

**Capital Structure  
(13 May 2024)**

Shares outstanding:  
24,472,983,771 shares  
Share price: IDR2,710 per share  
Market capitalisation: \$4.1 billion

**Cash & Debt**

Cash: \$428 million  
Bank Debt: \$462 million  
IDR Bond: \$1,007 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  
(Chairman)  
David Thomas Fowler  
Titien Supeno  
Gavin Arnold Caudle  
Hardi Wijaya Liong  
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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 March 2024 quarter.

**Gold Operations**

- Tujuh Bukit gold mine production of 24,139 ounces for the quarter at a total cash cost of \$1,065/oz, all-in sustaining cost (“AISC”) of \$1,479/oz and an average sales price (“ASP”) of \$2,106/oz.
- 2023 drilling identified extensions to existing Pit A resources. Infill and extension drilling in 1H 2024 is expected to upgrade further and additional resources will be defined. Targeted feasibility work in H2 2024 aims to deliver a significant mine life extension for the Tujuh Bukit gold mine.
- The Pani Gold Project Feasibility Study (“FS”) was released during the quarter, confirming the project as a low-risk, high-margin, long-life open pit mining operation. Project construction activities continue, with target commissioning remaining on schedule for late 2025. Mineral resources increased to 303Mt at a grade of 0.70 g/t gold for 6.9Moz of gold.

**Copper & Pyrite Operations**

- Wetar copper production of 3,046 tonnes for the quarter at a total cash cost of \$2.67/lb, AISC of \$3.69/lb and an ASP of \$3.79/lb.
- Merdeka is continuing to improve the Tujuh Bukit copper project (“TB Copper”) economics following pre-feasibility study (“PFS”) completion in May 2023. The optimisation studies are assessing the potential to improve cashflow generation in the initial sub-level cave (“SLC”) operation (e.g. higher ore throughput, the potential to mine open pit copper-gold sulphide resources, improving mining development rate, reduced upfront capex, improving metallurgical recoveries), which significantly de-risks overall project development. During the quarter, Merdeka declared a 71% increase in indicated resources to 755Mt at 0.60% copper and 0.66 g/t gold.
- Pyrite ore delivery from the Wetar Copper-Pyrite Mine (“Wetar”) to the AIM plant continued to ramp up during the quarter.

**Nickel Operations (PT Merdeka Battery Materials Tbk (IDX: MBMA))**

- Nickel production of 32,941 tonnes during the quarter, comprising 20,900 tonnes of nickel in nickel pig iron (“NPI”) and 12,041 tonnes of nickel in nickel matte.
- Construction of the PT ESG New Energy Material (“PT ESG”) HPAL plant and AIM plant commissioning activities are advancing as planned. PT ESG commissioning is targeted for late 2024, with the first nickel in mixed hydroxide precipitate (“MHP”) production following shortly after. The AIM plant achieved its first acid production in April 2024 with ongoing commissioning of the acid and chloride plants expected in Q2 2024 and commissioning of the copper cathode plant expected in H2 2024.

**Corporate**

- During the quarter, Merdeka successfully raised equity of \$50 million and issued its 4<sup>th</sup> IDR bonds in February 2024, comprising \$48 million of one-year tenor and \$48million of three-year tenor.
- Subsequent to the quarter, MBMA completed its first IDR bond issuance of IDR1.5 trillion comprising one and three-year tenor bonds. PT ESG entered an up to US\$490 million Single Currency Term Facility on attractive terms to fund project construction.
- No Lost Time Injury (“LTI”) occurred during the quarter at our operations.

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

Pani is a significant gold project containing more than 6.9 million ounces of gold currently under development in Gorontalo Province, Sulawesi. Pani is easily accessible via the Trans-Sulawesi highway and is situated approximately 130 kilometres west of Gorontalo City.

Merdeka completed substantial development work in 2022 and 2023 on-site, investing approximately \$140 million to date – this is in addition to substantial expenditures incurred before Merdeka ownership and excludes Merdeka’s acquisition costs for Pani.

The Pani FS results were published in early March, confirming Pani as a low-risk, high-margin, long-life open pit mining operation. The FS is based on a phased development plan with a heap leach operation delivering near-term production cash flows followed by a carbon-in-leach (“CIL”) expansion, ultimately delivering peak gold production of approximately 500,000 ounces per annum.

With an estimated pre-production capital investment of approximately \$250 million and ancillary costs, detailed engineering design for the processing, infrastructure and ore stacking is advancing, and all long lead mechanical equipment items will be ordered in Q2 2024.

Financing initiatives are advancing and construction activities for the initial heap leach operation are progressing, targeting project commissioning in late 2025 and the first gold pour in early 2026.

