
- Guidance for 2024 is 85,000 to 92,000 tonnes of nickel in NPI and 50,000 to 55,000 tonnes of nickel in nickel matte.
- MBMA continues to advance its High-Pressure Acid Leach (“HPAL”) growth projects at both Indonesia Morowali Industrial Park (“IMIP”) and Indonesia Konawe Industrial Park (“IKIP”), with the 55% MBMA owned PT ESG New Energy Material (“ESG”) HPAL plant forecasted to commence commissioning by the end of 2024.

**Corporate**

- Merdeka was upgraded by MSCI Inc. to an ‘A’ rating for its ESG initiatives placing the Company as the highest rated Indonesian metals and mining company.

**Pani Gold Project (Merdeka: 70.0% interest)**

Pani is a significant gold project containing more than 6.6 million ounces of gold currently under development in Gorontalo Province, Sulawesi. Pani is easily accessible via the Trans-Sulawesi highway and situated approximately 130km west of Gorontalo City.

Merdeka completed substantial development work in 2022 and 2023 on-site, investing more than \$114 million – this is in addition to substantial expenditure incurred prior to Merdeka ownership.

The Pani Feasibility Study (“FS”), a compilation of studies from independent technical consultants, was completed during the quarter, confirming Pani as a low-risk, high-margin, long-life open pit mining operation that is designed to optimise its mineral resource by adopting a phased mine plan to maximise near-term cash flows. Merdeka is currently undertaking a final optimisation of the FS and will publish the results in February 2024.

Development of the first phase 7.0Mtpa heap leach project is advancing, with an estimated capital investment of approximately \$200 million and ancillary costs. A second phase of development will increase production by adding a carbon-in-leach (“CIL”) gold recovery circuit, processing approximately 19.0Mtpa of ore capable of producing more than 450,000 ounces of gold per annum.

Bulk earthworks construction activities commenced for the heap leach project during the quarter. A site metallurgical laboratory facility was also commissioned enabling site-based column leaching test work to continue uninterrupted whilst construction activities continue.

Pani is being executed cost effectively by engaging in-house construction expertise and combined with local contractors. Permitting, land access and design activities are now well advanced.



*Figure 1: Mine hauling road construction*

Metallurgical test work confirms that average heap leach gold recoveries of approximately 80% is consistently achievable through a tertiary crushing processing size of P100 19mm. International geotechnical consultants continue to analyse test work results, seeking opportunities to optimise recoveries, and ensure that the stacking methods remain stable under static and seismic conditions.

Pani is expected to commence commissioning activities in late 2025.

**Resource Definition Activities**

During the quarter, the Merdeka completed 136 drill holes for 15,210 metres of diamond drilling (“DD”), covering resource definition, geotechnical, metallurgical drilling programs. Merdeka completed 76,052 metres of drilling at Pani during 2023.

An updated mineral resource estimate (“MRE”) for Pani will be completed at the end of Q1 2024.

Four diamond rigs are operating at Pani performing resource definition drilling. Additionally, two diamond rigs are performing geotechnical drilling for preliminary open pit designs.

Merdeka issued a combined MRE in May 2023, summarised below.

*Table 1: Pani Mineral Resource Estimate by classification<sup>1</sup>*

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

**Project Development**

Heap Leach

Metallurgical test work has now been completed on the Baganite oxide resource of the heap leach open pit, with the Pani Ridge resource test work well advanced for completion in early 2024. Both programs continue to deliver strong gold recovery results, with an average life of mine gold recovery forecast above 80%.

The current mining schedule and stacking configurations have been optimised during the quarter now supporting a mineable 67Mt of heap leachable oxide mineralisation that will be processed at a rate of 7.0Mtpa.

Carbon-in-Leach

The CIL processing is planned to commence in 2028 at an initial throughput of 7.5Mtpa expanding to 12.0Mtpa from 2031.

<sup>1</sup> 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>

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”.

### **Tujuh Bukit Copper Project (Merdeka: 100% interest)**

TB Copper is located beneath TB Gold and hosts mineral resources of 1.71 billion tonnes at a grade of 0.47% copper and 0.50 g/t gold containing approximately 8.1Mt copper and 27.4Moz gold, including an indicated resource of 442Mt at 0.60% copper and 0.66 g/t gold<sup>2</sup>.

