

**THE DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS OF
PT MERDEKA COPPER GOLD TBK
IN RELATION TO THE LIMITED PUBLIC OFFERING II
FOR THE CAPITAL INCREASE BY THE ISSUANCE OF PRE-EMPTIVE RIGHTS**

This information is made and addressed to the shareholders of the Company in compliance with the Financial Services Authority (**Otoritas Jasa Keuangan** or “**OJK**”) Regulation No. 32/POJK.04/2015 on Capital Increase of Public Companies By the Issuance of Pre-Emptive Rights (“**POJK 32**”).



**PT Merdeka Copper Gold Tbk
(the “Company”)**

Business Activities:

Engages in the business of mining, mining services, data processing,
trading, construction, transportation and services

Domiciled in South Jakarta, Jakarta, Indonesia.

Head Office:

The Convergence Indonesia, Lantai 20
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This Disclosure of Information is important to be read and understood by the Shareholders of the Company to make any decision regarding the Company’s plan to conduct Limited Public Offering II for the Capital Increase By The Issuance of the Pre-Emptive Rights.

If you are having difficulty in understanding the information contained in this Disclosure of Information or are in doubt in making a decision, you should consult with your broker, investment manager, legal counsel, public accountant, or other professional advisors.

The Board of Commissioners and the Board of Directors of the Company both individually and jointly, are fully responsible for the completeness and accuracy of all of the material information or facts contained herein and emphasize that the information disclosed in this Disclosure of Information are true and there is omission of material facts which may cause the material information in this Disclosure of Information to be inaccurate and/or misleading.

This Disclosure of Information is published on 31 January 2019

IMPORTANT DATES AND INDICATIVE TIMETABLE

The Company intends to conduct a Limited Public Offering II for the Capital Increase By The Issuance Of Pre-Emptive Rights to its shareholders ("**Rights Issue II**") dengan with the indicative timetable as follows:

- | | | |
|-----|--|------------------|
| 1. | Notification of Extraordinary General Meeting of Shareholders (" EGMS ") to OJK | 17 January 2019 |
| 2. | Notification on the Addition of Meeting Agenda in the EGMS to OJK. | 30 January 2019 |
| 3. | Announcement of the Disclosure of Information on Rights Issue II at the Indonesian Stock Exchange (" IDX ") website and the Company's website | 31 January 2019 |
| 4. | Announcement of the Proposed EGMS in 1 (one) daily newspaper, IDX website, and the Company's website | 31 January 2019 |
| 5. | End of registration (<i>recording date</i>) of the shareholders entitled to attend in the EGMS | 14 February 2019 |
| 6. | EGMS invitation in 1 (one) daily newspaper, IDX website and the Company's website | 15 February 2019 |
| 7. | Additional Information on the Disclosure of Information (if any) | 5 March 2019 |
| 8. | EGMS | 11 March 2019 |
| 9. | Announcement of the summary of EGMS results in 1 (one) daily newspaper, IDX website and the Company's website | 13 March 2019 |
| 10. | Submission of the summary of EGMS results to OJK and IDX | 15 March 2019 |

I. GENERAL

A. General Description of the Company

The Company, previously established with the name of PT Merdeka Serasi Jaya, is a limited liability company duly established under and subject to the laws of the Republic of Indonesia pursuant to the Deed of Establishment No. 2 dated 5 September 2012, drawn before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok, which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia (“**MOLHR**”) by virtue of its Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, registered in the Company Register of the Ministry of Law and Human Rights of the Republic of Indonesia (“**Ministry**”) under No. AHU-0081346.AH.01.09.Tahun 2012 dated 11 September 2012, and has been published in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

After the Company completed its Limited Public Offering I for the Capital Increase By The Issuance Of Pre-Emptive Rights (“**Rights Issue I**”), the Company’s Articles of Association has been severally amended, as recently amended by Deed of Statement of Extraordinary General Meeting of Shareholders No. 22 dated 12 September 2018, drawn before Mala Mukti, S.H., LL.M., Notary in Jakarta, which has been notified to the MOLHR pursuant to the Letter of Notice Receipt on Amendment of Articles of Association No. AHU-AH.01.03-0241968 dated 13 September 2018, registered in the Company Registry of the Ministry under No. AHU-0120507.AH.01.11.Tahun 2018 dated 13 September 2018 (“**Deed No. 22/2018**”). Pursuant to Deed 22/2018, the shareholders of the Company have approved to increase the Company’s issued and paid-up capital as a result of the issuance of new shares of the Company in relation to the Rights Issue I, from Rp. 356,958,714,000 (three hundred fifty six billion nine hundred fifty eight million and seven hundred fourteen thousand Rupiah) divided into 3,569,587,140 (three billion five hundred sixty nine million five hundred eighty seven thousand and one hundred forty) shares each with the par value of Rp. 100, to Rp. 416,451,833,000 (four hundred sixteen billion four hundred fifty one million and eight hundred thirty three thousand Rupiah) divided into 4,164,518,330 (four billion one hundred forty six million five hundred eighteen thousand three hundred and thirty) shares each with the par value of Rp. 100, and therefore amending the provision under Article 4 paragraph 2 of the Articles of Association of the Company.