Bulk earthworks activities are continuing, developing the mining haul roads and processing plant areas ahead of civil concrete activities from Q3 2024.

Infrastructure development is well progressed. PLN remains on schedule for delivering 150kVA grid power by Q3 2025, and accommodation expansions for housing the peak construction workforce and operational readiness teams are under construction.

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



*Figure 1: Ore processing plant construction*





*Figure 2: Mine hauling road construction*



*Figure 3: Ore processing plant and mine hauling road construction*

## Resource Definition Activities

During the quarter, four diamond drill rigs operating at Pani completed 143 drill holes for 10,295 metres of diamond drilling (“DD”). These focused primarily on infilling the heap leach pits to the end of the planned 2027 mining face positions. Additionally, two diamond rigs are performing geotechnical drilling to support mine infrastructure design.

An updated mineral resource estimate (“MRE”) for Pani will be completed by the end of Q2 2024.

A combined MRE was issued in March 2024<sup>1</sup>, summarised in Table 1 below.

*Table 1: Pani MRE by classification*

Resource Classification	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold (Moz)
Indicated	253.7	0.74	5.8
Inferred	49.5	0.54	0.8
<b>Total</b>	<b>303.1</b>	<b>0.70</b>	<b>6.9</b>

## Project Development

### Heap Leach

Metallurgical test work is now advancing across the Pani Ridge oxide resource of the heap leach open pit. Test results indicate robust gold recovery and fast leach kinetics, supporting the average life of mine gold recovery forecast above 80% with the opportunity to reduce leaching cycle time below the present 140 days whilst maintaining recoveries.

The mining schedule and stack configurations continue to be optimised during the construction development phase, demonstrating strong support for a mineable 64Mt of heap leachable oxide mineralisation processed at a rate of 7.0Mtpa.

### Carbon-in-Leach

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

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<sup>1</sup> Full details of the latest mineral resource estimate announced in April 2024 can be obtained at the following location: [https://merdekacoppergold.com/wp-content/uploads/2024/04/MDKA\\_Consolidated-Mineral-Resources-and-Ore-Reserves-Statement-as-of-31-December-2023.pdf](https://merdekacoppergold.com/wp-content/uploads/2024/04/MDKA_Consolidated-Mineral-Resources-and-Ore-Reserves-Statement-as-of-31-December-2023.pdf)

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

TB Copper is located beneath the Tujuh Bukit gold mine (“TB Gold”) and hosts mineral resources of 1.74 billion tonnes at a grade of 0.47% copper and 0.50 g/t gold containing approximately 8.2Mt copper and 27.9Moz gold, including an indicated resource of 755Mt at 0.60% copper and 0.66 g/t gold. A higher-grade portion of approximately 1.0% copper and 1.0 g/t gold is expected to be mined during the SLC operation.

Merdeka has invested approximately \$200 million in TB Copper since 2018. This investment has been directed towards advancing the project, including the construction of a 1,890-metre exploration decline, resource definition drilling, geological modelling, and technical studies.

The bulk of expenditures incurred during the quarter were spent on surface resource drilling, near surface potential open pit exploration targets and technical studies. Geological and geotechnical data acquisition from the underground drilling program to the standard needed for detailed feasibility studies of the SLC and BC was completed in January and the assay results were incorporated into the resource model. Merdeka also declared a 71% increase in indicated resources to 755Mt at 0.60% copper and 0.66 g/t gold and released an updated MRE<sup>2</sup> during the quarter.

*Table 2: Comparison of 2022 and 2023 TB Copper mineral resource*

	Resource classification	Tonnes (Mt)	Cu Grade (%)	Au Grade (g/t)	Cont. Cu (Mt)	Cont. Au (Moz)
<b>2023</b>	Indicated	755	0.60	0.66	4.5	16.1
	Inferred	982	0.37	0.37	3.7	11.8
	<b>Total</b>	<b>1,738</b>	<b>0.47</b>	<b>0.50</b>	<b>8.2</b>	<b>27.9</b>
<b>2022</b>	Indicated	442	0.60	0.66	2.7	9.4
	Inferred	1,263	0.43	0.44	5.4	18.0
	<b>Total</b>	<b>1,706</b>	<b>0.47</b>	<b>0.50</b>	<b>8.1</b>	<b>27.4</b>

The increase in indicated resources has created the opportunity to design a correspondingly larger mining reserve in Q2 2024. This will likely result in the extension of mine footprints in both the SLC and block cave mines. This work will likely enhance the project mine life and economics when completed.

