

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 provide an explanation to the public in connection with the receipt of fee for providing the put option by the Company in relation to the loans of PT Merdeka Tsingshan Indonesia as one of the subsidiaries of PT Merdeka Battery Materials, with its lenders.

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 TO UNDERSTAND 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, 67-68th floor, District 8 SCBD Lot. 28
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This Information Disclosure
is issued in Jakarta on 14 March 2023

DEFINITIONS

- “Affiliate”** : the parties referred to in Article 1 paragraph (1) UUPM, namely:
- a. family relationship due to marriage to the second degree, both horizontally and vertically, namely the relationship of a person with:
 1. husband or wife;
 2. parents of husband or wife and husband or wife of children;
 3. of husband or wife and husband or wife of grandchildren;
 4. a relative of the husband or wife and the husband or wife of the relative; or
 5. husband or wife of the relative of the person concerned.
 - b. family relationship by descent up to the second degree, either horizontally or vertically, which is the relationship of a person with:
 1. parents and children;
 2. grandparents and grandchildren; or
 3. the relative of the person concerned
 - c. the relationship between the party and the employee, director or commissioner of the party;
 - d. relationship between 2 (two) companies which is 1 (one) or more members of the same board of directors, management, board of commissioners or supervisors;
 - e. the relationship between the company and the party, either directly or indirectly, in any way, controls or is controlled by the company or the party in determining the management and/or policies of the company or the intended party;
 - f. relationship between 2 (two) or more controlled companies, either directly or indirectly, in any way, in determining the management and/or company policies by the same party; or
 - g. relationship between the company and the main shareholder, namely the party that directly or indirectly owns at least 20% (twenty percent) of the shares with voting rights from the company.
- “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.
- “MBM”** : PT Merdeka Battery Materials, domiciled in South Jakarta, is a limited liability company established and operated under the laws of the Republic of Indonesia.
- “MOLHR”** : Minister of Law and Human Rights 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 as amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector (“**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 is 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 Iskandar 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, is 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.
- “POJK 17/2020”** : OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
- “POJK 35/2020”** : OJK Regulation No. 35/POJK.04/2020, enacted on 25 May 2020 regarding the Appraisal and Presentation of Business Appraisal Report in the Capital Market.
- “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 Rupiah which is the legal currency of the Republic of Indonesia.
- “Fee Letter”** : Fee Letter signed by and between the Company and MBM effective on 10 March 2023, together with any amendments, additions and substitutes, which may be subsequently made.
- “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.
- “USD”** : Reference to United States Dollars which is the legal currency of the United States.

“Capital Market Law” : Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 Year 1995 as amended by Law Number 4 Year 2023 regarding Development and Strengthening of the Financial Sector along with and all of its implementing regulations.

INTRODUCTION

In order 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 effective on 10 March 2023, the Company and MBM have signed the Fee Letter in connection with fee for providing the put option by the Company in relation to the loans of PT Merdeka Tsingshan Indonesia as one of the subsidiaries of MBM, with its lenders as furtherly elaborated in the Summary of Transaction below (“**Transaction**”).

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which MBM is the Controlled Company of the Company. However, this Affiliated Transaction is not a Transaction with a Conflict of Interest as set forth in POJK 42/2020.

The Affiliated Transaction carried out by the Company has complied with the procedures as set forth in Article 3 of POJK 42/2020 and has been executed in accordance with 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 an 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 fairness value for this Transaction based on Appraisal Report from KJPP Iskandar and Partners No. 00131/2.0118-00/BS/02/0596/1/III/2023 dated 7 March 2023 on the Fairness Opinion Report on the Proposed Transaction of Fee from PT Merdeka Battery Materials regarding the Put Option Provision for PT Merdeka Tsingshan Indonesia’s Loan Facilities from Lenders by PT Merdeka Copper Gold Tbk (“**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 to Article 4 of POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. The Company

The Company, established under the name of PT Merdeka Serasi Jaya, pursuant to Deed of Establishment of Limited Liability Company No. 02 dated 5 September 2012, made before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by MOLHR by virtue of its Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, and has been announced in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

The Company’s Articles of Association have been amended several times as lastly amended by Deed of Statement of Meeting Resolution on Amendment to Articles of Association No. 9 dated 12 May 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the MOLHR by virtue of the Receipt of Notification of the

Amendment of the Articles of Association No. AHU-AH.01.03-0237201 dated 13 May 2022 (“**Deed 9/2022**”).

