

INFORMATION DISCLOSURE TO SHAREHOLDERS RELATED TO AFFILIATED TRANSACTION PT MERDEKA COPPER GOLD TBK (the “COMPANY”)

This Information Disclosure to the shareholders (as defined below) is made to explain to the public in connection with the contract of design engineering and mining construction services made by and between PT Sulawesi Cahaya Mineral (“SCM”), which is an Affiliate and a company controlled by the Controlled Company of the Company with PT Merdeka Mining Servis (“MMS”), which is the Company’s Controlled Company.

The transaction is an Affiliated Transaction as stipulated in the Regulation of the Financial Services Authority of the Republic of Indonesia No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions.

THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU HAVE DIFFICULTIES UNDERSTANDING THE INFORMATION AS SET FORTH IN THIS INFORMATION DISCLOSURE YOU SHOULD CONSULT WITH A LEGAL COUNSEL, A PUBLIC ACCOUNTANT, A FINANCIAL ADVISOR, OR ANY OTHER PROFESSIONAL.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY, EITHER SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY REPRESENT THE COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION CONTAINED IN THIS INFORMATION DISCLOSURE ARE TRUE AND THERE ARE NO IMPORTANT MATERIAL AND RELEVANT FACTS THAT HAVE NOT BEEN DISCLOSED OR REMOVED IN THIS INFORMATION DISCLOSURE CAUSING THE INFORMATION PROVIDED ON THIS INFORMATION DISCLOSURE TO BE UNTRUE AND/OR MISLEADING.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THAT THIS AFFILIATED TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.



PT MERDEKA COPPER GOLD TBK

Business Activities

Mining of gold, silver, copper, nickel and other associated minerals, industries and other related business activities through subsidiaries of the Company

Domiciled in South Jakarta, DKI Jakarta, Indonesia

Headquarter Office:

Treasury Tower, 67th Floor, District 8 SCBD Lot. 28
Jl. Jend. Sudirman Kav. 52-53, South Jakarta 12910
Telephone: +62 21 3952 5580 Facsimile: +62 21 3952 5589
Email: corporate.secretary@merdekacoppergold.com
Website: www.merdekacoppergold.com

This Information Disclosure is issued in Jakarta on 21 October 2022

DEFINITIONS

“Affiliate”	: Affiliate means	<ol style="list-style-type: none"> 1. family relations due to marriage and descent up to the second degree, both horizontally and vertically; 2. relationship between a party and employees, directors, or commissioners of the party; 3. relationship between 2 (two) companies where there is 1 (one) or more same members of the board of directors or board of commissioners; 4. the relationship between a company and a party, both directly or indirectly, controlling or being controlled by the said company; 5. relationship between 2 (two) companies that are controlled, both directly or indirectly, by the same party; or 6. the relationship between a company and the principal shareholders.
“Conflict of Interest”	: The difference between the economic interest of a public company and the personal economic interest of members of the board of directors, members of the board of commissioners, principal shareholders, or Controllers that may be harmful to the public company concerned.	
“Indonesia Stock Exchange”	: Stock exchange as defined in Article 1 point 4 Capital Market Law, in this case, held by PT Bursa Efek Indonesia, domiciled in Jakarta.	
“Contract”	: Contract of Design Engineering and Mining Construction Services dated 19 October 2022 signed by PT Sulawesi Cahaya Mineral and PT Merdeka Mining Servis.	
“Minister”	: Minister of Law and Human Rights of the Republic of Indonesia.	
“MMS”	: PT Merdeka Mining Servis, domiciled in South Jakarta, a limited liability company established and operated under the laws of the Republic of Indonesia.	
“Financial Services Authority or OJK”	: The independent institution as referred to in Law No. 21 of 2011 on Financial Services Authority (“ OJK Law ”), whose duties and authorities include the regulation and supervision of financial service activities in the sectors of banking, capital market, insurance, pension funds, financial institution and other financial institutions, whereby since 31 December 2012, OJK is an institution that replaces and accepts the rights and obligations to carry out regulatory and supervisory functions from the Capital Market and Financial Institutions Supervisory Agency with following the provisions of Article 55 OJK Law.	
“Shareholders”	: Parties who have the benefit of the Company’s shares, both in the form of scripts and in collective custody which are kept and administered in the securities account at Indonesia Central Securities Depository, registered in the Shareholder Register of the Company which is administered by the Securities Administration Bureau appointed by the Company.	