Since 2018, Merdeka has invested \$185 million to advance the project including a 1,890-metre exploration decline, resource definition drilling, geological modelling and technical studies.

The bulk of the expenditure incurred during the quarter was spent on resource definition drilling and technical studies. Underground drilling has advanced and is expected to deliver significant additional indicated resource tonnage. An updated MRE for TB Copper will be completed at the end of Q1 2024.

Drilling related to the extension of TB Gold mine life has identified copper-gold mineralisation extending from below the TB Gold open pits to the TB Copper underground indicated resource. The potential mining of this copper-gold mineralisation from an open pit is a low-risk, brownfield expansion of the existing TB Gold mining operations and would potentially increase, accelerate and de-risk the initial production profile of TB Copper.

### **Optimisation Work**

Following the completion of a Pre-Feasibility Study (“PFS”)<sup>3</sup> Merdeka has embarked on an optimisation program to increase project value, including the implementation of a significant drill program to test the potential of open pit targets to produce copper-gold sulphide mill feed; modelling and test work of alternative flotation and downstream processing circuits to improve metallurgical recoveries; drilling to increase mine reserves and an optimisation of the sub-level cave (“SLC”) to increase mine output.

Results to date are very encouraging.

#### Open pit expansion potential

- A focused drilling program on surface copper-gold sulphide mineralisation with the potential to provide open pit mill feed has commenced. Near surface mineralisation has been confirmed beneath the existing TB Gold open pit operations, and at near mine targets on the mining lease at Candrian and Lompongan. In addition to the strong potential for TB Gold mine life extension in pit A, drilling in the north-west of pit C has returned copper-gold sulphide intercepts that will progress to infill and resource modelling.
- Conceptual open pit designs have been completed by independent technical consultants Mining One and AMC to assess the status and value of the existing open pit copper-gold sulphide ore resources for TB Copper. These designs serve as a baseline for future work. The results highlight the substantial potential for value improvement within TB Copper's purview. This enhancement can be realised through the strategic integration of TB Gold operations, the processing infrastructure funded by the SLC project, and the exploration of additional open pit copper-gold sulphide mill feed.
- Oxide gold mining has the potential to reduce the strip ratio needed to access copper-gold sulphide mineralisation within the existing pits. This has been supported by metallurgical test work on six composites from pit A oxide gold extension drilling returning an average of 88% gold recovery from leach testing.

#### Combined resource models

- Historically, open pit operations and underground project resource models have existed as separate models, one focused on oxide gold (TB Gold) and the other on copper-gold sulphides (TB Copper). Merdeka is now combining these models to provide the study team with a new optimisation opportunity that considers deeper ore sources for open pit mining and shallower ore for draw into the SLC and block cave (“BC”) columns.

<sup>2</sup> 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>.

<sup>3</sup> 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>.



Improved recovery program

- Merdeka is engaged in a metallurgical test-work program designed to produce a step change in copper and precious metal recoveries from TB copper underground ore. One of several circuits under laboratory trials can produce separate high-grade copper and pyrite concentrates that are suitable for in-house blending and treatment. Three alternatives to the PFS flotation flowsheet have been selected for this assessment. ALS have been engaged to complete the work and received 28 tonnes of samples from across the TB Copper ore body. ALS are working with DRA Global engineers and Merdeka’s metallurgical consultants to refine flowsheets, complete variability studies and produce physical concentrates suitable for downstream processing. Circuit models tested to date demonstrate a strong potential to improve gold recoveries from gold that reports to pyrite via treatment in the AIM Project circuits.

Larger mine reserve

- The 2023 underground drill program specifically targeted the north-west of TB Copper’s resource because it had not yet been drilled and modelled on an indicated spacing. The infill program was highly successful and the increase in indicated resource will form part of the updated MRE due for the end of Q1 2024.
- The SLC and BC design mine footprints will be extended to support an increase in mining probable reserve and a higher level of confidence in the mine plan and financial model.