The Company is headquartered at Treasury Tower, 67th – 68th Floor, District 8 SCBD Lot. 28, Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia.

According to Article 3 of the Company’s Articles of Association, the purposes and objectives of the Company are as follows:

1. carrying out activities of holding companies where the main activity is ownership and/or control of assets of a group of subsidiary companies both domestic and overseas which, among others including but not limited to, engaged in the mining sector; and
2. conducting other management consulting activities, i.e. to provide advice, guidance and business operations for various management functions, strategy and organizational scheming, human resources planning, practices and policies, management consulting of agronomist processing and agricultural economist including but not limited to mining, agriculture, and the like, design of accounting methods and procedures, cost accounting programs, budget control supervision procedures, providing advice and assistance to businesses and community services in planning, organizing, efficiency and control, management information, processing and tabulating all types of data covering all stages of processing and writing reports from data provided by customers, or only part of the processing stages and others.

To carry out the main business activities above, the Company may carry out business activities as follows:

1. providing funding and/or financing required by the companies in which the Company participates its equity, both directly and indirectly; and
2. providing funding and/or financing required by other companies in order to carry out the equity participation in such company or group companies or the investment framework of any other assets in such company or group companies.

Capital Structure and Shareholders’ Composition of the Company

Pursuant to Deed of Statement of Meeting Resolution of the Amendment of Articles of Association No. 69 dated 25 September 2019 made before Liestiani Wang, S.H., M.Kn., Notary in South Jakarta which has been notified to the MOLHR based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0339775 dated 2 October 2019 *juncto* Deed 9/2022, the Company’s capital structure and shareholding composition as of the date of this Information Disclosure is as follows:

| | | |
|--------------------|---|----------------------|
| Authorized Capital | : | IDR1,400,000,000,000 |
| Issued Capital | : | IDR482,217,015,420 |
| Paid-up Capital | : | IDR482,217,015,420 |

The Company’s authorized capital is divided into 70,000,000,000 (seventy billion) shares each with a par value of Rp20 (twenty Rupiah).

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According to the Shareholders Register of the Company dated 28 February 2023 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

| Description | Nominal Value of Rp20 per Share | | |
|--|---------------------------------|------------------------|----------------------|
| | Number of Shares | Nominal Value (Rp) | (%) |
| A. Authorized Capital | 70,000,000,000 | 1,400,000,000,000 | |
| B. Issued and Paid up Capital | | | |
| 1) PT Saratoga Investama Sedaya Tbk | 4,423,174,297 | 88,463,485,940 | 18.345 |
| 2) PT Mitra Daya Mustika | 2,907,302,421 | 58,146,048,420 | 12.058 |
| 3) Garibaldi Thohir | 1,774,021,214 | 35,480,424,280 | 7.358 |
| 4) PT Suwarna Arta Mandiri | 1,347,254,738 | 26,945,094,760 | 5.588 |
| 5) ISV VA Hongkong Brunp & Catl Co., Limited | 1,205,542,539 | 24,110,850,780 | 5.000 |
| 6) Gavin Arnold Caudle | 80,066,431 | 1,601,328,620 | 0.332 |
| 7) Hardi Wijaya Liong | 69,596,728 | 1,391,934,560 | 0.289 |
| 8) Andrew Phillip Starkey | 527,000 | 10,540,000 | 0.002 |
| 9) Albert Saputro | 177,800 | 3,556,000 | 0.001 |
| 10) Simon James Milroy | 521,403 | 10,428,060 | 0.002 |
| 11) Titien Supeno | 201,400 | 4,028,000 | 0.001 |
| 12) Public (respectively under 5%) | 11,260,918,000 | 225,218,360,000 | 46.705 |
| Treasury Stock | 68,296,800 | 1,365,936,000 | 0.283 ⁽¹⁾ |
| Total of Issued and Fully Paid up Shares | 24,110,850,771 | 482,217,015,420 | 100.000 |
| C. Portofolio Shares | 45,889,149,229 | 917,782,984,580 | |

Note:

(1) treasury shares cannot be utilized to cast votes in the General Meeting of Shareholders and cannot be calculated to determine the quorum to be reached in the General Meeting of Shareholders as well as not being entitled to obtain dividend distribution.