**Combined Resource Models**

During the quarter, the historically separate open pit operations and underground project resource models were combined into a single resource model. The purpose is to assess deeper open pit ore sources that might be economically extracted from the surface by open pit mining and shallower ore that had not previously been included in the draw columns in the SLC and block cave production scenarios. The combined resource model will be used to model production scenarios from these mines.

**Optimisation Work**

In addition to geoscience, Merdeka’s optimisation program, following PFS completion in May 2023, continued to advance. Areas under assessment include the modelling and test work of flotation and downstream treatment processes, economic assessments of the potential of open pit targets to produce copper-gold sulphide mill feed, the potential to increase the SLC output and the potential to increase the block cave mine life following the substantial increase in indicated resource.

<sup>2</sup> Full details of the Tujuh Bukit Copper Project Mineral Resource are available at: [https://merdekacoppergold.com/wp-content/uploads/2024/04/MDKA\\_Consolidated-Mineral-Resources-and-Ore-Reserves-Statement-as-of-31-December-2023.pdf](https://merdekacoppergold.com/wp-content/uploads/2024/04/MDKA_Consolidated-Mineral-Resources-and-Ore-Reserves-Statement-as-of-31-December-2023.pdf)



## Metallurgy

Improved metallurgical recovery program – Merdeka is assessing options to improve copper and precious metal recoveries materially.

- Flotation test work has commenced by producing separate copper and pyrite concentrates under 'locked cycle' conditions to mimic closely a full-scale treatment plant. The results were positive: with up to 85% copper and 75% gold recovery in a copper concentrate, and up to 89% copper and 84% gold recovery in a bulk copper pyrite concentrate – representing a significant improvement over the PFS results and thus indicating the project's real potential to achieve higher recoveries and associated better economics once production is underway.
- MBMA's commitment to downstream battery materials projects (HPAL) has introduced an additional potential business benefit from the treatment of Tujuh Bukit concentrates to produce acid. This opens the opportunity to enhance the economic value by producing acid and steam and recovering copper, gold, and other metals through a roast leach electrowin ("RLE") process or a smelting process. Merdeka has commenced a comprehensive flowsheet trade-off study to further assess and understand the options.
- China ENFI Engineering Technology Co., Ltd. ("ENFI"), a leading engineering firm, has been engaged to assist with the technical assessment of smelting of Tujuh Bukit concentrates.

Metallurgical and study work is ongoing to confirm a preferred flotation circuit, targeting completion by Q3 2024. Test work on the preferred metals recovery option will commence following completion of study work.

## Open Pit Designs

The open pit component concerns the strategic integration of the TB Copper and TB Gold operations, including the shared processing infrastructure and potential for open pit copper-gold sulphide mill feed.

### Existing operations

- 15 – 40Mt of open pit copper high sulphidation ore was delineated and enclosed within pit shells by the mine planning team based on preliminary recovery test work during the quarter. While encouraging, the metallurgy is different from the underground ore and requires a new study program.

### Exploration targets

- The Q1 2024 drilling program has confirmed porphyry copper-gold mineralisation at Candrian and Lompongan, both near mine, surface targets and on the mining lease. The next phase of this program will aim to define the potential volume and value of these deposits.

### Oxide gold

- Stripping of waste associated with these oxide gold pits may improve access to copper ore beneath these pit floors.

