

Capital Structure (5 November 2024)

Shares outstanding:
24.5 billion shares

Share price: IDR2,300/shr

Market capitalisation:
\$3.6 billion

Cash & Debt

Cash: \$438 million

Bank debt: \$369 million

IDR bond: \$1,209 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

David Thomas Fowler

Titien Supeno

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PT Merdeka Copper Gold Tbk (IDX: MDKA) ("Merdeka" or the "Company") is pleased to report its operational results for the September 2024 quarter.

Gold

- The Tujuh Bukit gold mine ("TB Gold") produced 30,522 ounces during the quarter, with a total cash cost of \$952/oz and an all-in sustaining cost ("AISC") of \$1,183/oz. The average sales price ("ASP") for the quarter was \$2,406/oz.
- Drilling activities at TB Gold have continued since the announcement of the updated mineral resource estimate in 2Q 2024. During this quarter, a total of 157 diamond and reverse circulation holes were completed, amounting to approximately 30,400 metres. This ongoing drilling has extended the known mineralisation to the north and west of Pit A, as well as near Pit D, Pit E, and Zone F.
- As of the end of the quarter, construction activities at the Pani gold project are 19% complete. The detailed engineering and procurement processes are progressing well, and major construction contracts have been awarded. A final resource model for this phase of the project, which incorporates all drilling activities completed to date, is expected to be released in the next quarter. Commissioning is on track for late 2025, with the first ore processing anticipated in early 2026.

Copper & Pyrite Operations

- The Wetar copper-pyrite mine produced 3,811 tonnes during the quarter, with a total cash cost of \$3.51/lb and an AISC of \$4.36/lb. The ASP for the quarter was \$4.26/lb.
- Merdeka is working with Stantec to enhance the scale and profitability of the sub-level cave ("SLC") and block cave mine plans for the Tujuh Bukit copper project ("TB Copper"). This initiative includes the integration of an upgraded indicated resource of 755Mt at 0.6% copper and 0.66 g/t gold. During the quarter, Merdeka continued its drilling activities on three near-surface porphyry copper targets—Candrian, Gua Macan, and Katak – which could potentially enhance the underground mining plans.

Nickel Operations

- The SCM mine delivered a quarterly record ore production of 3.70 million wet metric tonnes ("wmt") of limonite and 1.04 million wmt of saprolite, reflecting a QoQ increase of 106% and 142%, respectively.
- Nickel production for the quarter was 33,536 tonnes, comprising 20,557 tonnes of nickel in nickel pig iron ("NPI") and low-grade nickel matte ("LGNM") and 12,979 tonnes of nickel in high-grade nickel matte ("HGNM").
- By the end of the quarter, the PT ESG New Energy Material ("PT ESG") high-pressure acid leach ("HPAL") project was 85% complete. Project commissioning for Train A is targeted for late 2024, while Train B is expected to follow in 1H 2025.
- The commissioning of the AIM plant continued during the quarter. Construction of the copper cathode plant is in its final stages, with the commissioning of certain sections and regional equipment beginning during the quarter.

Corporate Activities

- Merdeka reported unaudited quarterly and YTD revenues of \$574.9 million and \$1,670.7 million, respectively, reflecting a YoY change of -11% for the quarter and 43% for YTD.
- Merdeka, through its subsidiary PT Pani Bersama Jaya ("PBJ"), successfully secured a definitive agreement for \$175 million in funding dedicated to the Pani project development in September 2024.
- After the quarter, MBMA was included in the IDX30 index and successfully established new sources of funding through the issuance of IDR bonds and a \$100 million revolving credit facility ("RCF").
- One Lost Time Injury ("LTI") was recorded during the quarter, resulting in an LTI Frequency Rate of 0.07.

Pani Gold Project (Merdeka: 70.0% interest)

Pani is a major gold development initiative located in Gorontalo Province, Sulawesi, containing over 6.9 million ounces of gold. It is easily accessible via the Trans-Sulawesi highway and is approximately 130 kilometres west of Gorontalo City.

The execution strategy for project follows a phased development plan. Initially, a heap leach operation will provide near-term gold production, followed by an expansion to a carbon-in-leach ("CIL") process, which is expected to yield peak production of around 500,000 ounces of gold per year.

Detailed design engineering for the project is progressing well. All long-lead mechanical equipment and modular packages for the processing plant are currently in manufacture and fabrication, with scheduled delivery set for late 2024.

Fabrication and construction installation packages have been awarded, and closeout activities for the remaining electrical and utilities packages for the processing facilities are ongoing. All remaining supply, fabrication, and construction installation packages are expected to be tendered and awarded by 4Q 2024.

The project remains on schedule, with 19% completion by the end of the quarter. Bulk earthworks and site infrastructure expansion projects are well underway, and concrete activities for the processing plant began late in the quarter. Tenders for non-process buildings and infrastructure have closed and are to be awarded in early 4Q 2024.