Composition of the Board of Commissioners and Board of Directors of the Company

Pursuant to Deed of Statement of Meeting Resolution No. 57 dated 10 June 2022, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the MOLHR as reflected in the Receipt of Notification of Change of the Company's Data No. AHU-AH.01.09.0022717 dated 16 June 2022, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this information disclosure is as follows:

Board of Commissioners

President Commissioner : Edwin Soeryadjaya
 Commissioner : Garibaldi Thohir⁽²⁾
 Commissioner : Tang Honghui
 Commissioner : Yoke Candra
 Independent Commissioner : Muhamad Munir

Independent Commissioner : Budi Bowoleksono

Board of Directors

President Director : Albert Saputro
Vice President Director : Simon James Milroy⁽³⁾
Director : Gavin Arnold Caudle
Director : Hardi Wijaya Liong
Director : Andrew Phillip Starkey
Director : David Thomas Fowler
Director : Titien Supeno
Director : Chrisanthus Supriyo

Notes:

- ⁽²⁾ has submitted his resignation from his position as Commissioner of the Company based on a letter dated 17 February 2023, as announced in the Company's information disclosure through Letter No. 043/MDKA-JKT/CORSEC/II/2023 on 17 February 2023. The resignation of Mr. Garibaldi Thohir will be effective once the shareholders approval has been obtained at the GMS.
- ⁽³⁾ has submitted his resignation from his position as Vice President Director of the Company based on a letter dated 31 January 2023, as announced in the Company's information disclosure through Letter No. 032/MDKA-JKT/CORSEC/II/2023 on 31 January 2023. The resignation of Mr. Simon James Milroy will be effective once the shareholders approval has been obtained at the GMS.

2. MBM

MBM, domiciled in South Jakarta, was initially established under the name of PT Hamparan Logistik Nusantara pursuant to the Deed of Establishment No. 66 dated 20 August 2019, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been ratified by the MOLHR by virtue of its Decree No. 0041804.AH.01.01.TAHUN 2019 dated 22 August 2019.

The latest amendment of the Articles of Association of MBM is stated in the Deed of Statement of Shareholders' Circular Resolutions on the Amendment of Articles of Association No. 61 dated 13 March 2023, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the MOLHR based on the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0038997 dated 13 March 2023 ("**Deed 61/2023**").

According to Article 3 of MBM's Articles of Association, the purposes and objectives of MBM are to engage in activities of holding companies and other management consulting activities.

To carry out the main business activities above, MBM may carry out the business activities as follows:

1. Holding Companies Activity

Carrying out the activities of holding companies, including ownership and/or control of its group of subsidiary companies; and

2. Other Management Consulting Activities

Other management consulting activities in which its main activities (as relevant) are providing advice, guidance, and business operations and other management organizational issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control.

To carry out the main business activities above, the Company may carry out business activities as follows:

- (i) services provided as counsellors and negotiators in planning merger and acquisition of company; and

- (ii) providing services including assistance in advice, guidance, and business operations and other management organizational issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control. These services include financial support, advisory assistance, guidance, and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and the like, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, providing advice and assistance for business and community services in planning, organizing, efficiency and control, information management and others. Including infrastructure investment study services.