Increased mine output and concentrator configurations

- The TB Copper study team’s goal in H1 2024 is to increase mill feed early in the project life, before the commencement of BC production. To contribute toward this outcome, the SLC output will be optimised to produce at a higher annual rate using the new combined resource model. Copper-gold sulphide tonnage, potentially produced from the open pit expansion project, will be added to the increased SLC output.
- TB Copper’s engineering consultant, DRA Global, is assessing semi-autogenous grinding (“SAG”) and ball mill grinding circuit combinations to improve capital efficiency and feed ramp up capacity, increase the throughput from 4.0Mtpa to 12.0Mtpa.

**Drilling Activities**

During the quarter, seven drill rigs operated underground, which were gradually scaled down towards the end of December. A total of 12 holes for 7,228 metres, were successfully drilled underground. The underground drilling prioritised resource definition activities focusing on infill drilling to convert inferred resources to indicated classification and confirm the outer boundaries of mineralisation. The combined MRE is expected to convert inferred tonnes to deliver significant additional indicated resources.



Figure 2: Copper sulphides (Bornite-Chalcopyrite) in the drill core

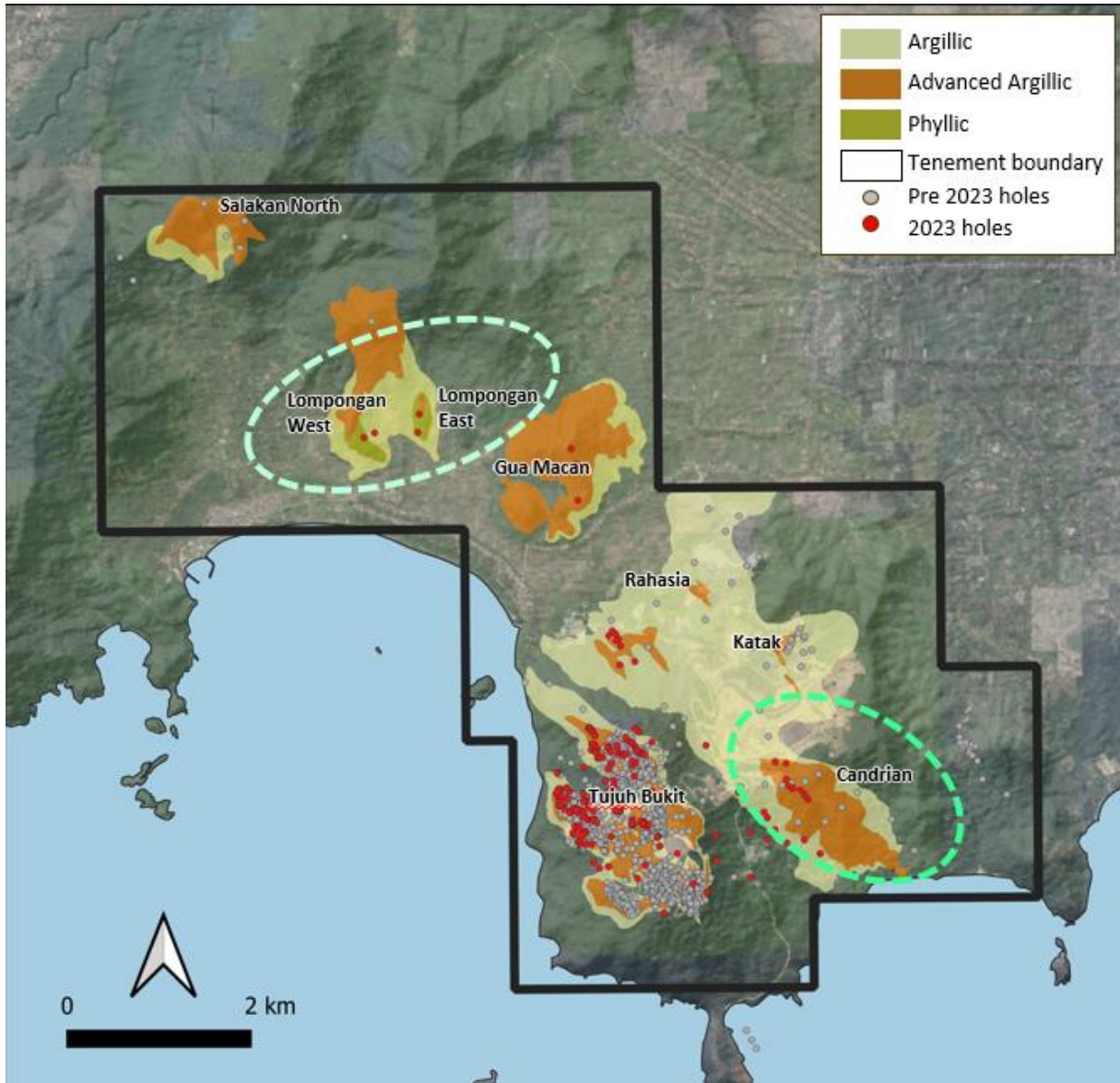


Figure 3: Tujuh Bukit drilling program

**PT Merdeka Battery Materials Tbk. (“MBMA”)**

MBMA is Merdeka’s vertically integrated, battery materials focused subsidiary, holding a portfolio of high-quality assets in the battery materials value chain located in Central and Southeast Sulawesi, Indonesia.

MBMA record nickel production of 34,825 tonnes during the quarter, comprising:

- 22,141 tonnes of nickel in Nickel Pig Iron (“NPI”) at an all-in sustaining cost (“AISC”) of \$10,909/t.
- 12,684 tonnes of nickel in nickel matte at an AISC of \$14,199/t.
- Average NPI and nickel matte sales price of \$12,099/t and \$14,216/t.