PT PLN Indonesia Power ("PLN") is scheduled to deliver 150 kVA of grid power by the end of 3Q 2025. Construction of the bulk fuel storage facility is progressing well and is expected to be operational by 1Q 2025. Additionally, construction activities have commenced at the port unloading facility and the onsite switchyard, which will receive the main grid power from PLN.

The current phase of heap leach metallurgical test work, which defines the process design criteria, has been successfully completed. The focus will now shift to establishing the site metallurgical laboratory facilities, which will be operational by 1Q 2025.

The application process for obtaining National Strategic Project ("PSN") status for the Pani project area through the Pohuwato Regency is progressing smoothly. All required documentation for consideration was submitted during the quarter. Once obtained, the PSN status will facilitate the acceleration of future project-related permitting processes.

The project remains on track for initial heap leach operation commissioning in late 2025, with the first ore irrigation scheduled for the start of 1Q 2026, followed by the first gold pour in 1Q 2026

During the quarter, PBJ successfully secured a definitive agreement for a total of \$175 million in project development funding. This funding consists of a \$125 million equity subscription and a \$50 million senior secured debt facility.



Figure 1: Aerial photo of the Pani project area

Resource Definition Activities

A resource model update is under internal review and considers all 2024 derived assay and geological data. This model forms the basis of Pani’s next ore reserve update, scheduled for early 2025.

A combined mineral resource estimate (“MRE”) was issued in March 2024¹, summarized 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

¹ 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 situated beneath the TB Gold deposit and contains mineral resources totalling 1.74 billion tonnes, with a grade of 0.47% copper and 0.50 g/t gold containing approximately 8.2Mt copper and 27.9Moz gold. The global resource comprises an indicated resource of 755Mt at 0.60% copper and 0.66 g/t gold. A higher-grade section of the resource which has an expected grade of approximately 1.0% copper and 1.0 g/t gold, is anticipated to be mined during the SLC operation.

Expenditures incurred during the quarter were allocated to surface resource drilling, exploration of near-surface potential open pit targets, and technical studies.

Reserves

During the quarter, Stantec, a leading global engineering firm, assisted Merdeka in optimizing the scale and commercial viability of the SLC and block cave mine plans. These plans are supported by upgraded indicated resources totalling 755Mt at 0.60% copper and 0.66 g/t gold.

Preliminary results show promise, indicating a potential significant increase in ore reserves for both the SLC and block cave mine plans. The SLC footprint now encompasses both vertical and lateral extents that extend beyond those previously considered in the preliminary feasibility study ("PFS").

Optimisation Work

Merdeka is actively focused on enhancing and optimising the PFS through several initiatives. These include developing mine plans, expanding ore reserves, conducting flotation tests, and evaluating trade-offs in geotechnical and downstream processes. Additionally, as previously reported, Merdeka is exploring potential open pit targets that could provide supplementary mill fees to support the underground mining initiatives.

Metallurgy

Merdeka continues to prioritise optimisation efforts, including flowsheet refinements to enhance metal recovery. The focus is on evaluating options for bulk, copper, and pyrite concentrates as well as promising downstream treatment methods.

Flowsheet Optimisation:

- **Variability Test Work:** During the quarter, 57 out of 69 samples were tested using flotation methods to validate the SLC flowsheet. The results confirmed previous test findings and supported the development of a geometallurgical model aimed at improving recovery predictions
- **Pyrite Concentrate Assessment:** Extensive research has improved our understanding of the orebody's pyrite content, enabling us to accurately determine the volumes of pyrite concentrate.

Downstream Processing

- **Trade-Off Studies:** Work on downstream processing trade-offs is nearly complete. Preliminary results indicate several viable processing options for Merdeka, including Roast Leach Electrowinning ("RLE"), Pressure Oxidation ("PoX"), and the Albion Process for copper concentrate metal production.
- **Roasting Test Work:** Roasting test work has begun at Hazen Research in the U.S. to validate model predictions, focusing on both RLE and PoX. Testing for the Albion Process was completed in 2023.
- **ENFI Smelter Assessment:** China ENFI Engineering Technology Co., Ltd. ("ENFI") has finalized the assessment for their preferred SKS smelter technology, providing estimates for both capital and operating costs
- **Financial Modelling:** Comparative financial modelling of the various downstream processing options will commence after the final consultant reports are completed. This financial comparison will begin once all reports from the various consultants have been generated.

Open Pit flotation test work:

- Test work on four Katak and eight Candrian samples using the SLC flowsheet showed lower recovery and grade compared to underground ore.

Open Pit Potential

Surface drilling over the quarter continues to investigate three porphyry targets that could potentially supplement and enhance the underground mine plans.