“Independent Appraiser or KJPP”	:	Public Appraisal Office of Doli Siregar and Partners, independent appraisers registered with the OJK who have been appointed by the Company to conduct an assessment of the fair value and/or fairness of the Transaction.
“Company”	:	PT Merdeka Copper Gold Tbk, domiciled in South Jakarta, a public limited company whose shares are listed on the Indonesia Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
“Controlled Company”	:	Any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 42/2020.
“POJK 17/2020”	:	OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
“POJK 42/2020”	:	OJK Regulation No. 42/POJK.04/2020, enacted on 1 July 2020 regarding Affiliated Transaction and Conflict of Interest Transaction.
“Rupiah or Rp or IDR”	:	Reference to the Rupiah which is the legal currency of the Republic of Indonesia.
“SCM”	:	PT Sulawesi Cahaya Mineral, domiciled in South Jakarta, a limited liability company established and operated under the laws of the Republic of Indonesia.
“Affiliated Transaction”	:	Any activity and/or transaction conducted by a public company or a controlled company with an Affiliate of a public company or an Affiliate of a member of the board of directors, a member of the board of commissioners, the principal shareholders, or the Controller, including any activity and/or transaction conducted by a public company or controlled company for the benefit of an Affiliate of a public company or an Affiliate of a member of the board of directors, member of the board of commissioners, principal shareholders or the Controller.
“Conflict of Interest Transaction”	:	Transactions that are carried out by public companies or controlled entities with any party, both with Affiliates and parties other than Affiliates that contain a Conflict of Interest.
“Capital Market Law”	:	Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 the Year 1995.

INTRODUCTION

To comply with the provisions of POJK 42/2020, the Board of Directors of the Company announces Information Disclosure to provide information to the Shareholders of the Company that on 19 October 2022, SCM and MMS signed a Contract with the scope of work as furtherly elaborated in the Summary of Transaction Agreement below to support the implementation of SCM's obligations based on its operational license ("**Transaction**").

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which SCM is an Affiliate and a company controlled by the Controlled Company of the Company with MMS which is the Company's Controlled Company. However, this Affiliated Transaction is not a Transaction with Conflict of Interest as outlined in POJK 42/2020.

The Affiliated Transaction has complied with the procedures as outlined in Article 3 of POJK 42/2020 and has been executed by generally accepted business practices.

In accordance with the provisions of Article 4 paragraph 1 of POJK 42/2020, this Transaction is an Affiliated Transaction that is required to use the service of an Independent Appraiser in determining the fairness of the Affiliated Transaction in which the fairness of the Transaction needs to be announced to the public. The Company has received the fair value for this Transaction based on the Appraisal Report from the KJPP No. 00121/2.0042-00/BS/02/0405/1/VIII/2022 dated 31 August 2022 on Fairness Opinion Report on the Proposed Transaction for the Provision of Engineering and Mining Construction Services by PT Merdeka Mining Servis whose shares is owned 99.99% by PT Merdeka Copper Gold Tbk to PT Sulawesi Cahaya Mineral (Affiliated Company) ("**Appraiser's Report**").