MBMA recorded full year 2023 nickel production of 95,450 tonnes, comprising:

- 65,117 tonnes of nickel in NPI at an AISC of \$12,262/t.
- 30,333 tonnes of nickel in nickel matte at an AISC of \$14,809/t.
- Average NPI and nickel matte sales price of \$13,537/t and \$15,592/t.

Guidance for 2024 is:

- Saprolite and limonite ore sales of 4.0 million wmt and 11.0 million wmt, respectively.
- 85,000 to 92,000 tonnes of nickel in NPI at an AISC of \$10,000 to 12,000/t.
- 50,000 to 55,000 tonnes of nickel in nickel matte at an AISC of \$13,000 to 15,000/t.

Other significant developments during the quarter include:

- Commencement of limonite ore sales to PT Huayue Nickel Cobalt (“HNC”) following the completion of the slurry pipeline construction, linking the HNC feed preparation plant to IMIP.
- AIM Project commissioning activities are nearing completion with the first acid train expected to start production in February 2024.
- MBMA continues to advance its HPAL growth projects at both IMIP and IKIP, with the 55% MBMA owned ESG HPAL plant forecasted to commence commissioning by the end of 2024.

MBMA adheres to the highest safety standards. By the end of the quarter, the accumulated manhours without an LTI stood at 9,517,084.

The December 2023 quarterly activities report<sup>4</sup> is available on the MBMA website.

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<sup>4</sup> MBMA quarterly report is available at: <https://assets.merdekabattery.com/dist/documents/MBMA-Activities-Report-Q4-2023.pdf>

**Tujuh Bukit Gold Mine (Merdeka: 100% interest)**

Gold produced during the quarter of 29,507 ounces at a total cash cost of \$1,016/oz and an AISC of \$1,487/oz.

Merdeka achieved full year gold production of 138,666 ounces at a total cash cost of \$842/oz and an AISC of \$1,212/oz.

Average sales price for the quarter and full year is \$1,931/oz and \$1,939/oz, respectively.

Guidance for 2024 is 100,000 to 120,000 ounces of gold at a total cash cost of \$900 to 1,050/oz and an AISC of \$1,350 to 1,500/oz.