Exploration Targets

Merdeka continued drilling on three near surface porphyry copper targets that could potentially enhance the underground mine plans for Candrian, Gua Macan and Katak during the quarter. A total of 34 diamond drill holes were completed, totalling 13,206.5 metres. Assay results on all three targets have been encouraging and mineralisation remains open in several directions. Selected results from this recent drilling include²:

- Candrian - CND-24-044: 472 metres @ 0.6 g/t Au and 0.4% Cu from 14 metres, including 88 metres @ 0.9 g/t Au and 0.7% Cu from 22 metres
- Gua Macan - GMD-24-013: 402 metres @ 0.5 g/t Au and 0.2% Cu from 120 metres, including 150 metres @ 0.8 g/t Au and 0.4% Cu from 196 metres
- Katak - KTD-24-015: 92 metres @ 0.4 g/t Au and 0.3% Cu from 216 metres

The current drill programs are planned to enable mineral resources to be estimated in 1Q 2025 for both Candrian and Katak, and to provide samples for metallurgical test work to establish suitability for use as initial feed for the TB Copper processing plant.

Underground Mine

Mine plans

The current objective is to maximize the value of the expanded 755Mt indicated resource. Merdeka is evaluating several mine plan alternatives, including a larger SLC to block cave and a standalone block cave mine.

Infrastructure

Merdeka entered into a power supply agreement with PLN for 280MW in September 2023. The Company has met its obligations by paying the connection fee and providing PLN with a bank warranty. PLN has completed the route design and obtained the necessary permits for the tower footprint to construct a 37km, 150kV overland power line from their Genteng substation to the Tujuh Bukit mine. The locations for the tower footprints and the power line route have been surveyed and marked out within the Tujuh Bukit license area ("IUPK") area.

Approvals

The TB Copper 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 IUPK, commenced during the quarter.

² Full details of the latest drilling results from the TB Copper is available at the following link: https://merdekcoppergold.com/wp-content/uploads/2024/10/TB_Press_Release_Regional_Exploration_Result_October_vf1.pdf

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.

Highlights for the quarter include:

- The SCM mine delivered a quarterly record ore production of 3.70 million wet metric tonnes ("wmt") of limonite and 1.04 million wmt of saprolite, reflecting a QoQ increase of 106% and 142%, respectively.
- 1.19 million wmt of saprolite ore delivered to MBMA’s RKEF smelters.
- 3.45 million wmt of limonite ore sold to PT Huayue Nickel Cobalt (“HNC”), generating an unaudited revenue of \$52.0 million at an average sales price (“ASP”) of \$15.1/wmt.
- 20,557 tonnes of nickel in NPI and LGNM at a cash cost of \$10,776/t and an AISC of \$10,961/t and 12,979 tonnes of nickel in HGNM at a cash cost of \$13,820/t and an AISC of \$13,830/t.
- Nickel in NPI and HGNM sales generated unaudited revenue of \$227.6 million and \$177.3 million, respectively, at an ASP of \$12,041/t and \$13,440/t.

Cost reductions continued this quarter, primarily due to the mobilisation of new mining contractors in the previous quarter. These contractors are using articulated dump trucks, which enhances mining efficiency. MBMA has further reduced cash costs from \$7/wmt in the June quarter to \$6/wmt in the current quarter. We expect operating costs to decrease further as mining volumes increase and ongoing optimisation efforts yield results.

Production and cost guidance for 2024 is:

- Saprolite and limonite ore sales of 4.0 – 5.0 million wmt and 9.5 – 10.5 million wmt, respectively.
- 80,000 to 85,000 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:

- PT ESG New Energy Material (“PT ESG”) HPAL project was 85% complete by the end of the quarter. Project commissioning for Train A is targeted for late 2024, while Train B is expected to follow in 1H 2025.
- MBMA entered into a definitive agreement to acquire a 12.5% interest in PT Meiming New Energy Material (“PT Meiming”). PT Meiming is developing a HPAL plant with a capacity of 25,000 tonnes per annum, located at the Indonesia Morowali Industrial Park (“IMIP”). The construction of the HPAL plant is now largely complete, and commissioning activities have begun. Currently, the plant is utilising the feed preparation plant (“FPP”) facility at IMIP, but it is expected to transition to the FPP at the SCM mine once it is completed in mid-2025.
- Commissioning of the AIM plant, operated by PT Merdeka Tsingshan Indonesia (MTI), continued successfully. Train 1 produced 77,555 tonnes of sulphuric acid, while Train 2 was commissioned as scheduled in September 2024, producing 4,478 tonnes of sulphuric acid. Construction of the copper cathode plant is in its final stages, with the commissioning of certain sections and regional equipment beginning during the quarter.
- MBMA was included in the IDX30 index.

The September 2024 quarterly activities report³ is available on the MBMA website.