Moreover, the Company is obliged to announce Information Disclosure to the public and submit the appraisal report along with other supporting documents to OJK no later than the end of the 2nd (second) business days after the date of the Transaction as referred in Article 4 of POJK 42/2020

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. SCM

SCM is a limited liability company established based on Deed of Articles of Association No. 12 dated 27 January 2010, made before Ny. Ety Roswitha Moelia, S.H., Notary in Jakarta, which has been approved by the Minister under Decree No. AHU-08010.AH.01.01.Tahun 2010 dated 15 February 2010, which articles of association have been amended several times, lastly based on Deed of Statement of Shareholders' Resolution No. 98 dated 28 April 2022, made before Humbert Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been notified to the Minister based on the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0236066 dated 11 May 2022 ("**Deed 98/2022**").

SCM is domiciled in South Jakarta, with the office address at Prosperity Tower 39th Floor, District 8, SCBD, Jl. Jend. Sudirman Kav. 52-53, Lot. 28, Senayan Sub-District, Kebayoran Baru District, South Jakarta, Special Capital Region of Jakarta Province, Indonesia.

Based on the provisions of Article 3 of the Articles of Association of SCM, the purpose and objective of SCM are to carry out businesses in the field of iron ore mining, nickel ore mining, office building construction, industrial building construction, civil road construction, civil bridge construction, flyover, flyover and underpass, mining civil building construction, other construction installations which are not included in other classification, non-ferrous base metal manufacturing industry.

To achieve the above-mentioned purpose and objective, SCM may carry out the following business activities:

- a. iron ore mining business activities including quality improvement activities and agglomeration of iron ore and its concentrates;
- b. nickel ore mining business activities;
- c. business activities of development, maintenance, and/or reconstruction of buildings used for office buildings, such as offices and home offices. Including the construction of buildings for offices carried out by real estate companies to be sold and the activities of changing and renovating office buildings;
- d. business activities of development, maintenance, and/or reconstruction of buildings used for industry, such as industrial/factory buildings, workshop buildings, factory buildings for the management and processing of nuclear materials. Including the activities of changing and renovating industrial buildings;
- e. business activities of development, maintenance, and/or reconstruction for road construction (highways, medium, and small), freeways/toll roads, and runway roads (runway, taxi, and parking), and container yards field. Including the supporting activities of the construction, improvement, maintenance of the construction of the fence/wall retaining the road. Does not include a flyover;
- f. business activities of development, maintenance, and/or rebuilding of bridge construction (including rail bridges), flyovers, underpasses, and flyovers. Including activities in construction, improvement, maintenance support, complementary and equipment of bridges and flyovers, such as fences/retaining walls, road drainage, road markings, and signs;
- g. business activities of development, maintenance, and/or rebuilding of exploration and production operations of mining facilities, including environmental impact control;
- h. other building installation activities and installation, maintenance, and repairing activities for other civil building installations that are not included in groups 43291 to 43294. Including installation and maintenance of mining and manufacturing facilities such as loading and discharging stations, winding shafts, chemical plants, iron foundations, blast furnaces, and coke ovens; installation of processing systems and equipment for purifying seawater, brackish water, fresh water into pure water on power plants; and
- i. business activities of refining, smelting, alloying and casting of non-ferrous metals in basic forms (ingots, billets, slabs, rods, pellets, blocks, sheets, pigs, alloys and powders) such as brass ingots, aluminum ingots, zinc ingots, copper ingots, tin ingots, brass billets, aluminum billets, brass slabs, aluminum slabs, brass rods, aluminum bars, brass pellets, aluminum pellets, bronze alloys, nickel alloys and bearing metals and rare earth metals and alloys rare earth metals (15 elements lanthanides plus elements scandium and yttrium).