The Company is domiciled at The Convergence Indonesia, Lantai 20, Rasuna Epicentrum Boulevard, Jl. HR Rasuna Said, Karet Kuningan, Setiabudi, Jakarta 12940, Indonesia.

Pursuant to Article 3 of the Articles of Association of the Company, the Company engages in the business of mining, mining services, data processing, trading, construction, transportation and services.

B. Capital Structure and Shares Ownership of the Company

Pursuant to: (i) Deed of Statement of Extraordinary General Meeting of Shareholders No. 37 dated 8 June 2018, drawn before Mala Mukti, S.H., LL.M., Notary in Jakarta, which has been approved by the MOLHR pursuant to Decision Letter No. AHU-0013157.AH.01.02.Tahun 2018 dated 28 June 2018, registered in the Company Registry of the Ministry under No. AHU-0083164.01.11.Tahun 2018 dated 28 June 2018 (“**Deed No. 37/2018**”); and (ii) Deed No. 22/2018, the capital structure of the Company is as follows:

Authorized Capital	: Rp. 1,400,000,000,000
Issued Capital	: Rp. 416,451,833,000
Paid-up Capital	: Rp. 416,451,833,000

The authorized capital of the Company is divided into 14,000,000,000 shares, each with the par value of Rp. 100.

Pursuant to the Shareholders Register of the Company dated 31 December 2018, issued by PT Datindo Entrycom as the Shareholders Registrar of the Company, the shareholders of the Company are as follows:

DESCRIPTION	PAR VALUE OF Rp100 PER SHARES		
	NUMBER OF SHARES	NOMINAL VALUE (Rp)	(%)
A. Authorized Capital	14,000,000,000	1,400,000,000,000	
B. Issued and Paid-up Capital			
1. PT Saratoga Investama Sedaya Tbk.	864,375,175	86,437,517,500	20.76
2. PT Mitra Daya Mustika	589,766,719	58,976,671,900	14.16
3. Garibaldi Thohir	364,813,023	36,481,302,300	8.76
4. PT Suwarna Arta Mandiri	293,294,900	29,329,490,000	7.04
5. Pemda Kabupaten Banyuwangi	229,000,000	22,900,000,000	5.50
6. Public (each with ownership of less than 5%)	1,823,268,513	182,326,851,300	43.78
Total Issued and Paid-up Capital	4,164,518,330	416,451,833,000	100.00
C. Portfolio Shares	9,835,481,670	983,548,167,000	

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

Pursuant to Deed of Statement of Extraordinary General Meeting of Shareholders No. 62 dared 21 September 2018, drawn before Mala Mukti, S.H., LL.M., Notary in Jakarta, which has been notified to the MOLHR pursuant to the MOLHR Notice Receipt Letter on the Change of the Company's Data No. AHU-AH.01.03-0247254 dated 28 September 2018, registered in the Company Registry of the Ministry under No. AHU-0128096.AH.01.11.Tahun 2018 dated 28 September 2018 ("**Akta No. 62/2018**"), the composition of the Company's Board of Directors and Board of Commissioners until the date of this Disclosure of Information are as follows:

Board of Commissioners

President Commissioner	: Edwin Soeryadjaya
Commissioner	: Garibaldi Thohir
Commissioner	: Heri Sunaryadi
Commissioner	: Sakti Wahyu Trenggono
Independent Commissioner	: Mahendra Siregar
Independent Commissioner	: Dhohir Farizi

Board of Directors

President Director	: Tri Boewono
Vice President Director	: Richard Bruce Ness
Director	: Gavin Arnold Caudle
Director	: Hardi Wijaya Liong
Director	: Michael William P. Soeryadjaya
Director	: David Thomas Fowler
Director	: Colin Francis Moorhead
Independent Director	: Chrisanthus Supriyo

II. INFORMATION RELATING TO THE PROPOSED LIMITED PUBLIC OFFERING II FOR THE CAPITAL INCREASE BY THE ISSUANCE OF PRE-EMPTIVE RIGHTS

A. Maximum Amount of the Proposed Shares Issuance by Way of Pre-Emptive Rights

The Company intends to conduct Rights Issue II, which shall consist of granting the right to purchase equity securities in the maximum amount of 470,000,000 (four hundred seventy million) shares with the par value of Rp 100 per share (“**New Shares**”).

