

**Capital Structure
(6th August 2024)**

Shares outstanding:
24,472,983,771 shares
Share price: IDR2,200 per share
Market capitalisation: \$3.3 billion
IDX code: MDKA

Cash & Debt

Cash: \$347.4 million
Bank Debt: \$411.6 million
IDR Bond: \$1,059.9 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 (“Merdeka” or the “Company”) is pleased to report its operational results for the June 2024 quarter.

Gold Operations

- The Tujuh Bukit gold mine produced 25,382 ounces for the quarter at a total cash cost of \$1,110/oz, an all-in sustaining cost (“AISC”) of \$1,492/oz and an average sales price (“ASP”) of \$2,262/oz.
- Drilling at the Tujuh Bukit gold mine during 1H 2024 has increased ore reserves and extended the oxide mine life until 2029. Merdeka is also undertaking optimisation studies to improve operational efficiency and productivity, including transitioning to a larger-capacity fleet to reduce mining costs and increasing ore processing capacity. These studies are expected to be completed in 2H 2024.
- The Pani Gold Project is progressing. Advanced processing and heap leach stack design has been completed, long-lead equipment has been ordered, and the remaining procurement and installation packages are expected to be awarded by 3Q 2024. Financing initiatives are advancing and are anticipated to be completed by the end of 3Q 2024. Project commissioning is scheduled for late 2025.

Copper & Pyrite Operations

- Wetar copper production was 3,626 tonnes for the quarter, at a total cash cost of \$2.66/lb, an AISC of \$3.41/lb and ASP of \$4.21/lb.
- The Tujuh Bukit copper project (“TB Copper”) is advancing metallurgical work to determine the optimal downstream treatment processes for flotation concentrates. Designs comparing shaft versus decline mine access have been completed and submitted for cost assessment for underground works. Initial designs incorporating the enlarged 755Mt indicated resource at 0.60% copper and 0.66 g/t gold, declared last quarter, indicate a significant increase in mining reserves and the potential to boost sub-level cave (“SLC”) output from 4.0 to 5.0 – 5.5Mtpa. Maiden high sulphidation epithermal (“HSE”) copper-gold resource of 25.8Mt at 0.47% Cu and 0.22 g/t Au declared after the quarter.

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

- Nickel production was 35,284 tonnes for the quarter, comprising 21,882 tonnes of nickel in nickel pig iron (“NPI”) and low-grade nickel matte (“LGNM”) and 13,402 tonnes of nickel in high-grade nickel matte (“HGNM”).
- At the end of the quarter, construction of the PT ESG New Energy Material (“PT ESG”) HPAL plant was 51.8% complete. Project commissioning for Train A is targeted for late 2024, with Train B expected to follow in 1H 2025.
- The commissioning of Train 2 and the metals plant at AIM is expected to commence in 3Q 2024. Construction of the copper cathode plant is progressing, with commissioning scheduled in 4Q 2024. AIM is expected to be fully operational across all processing circuits by late October 2024.

Corporate

- During the quarter, MBMA completed its first IDR bond issuance of IDR1.5 trillion comprising one and three-year tenor bonds. PT ESG has drawn down \$150 million of its \$490 million project finance facility.
- After the quarter, Merdeka successfully issued the sixth tranche of its 4th IDR bonds, amounting to IDR2.2 trillion, with a coupon rate of 7.25% per annum for 367 days tenor and 9% per annum for three years tenor.
- After the quarter, MBMA entered into a definitive agreement to subscribe for a 12.5% interest in PT Meiming New Energy Material (“PT Meiming”), a 25,000 tonnes per annum HPAL plant being developed by GEM Co., Ltd. (“GEM”) at IMIP. Construction of the plant will be completed in 1H 2025. The investment in PT Meiming will be funded from available cash.
- One Lost Time Injury (“LTI”) was recorded during the quarter, resulting in an LTI Frequency Rate of 0.05.

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.

The Pani project execution strategy is based on a phased development plan. A heap leach operation delivering near-term production is followed by a carbon-in-leach (“CIL”) expansion, ultimately delivering peak gold production of approximately 500,000 ounces per annum.

Detailed design engineering is advancing, with all long-lead mechanical equipment items purchased during the quarter. All remaining supply, fabrication and construction installation packages will be tendered and awarded by 3Q 2024.

Construction advanced to 10% completion at the end of the quarter, focusing on bulk earthworks and site infrastructure expansion projects in the lead up to the first concrete for the processing plant being poured in late 3Q 2024.

Infrastructure development is well progressed. All non-process buildings and infrastructure have been designed in-house and will be tendered to local contractors in 3Q 2024. PT PLN Indonesia Power (“PLN”) is scheduled to deliver 150kVA grid power by 3Q 2025. The bulk fuel storage vendor has been appointed, and mobilisation has commenced, with facilities online by 1Q 2025.

The current phase of heap leach metallurgical testwork, used to define the process design criteria, will be completed in 3Q 2024. All results confirm robust gold recoveries with fast leaching kinetics, supporting improved average life of mine gold recoveries of 81.9% with a leaching cycle time of 140 days. These increased recoveries and mine pit optimisations have significantly improved the heap leach mine economics¹, including a reduction in the heap leach life of mine (“LOM”) AISC and an increase in the post-tax NPV₈.

The Pohuwato Regency has started applying for the National Strategic Project (“PSN”) status for the Pani project area. Once obtained, the PSN status will support the acceleration of future project-related permitting processes.

Financing initiatives are advancing and are anticipated to be completed by the end of 3Q 2024. The project remains on schedule for the initial heap leach operation commissioning in late 2025 and the first gold pour in early 2026.

¹ Feasibility study results are available at the following link: <https://merdekacoppergold.com/wp-content/uploads/2024/03/Pani-Gold-Project-Feasibility-Study-Results.pdf>



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, all 20 x 20 metres infill drilling down to the end of 2027 mining face position on Pani Ridge and Baganite, along with the remaining wider-spaced heap leach infill program, was completed for a total of 13,949 metres. The total metres drilled since Merdeka’s involvement in 2022 to date is 136,707 metres.

A resource model update is scheduled for completion by mid-October 2024 and will consider all 2024 derived assay and geological data. This model will form the basis of the Pani Gold Project’s next reserve release, scheduled for early 2025.

A combined mineral resource estimate (“MRE”) was issued in March 2024², 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
Total	303.1	0.70	6.9

² Full details of the latest mineral resource is available at the following link: 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)

The TB Copper deposit 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. The global resource includes an indicated resource of 755Mt at 0.60% copper and 0.66 g/t gold. A higher-grade portion of the resource (approximately 1.0% copper and 1.0 g/t gold) is expected to be mined during the SLC operation.

Expenditure incurred during the quarter were invested in surface resource drilling, near surface potential open pit exploration targets and technical studies.

Combined Resource Models

During the quarter, Merdeka advanced model production scenarios following combining the historically separate open pit operations and underground project resource models into a single resource model and the significant increase in indicated resources to 755Mt in the previous quarter.

Reserves

With assistance from Stantec, a leading global engineering firm, Merdeka is working to convert the increased indicated resources of 755Mt into ore reserves. During the quarter, design engineers expanded the SLC and block cave mine layouts to incorporate the enlarged indicated resources.

The preliminary results are very positive, demonstrating a substantial increase in ore reserves, particularly in the northwest of the block cave mine. The SLC has seen a significant increase in column height, incorporating additional mining inventory not previously included in the PFS.

Optimisation Work

Merdeka’s optimisation program continued to advance following PFS completion in May 2023. 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 in parallel to the SLC operation, the potential to increase the SLC output and the potential to increase the block cave mine life following the substantial increase in indicated resource.

Metallurgy

During the quarter, Merdeka continued testing flowsheets to improve recovery and integrate bulk, copper, and pyrite concentrate options with promising downstream treatment methods.

Merdeka’s commitment to downstream battery materials projects via MBMA has introduced an additional potential benefit from treating Tujuh Bukit concentrates to produce sulphuric acid. The opportunity to enhance the economic value by producing acid and steam and recovering copper, gold and other metals is being assessed under a comprehensive flowsheet trade-off study comparing smelting, roasting, pressure oxidation, and Albion processes or a combination thereof.

To support the assessment of downstream processing options, Merdeka has engaged several top tier consultants to maximise project value. These include:

- Mineralis: An Australian consultancy experienced in processing porphyry copper-gold ores like those at Tujuh Bukit. Mineralis is comparing smelting, roasting, and pressure oxidation techniques.
- Hatch: A global engineering consultancy with expertise in downstream porphyry-copper processing. Hatch is providing process flowsheets, conducting a trade-off study, and estimating capital and operating costs for roast leach electrowin (“RLE”) and pressure oxidation (“POX”).
- China ENFI Engineering Technology Co., Ltd. (“ENFI”): China’s largest non-ferrous mining and metallurgy service provider. ENFI is evaluating smelting, roasting, and POX methods for the SLC and assessing their SKS smelter technology for the block cave mine. ENFI will provide capital and operating cost estimates.

Merdeka has also provided the consultants with concentrate specifications from PFS testwork from ALS Laboratories for the SLC and block cave mines. Additionally, samples from potential open pit resources at Candrian and Katak have been sent to ALS Laboratories in Perth for testing. Batch processing is being considered for Pit C high-sulphidation copper-gold material due to its different mineral composition and treatment needs.

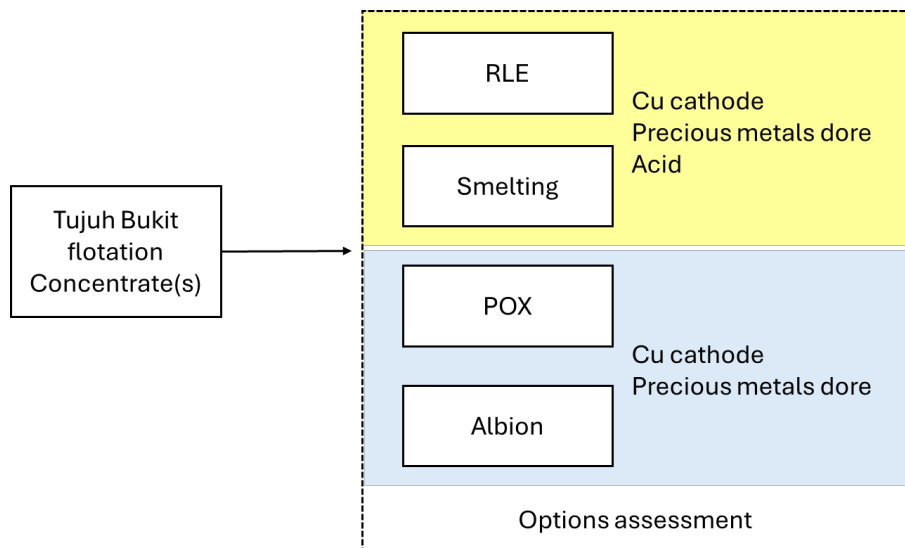


Figure 4: Tujuh Bukit concentrate treatment study options

Open Pit Potential

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.

Exploration Targets

- Following successful exploration results in 1Q 2024, Merdeka continued drilling on several near surface porphyry copper targets to assess their size potential. Assay results continue to be encouraging at Candrian and the limits of this porphyry have yet to be established.
- Drilling at Katak has also expanded the historically considered limits of the porphyry and mineralisation remains open in several directions.
- These two porphyries extend to the surface, suggesting the potential for open pit copper-gold resources.
- A new mineralised copper-gold porphyry was discovered at Gua Macan during the quarter, and although this is early stage, initial results are encouraging.
- Drilling is continuing to define the shape and extent of mineralisation in all these porphyry intrusives.

Merdeka is also pleased to report a maiden high sulphidation epithermal (“HSE”) copper-gold resource of 25.8Mt at 0.47% Cu and 0.22 g/t Au for 121,000 tonnes of copper and 183,000 ounces of gold³. This HSE copper-gold resource is located immediately below Pit C of Merdeka’s TB Gold operations and above TB Copper’s underground copper-gold porphyry deposit. Evaluation is progressing to assess metallurgical recovery and potential approaches to enhance the overall value of TB Copper. As reported last quarter, stripping of waste associated with the oxide gold pits may improve access to this copper ore beneath the pit floors, but additionally should this copper resource prove to be economic then oxide gold mineralisation below the current gold cut off, which is currently treated as waste in the open pit gold operations, may become economic to mine and process. The resource remains open with good potential for expansion.

Table 2: Tujuh Bukit Copper Project HSE Cu-Au Mineral Resource

Resource Category	Tonnes (Mt)	Cu Grade (%)	Au Grade (g/t)	Cont. Cu (kt)	Cont. Au (koz)
Indicated	13.7	0.48	0.21	65	92
Inferred	12.1	0.46	0.23	56	91
Total	25.8	0.47	0.22	121	183

Underground Mine

Mine access

- During the quarter, Merdeka’s mine planning team created different mine access design scenarios to compare the costs and schedules of using a shaft versus a decline for mine access.

SLC

- In the first quarter, Merdeka reported that Personal Computer Sub Level Cave (“PCSLC”) production scenarios have confirmed the potential to increase SLC mine production from 4.0Mtpa (the PFS case) to 5.0 – 5.5 Mtpa. Design, scheduling, and cost estimation will advance to the financial modelling stage in 3Q 2024.

Approvals

The TB Copper Project mining and development approvals continued to progress well during the quarter. Technical approvals for the environmental protection stage (“PERTEK”) are approaching completion and the terms of reference meeting (“KA-ANDAL”) for the environmental impact analysis (“AMDAL”) is scheduled with the Ministry of Environment and Forestry (“KLHK”) in July 2024.

Work on the Government of Indonesia Feasibility Study No. 7 (“GoIFS#7”), which comprises the operating and project mining activities authorised within the Tujuh Bukit license area (“IUPK”), commenced during the quarter.

Infrastructure

Merdeka secured a 280MW power supply agreement with PLN in September 2023 and has continued to fulfil its obligations by paying the connection fee and providing PLN with a bank warranty. PLN have completed the route design and secured tower footprint permits to construct 37km of 150kV overland power line from their Genteng substation to the Tujuh Bukit mine. Tower footprint locations and the power line route have been surveyed and marked out within the mine IUPK.

³ Full details of the TB Copper announcement is available at the following link: <https://merdekcoppergold.com/wp-content/uploads/2024/08/240805-TB-Copper-project-enhancements-vF.pdf>

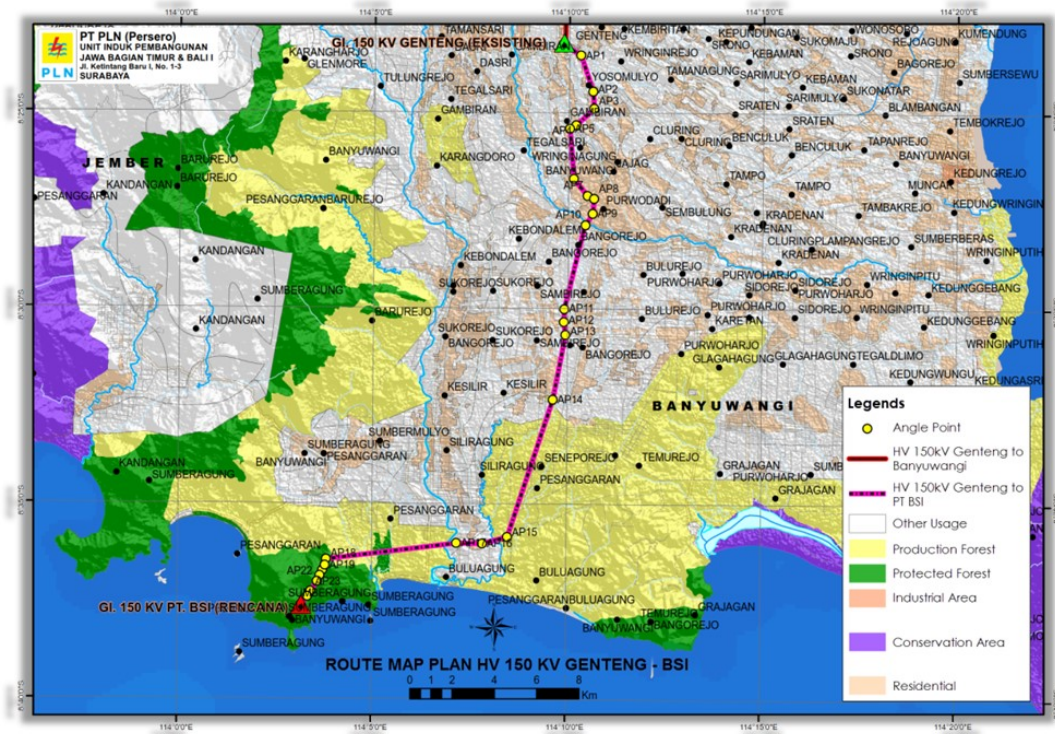


Figure 5: Power line route from Genteng to Tujuh Bukit

PT Merdeka Battery Materials Tbk. (“MBMA”)

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

Nickel production was 35,284 tonnes during the quarter, comprising:

- 21,882 tonnes of nickel in NPI and LGNM at a cash cost of \$10,288/t and an AISC of \$10,370/t.
- 13,402 tonnes of nickel in HGNM at a cash cost of \$12,988/t and an AISC of \$13,016/t.
- Average NPI and HGNM sales price is \$11,536/t and \$14,819/t, respectively.

During the quarter, 1.25 million wmt of saprolite ore was delivered from the SCM Mine to MBMA’s RKEF smelters at an ASP of \$29/wmt. A total of 2.86 million wmt of limonite was sold to PT Huayue Nickel Cobalt (“HNC”) at an ASP of \$16.5/wmt.

Additional mining contractors were mobilised during the quarter as SCM prepares for a ramp-up in mining activity to support the additional limonite demand in 2025. The new mining contractors are using articulated dump trucks to improve mining efficiency. With improved road and mining conditions, MBMA delivered a significant cash cost reduction from approximately \$10/wmt in the March quarter to approximately \$7/wmt for the current quarter. MBMA expects operating costs to decrease as mining volumes increase and ongoing efforts to optimise operations are realised.

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:

- At the end of the quarter, construction of the PT ESG HPAL plant was 51.8% complete. Project commissioning for Train A is targeted for late 2024, with Train B expected to follow in 1H 2025.
- MBMA’s interest in PT ESG is held via its subsidiary, PT Merdeka Industri Anantha (“MIA”). During the quarter, MIA increased its PT ESG ownership from 55% to 60%.
- PT ESG is fully funded with \$490 million in project financing and \$180 million of shareholder equity contributions. At the end of the quarter, PT ESG shareholders had invested a total of \$330 million in project construction, comprising \$180 million in equity and \$150 million in project financing.
- After the quarter, MBMA entered into a definitive agreement to subscribe for a 12.5% interest in PT Meiming, a 25,000 tonnes per annum HPAL plant being developed by GEM at IMIP. Construction of the plant will be completed in 1H 2025. The investment in PT Meiming will be funded from available cash.
- Commissioning activities at the AIM plant, operated by PT Merdeka Tsingshan Indonesia (“MTI”), continue. The first acid was produced from Train 1 and delivered to the end user during the quarter. Commissioning of Train 2 and the metals plant is expected to commence in 3Q 2024. Construction of the copper cathode plant is progressing, with commissioning expected in 4Q 2024. AIM is expected to be fully operational across all processing circuits by late October 2024.

The June 2024 quarterly activities report⁴ is available on the MBMA website.

⁴ MBMA quarterly report is available at the following link: <https://assets.merdekabattery.com/dist/documents/MBMA-Quarterly-Activities-Q2-2024-vF.pdf>



Figure 6: Prof. Xu Kaihua (Founder of GEM), Mr. Sakti Wahyu Trenggono (Minister of Maritime Affairs and Fisheries) with Mr. Garibaldi Thohir (a substantial MBMA shareholder) and Mr. Hardi Wijaya Liang (Founding Partner of Provident Capital Partners) at the PT ESG autoclave installation event at IMIP in June 2024

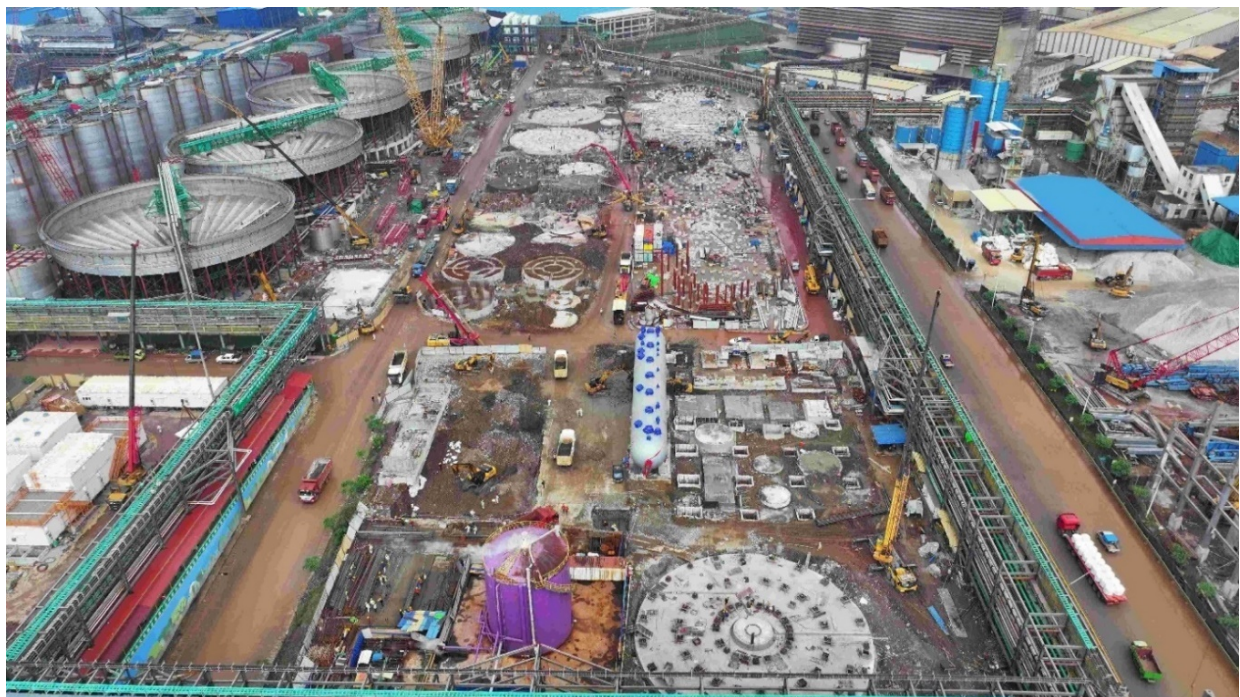


Figure 7: PT ESG HPAL plant construction progress

Tujuh Bukit Gold Mine (Merdeka: 100% interest)

TB Gold achieved gold production of 25,382 ounces at a total cash cost of \$1,110/oz, an AISC of \$1,492/oz and an ASP of \$2,262/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. Improved production is expected in 2H 2024.

A total of 25,004 ounces of gold was sold during the quarter, generating revenue of \$57 million.

Table 3: TB Gold operational summary

Items	Unit	March 2024	June 2024	1H 2024
Mining				
Ore mined	t	1,757,018	2,131,155	3,888,173
Waste mined	t	2,253,526	2,594,314	4,847,840
Mined gold grade	Au g/t	0.49	0.52	0.50
Mined silver grade	Ag g/t	12.08	16.55	14.32
Contained gold metal	Au oz	27,846	35,736	63,582
Contained silver metal	Ag oz	682,493	1,133,665	1,816,158
Production				
Ore stacked	t	2,103,781	2,209,686	4,313,467
Gold grade stacked	Au g/t	0.40	0.49	0.44
Silver grade stacked	Ag g/t	11.67	16.73	14.2
Recovered gold	Au oz	24,139	25,382	49,521
Recovered silver	Ag oz	126,938	140,056	266,994
Operating Costs				
Cash cost	\$/oz	1,065	1,110	1,088
AISC	\$/oz	1,479	1,492	1,485

Exploration

The surface drilling campaign, undertaken since the data cut off for the last mineral resource estimate (October 2023), has yielded promising results. Drilling has successfully converted inferred into indicated resources and defined an updated mineral resource estimate of 112.6Mt at 0.37 g/t Au and 19.9 g/t Ag for 1.3Moz of gold and 72.1Moz of silver and grown the oxide ore reserve to 40.8Mt at 0.43 g/t Au and 26.3 g/t Ag for 562koz of gold and 34.4Moz of silver, representing a 36% increase in gold ounces and 49% increase in silver ounces. The latest MRE and ore reserve estimate (Tables 4 and 5) are presented below.

Table 4: Tujuh Bukit Gold Mine Mineral Resource as of 1st May 2024⁵

Classification	Tonnes (Mt)	Au Grade (g/t)	Ag Grade (g/t)	Cont. Au (koz)	Cont. Ag (koz)
Indicated	82.6	0.38	23.15	1,021	61,474
Inferred	30.1	0.31	11.01	302	10,642
Total	112.7	0.37	19.91	1,323	72,116

Table 5: Tujuh Bukit Gold Mine Ore Reserve as of 1st May 2024⁵

Classification	Tonnes (Mt)	Au Grade (g/t)	Ag Grade (g/t)	Cont. Au (koz)	Cont. Ag (koz)
Probable	40.8	0.43	26.26	562	34,411
Total	40.8	0.43	26.26	562	34,411

The resource model has been updated from the October 2023 MRE with an additional 23 diamond drilling (“DD”) holes, totalling 9,063 metres and 53 reverse circulation (“RC”) holes, totalling 14,939 metres, bringing total drilling data used in this MRE to 2,436 drill holes for 533,378 metres.

⁵ TB Gold announcement is available at the following link: <https://merdekacoppergold.com/wp-content/uploads/2024/08/240805-TB-Gold-mine-life-extension-vF.pdf>

Drilling to expand and extend the oxide gold mine life has continued since the resource was estimated, with both RC and DD rigs delivering successful near surface results. This drilling has extended the known mineralisation to the north and west of Pit A, and proximal to Pit D, Pit E, and Zone F.

Total exploration and resource drilling from surface with both diamond drill (“DD”) and reverse circulation (“RC”) drill rigs during the quarter across all both the TB Gold and TB Copper areas amount to 24,433 metres (Figure 8).

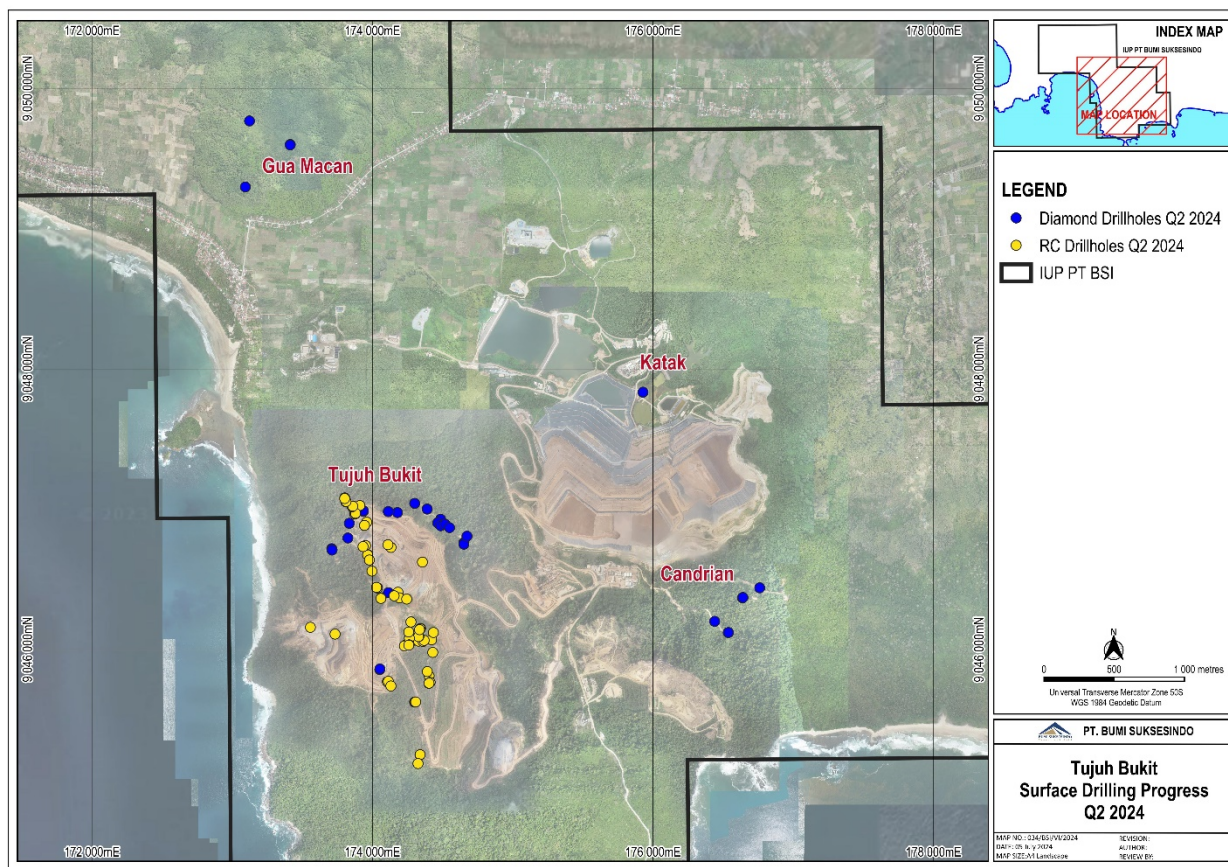


Figure 8: Tujuh Bukit surface drilling for the quarter

Mine Life Extension and Other Optimisations

Merdeka has used the new resource model to update the ore reserve estimate by optimising the life of mine pit designs and mining schedule to increase the economic life of the mine. The increase in ore reserves has resulted in an extension to the gold oxide heap leaching operation until 2029, with further extensions possible upon completion of the current drilling program.

In addition to mine life extension, Merdeka is undertaking optimisation studies to improve operational efficiency and productivity. These include transitioning to a larger-capacity fleet to reduce mining costs and increasing crusher and heap leach pad ore processing capacity to boost ore processing and gold production. These studies are expected to be completed in 2H 2024.

Environmental, Safety and Social Performance

The cumulative number of man-hours of 3,146 personnel working on-site without LTI until the end of the quarter is 5.1 million hours. There were 26 incidents that occurred during the quarter. However, no recordable injury occurred during the quarter, resulting in a Total Recordable Injury Frequency Rate (“TRIFR”) YTD of 0.22.

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

Wetar achieved copper production of 3,626 tonnes at a total cash cost of \$2.66/lb, an AISC of \$3.41/lb and an ASP of \$4.21/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 662,149 tonnes containing 12,718 tonnes of copper. However, production was impacted by ore zone reconciliation and lag time between copper stacked and produced. Ore zone reconciliation from zone B to other zones (C, O, or G) impacted leach production.

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.

The project study continues to focus on and evaluate a copper concentrator option with in-pit tailings as the optimal tailings placement option. The study also assesses a bulk concentrator option and opportunities for integrated solutions with TB Copper.

The Wetar team continues to focus on executing mine production and processing plans, including accelerating mine development into ore zones to enable increased copper production in 3Q 2024. Additionally, various programs, such as optimising contractor numbers, reducing general equipment usage and streamlining capital works, were incorporated to improve production efficiency and reduce operating and capital costs.

Table 6: Wetar operational summary

Items	Unit	March 2024	June 2024	1H 2024
Mining				
Ore mined	<i>t</i>	318,668	662,149	980,817
Waste mined	<i>t</i>	3,523,307	2,756,360	6,279,667
Mined copper grade	%	2.31	1.92	2.12
Contained copper metal	<i>t</i>	7,350	12,718	20,068
Production				
Fresh ore crushed	<i>t</i>	300,645	613,125	913,770
Copper grade stacked	%	2.27	1.90	2.09
Copper leached	<i>t</i>	2,848	4,222	7,070
Recovered copper	<i>t</i>	3,046	3,626	6,672
Operating Costs				
Cash cost	<i>\$/lb</i>	2.67	2.66	2.66
AISC	<i>\$/lb</i>	3.69	3.41	3.55

Exploration

Preparation for the first phase of the 2024 drilling program was completed during the quarter and drilling started in mid-June with two diamond drill rigs in Kali Kuning (“KK”) South and KK West. Drilling in both areas is targeting combined geochemical and geophysical anomalies. Four drill holes were completed for 902.6 metres by the end of the quarter.



Figure 9: Diamond drilling for regional exploration in KK West

Environmental, Safety and Social Performance

Wetar achieved zero LTIs during the quarter and a record of 5.88 million Manhours Free LTI, whilst the YTD TRIFR per million hours was 0.37 with no recordable injury during the quarter.

The cumulative number of man-hours of 2,123 personnel working on-site without LTI until the end of the quarter is 5.9 million hours. 42 incidents occurred during the quarter, however none that are classified as serious potential incident. Year to date incidents recorded is 78.

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

ESG Highlights

- During the quarter, Merdeka completed and published its 2023 Sustainability Report on the company website and submitted it to the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX). The report was developed in accordance with GRI Standards 2021, recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and relevant national regulations, including OJK Regulation No. 51/POJK.03/2017 regarding Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies.
- In May 2024, Merdeka was awarded the Green Lite and Gold Plus awards at the Best Corporate Transparency and Emissions Reduction 2024 event, organised by Investor trust and the Bumi Global Karbon Foundation. This recognition highlights the company's transparency in emission reduction disclosures and emission calculation transparency.
- During the quarter, Merdeka Group commemorated World Environment Day throughout the quarter with a series of activities aligned with this year's theme, "Restoration of Land and Resilience to Drought." BSI marked the day by planting tree saplings. At Wetar Copper Mine, 85 employees and contractors participated in planting native trees. Additionally, the mine conducted a beach cleanup around the mining area, collecting 35 kg of waste. In Pani, the World Environment Day celebration involved hosting a seminar on innovative waste management in collaboration with Waste4Change, a social enterprise providing responsible waste management solutions. A total of 104 employees and contractors participated in the seminar.
- During the quarter, BSI and its associated community group (PEGA) received two awards at the Beritajatim Awards 2024. BSI was recognized as the Local Human Resource Development Driver Corporation, while Sundarianto, a member of PEGA, received the Local Hero title for his work in maggot cultivation. For years, BSI has nurtured PEGA through its Community Development and Empowerment Program. BSI supports PEGA's efforts to transform food waste from the Tujuh Bukit Gold Mine into animal feed and a medium for maggot cultivation, following the principles of reduce, reuse, recycle.
- BSI continued its community development and empowerment programs, which include providing scholarships to students, providing medicines and medical personnel support to local community clinics, and promoting clean living in local communities. On the other hand, BKP and BTR continued the scholarship program and provided diesel generators for electricity in two villages. In addition, BKP and BTR provided medicines to local health centres. During the quarter, Pani continued to implement community engagement activities to strengthen relationships with the communities.

Risk, Health and Safety Highlights

- At the end of the quarter, Merdeka recorded a TRIFR of 0.40, compared to the full year 2023 result of 0.65, indicating a material improvement year to date 2024.
- There was one LTI during the quarter, resulting in a 2Q 2024 LTI Frequency Rate of 0.05. In comparison with the full year 2023 LTI Frequency Rate of 0.09.

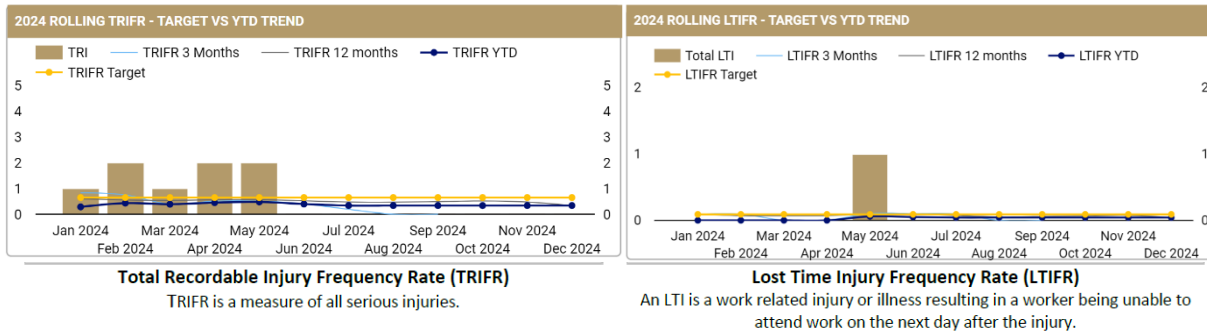


Figure 10: Merdeka TRIFR and LTI rate

- During the quarter, Critical Risk Standard (“CRS”) compliance audits continued with a Fatigue Management audit conducted on SCM Hauling operations with a focus on fatigue detection camera management. Traffic Management, Geoscience, and Exploration CRS audits were also conducted at BSI and Wetar. Additionally, a Confined Space CRS audit was conducted at BSI.
- Risk awareness and facilitation sessions continued during the quarter, with Risk Management training delivered to Pani operation, and operational risk facilitation sessions conducted at Wetar and BSI Tujuh Bukit in June 2024.

Appendix 1: Finance and Corporate

Cash and Cash Equivalents

As of 30 June 2024, cash and cash equivalent, net of restricted cash, was \$347.4 million. Merdeka has \$60 million in undrawn debt facilities.

Debt

PT Bumi Suksesindo (“BSI”) Prepayment Facility

As of 30 June 2024, the balance of Secured Bullion Forward Hedge and Financing Transaction (“BSI Prepayment Facilities”) was \$25.3 million with a total of 13.155 ounces of gold hedged with scheduled monthly settlements from July to December 2024, at an average gold price of \$2,088/oz.

BSI Revolving Credit Facility (“RCF”)

BSI has drawn \$40 million of RCF as of 30 June 2024. The 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. \$20 million remain undrawn at the end of the quarter.

Merdeka IDR Bonds

Subsequent to the quarter, Merdeka successfully completed the issuance of the sixth tranche of Shelf Bonds IV for a total amount of IDR2.2 trillion, offered in two series with details as follow:

- Series A: Bond principal amounting to IDR250 billion, coupon rate of 7.25% per annum for 367 days tenor;
- Series B: Bond principal amounting to IDR1,971 billion, coupon rate of 9.00% per annum for a three-year tenor.

Interest and debt obligations for these IDR bonds are expected to be swapped into USD during 2H 2024.

The outstanding consolidated balance of IDR bonds as of 30 June 2024 was equivalent to \$968.1 million.

MBMA IDR Bonds

On 3 April 2024, MBMA successfully completed the issuance of the Public Offering of Bonds I Merdeka Battery Materials Year 2024 for a total amount of IDR1.5 trillion. Details of the IDR bond, including hedging in the form of cross currency swaps are as follows:

- Series A: Bond principal amounting to IDR525 billion swapped to \$33 million, IDR coupon rate of 7.50% per annum swapped to USD at 3.42% per annum, for 367 days tenor;
- Series B: Bond principal amounting to IDR975 billion, coupon rate of 9.25% per annum for a three-year tenor. At the end of the quarter, IDR237 billion has been swapped to \$15 million at USD coupon rate of 6.95% per annum. The remaining portion is expected to be swapped into USD during 2H 2024.

The outstanding balance of IDR Bonds as of 30 June 2024 was equivalent to \$91.8 million.

Merdeka Revolving Credit Facility (“RCF”)

Merdeka has drawn \$60 million of Merdeka RCF as of 30 June 2024. The Merdeka RCF has an applicable interest rate of 3.85% per annum plus SOFR with a final maturity on 31 July 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 facility was fully drawn during 1Q 2024 and repaid 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.

Finance Lease

The outstanding finance lease balance as of 30 June 2024 was \$48.9 million.

Sales and Hedging

During the quarter, Merdeka sold 25,004 ounces of gold and 2,027 tonnes of copper at an average price of \$2,404.74/oz and \$4.21/lb, respectively.

During the quarter, MBMA sold 20,846 tonnes of nickel in NPI at an average price of \$11,536/tonnes, and 12,804 tonnes of nickel in HGNM at an average price of \$14,819/t. In addition, MBMA’s limonite ore sales to HNC during the quarter was 2.86 million wmt at an average price of \$16.5/wmt.

Intercompany sales⁶ during the quarter include 180 tonnes of nickel in LGNM at an average price of \$12,231/t, sold to HNMI, and saprolite ore sales to MBMA RKEF smelters.

Table 7: Merdeka sales summary

Product	Product Sold	Average Sales Price	Revenue (\$m)
2Q 2024			
Gold ⁷	25,004 oz	\$2,262/oz	56.6
Copper	2,027 t	\$4.21/lb	18.7
NPI	20,846 t Ni	\$11,536/t	240.5
HGNM	12,804 t Ni	\$14,819/t	189.8
Limonite	2.86 million wmt	\$16.5/wmt	47.2
Total			552.8
1H 2024			
Gold ⁸	51,637 oz	\$2,182/oz	112.7
Copper	6,340 t	\$3.92/lb	54.7
NPI	42,467 t Ni	\$11,291/t	479.5
HGNM	27,209 t Ni	\$14,212/t	386.7
Limonite	3.49 million wmt	\$15.9/wmt	55.5
Total			1,089.1

Table 8: Hedging and prepayment summary

Gold	oz Au	\$/oz
Prepayment (July to December 2024)	20,155	2,054
Hedging (July to December 2024)	10,638	2,240
Hedging (January to June 2025)	13,000	2,481
Total	43,793	2,226
Copper	t Cu	\$/t
Hedging (July to December 2024)	3,000	10,313
Total	3,000	10,313

⁶ Intercompany sales are reported by each respective subsidiary but is not recognised in the consolidated group revenue.

⁷ Gold revenue inclusive of silver by-products

⁸ Gold revenue inclusive of silver by-products

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