Capital Structure and Shareholders' Composition of SCM

In accordance with the Deed of Statement of Shareholders' Resolution No. 102 dated 26 October 2018, made before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been approved by the Minister under Decree No. AHU-0024766.AH.01.02.Tahun 2018 dated 8

November 2018 and has been notified to the Minister based on the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0261994 dated 8 November 2018 and the Receipt of Notification of the Change of Data No. AHU-AH.01.03-0261995 dated 8 November 2018 *juncto* Deed of Statement of Shareholders' Resolution No. 100 dated 26 March 2019, made before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta, which has been notified to the Minister based on the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0184503 dated 2 April 2019 and the Receipt of Notification of the Change of Data No. AHU-AH.01.03-0184506 dated 2 April 2019, capital structure and composition of shareholders of SCM are as follows:

Details	Shares Classification	Total Shares	Nominal Value per Share (Rp)	Total Value of Share (Rp)	%
Authorised Capital	Series A	143,000	922,500	1,124,752,000,000	-
	Series B	857,000	1,158,500		-
Issued and Paid-up Capital					
PT J&P Indonesia	Series A	72,930	922,500	67,277,925,000	51
PT J&P Indonesia	Series B	168,300	1,158,500	194,975,550,000	
HT Asia Industry Limited	Series A	70,070	922,500	64,639,575,000	49
HT Asia Industry Limited	Series B	161,700	1,158,500	187,329,450,000	
Total		473,000		514,222,500,000	100
Portfolio Shares		527,000		610,529,500,000	

Composition of the Board of Commissioners and Board of Directors of SCM

Based on Deed of Statement of Shareholders' Resolution in lieu of Extraordinary General Meeting of Shareholders No. 143 dated 30 August 2022, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the Minister based on the Receipt of Notification of the Change of Data No. AHU-AH.01.09-0049306 dated 30 August 2022, the composition of the Board of Directors and the Board of Commissioners of SCM as of the date of the issuance of this Disclosure of Information is as follows:

Board of Commissioners

President Commissioner	: Xiang Jinyu
Commissioner	: Philip Suwardi Purnama
Commissioner	: Andrew Phillip Starkey
Commissioner	: Lin Jiqun
Commissioner	: Wang Renhui

Board of Directors

President Director	: Agus Superiadi
Director	: Devin Antonio Ridwan
Director	: Titien Supeno
Director	: Wu Huadi
Director	: Zhang Fan

2. MMS

MMS, domiciled in South Jakarta, was established under the Deed of Establishment No. 114 dated 21 December 2017, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the Minister under Decree No. AHU-0058435.AH.01.01.Tahun 2017 dated 22 December 2017, whose articles of association have been amended several times, lastly based on the Deed of Circular Resolutions in Lieu of the Extraordinary General Meeting of Shareholders No. 82 dated 25 March 2022, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the Minister under Decree No. AHU-0021428.AH.01.02.Tahun 2022 dated 25 March 2022.

Based on the provisions of Article 3 of the Articles of Association of MMS, the purpose and objective of MMS are to carry out a business in the field of mining support service activities; architectural and engineering activities; building construction; civil building construction; and special construction.

To achieve the above-mentioned purpose and objective, MMS may carry out the following business activities:

- a. other mining and excavation support activities (KBLI 09900)
Carrying out supporting service activities based on remuneration or contracts, which are needed in mining activities, such as exploration services, pumping and distribution services for mining products and experimental services for excavation and drilling of fields or mines wells.
- b. engineering and related technical consulting activities (KBLI 71102)
Carrying out engineering design and consulting activities; such as machinery, factories and industrial processes; projects involving civil engineering, hydraulics, traffic engineering; expansion and realization of projects related to electrical and electrical engineering; and project management activities related to construction.
- c. industrial building construction (KBLI 41013)
Carrying out business activities for the construction, maintainance, and/or reconstruction of building used for industry, such as factories and workshops. Including changes and renovation of industrial buildings.
- d. civil road construction (KBLI 42101)
Carrying out business activities for the construction, maintenance and/or reconstruction of roads structures. This includes development activities, improvement, maintenance support, complementary and road equipment.
- e. construction of civil building of bridge, overpass, fly over, and underpass construction (KBLI 42102)
Carrying out business activities for the construction, maintenance and/or reconstruction of bridge, overpass, underpass, and fly over. This includes development activities, improvement, maintenance support, bridge and road complementary equipments, such as fences/retaining walls, road drainage, road markings, and signs.
- f. mining civil building construction (KBLI 42916)
Carrying out business activities for the construction, maintenance and/or reconstruction of mining exploration and operation production facility, including environmental impact control.
- g. prefabricated civil buildings construction services (KBLI 42930)
Carrying out activities for the installation of materials from factory production such as precast concrete, steel, plastic, rubber, and other factory products through manufacturing, erection and/or assembly methods for civil buildings.
- h. mechanical installation (KBLI 43291)
Carrying out of business activities for the installation and maintenance of mechanical installations of conveyor and lifting equipment in buildings, such as elevator, escalator, conveyor, gondola, and automatic door.
- i. land preparation (KBLI 43120)
Carrying out business activities to prepare land for subsequent construction activities, such as clearing and maturation of construction land, shrubland clearing; land clearing/soil stabilization (excavation for slope making and so on), sampling for construction purposes, geophysics, geology or similar purposes, and land preparation for nuclear power activity. Land preparation supporting activity such as installation of construction supporting facility, re-measurement, temporary road diversion/construction, repairation and maintenance of public roads, dewatering/drainning, mobilization and demobilization, and other similar works.