Capital Structure and Shareholders Composition of MBM

Pursuant to the Deed 61/2023, MBM's capital structure and shareholding composition are as follows:

Authorized Capital : IDR35,000,000,000,000
 Issued Capital : IDR9,644,542,000,000
 Paid-up Capital : IDR9,644,542,000,000

The Authorized Capital of MBM is divided into 350,000,000,000 shares each with a par value of IDR100.00. Thus, the shareholders' composition of MBM is as follows:

| No. | Shareholders' Name | Shares Amount | Value (IDR) | % |
|-------------------------|---|------------------------|---------------------------|---------------|
| 1. | PT Merdeka Energi Nusantara (previously PT Batutua Tambang Abadi) | 52,870,630,000 | 5,287,063,000,000 | 54.82 |
| 2. | Garibaldi Thohir | 11,967,190,000 | 1,196,719,000,000 | 12.41 |
| 3. | Huayong International (Hong Kong) Limited | 8,149,060,000 | 814,906,000,000 | 8.45 |
| 4. | Winato Kartono | 6,796,280,000 | 679,628,000,000 | 7.05 |
| 5. | PT Prima Langit Nusantara | 4,473,170,000 | 447,317,000,000 | 4.64 |
| 6. | PT Prima Puncak Mulia | 4,074,520,000 | 407,452,000,000 | 4.22 |
| 7. | Hardi Wijaya Liong | 2,912,690,000 | 291,269,000,000 | 3.02 |
| 8. | Philip Suwardi Purnama | 2,598,120,000 | 259,812,000,000 | 2.69 |
| 9. | Edwin Soeryadjaya | 2,290,880,000 | 229,088,000,000 | 2.38 |
| 10. | Agus Superiadi | 232,880,000 | 23,288,000,000 | 0.24 |
| 11. | Trifena | 80,000,000 | 8,000,000,000 | 0.08 |
| Total | | 96,445,420,000 | 9,644,542,000,000 | 100.00 |
| Portfolio Shares | | 253,554,580,000 | 23,355,458,000,000 | |

Composition of the Board of Commissioners and Board of Directors of MBM

Based on Deed of Statement of Shareholders' Circular Resolutions on the Amendment of Articles of Association No. 60 dated 20 February 2023, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the MOLHR based on the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0029030 and the Receipt of Notification of the Change of the Company's Data No. AHU-AH.01.09-0093759, both dated 20 February 2023, the composition of the Board of Directors and Board of Commissioners of MBM as of the issuance date of this Information Disclosure is as follows:

Board of Commissioners

President Commissioner : Winato Kartono

Commissioner : Michael W. P. Soeryadjaya
Independent Commissioner : Ir. Hasan Fawzi

Board of Directors

President Director : Devin Antonio Ridwan
Vice President Director : Jason Laurence Greive
Director : Titien Supeno

Transaction Value

Pursuant to the Agreement, the total value of the Transaction is USD11,861,000.00 (eleven million eight hundred sixty-one thousand United States of America Dollar). 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 percent) of the Company's equity value in accordance with the Company and its subsidiaries' Interim Consolidated Financial Statements for the period ended on 30 September 2022 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm.

Nature and Affiliated Relations with the Company

The natures of the affiliation relationship between MBM with the Company are as follows:

- a. MBM is a Controlled Company of the Company with shares owned indirectly by the Company through PT Merdeka Energi Nusantara in the amount of 59.88% (fifty-nine point eight eight per cent); and
- b. there is a member of the Board of Directors of MBM who also serves as a member of the Board of Directors of the Company.

Summary of Transaction

Fee Letter dated 10 March 2023

Party:

1. The Company; and
2. MBM,

hereinafter shall be collectively referred to as the "**Parties**" and each as "**Party**".

Scope of the Document:

Effective on 10 March 2023, MBM agrees to pay a fee to the Company for providing the put option to the Company in relation to the loans of one of the subsidiaries of MBM, which is PT Merdeka Tsingshan Indonesia, with its lenders. Moreover, the underlying loans in providing the aforesaid put options are as follows:

- a. Facilities Agreement for up to USD260,000,000 (two hundred and sixty million United States of America Dollar) Single Currency Term Loan Facilities dated 31 August 2022 and any of its amendments (however fundamentally, including the alteration of its nature, purpose, or period or the change of its parties, increase of any size in the amount of the facility), modifications, novations, substitutions, or replacements in which the disclosure of information has been published by the Company through letter number 211/MDKA-JKT/CORSEC/IX/2022 on 2 September 2022; and
- b. Single Currency Term Loan Facility Agreement with a Principal Amount of up to IDR430,000,000,000 (four hundred and thirty billion Rupiah) dated 31 August 2022 and any of its

amendments (however fundamentally, including the alteration of its nature, purpose or period or the change of its parties, increase of any size in the amount of the facility), modifications, novations, substitutions, or replacements in which the disclosure of information regarding the put option has been published by the Company through letter number 212/MDKA-JKT/CORSEC/IX/2022 on 2 September 2022

(hereinafter shall be referred as "**Facility Agreements of MTI**").