*Table 2: TB Gold operational summary*

	<i>Unit</i>	March 2023	June 2023	September 2023	December 2023	Full Year 2023
<b>Mining</b>						
Ore Mined	<i>t</i>	2,073,369	2,111,713	2,243,370	<b>2,167,342</b>	8,595,794
Waste Mined	<i>t</i>	1,119,921	1,762,972	2,037,979	<b>1,865,479</b>	6,786,352
Mined Gold Grade	<i>Au g/t</i>	0.65	0.79	0.66	<b>0.54</b>	0.66
Mined Silver Grade	<i>Ag g/t</i>	16.24	17.26	18.99	<b>19.51</b>	18.03
Contained Gold Metal	<i>Au oz</i>	43,216	53,720	47,661	<b>37,691</b>	182,288
Contained Silver Metal	<i>Ag oz</i>	1,082,817	1,172,141	1,369,432	<b>1,359,710</b>	4,984,099
<b>Production</b>						
Ore Stacked	<i>t</i>	2,033,072	2,144,001	2,204,761	<b>2,155,021</b>	8,536,856
Gold Grade Stacked	<i>Au g/t</i>	0.66	0.83	0.71	<b>0.52</b>	0.67
Silver Grade Stacked	<i>Ag g/t</i>	15.97	17.36	19.16	<b>17.93</b>	17.08
Recovered Gold	<i>Au oz</i>	25,830	38,447	44,882	<b>29,507</b>	138,666
Recovered Silver	<i>Ag oz</i>	125,980	154,356	199,835	<b>155,176</b>	635,347

**Exploration**

Surface drilling under pit A has demonstrated continuity between the oxide gold mineralisation and the deeper copper-gold porphyry deposit. This continuity has now been confirmed in the pit C area.

Recent drilling from surface has also identified the presence of a copper-gold *blanket* that is associated with the high sulphidation event (post porphyry) and is structurally controlled with a sub horizontal element.

Ten DD rigs and two reverse circulation ("RC") rigs drilled 29 diamond holes for 9,152 metres and 31 RC holes for 8,702 metres proximal to the open pits during the quarter. A total of approximately 30,000 metres of RC and DD is planned to continue testing along strike and infilling current resources for the first half of 2024.

An updated MRE for TB Gold will be completed at the end of Q1 2024 and is expected to add oxide resources to the current open pit mine.

Exploration continued at the Lompongan regional prospect during the quarter. In addition to mapping, soil sampling, and trenching, seven diamond holes were drilled for 2,246 metres. Assay results are pending. The primary targets are near surface gold and near surface copper-gold porphyry mineralisation. A further 4,050 metres of DD at Lompongan is planned for the first half of 2024 using both man-portable and track mounted rigs.

Four diamond holes were drilled with two rigs for 1,382 metres in the near surface Candrian East porphyry prospect. A further 5,115 metres of RC drilling, and 5,400 metres of diamond drilling holes are planned to be drilled in this area in the first half of 2024.

Four diamond drill holes were drilled in the proposed Candrian West waste dump area as part of the sterilisation process. A total of 1,302 meters were drilled by three rigs.



Several shallow (approximately 60 metres) diamond drill holes were drilled as part of the geotechnical study for the proposed heap leach pad D area. All drill cores will be analysed for the standard analysis suite, including gold and copper. A total of 551 metres were drilled over 15 holes with two-man portable drill rigs. This drilling will continue into Q1 2024 and will be followed by four to six 300 metre diamond drill holes as part of the sterilisation process.



*Figure 4: Drilling at the southern extension of pit A*

### **Environmental, Safety and Social Performance**

The cumulative number of man-hours working on-site without Lost Time Injury (“LTI”) re-counted from zero since there was one LTI incident occurred during the quarter. The number of LTI at the end of December 2023 is 501,252 hours.

A total of 2,358 environmental samples were taken during the quarter, encompassing statutory based sampling requirements as well as company-driven internal monitoring. In addition, 2,776 pioneer trees (3.49 hectares) were planted including 5.12 hectares of cover crops through methods both manual and hydroseeding.

**Wetar Copper/Pyrite Mine (Merdeka: 100% interest)**

Copper produced during the quarter of 3,397 tonnes at a total cash cost of \$3.21/lb and an AISC of \$5.17/lb.

Merdeka achieved full year copper production of 12,706 tonnes at a total cash cost of \$3.74/lb and an AISC of \$5.38/lb.

Average sales price for the quarter and full year is \$8,169/t and \$8,578/t, respectively.

Guidance for 2024 is 14,000 to 16,000 tonnes of copper at a total cash cost of \$3.25 to 4.00/lb and an AISC of \$4.50 to 5.25/lb.

In accordance with expectations, ore mined during the quarter increased to 715,049 tonnes containing 11,276 tonnes of copper. Production was however impacted by slower leach kinetics and higher levels of clay content ores. Slower leach kinetics have impacted the timing of copper production in the back end of 2023. The higher clay content ore was mined to stockpiles for later treatment to prevent it impacting the heap performance.

With the development of the AIM project, the focus going forward will be on extracting maximum value from the Wetar ore including 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.

*Table 3: Wetar operational summary*

	<i>Unit</i>	March 2023	June 2023	September 2023	December 2023	Full Year 2023
<b>Mining</b>						
Ore Mined	<i>t</i>	236,448	132,462	495,954	<b>715,049</b>	1,579,913
Waste Mined	<i>t</i>	4,287,711	5,836,237	4,210,571	<b>3,395,139</b>	17,729,658
Mined Copper Grade	%	2.28	2.35	1.59	<b>1.58%</b>	1.75%
Contained Copper Metal	<i>t</i>	5,380	3,109	7,894	<b>11,276</b>	27,659
<b>Production</b>						
Fresh Ore Crushed	<i>t</i>	223,999	84,655	405,482	<b>619,597</b>	1,333,733
Copper Grade Stacked	%	2.33	2.37	1.62	<b>1.59%</b>	1.77%
Copper Leached	<i>t</i>	3,428	2,978	1,981	<b>3,771</b>	12,158
Recovered Copper	<i>t</i>	4,053	3,128	2,128	<b>3,397</b>	12,706

**Exploration**

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

During the quarter 36 RC holes were completed for 3,174 metres, and three DD holes were completed for 210 metres. RC drilling focused on a sterilisation program at the bottom of the Partolang pit and a resource infill drilling program in Partolang Northeast. The DD programs were used to confirm the sterilisation RC results at the bottom of the pit.

Regional mapping was conducted in several areas to obtain detailed geological information around the geophysical and geochemical anomalies.

The 2024 exploration program will consist of regional drilling, surface geological mapping and geophysical surveys, with the aim of discovering new prospect areas. The activities will be focused on the Kali Kuning ("KK") West, KK South, Karkopang, Partolang North and Lerokis areas.



*Figure 5: Geological mapping of regional targets at Wetar*

### **Environmental, Safety and Social Performance**

Wetar achieved zero LTI during the quarter and a record of 3.18 million Manhours Free LTI, whilst the full year Total Recordable Injury Frequency Rate (“TRIFR”) per million hours was 0.00 with no recordable injury during the quarter.



**Sustainability & Environment, Social and Governance (“ESG”)**

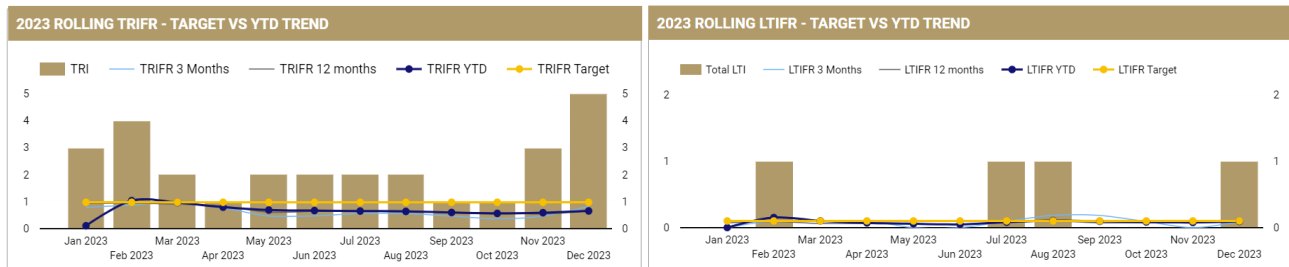
**ESG Highlights**

- Merdeka was upgraded by MSCI Inc. to an ‘A’ rating for its ESG initiatives placing the Company as the highest rated Indonesian metals and mining company. This rating upgrade solidifies Merdeka’s strong commitment to upholding ESG standards in all of its mining operations.
- Merdeka also received the "Gold Rank" award for its 2022 Sustainability Report titled "Accelerating Growth Towards A Sustainable Future" at the Asia Sustainability Reporting Rating (ASRRAT) 2023 event in November 2023. The Gold Rank award is an appreciation and recognition of the quality of Merdeka’s disclosure of its sustainability performance, commitments, and strategies, which encompass six pillars: Preserving the Environment, Ensuring Everyone is Safe - Always, Empowering Our People, Caring for Communities, Respecting Human Rights, and Adopting Good Corporate Governance
- PT Bumi Suksesindo (“BSI”), Merdeka’s operating subsidiary for TB Gold and TB Copper, completed its compensation land obligation with a total area of 1,991 hectares, surpassing the obligation of 1,986 hectares, making it the largest compensation land handed over by a private institution to the government.
- During the quarter, MBMA implemented the SCM Mine biodiversity management plan (“BMP”). The implementation was initiated with the socialisation of the BMP to the communities living around the mining area and to the employees, followed by including biodiversity information as part of the induction material for employees and visitors. Additionally, wildlife corridors were built in areas where wildlife was encountered frequently.
- MTI, a subsidiary of MBMA, participated in the joint environmental care program, organised by IMIP and attended by the Environmental Service Office (DLH) Morowali and other IMIP tenants. The participants conducted waste clean-up in four locations near the Labota area on 5 December 2023.
- MBMA provided vocational training for local communities to operate dump trucks as part of its community development and empowerment (PPM) education program that supports local employment. Community members graduating from the program (following four months of intensive basic dump truck training) are now employed by SCM Mine’s partners operating within the SCM mining concession area. The vocational training program reflects MBMA’s commitment to supporting local communities in developing their skills. The goal is to help individuals transition from non-skilled to skilled workers, ultimately leading to a significant increase in their income and the local economy.
- BSI received the Tamasya Award 2023 for its commitment to implementing the Community Development and Empowerment (CDE) program. Tamasya, short for Tambang Menyejahterakan Masyarakat (Mining for Community Welfare). From the Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources (ESDM) of Indonesia. This inaugural annual event acknowledges the contributions of mineral and coal mining companies in enhancing and empowering communities surrounding mining areas.
- Merdeka received Stellar Workplace Recognition in Employee Commitment and Stellar Workplace Recognition in Employee Satisfaction at the Stellar Workplace Award 2023. The award is a recognition of Merdeka’s meaningful engagement with its employees, resulting in enhanced employee motivation and initiative in contributing to the company’s success and expressing positive statements about Merdeka to colleagues, potential employees, and customers.
- Furthermore, Merdeka received the first rank at the 2023 Employer of Choice, among companies with over 1,000 employees, in an initiative by Korn Ferry and SWA magazine. The award provided to Merdeka is a testimony to its continuous efforts to ensure diversity and establish a working environment where employees feel valued, heard, and empowered.



**Health and Safety Highlights**

- At the end of the quarter, Merdeka recorded an improved full year 2023 safety performance, as measured by the TRIFR, of 0.65, compared to the 2022 TRIFR of 0.97.
- One LTI was recorded during this quarter, resulting in the full year 2023 LTI Frequency Rate of 0.09, and bringing the total number of LTIs to four during the year. This represents a marginal improvement in comparison with the 2022 LTI Frequency Rate performance at 0.11.



*Figure 6: Merdeka’s Total Recordable Injury Frequency Rate (“TRIFR”) and Lost Time Injury Frequency Rate (“LTIFR”)*

- During the quarter, Merdeka developed additional critical risk standards (CRS) covering confined space, hazardous substances, and electrical activity. Training modules for each CRS continue to be developed and will be delivered in 2024 to all relevant employees.
- In December 2023, Merdeka and its subsidiaries<sup>5</sup> successfully passed the second surveillance audit for ISO 45001:2018 (Occupational Health and Safety Management System) and ISO 14001:2015 (Environmental Management System) certification, and therefore, maintain the ISO 14001:2015 and ISO45001:2018 certificates. In addition, SCM and MBMA successfully obtained their first ISO 45001:2018 and ISO 14001:2015 certificates in December 2023. This achievement is a recognition of Merdeka’s commitment to implementing health and safety and environmental management in accordance with applicable national regulations and global standards.
- MBMA conducted human rights training for security officers at MTI and PT Sulawesi Cahaya Mineral (“SCM”) on 18 & 19 December 2023. In total, 117 security officers attended the human rights training, covering various topics, including MBMA’s human rights commitment. The training emphasised the importance of using a human rights approach in conducting security activities, as it helps protect both the Company’s facilities and personnel, while avoiding harm to people and ensuring the continuity of operations.