- j. other construction installation which cannot be otherwise classified (KBLI 43299)
 Conducting business activities in installing building's other installations and activity of installation, maintenance, and repairing of other civil building. Including installing and maintaining mining and manufacture installation facility such as loading and discharging stations, winding shafts, chemical plants, iron foundaries, blast furnaces and coke oven; installing the installation of processing system and refining system for sea water, brackish water, fresh water into purified water on power station.

Capital Structure and Shareholders' Composition of MMS

Based on Deed of Statement of Shareholders' Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 31 dated 14 December 2021 made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the Minister based on Decree No. AHU-0071884.AH.01.02.TAHUN 2021 dated 14 December 2021 and notified to the Minister based on Receipt of Notification of Amendment of Articles of Association No. AHU-AH.01.03-0485228 dated 14 December 2021, the capital structure and composition of shareholders of MMS are as follows:

Description	Total Shares	Nominal Value per Share (Rp)	Total Value of Shares (Rp)	%
Authorized Capital	150,000	1,000,000	150,000,000,000	
Issued Capital and Fully Paid-Up Capital				
Company	107,227	1,000,000	107,227,000,000	99.99
PT Mitra Daya Mustika	3	1,000,000	3,000,000	0.01
Total	107,230		107,230,000,000	100
Portfolio Shares	42,770		42,770,000,000	

Composition of the Board of Commissioners and Board of Directors of MMS

Based on Deed of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 5 dated 4 February 2022, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the Minister based on the Receipt of Notification of the Change of Data No. AHU-AH.01.03-0077420 dated 4 February 2022, the composition of the Board of Directors and the Board of Commissioners of MMS as of the date of the issuance of this Disclosure of Information is as follows:

Board of Commissioners

President Commissioner : Simon James Milroy
 Commissioner : Adi Adriansyah Sjoekri

Board of Directors

President Director : Priyadi
 Director : Cahyono Seto

Transaction Value

Pursuant to the Contract, the Transaction's value is IDR153,288,623,675 (one hundred fifty-three billion two hundred eighty-eight million six hundred twenty-three thousand six hundred and seventy-five Rupiah). Therefore, the Transaction is not a material transaction as referred to POJK 17/2020 considering that the value of the Transaction does not reach 20% (twenty per cent) of the total equity value by the Company's Interim Consolidated Financial Statements as of 30 June 2022 which was audited by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm.

Nature and Affiliated Relation

The nature of the affiliation relationship between SCM and MMS with the Company are as follows:

- a. MMS is a Controlled Company of the Company with shares owned directly by the Company in the amount of 99,99% (ninety-nine point nine nine per cent);
- b. there are members of the Board of Commissioners and the Board of Directors of SCM and the Board of Commissioners of MMS who also serve as members of the Board of Directors of the Company; and
- c. SCM is a company controlled by one of the Company's Controlled Company.