In the event where the payment of the New Shares is made in forms other than money, such payment in other forms than money must fulfil the following provisions:

1. directly related to the use of proceeds;
2. shall use an appraiser to determine the fair value of such other form than money used as payment and the fairness of such payment transaction for the New Shares in the form other than money;
3. in the event where the payment of New Shares is in the form of collection right (*hak tagih*) to the Company which shall be compensated as payment of New Shares, such collection right (*hak tagih*) must be recorded in the latest financial statement of the Company which has been audited by an accountant; and
4. in compliance with other prevailing laws and regulations that govern payment of shares in the forms other than money and compensation of collection right (*hak tagih*) as payment of the New Shares.

B. Estimated Period of the Capital Increase

In accordance to the provision under Article 8 paragraph (3) of POJK 32, the period between the EGMS approval in relation to the Rights Issue II until the effectiveness of the registration statement shall not exceed 12 (twelve) months. The Company plans to conduct its capital increase within such 12 (twelve) months period.

The execution of the Rights Issue II shall be dependent and subject to and shall only be carried out if the EGMS approval and the effective statement from OJK on the registration statement for the Rights Issue II as submitted by the Company pursuant to the prevailing laws and regulations in Indonesia have been obtained.

C. Analysis on the Impact of the Capital Increase to the Financial Condition and the Shareholders

The increase of capital from the implementation of the Rights Issue II shall strengthen the capital structure of the Company so that the Company is able to carry out the matters which are further elaborated in Section II.D below. It is expected that this capital increase shall improve the performance and competitiveness of the Company and its subsidiaries.

By the implementation of Rights Issue II, and under the assumption that (i) all Shareholders of the Company exercised the Pre-emptive Rights offered in Rights Issue II; and (ii) the issuance of the shares with Pre-emptive Rights are carried out in the maximum amount as stipulated under Section II.A of this Disclosure of Information, then the capital structure and shares ownership of the Company before and after the implementation of the Rights Issue II on a pro-forma basis are as follows:

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No.	SHAREHOLDERS	BEFORE PRE-EMPTIVE RIGHTS			AFTER PRE-EMPTIVE RIGHTS		
		NUMBER OF SHARES	NOMINAL VALUE (Rp)	%	NUMBER OF SHARES	NOMINAL VALUE (Rp)	%
Authorized Capital		14,000,000,000	1,400,000,000,000		14,000,000,000	1,400,000,000,000	
1.	PT Saratoga Investama Sedaya Tbk.	864,375,175	86,437,517,500	20.76	961,926,993	96,192,699,300	20.76
2.	PT Mitra Daya Mustika	589,766,719	58,976,671,900	14.16	656,326,723	65,632,672,300	14.16
3.	Garibaldi Thohir	364,813,023	36,481,302,300	8.76	405,985,160	40,598,516,000	8.76
4.	PT Suwarna Arta Mandiri	293,294,900	29,329,490,000	7.04	326,395,631	32,639,563,100	7.04
5.	Pemda Kabupaten Banyuwangi	229,000,000	22,900,000,000	5.50	254,844,525	25,484,452,500	5.50
6.	Public (each with ownership of less than 5%)	1,823,268,513	182,326,851,300	43.78	2,029,039,298	202,903,929,800	43.78
Total Issued and Paid-up Capital		4,164,518,330	416,451,833,000	100.00	4,634,518,330	463,451,833,000	100.00
Portfolio Shares		9,835,481,670	983,548,167,000		9,365,481,670	936,548,167,000	

If the shareholders of the Company do not exercise their Pre-Emptive Rights owned by them in the Rights Issue II then the ownership of the Company's shareholders shall be diluted with a maximum aggregate amount of 10.14% (ten point one four percent).

D. Estimation of Use of Proceeds

The Company intends to use all of the net proceeds raised from the Rights Issue II (after being deducted with the expenses relating to the Rights Issue II), for the requirements of the Company and/or its subsidiaries among others capital expenses, full/partial repayment of the financial obligations, working capital, and/or the funding of investment plan by the Company and/or its subsidiaries.

The final information in relation to the use of proceeds shall be disclosed in the prospectus issued in relation to Rights Issue II which shall be made available to the entitled shareholders in due course, in accordance to the prevailing laws and regulations.

III. ADDITIONAL INFORMATION

For more information on the above matters, please contact the Company during office hours at:

PT Merdeka Copper Gold Tbk

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