<sup>5</sup> Merdeka subsidiaries include PT BSI, PT BTR, PT BKP, PT PETS, and PT MMS

**Appendix 1: Finance and Corporate**
**Cash and Cash Equivalents**

As of 31 December, cash and cash equivalents, net of restricted cash, was \$519 million. Merdeka has \$100 million in undrawn debt facilities.

**Debt**
PT Bumi Suksesindo (“BSI”) Prepayment Facility

As of 31 December 2023, the balance of Secured Bullion Forward Hedge and Financing Transaction (“BSI Prepayment Facilities”) was \$35 million with a total of 18,153 ounces gold hedged with scheduled monthly settlements from April to December 2024, at an average gold price of \$1,978/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 15 December 2023, the Company successfully completed the issuance of the fourth tranche of Continuation Bonds IV for a total amount of Rp2.1 trillion (equivalent to approximately \$135 million), offered in two series with details as follow:

- Series A: Bond principal amounting to Rp801 billion coupon rate of 7.75% per annum for 367 days tenor;
- Series B: Bond principal amounting to Rp1,292 billion coupon rate of 9.50% per annum for a three-year tenor.

The outstanding balance of IDR Bonds as of 31 December 2023 was equivalent to \$1.1 billion.

Merdeka Revolving Credit Facility (“RCF”)

Merdeka has drawn \$60 million of Merdeka RCF as of 31 December 2023. The Merdeka RCF has an applicable interest rate of 3.85% per annum plus SOFR with a final maturity on 31 May 2024. \$40 million remain undrawn at the end of the quarter.

PT Merdeka Tsingshan Indonesia (“MTI”) Facility Agreement

MTI entered a \$260 million term loan facility (“MTI Term Loan”) and IDR430 billion (equivalent to \$29 million) MTI VAT funding facility (“MTI VAT Facility”) on 31 August 2022. The MTI Term Loan has a final maturity date of August 2027 with applicable margin of 3.75% per annum plus SOFR (offshore lenders) and 3.95% per annum plus SOFR (onshore lenders). The MTI VAT Facility has an applicable margin of 3.50% per annum plus JIBOR with a final maturity in August 2026.

MTI has fully drawn the MTI Term Loan and the MTI VAT Facility.

Finance Lease

The outstanding finance lease balance as of 31 December 2023 was \$44 million.

**Sales and Hedging**

During the quarter, Merdeka sold 31,173 ounces of gold and 2,206 tonnes of copper at an average price of \$1,931/oz and \$8,169/t, respectively.

At MBMA, 22,472 tonnes of nickel in NPI were sold at an average price of \$12,099/t for total revenue of \$272.0 million and 11,700 tonnes of nickel in nickel matte at an average price of \$14,216/t for total revenue of \$166.3 million. In addition, MBMA commenced limonite ore sales to HNC in December 2023 of 947,056 wmt at an average price of \$17/wmt.

*Table 2: Merdeka sales summary*

Product	Product Sold	Average Sales Price	Revenue (\$m)
<b>Q4 2023</b>			
Gold <sup>6</sup>	31,173 oz	\$1,931/oz	63.5
Copper	2,206 t	\$8,169/t	18.0
NPI	22,472 t	\$12,099/t	272.0
Nickel matte	11,700 t	\$14,216/t	166.3
Limonite	947,056 wmt	\$17/wmt	15.9
<b>Total</b>			<b>535.7</b>
<b>2023</b>			
Gold <sup>6</sup>	129,867 oz	\$1,939/oz	265.2
Copper	13,217 t	\$8,578/t	113.4
NPI	64,526 t	\$13,537/t	873.5
Nickel matte	28,129 t	\$15,592/t	438.6
Limonite	947,056 wmt	\$17/wmt	15.9
<b>Total</b>			<b>1,706.6</b>

*Table 3: Hedging and prepayment summary*

Description	Gold	
	oz Au	\$/oz
<b>2024</b>		
Hedging (FY2024)	10,780	2,054
Prepay and Hedging (April to December)	18,153	1,933
<b>Total</b>	<b>28,933</b>	<b>1,978</b>

<sup>6</sup> Gold revenue inclusive of silver by-products

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