Summary of Transaction Agreement

Contract of Design Engineering and Mining Construction Services dated 19 October 2022

Parties:

1. SCM; and
2. MMS.

Scope of Contract:

In accordance with the Contract, SCM cooperates with MMS to support the implementation of SCM's obligations based on its operational license. For this matter, MMS will provide services based on the Contract with the scope of work related to design engineering and mining construction services, with detail as follows:

1. project & studies;
2. construction;
3. mine planning;
4. asset management;
5. health, safety, and environmental; and
6. other consulting, planning, and/or implementation activities related to mining services.

Hereinafter the scope of work as above is referred to as "**Services**".

SCM has agreed to use professional services from MMS, in which SCM is obliged to pay MMS the agreed fee for the aforesaid Services and MMS will provide professional services to SCM in connection with the Services activities.

The Contract is valid from 2 (two) working days after the fairness opinion is issued by an Independent Appraiser stipulating that the transactions based on the Contract are aligned with the principles of fairness and generally accepted business practices, until 1 January 2024.

Transaction Value:

The Transaction Value is IDR153,288,623,675 (one hundred fifty-three billion two hundred eighty-eight million six hundred twenty-three thousand six hundred and seventy-five Rupiah) in which the amount has included 10% (ten per cent) of the margin.

Applicable Law:
Laws of the Republic of Indonesia

Dispute Resolution:
Indonesian National Arbitration Board (BANI)

SUMMARY OF APPRAISER'S REPORT

KJPP who have been appointed by the Company's Board of Directors as Independent Appraisers following the proposal letter/contract No. DSR-C-C/FO/AFS/VIII/22/0207 dated 5 August 2022, has been requested to provide an assessment of and provide an opinion of the Transaction's fairness.

Fairness Assessment Report on Transaction

The following is a summary of the KJPP's fairness assessment of the Transaction as stated in its report No. 00121/2.0042-00/BS/02/0405/1/VIII/2022 dated 31 August 2022 as follows:

1. Transaction Parties

The transacting parties are:

- a. The Company is the holding company of MMS with 99.99% (ninety-nine-point nine nine percent) shares ownership and has an indirect ownership in SCM;
- b. MMS is a mining support service provider company, which provides services for the contract of design engineering and mining construction services to SCM; and
- c. SCM is a mineral mining company that receives services for the contract of design engineering and mining construction services from MMS.

2. Object of Fairness Opinion

The object of the fairness opinion in this fairness opinion is the proposed Transaction for the provision of engineering and mining construction services by MMS which shares owned by the Company in the amount of 99.99% (ninety-nine point nine nine percent) towards SCM (Affiliated company).

3. Purpose and Objective

Purpose

This fairness opinion is required for compliance in reviewing the fairness of the proposed Transaction related to POJK 42/2020.

Objective

This fairness opinion report provides a fairness opinion on the proposed Transaction for the provision of engineering and mining construction services by MMS which shares owned by the Company in the amount of 99.99% (ninety-nine point nine nine percent) towards SCM (Affiliated company).

4. Assumption and Limit Conditions

This fairness opinion can only be used in connection with the proposed Transaction and cannot be used for other purposes. This fairness opinion is also not intended to provide recommendations for approval or disapproval of the proposed Transaction or taking certain actions on the proposed Transaction.

In preparing this independent opinion, KJPP uses several assumptions, including:

- a. This fairness opinion report is a non-disclaimer opinion.
- b. KJPP has reviewed the legal status of the documents used in the appraisal process.
- c. The data and information obtained by KJPP come from trustworthy sources.
- d. KJPP uses the adjusted financial projection that reflects the fairness of the financial projections made by management with the ability to achieve (fiduciary duty).
- e. KJPP is responsible for the implementation of adjusted appraisal and fairness of the financial projections.
- f. KJPP disclosed the business appraisal report to the public, except for confidential information, which may affect the Company's operations.
- g. KJPP is responsible for business appraisal report and the conclusion of the fairness opinion.
- h. KJPP obtained information on the legal status of the appraisal object from the assignor.
- i. KJPP assumes that since the proposed Transaction until the issuance of this fairness opinion, there are no changes that will materially affect the proposed Transaction.
- j. KJPP assumes that the Company complies with all regulations set by the government, particularly those related to the Company's operations, both in the past and in the future.
- k. KJPP assumes that the legality owned by the Company has no legal or other issues, either before and after the proposed Transaction.
- l. KJPP assumes that the Company has and will fulfill its obligations relating to taxes, retributions and other levies in accordance with applicable regulations.
- m. KJPP has obtained information on the terms and conditions in the agreements related to the proposed Transaction from the Company.
- n. The report is prepared only for the purposes and objectives stated in the report. KJPP is not responsible to any party other than the assignor. Other parties who use this report are responsible for any risks that arise.

5. Analysis Method of the Proposed Transaction

In evaluating the fairness of transactions, KJPP conducts analysis with the following stages:

- a. the proposed Transaction analysis which includes identification and relationship between the parties involved in the proposed Transaction, analysis of the agreement and terms in the proposed Transaction, analysis of the benefits and risks of the proposed Transaction;
- b. qualitative analysis of the proposed Transaction which includes the history and business activities, industry analysis, operational analysis and prospects, analysis of the objective for the proposed Transaction, profit and loss of the proposed Transaction;
- c. quantitative analysis of proposed Transaction which includes analysis historical of the financial statements, analysis of the cash flows, analysis of the financial ratios, analysis of the financial projections, analysis of added value; and
- d. analysis of the fairness of the proposed Transaction value.

6. Fairness Opinion on the Transaction

In view of the overall proposed Transaction which has been reflected in the projections and proforma analysis that show positive results, thus KJPP considered that the proposed Transaction for the provision of engineering and mining construction services by MMS which shares owned by the Company in the amount of 99.99% (ninety-nine point nine nine percent) towards SCM (Affiliated company) is **FAIR**.

**THE EFFECT OF THE TRANSACTION ON THE COMPANY'S
FINANCIAL CONDITION**

The Effect of the Transaction on the Company's Financial Condition

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 31 March 2022 before and after carrying out the Affiliated Transaction.

Description	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	121.959.805	-9.710.354	112.249.451
Trade receivables	825.326	0	825.326
Other receivables - third parties	60.410.715	0	60.410.715
Inventories - current portion	155.904.932	0	155.904.932
Claims for tax refund	22.876.420	0	22.876.420
Advances and prepayments - current portion	18.666.048	0	18.666.048
Investment in equity instrument and other securities	47.882.116	0	47.882.116
Derivative financial instrument - current portion	104.232	0	104.232
Total Current Assets	428.629.594	-9.710.354	418.919.240
Non-Current Assets			
Advances and prepayments - non-current portion	50.499.209	0	50.499.209
Advance of investment	349.644.665		349.644.665
Investment in shares	1.230.013	0	1.230.013
Loan to related party	9.528.967	0	9.528.967
Inventories - non-current portion	52.156.551	0	52.156.551
Prepaid taxes	15.695.652	0	15.695.652
Property, plant and equipments	330.887.074	9.710.354	340.597.428
Right-of-use assets	17.304.051	0	17.304.051
Mining properties	68.631.495	0	68.631.495
Exploration and evaluation assets	411.717.799	0	411.717.799
Deferred tax assets	18.719.785	0	18.719.785