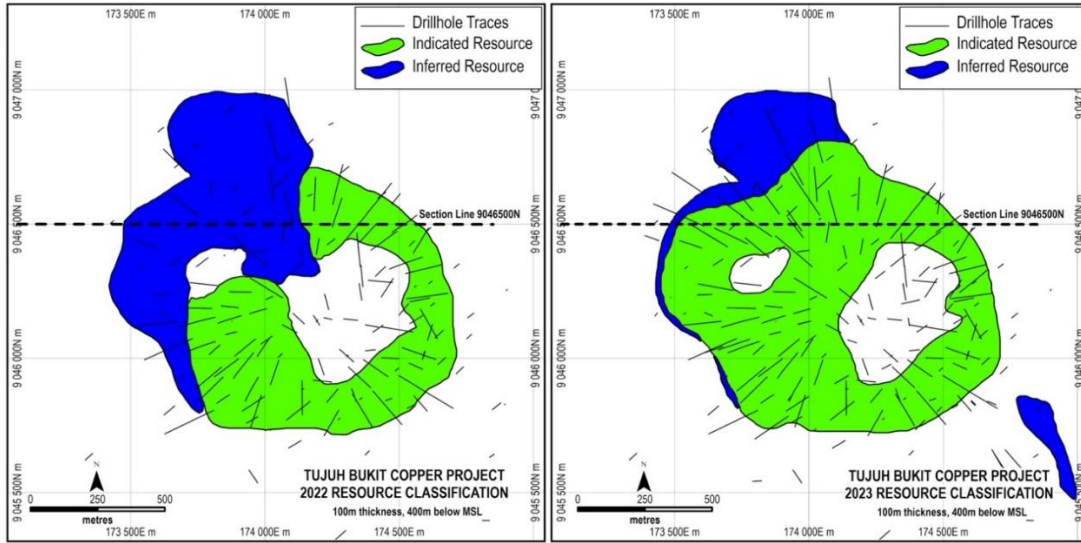


Figure 4: Comparison of 2022 & 2023 Tujuh Bukit Cu-Au porphyry resource classification in section and plan

**Underground Mine**

Mine production

- Unconstrained Personal Computer Sub Level Cave (“PCSLC”) production scenarios modelled during the quarter with additional equipment and air supply indicate the potential to increase SLC mine production to 5.0 – 5.5Mtpa. In Q2 2024, work will continue to support this scenario with more detailed design and scheduling using the new combined resource model.

Staged capital

- Early access and optimised capital development alternatives were examined for the SLC and block cave mines. These will progress to a trade-off study in Q2 2024 comprising mine access, materials handling and ventilation systems with the potential to identify the most geotechnically robust and economical alternatives for TB Copper.

**Drilling Activities**

TB drilling activities shifted from an underground to surface focus during the quarter, with drill-hole copper and gold intercept results reported in the TB Gold operations section. Drilling of the copper high sulphidation epithermal zone identified below Pit C is sufficient for this zone to proceed to metallurgical test work in Q2 2024. High priority exploration targets, Candrian and Gua Macan will continue to be drilled in Q2 2024, as will oxide gold extension work.

