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MDKA Reports Robust Growth in Revenue and EBITDA Driven by Nickel Expansion

Jakarta, Indonesia - PT Merdeka Copper Gold Tbk. (IDX: MDKA) (“Merdeka” or the “Company”) is pleased to announce robust financial results for the nine months ending 30 September 2024 (“9M 2024”), driven by strategic expansion of its nickel business.

For 9M 2024, MDKA reported consolidated revenue of \$1.67 billion and EBITDA of \$221 million, representing year-on-year (“YoY”) growth of 43% and 22%, respectively. This significant revenue increase was primarily driven by the nickel business, led by MDKA’s subsidiary PT Merdeka Battery Materials Tbk (IDX: MBMA), which completed its IPO in April 2023.

Key operational highlights from the nickel business include increased production at PT Sulawesi Cahaya Mineral (“SCM mine”), as well as production of nickel in nickel pig iron (“NPI”), and high-grade nickel matte (“HGNM”). Throughout the first nine months of 2024, the SCM mine produced 6.7 million wet metric tonnes (“wmt”) of limonite, which is a 176% increase compared to the first nine months of 2023. During the same period, the SCM mine produced 1.9 million wmt of saprolite, representing a YoY increase of 113%.

Additionally, the RKEF smelters produced 63,338 tonnes of nickel in NPI, while the nickel matte facility produced 38,422 tonnes of nickel in HGNM. In the third quarter of 2024, optimisation efforts and the mobilisation of new mining contractors led to a substantial increase in the nickel ore production volume. Limonite ore production increased by 130%, while saprolite ore production increased by 360% compared to the previous quarter.

The strong performance of MBMA, along with continued positive contributions from copper and gold operations, drove the growth in MDKA’s EBITDA. Key contributions to EBITDA by segment included: gold at \$81 million, nickel in NPI at \$76 million, copper at \$28 million, nickel in Ni Matte at \$28 million and limonite at \$29 million, netted off with other cost of \$20 million, including corporate cost.

“The Merdeka group’s strategic focus on expanding our nickel operations and downstream processing capabilities has yielded exceptional results and positions us for ongoing growth. We are also excited about the progress of our other key projects, including the Pani Gold Project (“Pani”), which has the potential to become the largest primary gold mine in Indonesia, and the Tujuh Bukit Copper Project (“TB Copper”), one of the largest undeveloped copper deposits in the world. These two world-class projects will significantly support the group’s sustainable growth trajectory,” stated Albert Saputro, President Director of MDKA.

MDKA has continued to invest in strategic projects throughout the first nine months of 2024, dedicating capital to promote future growth. The Company allocated \$65 million to Pani, focusing on the construction of processing plants, mine infrastructure development, and ongoing drilling and technical studies.

Pani was 19% complete at the end of 9M 2024 and 28% complete at the end of November 2024. The commissioning of the heap leach operation is anticipated for late 2025, and the first ore irrigation is planned to begin at the start of 1Q 2026, followed by the first gold pour shortly after. Pani has a mineral resource of 6.9 million ounces of gold and is projected to reach peak production of 500,000 ounces of gold per year.

Additionally, MDKA invested \$28 million in TB Copper to advanced exploration and a range of project optimisation opportunities to improve the project economics. These include the integration of an upgraded indicated resource totalling 755 million tonnes at 0.60% copper and 0.66 g/t gold, defining a larger ore reserve in 1Q 2025 and assessing downstream processing options. TB Copper has a mineral resource containing 8.2 million tonnes of copper and 27.9 million ounces of gold and is expected to reach peak production of approximately 200,000 tonnes of copper equivalent product per year.

MDKA also allocated \$125 million to the AIM plant, operated by PT Merdeka Tsingshan Indonesia (“MTI”), a subsidiary of MBMA. Project commissioning is showing positive progress. In the third quarter of 2024, Train 1 achieved commissioning yield of 77,555 tonnes of sulphuric acid, while Train 2 was commissioned as scheduled in September 2024, yielding 5,119 tonnes of sulphuric acid. The construction of the copper cathode plant is nearing completion, with commissioning of certain sections and regional equipment also underway in the fourth quarter of 2024.

As part of its growth strategy, MDKA, through its subsidiary MBMA, has partnered with GEM Co., Ltd (“GEM”) to develop two HPAL plants located at the Indonesia Morowali Industrial Park (“IMIP”). These plants are designed with a nameplate capacity of 30,000 tonnes per year for PT ESG New Energy Material and 25,000 tonnes per year for PT Meiming New Energy Material. Currently, both plants are in the commissioning stage and are expected to reach their full capacity by 2025. Additionally, MBMA is actively seeking to establish more strategic HPAL partnerships to maximize the value of its limonite nickel resources.

“MDKA is transitioning from mid-sized operations to a portfolio of large-scale, long-life and low-cost assets. The Company's strategic investments in TB Copper, Pani AIM plant and MBMA will significantly enhance our performance in the near future, further solidifying the Merdeka group’s position as a leading Indonesian mining company,” concluded Albert.

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