Description	Before Transaction Execution	Adjustment	After Transaction Execution
Derivative financial instrument - non-current portion	6.273.094	0	6.273.094
Other non-current assets	6.842.869	0	6.842.869
Total Non-Current Assets	1.339.131.224	9.710.354	1.348.841.578
TOTAL CURRENT ASSETS	1.767.760.818	0	1.767.760.818
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	44.015.161	0	44.015.161
Accrued expenses	32.405.383	0	32.405.383
Unearned revenue	8.092.502	0	8.092.502
Taxes payable	28.842.490	0	28.842.490
Other payables	38.783.423	0	38.783.423
Borrowings - current portion:			
Bank loans and credit facility	128.735.321	0	128.735.321
Bonds payable	209.807.988	0	209.807.988
Lease liabilities	25.968.471	0	25.968.471
Derivative financial instrument - current portion	6.269.389	0	6.269.389
Provision for mining rehabilitation - current portion	78.720	0	78.720
Total Current Liabilities	522.998.848	0	522.998.848
Non-Current Liabilities			
Borrowings - net of current portion:			
Bank loans and credit facility	9.706.866	0	9.706.866
Bonds payable	266.710.392	0	266.710.392
Lease liabilities	18.072.592	0	18.072.592
Derivative financial instrument - non-current portion	732.932	0	732.932
Deferred tax liabilities	947.349	0	947.349
Post-employment benefits liability - non-current portion	19.093.466	0	19.093.466
Provision for mining rehabilitation - non-current portion	34.271.564	0	34.271.564
Total Non-Current Liabilities	349.535.161	0	349.535.161
TOTAL LIABILITIES	872.534.009	0	872.534.009
Equity			
Share capital:			
Authorized capital	36.112.298	0	36.112.298
Additional paid-in capital - net	454.779.498	0	454.779.498
Treasury stock	-113.972	0	-113.972
Cash flows hedging reserve	-291.007	0	-291.007

Description	Before Transaction Execution	Adjustment	After Transaction Execution
Other equity components	13.829.371	0	13.829.371
Retained earnings:			
Appropriated	1.200.000	0	1.200.000
Unappropriated	292.816.074	0	292.816.074
Non-controlling interests	96.894.547	0	96.894.547
Total Equity	895.226.809	0	895.226.809
TOTAL LIABILITIES AND EQUITY	1.767.760.818	0	1.767.760.818

(*) Expressed in US Dollars and refers to the Company's Interim Consolidated Financial Statements dated 31 March 2022.

DESCRIPTION, CONSIDERATIONS AND REASONS FOR THE TRANSACTION COMPARED WITH OTHER SIMILAR TRANSACTIONS WHICH ARE NOT PERFORMED WITH AFFILIATED PARTIES

By conducting the Transaction, SCM can utilize MMS' services which already have a good and long track record in providing similar services as described in the Summary of Transaction Agreement to other subsidiaries of the Company. By carrying out design engineering and mining construction activities through SCM, it is expected that it will potentially improve the Company's financial performance, which in turn can create added value for the Company's Shareholders.

The Transaction has also been assessed by internal procedures using similar terms and conditions if the Transaction is conducted with an unaffiliated party, hence the terms and conditions of the Transaction are carried out by generally accepted business practices. Furthermore, the Transaction is also more effective and efficient if carried out by SCM and MMS.

STATEMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY

The Board of Commissioners and Board of Directors of the Company, either individually or jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading and the Transaction is not considered a Conflict of Interest Transaction as referred to POJK 42/2020 and is not a material transaction as referred to POJK 17/2020 considering that the Transaction value does not reach 20% (twenty per cent) of the total equity value based on Interim Consolidated Financial Statements as of 30 June 2022 which was audited by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm.

The Board of Directors of the Company stated that the Transaction was carried out following the procedures owned by the Company as required in POJK 42/2020 to ensure that Affiliated Transactions have been carried out by prevailing regulations and generally accepted business practices.

ADDITIONAL INFORMATION

For further information, you can contact the Company at the following address:

PT Merdeka Copper Gold Tbk
Corporate Secretary

Treasury Tower, 67th Floor, District 8 SCBD Lot. 28
Jl. Jend. Sudirman Kav. 52-53, South Jakarta 12910

Telephone: +62 21 3952 5580

Facsimile: +62 21 3952 5589

Email: corporate.secretary@merdekacoppergold.com

Website: www.merdekacoppergold.com

Initial: 