In accordance with the Fee Letter, in relation to provide the put options by the Company, MBM will be imposed fees amounting to 1.00% (one point zero zero per cent) per annum calculated from the remaining amount payable outstanding which falls on 31 August of each subsequent year as of the date of the Facility Agreements of MTI ("**Anniversary Date**"). Each fee shall be due and payable by MBM to the Company on the 5th (fifth) business day after the relevant Anniversary Date. If any payment is not timely made by the due date by MBM, in addition to the fees mentioned above, there shall be a late payment penalty due in an amount equal to 1‰ (one per mille) per day of the payment due for each day after the due date and including the date paid. The Fee Letter shall be automatically terminated, without any further action by either party or need to be recorded by any additional document upon the occurrence of the following events: (i) termination of the put option agreements in relation to the Facility Agreements of MTI, and (ii) upon written consent by the parties.

Transaction Value:

The Transaction value is USD11,861,000.00 (eleven million eight hundred sixty-one thousand United States of America Dollar).

Applicable Law:

Laws of the Republic of Indonesia

Dispute Resolution:

Indonesian National Arbitration Board (BANI)

SUMMARY OF APPRAISER'S REPORT

KJPP Iskandar and Partners who has been appointed by the Company's Board of Directors as independent appraisers in accordance with the proposal letter/contract work agreement No. 010.3/IDR/DO.2/Pr-FO/I/2023 dated 13 January 2023, 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 on the Transaction as stated in its report No. 00131/2.0118-00/BS/02/0596/1/III/2023 dated 7 March 2023 as follows:

a. Transacting Parties

The transacting parties are the Company and MBM, whereas the Company acts as the party which receives fee for the put option provision by the Company for PT Merdeka Tsingshan Indonesia's loan facilities from lenders.

b. Appraisal Object

The appraisal object is the proposed Transaction of fee from MBM regarding the put option provision for PT Merdeka Tsingshan Indonesia's loan facilities from lenders by the Company.

c. Purpose and Objective of Appraisal

The purpose of the appraisal is to provide an independent appraisal of the fairness opinion on the Transaction for the purpose of the Transaction's implementation.

d. Assumptions and Main Limit Conditions

1. This Appraisal report is a non-disclaimer opinion.
2. The appraiser has reviewed the legal status of documents used in the appraisal process.
3. The data and information obtained come from trustworthy sources.
4. The financial projection used is an adjusted financial projection that reflects the fairness of the financial projections made by management with the ability to achieve (fiduciary duty), if the appraisal uses financial projections.
5. The appraiser is responsible for the implementation of appraisal and fairness of the financial projections.
6. This appraisal report is disclosed to the public, except for confidential information, which may affect the Company's operations.
7. The appraiser is responsible for this appraisal report and the conclusion of the final score.
8. The appraiser obtained information on the legal status of the appraisal object from the assignor.
9. This opinion should be viewed as a whole and the use of any part of analysis and information without considering the entirety of the information and analysis may cause a misleading view of the process where the opinion is based. The arrangement of this opinion is a complex process and may not be possible through incomplete analysis.
10. The Fairness Opinion is arranged by considering the market and economic conditions, general business and financial conditions, as well as government regulations on the issued date of this opinion. This fairness opinion is only conducted upon the Transaction as described above.
11. The Fairness Opinion is prepared in accordance with the principle of information and data integrity. In arranging this Fairness Opinion, KJPP bases and is based on information and data as provided by the Company's management according to the nature of fairness is true, complete, reliable, and not misleading. KJPP does not carry out audits and compliance test in details upon the explanations and data provided by the Company's management, both verbally and in writing, and thus KJPP can not provide guarantees or be responsible for the correctness and completeness of the informations or explanations.
12. This Fairness Opinion is only arranged by considering the perspective of the Company's Shareholders and does not consider the viewpoints of other stakeholders and other aspects.