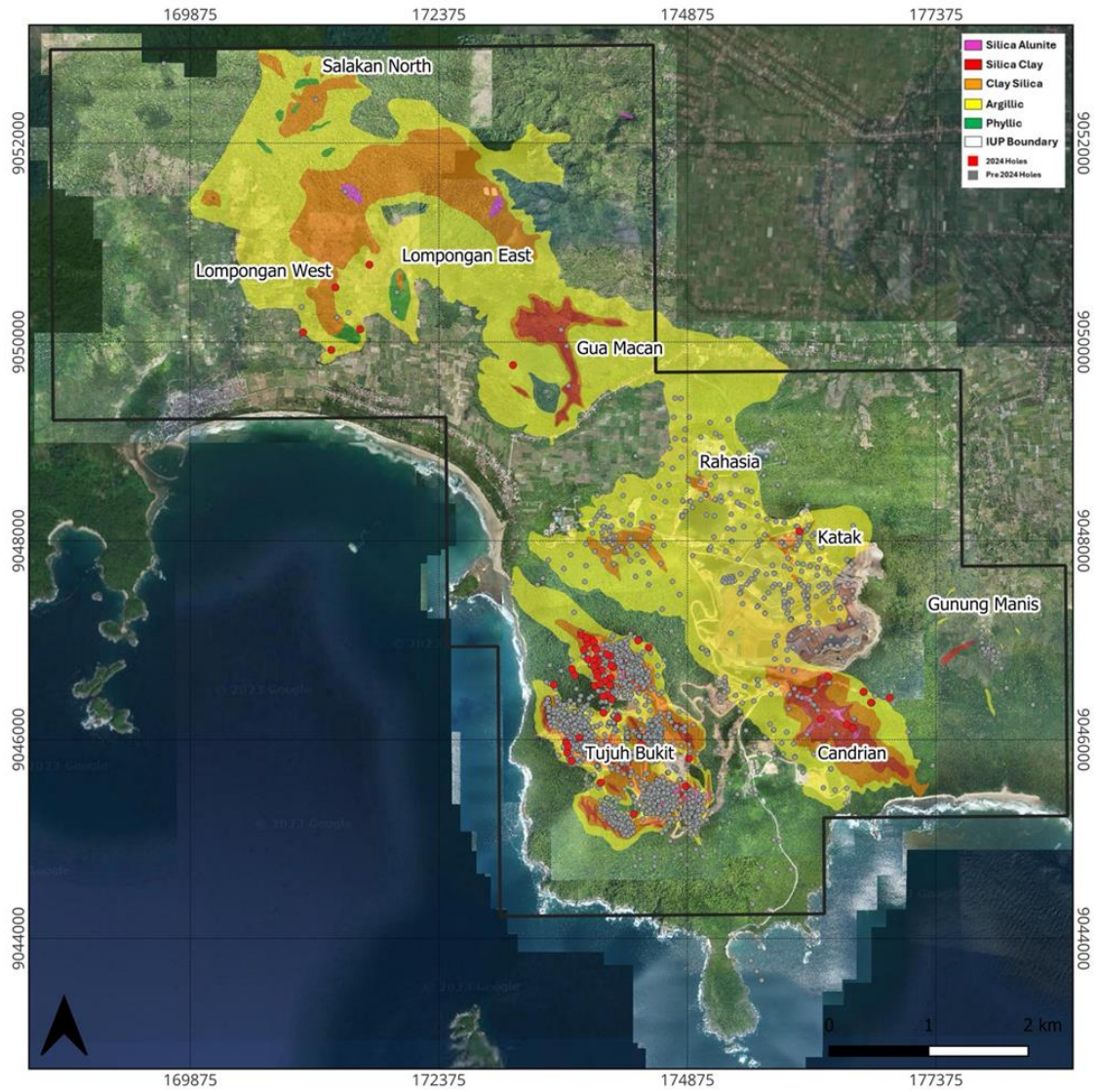


Figure 5: Tujuh Bukit drilling program



**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 recorded nickel production of 32,941 tonnes during the quarter, comprising:

- 20,900 tonnes of nickel in NPI at a cash cost of \$10,107/t and AISC of \$10,223/t.
- 12,041 tonnes of nickel in nickel matte at a cash cost of \$13,120/t and AISC of \$13,162/t.
- Average NPI and nickel matte sales price of \$11,055/t and \$13,673/t, respectively.

During the quarter, a total of 1.1 million wmt of saprolite ore was delivered from the SCM Mine to MBMA’s RKEF smelters, representing a record ore delivery, at an average price of \$31/wmt. A total 0.6 million wmt of limonite ore were sold to PT Huayue Nickel Cobalt (“HNC”) at an average price of \$13/wmt.

Guidance for 2024 is:

- Saprolite and limonite ore sales of 4.0 – 5.0 million wmt and 10.0 – 11.0 million wmt, respectively.
- 85,000 to 92,000 tonnes of nickel in NPI at an average cash cost of \$10,000 to 12,000/t and AISC of \$10,200/t to 12,200/t.
- 50,000 to 55,000 tonnes of nickel in nickel matte at an average cash cost of \$13,000 to 15,000/t and AISC of \$13,040/t to 15,040/t.

Other significant developments during the quarter include:

- MBMA continues to advance its High-Pressure Acid Leach (“HPAL”) growth projects at both IMIP and Indonesia Konawe Industrial Park (“IKIP”). PT ESG HPAL project construction is advancing as planned with project commissioning targeted for late 2024, with the first production of nickel in mixed hydroxide precipitate (“MHP”) following shortly after. At the end of the quarter, detailed engineering design and long lead item purchase were substantially complete.
- Commissioning activities at the AIM acid plant are continuing. First acid was produced from train 1 and delivered to the end user after the March quarter. Commissioning of acid plant train 2 and the chloride plant is expected in Q2 2024. Construction of the copper cathode plant is progressing, with commissioning expected in H2 2024.

The March 2024 quarterly activities report<sup>3</sup> is available on the MBMA website.

<sup>3</sup> MBMA quarterly report is available at: <https://assets.merdebattery.com/dist/documents/MBMA-Quarterly-Activities-Q1-2024.pdf>



*Figure 6: PT ESG autoclave waiting shipment from Nantong Port, China*



*Figure 7: PT ESG HPAL plant construction progress*

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

TB Gold achieved gold production of 24,139 ounces at a total cash cost of \$1,065/oz, AISC of \$1,479/oz and an ASP of \$2,106/oz during the quarter.

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.

The RKAB was approved at the end of February 2024. Subsequent to the approval, a total of 26,633 gold was sold during the quarter, generating revenue of \$56 million.

*Table 3: TB Gold operational summary*

Items	Unit	March 2024
<b>Mining</b>		
Ore mined	t	1,757,018
Waste mined	t	2,253,526
Mined gold grade	Au g/t	0.49
Mined silver grade	Ag g/t	12.08
Contained gold metal	Au oz	27,846
Contained silver metal	Ag oz	682,493
<b>Production</b>		
Ore stacked	t	2,103,781
Gold grade stacked	Au g/t	0.40
Silver grade stacked	Ag g/t	11.67
Recovered gold	Au oz	24,139
Recovered silver	Ag oz	126,938

**Exploration**

Drilling from surface with both DD and reverse circulation (“RC”) drill rigs continued during the quarter on several projects across the Tujuh Bukit licence area, with 20,630 metres drilled (Figure 8).