³ MBMA quarterly report is available at the following link: <https://assets.merdekabattery.com/dist/documents/MBMA-Quarterly-Activities-Q3-2024-vF.pdf>

Tujuh Bukit Gold Mine (Merdeka: 100% interest)

TB Gold reported gold production of 30,522 ounces with a total cash cost of \$952/oz and an AISC of \$1,183/oz during the quarter. The ASP for the quarter was \$2,406/oz.

For 2024, TB Gold has set guidance for gold production between 100,000 and 120,000 ounces, with a total cash cost expected to range from \$900 to \$1,050/oz and an AISC between \$1,350 and \$1,500/oz.

During the quarter, a total of 27,778 ounces of gold were sold, generating unaudited revenue of \$71.3 million, which includes silver by-product revenue of \$4 million.

Table 2: TB Gold operational summary

Items	Unit	Mar 24	Jun 24	Sep 24	YTD 2024
Mining					
Ore mined	t	1,757,018	2,131,155	2,485,972	6,374,145
Waste mined	t	2,253,526	2,594,314	2,018,428	6,866,268
Mined gold grade	Au g/t	0.49	0.52	0.65	0.56
Mined silver grade	Ag g/t	12.08	16.55	27.32	19.52
Contained gold metal	Au oz	27,846	35,736	51,767	115,349
Contained silver metal	Ag oz	682,493	1,133,665	2,183,760	3,999,918
Production					
Ore stacked	t	2,103,781	2,209,686	2,363,162	6,676,629
Gold grade stacked	Au g/t	0.40	0.49	0.65	0.52
Silver grade stacked	Ag g/t	11.67	16.73	29.81	19.76
Recovered gold	Au oz	24,139	25,382	30,522	80,043
Recovered silver	Ag oz	126,938	140,056	169,759	436,753
Operating Performance					
ASP	\$/oz	2,106	2,262	2,406	2,261
Cash cost	\$/oz	1,065	1,110	952	1,036
AISC	\$/oz	1,479	1,492	1,183	1,370

Exploration

Drilling operations at TB Gold have continued since the announcement of the updated mineral resource estimate in the previous quarter. During this period, three diamond drill (“DD”) rigs completed 64 holes, totalling approximately 17,100 meters, while one reverse circulation (“RC”) rig drilled 93 holes, amounting to about 13,300 metres. These activities took place near and between the open pits throughout the quarter.

Selected results from this drilling include⁴:

- GTR-24-747: 151 metres @ 0.5 g/t Au from 0 metres
- GTR-24-748: 228 metres @ 0.4 g/t Au from 0 metres
- GTR-24-749: 180 metres @ 0.5 g/t Au from 0 metres
- GTR-24-762: 157 metres @ 0.5 g/t Au from 3 metres

A total of approximately 35,000 metres of RC and DD drilling is planned to continue exploring along strike and between known resources in 4Q 2024, with the main objective being the addition of further oxide gold resources. This drilling continues to

⁴ Full details of the latest drilling results from the TB Gold is available at the following link: <https://merdekacoppergold.com/wp-content/uploads/2024/08/240805-TB-Gold-mine-life-extension-vF.pdf>

extend 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 DD and RC drill rigs during the quarter across both the TB Gold and TB Copper areas amounted to over 43,606 metres (Figure 2).

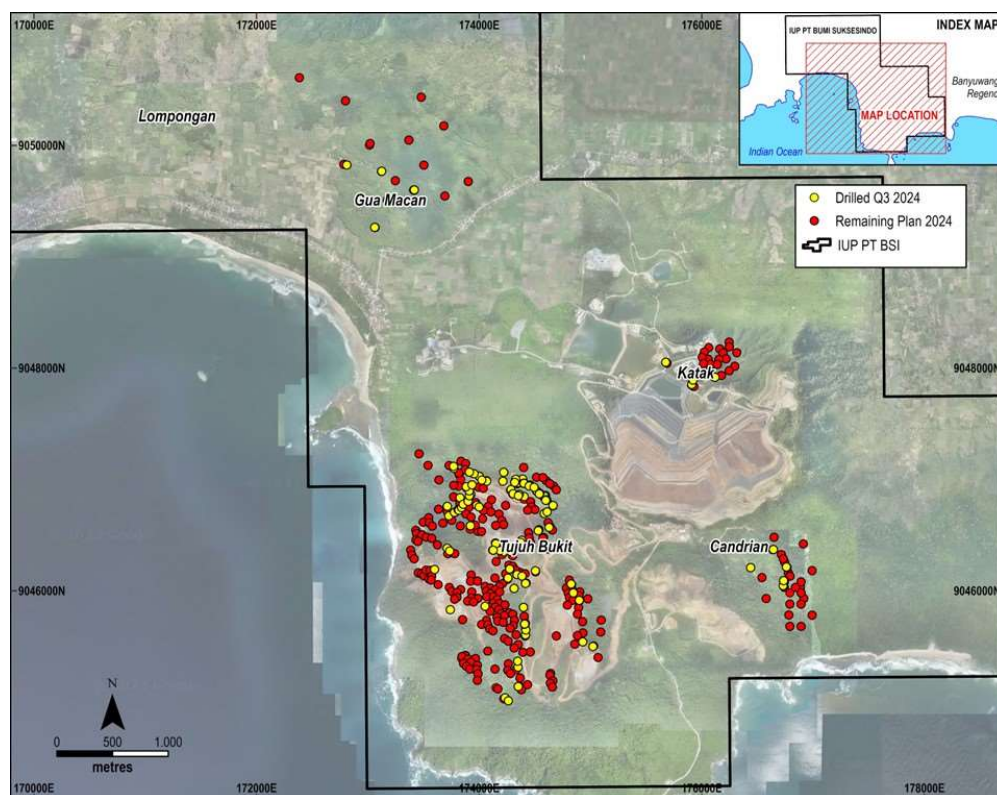


Figure 2: Tujuh Bukit surface drilling for the quarter

A total of approximately 35,000 metres of RC and DD drilling is planned to continue exploring along strike and between known resources in 4Q 2024, with the main objective being the addition of further oxide gold resources.

Mine Life Extension and Other Optimisations

Merdeka has implemented a new resource model to revise its ore reserve estimate by optimising the life-of-mine pit designs and mining schedule, effectively extending the mine's economic life. As a result of the increased ore reserves, the gold oxide heap leaching operation has been extended until 2029, with the possibility of further extensions upon completion of the current drilling program.

In addition to extending the mine life, Merdeka is advancing optimisation studies aimed at improving operational efficiency and productivity. A study focusing on transitioning to a larger-capacity load and haul fleet, which aims to reduce mining costs, is nearing completion. Several other optimisation studies are also underway to enhance productivity and lower costs, including research on leaching and crushing, haul road optimisation, a larger-capacity drilling fleet, and trials for mining and processing consumables. Furthermore, development projects supporting the extension of the mine life, such as the construction of new waste dumps and the enhancement of heap leach pad capacity, are currently in progress and on track.

Environmental, Safety and Social Performance

The cumulative number of man-hours on-site without LTI at the end of the quarter is 7.5 million hours. There were 24 incidents that occurred during the quarter. Three incidents were classified as a serious potential incident, resulting in SPIFR YTD 1.00 of target < 1.28. No recordable injury happened during the quarter, resulting in RIFR YTD 0,14 of target < 0.29.

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

Wetar produced 3,811 tonnes of copper at a total cash cost of \$3.51/lb during the quarter. The AISC was \$4.36/lb while the ASP was \$4.26/lb. In total, 4,970 tonnes of copper were sold during this period, generating an unaudited revenue of \$46.7 million.

For 2024, the guidance is to produce between 14,000 and 16,000 tonnes of copper, with a total cash cost projected to be between \$3.25 and \$4.00/lb and an AISC between \$4.50 and \$5.25/lb.

During the quarter, the amount of ore mined decreased to 315,326 tonnes, which contained 4,515 tonnes of copper. The mining efforts focused on addressing the shortfall in total mined production from the previous quarter, with equipment availability gradually improving.

With the development of the AIM plant, Merdeka is dedicated to maximising the value extracted from Wetar ore. This includes copper production at Wetar and sales of pyrite ore to the AIM plant, which will be used to produce acid, iron, steam, copper, gold, and silver. During the quarter, Wetar successfully completed 10 shipments of pyrite ore to AIM.

The Wetar team remains committed to executing mining production and processing plans, with plans to accelerate mine development into ore zones to bolster copper production in 2024. Additionally, various initiatives, such as reassessing previously stockpiled ore for extra leached copper production and a strong focus on managing underlying costs, are being implemented to enhance operations across the site.

Table 3: Wetar operational summary

Items	Unit	Mar 24	Jun 24	Sep 24	YTD 2024
Mining					
Ore mined	t	318,668	662,149	315,326	1,296,143
Waste mined	t	3,523,307	2,756,360	6,749,257	13,028,924
Mined copper grade	%	2.31	1.92	1.43	1.90
Contained copper metal	t	7,350	12,718	4,515	24,583
Production					
Fresh ore crushed	t	300,645	613,125	262,379	1,176,149
Copper grade stacked	%	2.27	1.90	1.29	1.86
Copper leached	t	2,848	4,222	3,376	10,446
Recovered copper	t	3,046	3,626	3,811	10,483
Operating Performance					
ASP	\$/lb	3.79	4.21	4.26	4.07
Cash cost	\$/lb	2.67	2.66	3.51	2.97
AISC	\$/lb	3.69	3.41	4.36	3.84

Exploration

During the quarter, exploration activities concentrated on regional exploration and the Lerokis Phase 1 resource drilling programs, utilising two diamond drill rigs. The regional exploration drilling programs continued in Kali Kuning South (“KKS”) and Kali Kuning West (“KKW”) and began in Karkopang (“KKP”).

These regional drilling programs are aimed at testing geophysical and geochemical targets to identify potential new mineralisation and extend mine life. A total of three holes were completed in KKS, totalling 526.9 metres; six holes were completed, and one hole was in progress in KKW, totalling 1,139.2 metres; and seven holes were completed with one hole in progress in KKP, totalling 1,603.9 metres. In the Lerokis drilling program, the focus was on targeting extensions along strike and at depth, as well as infilling the current resource. In total, 50 holes were completed for 3,932.4 metres in this program.

Geological mapping and grid sampling programs were completed in KKW and Lerokis to gather more detailed surface data in the drill target areas. These programs covered an area of 92.63 hectares and resulted in the collection of 229 grid samples. Additionally, 35 grab samples were collected in KKP.

Some of the regional drill holes returned elevated copper grades, which may indicate proximity to massive sulfide mineralization. Positive drill results from the Lerokis Phase 1 resource drill program suggest potential expansions to the current resource, both at depth and along the strike to the south. These results will be used to update the mineral resource estimate for Lerokis towards the end of 2024.

During 4Q 2024, the exploration program will focus on a second phase of drilling at Lerokis, building on the results from Phase 1 and preparing for geophysical surveys over regional targets.



Figure 3: Diamond drilling in regional exploration programs



Figure 4: Diamond drilling in Lerokis resource drilling program

Environmental, Safety and Social Performance

During the quarter, there was one environmental incident involving a waste oil spill from the engine room of the Pan Marine 6 while it was at the Wetar Barge Jetty.

Progress in reclamation during this period was approximately 5.57 hectares, with setups for bio-mulch and initiatives aimed at improving the quality of site rehabilitation.

There was one LTI classified as level 2 recorded during the quarter. A contractor sustained an injury to his right arm while erecting the BTS Telkomsel Tower, as his hand passed through a gap into a high area of mist.

We achieved a total of 878,570 man-hours without a LTI in total, while the YTD Total Recordable Injury Frequency Rate ("TRIFR") was 0.75, with no recordable injuries during this quarter.

By the end of the quarter, a cumulative total of 1,467 personnel had worked on-site without an LTI, amounting to 878,570 hours. There were 32 incidents reported during the quarter, of which four were classified as serious potential incidents. The Year-to-Date total number of incidents recorded is 110.

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

ESG Highlights

- During the quarter, Merdeka was recognized for its commitment to promoting gender equality and diversity at the third Indonesia DEI & ESG Awards (IDEAS) 2024, held by PR INDONESIA in Malang, East Java. This event assessed the programs and practices of various organizations in the areas of Diversity, Equity, and Inclusion (DEI), as well as Environment, Social, and Governance (ESG) communication. Merdeka proudly received the Silver Award for its Communication Program Practices in the DEI Category, specifically within the Gender Equality and Diversity Subcategory.
- Merdeka received an award at the Lestari Awards 2024 during the quarter. This event was organized by KG Media in collaboration with the Ministry of Environment and Forestry, the Ministry of Manpower, and the auditing firm EY. Merdeka was honoured in the category of Human Rights and Labor Standards for its program titled "Respect for Human Rights: Merdeka's Business Operation Foundation." Notably, Merdeka was the only mining company to receive an award at this event.
- Merdeka participated in the second environmental, climate, forestry, and renewable energy (LIKE) Festival, an annual Ministry of Environment and Forestry event in August 2024. At the festival, Merdeka showcased an exhibition booth featuring posters, videos, infographics, and various mineral samples, highlighting Merdeka's sustainability performance and how the company optimizes every mined mineral to create valuable products, especially for the global electric vehicle industry. In addition, Merdeka held a talk show titled, “Optimizing the Integrated Electric Vehicle Battery Supply Chain to Support Global Energy Transition and National Decarbonization Agenda,” featuring three speakers from Merdeka.
- During the quarter, Merdeka celebrated World Mangrove Day. Employees at the Merdeka Head Office in Jakarta planted 1,000 mangroves at Angke Kapuk Nature Tourism Park in North Jakarta. Additionally, PT Bumi Suksesindo (BSI) successfully planted thousands of mangroves in Kedungasri Village, Tegaldlimo District, Banyuwangi Regency. This planting initiative was conducted in collaboration with Wana Abadi, a local Forest Farmers Group.
- In September 2024, BSI received four awards at the 2024 Good Mining Practice Award ceremony organized by the Ministry of Energy and Mineral Resources. The awards included the Main Award for Mineral Mining Technical Management, the Pratama Award for Mining Safety Management, and both the Aditama and Best Awards for Environmental Management.
- BSI participated in the Collaboration for Sustainability Festival, organized by the Ministry of Environment and Forestry of Indonesia on September 19, 2024, in Central Java. During the festival, nine mining companies, including BSI, signed the Menoreh Charter titled "Collaboration for Sustainability." This charter represents a commitment to enhance multi-party collaboration aimed at ensuring effective forest reclamation and planting, particularly for watershed rehabilitation and sustainable management following the handover of the forest and watershed area.
- In September 2024, BSI employees, together with their work partners and various government agencies—including the Banyuwangi Regency Fisheries Service, the Banyuwangi Regency Environmental Service, and the Banyuwangi Regency Fisheries Training and Extension Center—participated in a coral reef transplantation event. This large-scale initiative took place at Grand Watu Dodol Beach in Bangsring Village, Wongsorejo District, Banyuwangi, where thousands of coral reefs were relocated. This activity marked the culmination of the 2024 World Environment Day commemoration.
- The TB Gold mine initiated a scholarship program for 80 new students and 115 returning students pursuing Bachelor’s and Diploma degrees. Additionally, TB Gold provides computer skills training for 70 students, free school bus services for 1,612 students, and renovations for 12 schools. Health promotion and services have also been offered to surrounding communities, including a stunting prevention program and a blood donation campaign. Furthermore, the Tujuh Bukit Mine has implemented community development programs, including cattle and goat farming, and empowered village women to establish catering businesses.
- Pani has renovated two elementary schools and one middle school, improved the Hulawa Village Assistant Health Center, and launched various community programs. These programs include providing sacrificial animals for Eid al-Adha, assistance for renovating places of worship, and support for flood disaster relief. Meanwhile, the Wetar Copper Mine has also rolled out multiple community support programs, including student scholarships, health and medical services, mentoring for agricultural businesses, and support for local businesses and infrastructure development.

Risk, Health and Safety Highlights

- At the end of the third quarter, Merdeka recorded a year-to-date TRIFR of 0.33, compared to the full year 2023 result of 0.65, indicating a material improvement year to date 2024.
- One LTI was recorded during the quarter, resulting in a YTD LTI Frequency Rate of 0.07. In comparison with the full year 2023 LTI Frequency Rate of 0.09.

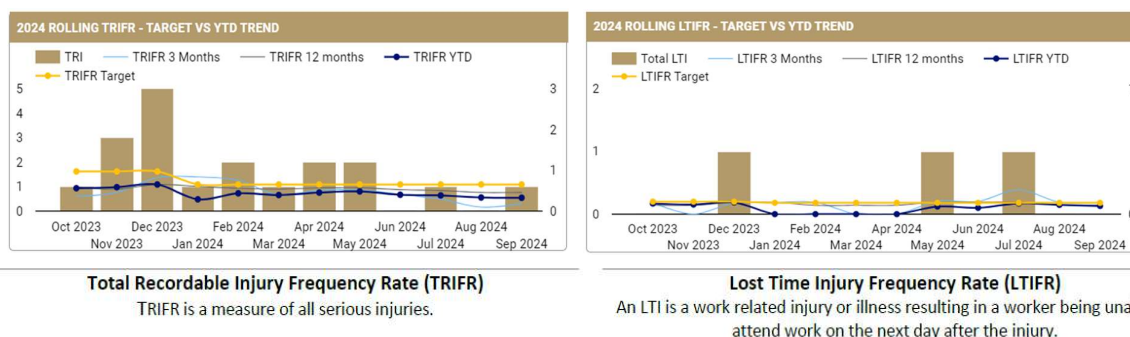


Figure 5: Merdeka TRIFR and LTI rate

- Risk Management Committee meetings were conducted on schedule at every second Monday of the month.
- Critical Risk Management observation coaching sessions continued during the quarter, with Critical Risk Management and Coaching facilitation sessions conducted at Wetar, SCM, PANI, and BSI Tujuh Bukit in July, August, and September 2024.
- During the quarter, Site Emergency Response Team (ERT) representatives took part in the selection for the Merdeka Teams, their training, and preparation for the National Indonesian Fire Rescue Challenge, which will take place on October 22-30 in Balikpapan.
- Incident Investigation Training using the ICAM (Incident Cause Analysis Technique) has been conducted at BSI, PANI, MTI and SCM to improve the quality of investigations in identifying causes towards creating preventative and corrective actions to prevent incident recurrences.

Appendix 1: Finance and Corporate

Cash and Cash Equivalents

As of 30 September 2024, cash and cash equivalent, net of restricted cash, was \$438.0 million. Merdeka has \$115.0 million in undrawn debt facilities.