e. Approach and Methods

In accordance with the scope of appraisal, the approach and methods used are as follows:

1. conducting Transaction analysis;
2. conducting a qualitative analysis of the proposed Transaction;
3. conducting a quantitative analysis of the proposed Transaction;
4. conducting an analysis of the guarantee related to the Transaction;
5. conducting an analysis of the fairness of the transaction value; and
6. conducting an analysis of other relevant factors.

f. Conclusion

The amount of Transaction based on the fund's amount from the object of Transaction can be repaid by MBM on the maturity date, therefore the fund's amount is fair.

By comparing the interest rate from the Company that will be imposed to PT Merdeka Tsingshan Indonesia with the interest rate from various financing sources in the market (banking) it can be concluded that loan in United States Dollars, with interest rate of investment loan of the Company is 7.98% (seven point nine eight percent) per annum is higher than the interest rate of investment loan in the market between 5.06% (five point zero six percent) – 5.76% (five point seven six percent) and PPN loan's interest rate is 8.61% (eight point six one percent) per annum is still within the range of investment loan's interest rate between 6.47% (six point four seven percent) – 9.20% (nine point two zero percent). Thus, interest rate from the Company is fair.

The analysis result of the financial impact from the Transaction that will be conducted for the Shareholders' interest is by obtaining a fee from MBM for put option on PT Merdeka Tsingshan Indonesia's loan from the lenders will increase profit, profitability, and solvability of the Company. Thus, the Transaction is aligned with the interest of the Shareholders of the Company.

The analysis result of the business consideration from the management related to the proposed Transaction towards Shareholders' interest is to obtain fee from MBM for put option on PT Merdeka Tsingshan Indonesia's loan from the lenders as well as support the funding process of PT Merdeka Tsingshan Indonesia to construct the Acid, Iron, Metal plant which will be able to operate commercially hence it will increase the revenue and profit of the Company which will increase the Company's shares value.

In accordance with the conclusion of the analysis result above, KJPP is of the opinion that the Transaction 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 30 September 2022 before and after carrying out the Affiliated Transaction:

| Description | Before Transaction Execution | Adjustment | After Transaction Execution |
|--|------------------------------|------------|-----------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash or cash equivalents | 364,877,965 | - | 364,877,965 |
| Trade receivables: | | | |
| - third parties | 61,006,771 | - | 61,006,771 |
| - related parties | 609,217 | - | 609,217 |
| Other receivables - third parties | 11,601,557 | - | 11,601,557 |
| Inventories - current portion | 244,325,563 | - | 244,325,563 |
| Claims for tax refund | 30,585,532 | - | 30,585,532 |
| Advances and prepayments - current portion | 34,483,675 | - | 34,483,675 |
| Investment in equity instrument and other securities | 48,549,410 | - | 48,549,410 |
| Derivative financial instrument - current portion | 2,764,985 | - | 2,764,985 |
| Total Current Assets | 798,804,675 | - | 798,804,675 |
| Non-Current Assets | | | |
| Advances and prepayments - non-current portion | 141,178,914 | - | 141,178,914 |
| Advance of investment | 1,486,086 | - | 1,486,086 |
| Investment in shares and associate entity | 1,087,207 | - | 1,087,207 |
| Loan to related party | 64,791,931 | - | 64,791,931 |
| Inventories - non-current portion | 52,156,551 | - | 52,156,551 |
| Prepaid taxes | 80,564,256 | - | 80,564,256 |
| Property, plant and equipments | 1,098,278,559 | - | 1,098,278,559 |
| Right-of-use assets | 16,114,556 | - | 16,114,556 |
| Mining properties | 596,968,247 | - | 596,968,247 |
| Exploration and evaluation assets | 446,405,625 | - | 446,405,625 |
| Goodwill | 232,321,203 | - | 232,321,203 |
| Deferred tax assets | 27,082,535 | - | 27,082,535 |
| Other non-current assets | 15,783,946 | - | 15,783,946 |
| Total Non-Current Assets | 2,774,219,616 | - | 2,774,219,616 |
| TOTAL ASSETS | 3,573,024,291 | - | 3,573,024,291 |