Five DD and two RC rigs drilled 18 diamond holes for approximately 5,300 metres and 33 RC holes for approximately 8,700 metres proximal to and between the open pits during the quarter. This near mine drilling continues to return promising results, adding further resources and mine life for open pit operations as reported in the annual resource and reserve statement. This drilling also confirmed the presence of a copper high sulphidation epithermal (“copper HSE”) zone sitting below the oxide gold and above the Tujuh Bukit porphyry and connectivity between the oxide gold and the porphyry deposit under Pit A. Significant intersections from this drilling, as reported in March 2024, are as follow<sup>4</sup>:

- GTD-23-788: 231.4 metres @ 1.1% Cu & 1.1 g/t Au from 285.5 metres
- GTD-23-772: 163.4 metres @ 1.1% Cu & 1.4 g/t Au from 280 metres
- GTR-23-701: 40 metres @ 6.6% Cu & 2.6 g/t Au from 132 metres
- GTR-23-674A: 209 metres @ 0.6% Cu & 0.8 g/t Au from 181 metres
- GTD-23-780: 229.7 metres @ 0.9% Cu & 0.4 g/t Au from 384 metres
- GTR-23-708: 148 metres @ 0.9% Cu & 0.8 g/t Au from 252 metres
- GTD-23-791: 210.9 metres @ 0.7% Cu & 0.2 g/t Au from 291.7 metres
- GTD-23-764: 76 metres @ 1% Cu & 0.9 g/t Au from 191 metres

<sup>4</sup> TB Gold latest drilling result: <https://merdekacoppergold.com/wp-content/uploads/2024/03/Tujuh-Bukit-Gold-Mine-Tujuh-Bukit-Copper-Project-Drill-Results-March-2024.pdf>



## QUARTERLY REPORT: MARCH 2024

- GTR-23-578: 81 metres @ 1% Cu & 0.6 g/t Au from 165 metres
- GTD-23-764: 88.2 metres @ 0.9% Cu & 0.5 g/t Au from 277 metres

A total of approximately 16,000 metres of RC and DD drilling is planned to continue exploring along strike and between known resources in Q2 2024, with the main objective being the addition of further oxide gold resources.

Exploration continued at the Lompongan and Gua Macan regional prospects during the quarter. In addition to mapping, soil sampling and trenching, seven diamond holes were drilled for 2,176 metres. The primary targets are near surface gold and near surface copper-gold porphyry mineralisation. Mineralised porphyry has been intersected in several drill holes, and drilling is continuing into Q2 2024 with one drill rig.

Our drilling efforts at the Candrian East porphyry prospect have yielded promising initial results. Eleven diamond holes were drilled with four rigs for 3,061 metres. Drilling is continuing with two drill rigs.

One diamond hole was drilled for 350 metres in the near surface Katak porphyry prospect, to confirm historical drill results and provide samples for metallurgical test work.

Several shallow (approximately 60 metres) diamond drill holes were drilled as part of the geotechnical study as part of the sterilisation process 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 886 metres were drilled over 14 holes with four-man portable drill rigs. This drilling program was completed in Q1 2024.

Our infill and exploration drilling, particularly around Pit A, has presented a promising opportunity to significantly extend the oxide gold mine life by at least several years. Metallurgical test work on the oxide ore samples from the targeted expansion areas has been positive and is indicating up to 89% extraction from the existing heap leach operations process.



Figure 8: Tujuh Bukit surface drilling for the quarter

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

The cumulative number of man-hours of 3,147 personnel working on-site without LTI until the end of the quarter is 2,880,155 hours. There were 10 (ten) incidents during the reporting period. One slipping incident involving a mining operator was classified as serious potential incident.

A total of 1,620 environmental samples were taken during Q1 2024, encompassing statutory based sampling requirements as well as company-driven internal monitoring. In addition, 2,687 pioneer trees (4.03 hectares) were planted including 7.95 hectares of cover crops through hydroseeding.

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

Wetar achieved copper production of 3,046 tonnes at a total cash cost of \$2.67/lbs, AISC of \$3.69/lbs and an ASP of \$3.79/lb during the quarter.

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 for the ore stacked. Slower leach kinetics impacted the timing of copper production in the latter stage of 2023 and within a portion of ore in Q1 2024.

With the development of the AIM plant, Merdeka is focused on extracting maximum value from the Wetar ore including production of copper at Wetar and the sale of pyrite ore to the AIM plant to be used to produce acid, iron, steam, copper, gold, and silver.

Project study is continuing in Q1 2024 to review the optimised workstreams for Wetar related to mine plan and processing.

*Table 4: Wetar operational summary*

Items	Unit	March 2024
<b>Mining</b>		
Ore mined	t	318,668
Waste mined	t	3,523,307
Mined copper grade	%	2.31
Contained copper metal	t	7,350
<b>Production</b>		
Fresh ore crushed	t	300,645
Copper grade stacked	%	2.27
Copper leached	t	2,848
Recovered copper	t	3,046

**Exploration**

No drilling was undertaken during the quarter, however targets were identified for drilling activities for the rest of the year. Preparation for the drilling program was carried out which included drill road access and drill pad construction and fly camp area preparation in the target areas for the phase 1 program of 2024.

Exploration drill phase 1 of 2024 will be focused on the Kali Kuning South, Kali Kuning West and Karkopang areas, to test targets identified from historical geochemical and geophysical surveys. These targets are supported by recent geological mapping which shows good indications for potential mineralisation. The drilling program will be undertaken using three diamond drill rigs.





*Figure 9: A massive sulphide outcrop in KK West (left) and an outcrop with copper oxide minerals in Karkopang (right) from recent geological mapping*

### **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**

- Sustainalytics updated the Merdeka’s ESG risk rating during the quarter. The ESG score improved to 31.8, resulting in an enhanced global position, from the 18<sup>th</sup> to the 16<sup>th</sup> percentile among the rated global diversified metals and mining companies. Merdeka has also maintained its position as the leader for Sustainalytics’ ESG risk rating among Indonesian companies in the diversified mining industry within the comprehensive assessment category. This achievement reflects Merdeka’s robust ESG risk management, which includes policies, programs, and practices with strong management accountability and oversight of ESG issues.
- Merdeka held a two-day environmental workshop in February 2024 at the Jakarta Office. The workshop was attended by environmental managers and superintendents from all Merdeka sites, as well as representatives from the legal and permitting department. The workshop aimed to share one environmental vision and alignment moving forward.
- In addition, to commemorate National Waste Awareness Day, the Pani Gold Project, in coordination with the Environmental Agency of Pohuwatu Regency, conducted a beach clean-up program on February 25th, 2024.
- Merdeka launched Merdeka Significant Incident Alert and Investigation Analysis (Merdeka SIAGA) videos and posters containing information about significant incidents and critical risk standards. Sites need to assess and provide feedback on their current control implementation to prevent incidents. During this quarter, six Merdeka SIAGA have been distributed related to: (i) CRS Working at Height, (ii) Hot Work Lesson Learned, (iii) Tree Felling, (iv) Lifting Failure, (v) Fit to Work and Fatigue Management, and (vi) Hand and Finger Injury Prevention.
- Merdeka established a Risk and Opportunity Management Standard encompassing Risk and Opportunity Management processes applied through different levels within the Company. The Merdeka group’s Risk and Opportunity Management approach is aligned with ISO 31000 (2018) (Risk Management – Principles and Guidelines), ISO 45001 (2018) (Occupational Health and Safety Management System), and ISO 14001 (2015) (Environmental Management System).
- As part of Merdeka's commitment to continuously enhance employees' competency and leadership skills, the Human Resources Department of Merdeka organised the Merdeka Leadership Education and Development (LEAD) program in February 2024. The LEAD program is designed for Manager and Senior Manager-level employees from various departments at Merdeka's Jakarta Head Office and facilitated by an external consultant.
- BSI, the operating company of TB Gold, has been implementing community development and empowerment programs, including a scholarships program, a health program that supports local community clinics by providing medicines and medical personnel, and routine promotion of clean living in the local communities. Additionally, we engage with the local community through regular community relations by supporting social events. On infrastructure development, almost 80% of the bridge construction in Bangorejo village is completed, which is the primary route for agriculture and community mobilisation.
- BKP and BTR have been carrying out routine community development and empowerment programs, including providing scholarships and diesel generators for electricity to two villages around the mine. Under the health pillar, we have provided medicines to the local Community Health Centre.
- In addition, Pani has been implementing a series of community engagement activities to strengthen our relationship with the communities.

## QUARTERLY REPORT: MARCH 2024

### Health and Safety Highlights

- At the end of the quarter, Merdeka record a TRIFR of 0.39, compared to the full year 2023 result of 0.65, indicating an improvement in our TRIFR performance.
- There was no LTI during the quarter, resulting in a Q1 2024 LTI Frequency Rate of 0.00. This represents an improvement in comparison with the 2023 LTI Frequency Rate performance at 0.09.

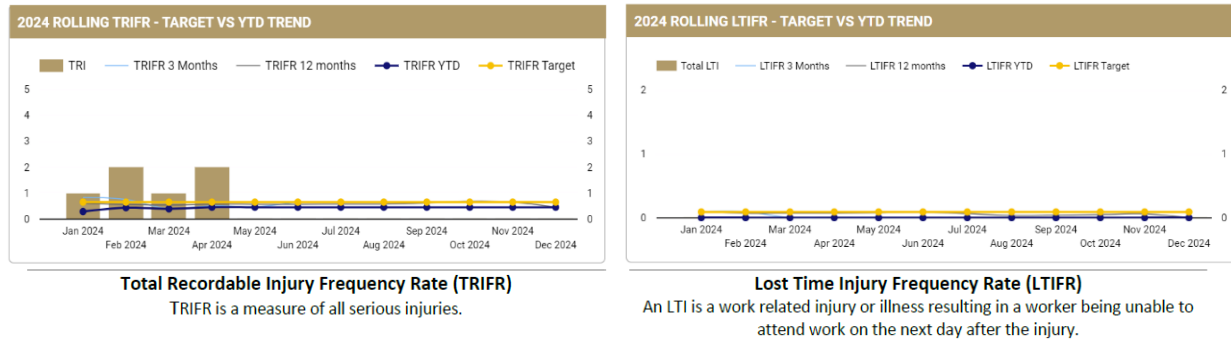


Figure 10: Merdeka TRIFR and LTI rate



## Appendix 1: Finance and Corporate

### Cash and Cash Equivalents

As of 31 March 2024, cash and cash equivalent, net of restricted cash, was \$428 million. Merdeka has \$100 million in undrawn debt facilities.

### Debt

#### PT Bumi Suksesindo (“BSI”) Prepayment Facility

As of 31 March 2024, 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 23 February 2024, the Company successfully completed the issuance of the fifth tranche of Shelf Bonds IV for a total amount of Rp1.5 trillion (equivalent to approximately \$96 million), offered in two series with details as follow:

- Series A: Bond principal amounting to Rp750 billion coupon rate of 7.25% per annum for 367 days tenor;
- Series B: Bond principal amounting to Rp750 billion coupon rate of 9.00% per annum for a three-year tenor.

The outstanding balance of IDR Bonds as of 31 March 2024 was equivalent to \$1.01 billion.

#### Merdeka Revolving Credit Facility (“RCF”)

Merdeka has drawn \$60 million of Merdeka RCF as of 31 March 2024. 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.

#### MBMA UOB Facility

MBMA entered a \$80 million Single Currency Term Facility with PT Bank UOB Indonesia on 28 December 2023. This loan has a final maturity date falling six months from (and including) the date of the initial utilisation with an applicable margin of (i) 3.85% per annum plus SOFR if the ratio of consolidated net debt to consolidated EBITDA is greater than 3:1; or (ii) 3.75% per annum plus SOFR if the ratio of consolidated net debt to consolidated EBITDA is less than or equal 3:1. MBMA has fully drawn this facility from early January 2024 and subsequently early repaid the whole facility after the MBMA IDR Bonds proceed was received in April 2024.

#### 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.

## QUARTERLY REPORT: MARCH 2024

### Finance Lease

The outstanding finance lease balance as of 31 March 2024 was \$44 million.

### **Sales and Hedging**

During the quarter, Merdeka sold 26,633 ounces of gold and 4,313 tonnes of copper at an average price of \$2,106/oz and \$3.79/lb, respectively.

During the quarter, MBMA sold 21,621 tonnes of nickel in NPI at an average price of \$11,055/t, and 14,404 tonnes of nickel in nickel matte at an average price of \$13,673/t. In addition, MBMA's limonite ore sales to HNC during the quarter was 623,307 wmt at an average price of \$13/wmt.

*Table 5: Merdeka sales summary*

Product	Product Sold	Average Sales Price	Revenue (\$m)
<b>Q1 2024</b>			
Gold <sup>5</sup>	26,633 oz	\$2,106/oz	59.4
Copper	4,313 t	\$3.79/lb	36.0
NPI	21,621 t	\$11,055/t	239.0
Nickel matte	14,404 t	\$13,673/t	196.9
Limonite	623,307 wmt	\$13/wmt	8.2
<b>Total</b>			<b>539.5</b>

*Table 6: Hedging and prepayment summary*

Description	Gold	
	oz Au	\$/oz
<b>2024</b>		
Prepayment (April 2024 to December 2024)	28,153	1,989
Hedging (December 2024 – June 2025)	22,780	2,325
<b>Total</b>	<b>50,933</b>	<b>2,140</b>

<sup>5</sup> Gold revenue inclusive of silver by-products

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