Debt

BSI Prepayment Facility

As of the end of the quarter, the balance of the Secured Bullion Forward Hedge and Financing Transactions (“BSI Prepayment Facilities”) was \$14.0 million. This amount included a total of 7,275 ounces of gold that are hedged, with scheduled monthly settlements occurring from October to December 2024. The average gold price for these transactions is \$1,918/oz.

BSI Revolving Credit Facility (“RCF”)

As of the end of the quarter, BSI has drawn \$40 million from its RCF with \$20 million undrawn. The RCF has an applicable margin of 3.0% per annum plus SOFR, which includes a credit adjustment spread.

PBJ RCF

As of the end of the quarter, PBJ has drawn \$5 million of the RCF. The RCF has an applicable interest rate of 3.0% per annum plus SOFR with a final maturity on 13 March 2026. \$45 million remain undrawn at the end of the quarter.

Merdeka IDR Bonds

The outstanding balance of Merdeka IDR bonds as of 30 September 2024 was equivalent to \$1,110.6 million.

MBMA IDR Bonds

The outstanding balance of IDR Bonds at the end of the quarter was equivalent to \$98.2 million.

After the quarter, in October 2024, MBMA successfully completed the issuance of the second Public Offering of Bonds totalling IDR2 trillion. Details of the issuance are as follows:

- Series A: Bond principal amounting to IDR216 billion, IDR coupon rate of 6.80% per annum for 367-calendar days tenor;
- Series B: Bond principal amounting to IDR1,784 billion, IDR coupon rate of 9.00% per annum for 3 years tenor.

Merdeka RCF

As of the end of the quarter, Merdeka has drawn \$50 million of the RCF. The Merdeka RCF has an applicable interest rate of 3.85% per annum plus SOFR with a final maturity on 21 November 2024. \$50 million remain undrawn at the end of the quarter

MBMA RCF

After the quarter, MBMA entered into a \$100 million RCF on 1 November 2024. The facility has an interest of 2.5% plus SOFR for 12-month tenor with an option to extend. MBMA will use the facility for general corporate purposes.

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 30 September 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 date of 30 September 2026.

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

On 9 August 2024, MTI made an early repayment of the entire MTI VAT facility including its interest using internal cash of MTI from VAT refund on project.

Finance Lease

The outstanding finance lease balance as of 30 September 2024 was \$52.2million.

Sales and Hedging

During the quarter, Merdeka sold 27,778 ounces of gold and 4,970 tonnes of copper at an ASP of \$2,406/oz and \$4,26/lb, respectively, generating unaudited revenues of \$71.3 million and \$46.7 million.

During the quarter, MBMA sold 18,900 tonnes of nickel in NPI at an ASP of \$12,041/t, generating unaudited revenue of \$227.6 million. Additionally, MBMA sold 13,192 tonnes of nickel in HGNM at an ASP of \$13,440/t, which resulted in unaudited revenue of \$177.3 million. Furthermore, MBMA sold 3.45 million wmt of limonite ore to HNC during the quarter at an ASP of \$15.1/wmt, generating unaudited revenue of \$52.0 million.

Intergroup sales⁵ during the quarter include 2,504 tonnes of nickel in LGNM at an average price of \$12,194/t, sold to HNMI, and saprolite ore sales to MBMA RKEF smelters.

Table 4: Merdeka sales summary

Product	Product Sold	Average Sales Price	Revenue (\$m)
3Q 2024			
Gold ⁶	27,778 oz	\$2,406/oz	71.3
Copper	4,970 t	\$4.26/lb	46.7
NPI	18,900 t Ni	\$12,041/t	227.6
HGNM	13,192 t Ni	\$13,440/t	177.3
Limonite	3.45 million wmt	\$15.1/wmt	52.0
Total			574.9
YTD 2024			
Gold	79,415 oz	\$2,261/oz	190.8
Copper	11,310 t	\$4.07/lb	101.4
NPI	61,368 t Ni	\$11,522/t	707.1
HGNM	40,401 t Ni	\$13,960/t	564.0
Limonite	6.94 million wmt	\$15.5/wmt	107.4
Total			1,670.7

⁵ Intergroup sales are reported by each respective subsidiary but is not recognised in the consolidated group revenue

⁶ Gold revenue inclusive of silver byproduct revenue of \$4 million during the quarter

Table 5: Hedging and prepayment summary

Gold	oz Au	\$/oz
Prepayment (October to December 2024)	8,775	2,002
Prepayment (January to March 2025)	9,000	2,472
Hedging (October to December 2024)	8,118	2,293
Hedging (January to June 2025)	13,000	2,481
Total	38,893	2,331
Copper	t Cu	\$/t
Hedging (October to December 2024)	1,500	10,312
Total	1,500	10,312

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