| LIABILITIES AND EQUITY | | | |
|---|----------------------|----------|----------------------|
| Current Liabilities | | | |
| Trade payables: | | | |
| - third parties | 122,137,686 | - | 122,137,686 |
| - related parties | 41,024 | - | 41,024 |
| Accrued expenses | 53,755,861 | - | 53,755,861 |
| Unearned revenue | 2,132,340 | - | 2,132,340 |
| Taxes payable | 38,665,338 | - | 38,665,338 |
| Other payables | 50,657,544 | - | 50,657,544 |
| Borrowings - current portion: | | | |
| Bank loans and credit facility | 35,464,063 | - | 35,464,063 |
| Bonds payable | 282,133,001 | - | 282,133,001 |
| Lease liabilities | 22,241,005 | - | 22,241,005 |
| Derivative financial instrument - current portion | 12,342,516 | - | 12,342,516 |
| Provision for mining rehabilitation - current portion | 100,643 | - | 100,643 |
| Total Current Liabilities | 619,671,021 | - | 619,671,021 |
| Non-Current Liabilities | | | |
| Borrowings - non-current portion: | | | |
| Bank loans and credit facility | 231,899,732 | - | 231,899,732 |
| Bonds payable | 534,242,268 | - | 534,242,268 |
| Lease liabilities | 16,995,771 | - | 16,995,771 |
| Loan from third parties | 74,600,500 | - | 74,600,500 |
| Derivative financial instrument - non-current portion | 17,856,200 | - | 17,856,200 |
| Deferred tax liabilities | 338,214 | - | 338,214 |
| Post-employment benefits liability | 21,635,512 | - | 21,635,512 |
| Provision for mining rehabilitation - non-current portion | 40,052,661 | - | 40,052,661 |
| Total Non-Current Liabilities | 937,620,858 | - | 937,620,858 |
| TOTAL LIABILITIES | 1,557,291,879 | - | 1,557,291,879 |
| Equity | | | |
| Share capital | 37,792,783 | - | 37,792,783 |
| Additional paid-in capital | 690,575,911 | - | 690,575,911 |
| Treasury stock | (17,859,134) | - | (17,859,134) |
| Cash flows hedging reserve | 2,154,389 | - | 2,154,389 |
| Other equity components | 9,715,716 | - | 9,715,716 |
| Retained earnings | 293,553,101 | - | 293,553,101 |
| Non-controlling interests | 999,799,646 | - | 999,799,646 |
| Total Equity | 2,015,732,412 | - | 2,015,732,412 |
| TOTAL LIABILITIES AND EQUITY | 3,573,024,291 | - | 3,573,024,291 |

*) Expressed in US Dollar and refer to the Consolidated Financial Statements of the Company dated 30 September 2022

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

By conducting the Transaction, the Company can provide funding support to PT Merdeka Tsingshan Indonesia, which is the part of MBM's group, for the implementation of PT Merdeka Tsingshan Indonesia's business activities, thus it will bring positive impact to the Company hence, in turn, can create an 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 it is carried out by affiliated parties of the Company.

**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 percent) of the Company's equity value in accordance with the Company and its subsidiaries' Interim Consolidated Financial Statements for the period ended on 30 September 2022 which was limitedly reviewed by Tanubrata Sutanto Fahmi Bambang & Partners as Public Accountant Firm.

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

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ADDITIONAL INFORMATION

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

PT Merdeka Copper Gold Tbk.

Corporate Secretary

Treasury Tower, 67-68th Floor, District 8 SCBD Lot. 28

Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia

Telephone: +62 21 3952 5580 Facsimile: +62 21 3952 5589

Email: corporate.secretary@merdekacoppergold.com

Website: www.merdekacoppergold.com

Initial:

