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Application Proof of

PT MERDEKA GOLD RESOURCES Tbk

(Incorporated in the Republic of Indonesia with limited liability)

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PT MERDEKA GOLD RESOURCES Tbk

(Incorporated in the Republic of Indonesia with limited liability)

[REDACTED]

Number of [REDACTED] under : [REDACTED]
the [REDACTED] (subject to the [REDACTED])
Number of [REDACTED] : [REDACTED] (subject to [REDACTED])
Number of [REDACTED] : [REDACTED] (subject to [REDACTED]
and the [REDACTED])
[REDACTED] : HK\$[REDACTED] per [REDACTED], plus
brokerage of 1.0%, SFC transaction levy of
0.0027%, Stock Exchange trading fee of
0.00565% and AFRC transaction levy of
0.00015% ([REDACTED])
Nominal Value : Nil
[REDACTED] : [●]

*Joint Sponsors, [REDACTED], [REDACTED],
[REDACTED] and [REDACTED]*



UBS 瑞銀集團



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[REDACTED]

[REDACTED]

[REDACTED]

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IMPORTANT

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EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

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EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the whole document before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

Who We Are

MGR is an IDX-listed gold mining company positioned among the top pure-play gold producers in Asia. Anchored by the Pani Gold Mine, the largest primary gold mine in Indonesia on Resources and Reserves basis according to CRU, by 2030 we are expected to rank among the top two primary gold mines in Asia by production. MGR is uniquely positioned by virtue of our base of Reserves underpinning prospective resource potential, average strip ratio being among the lowest globally, and rapid ramp-up profile enabling peak production within a short timeframe. We have capitalised upon Indonesia’s superior natural endowment and the critical importance of the mining sector in the nation’s economic development. By leveraging our competitive advantages in mine scale, operational efficiency, technology, future growth opportunities and resource potential, we are emerging as a regionally significant gold producer.

We are a majority-owned subsidiary of MCG, a prominent Indonesian mining group that has been listed on the IDX since June 2015. MCG has a proven track record in developing and operating large-scale, low-cost mines, including the Tujuh Bukit Gold Mine in East Java.

Separately, MCG’s additional track record includes operational experience through Sulawesi Cahaya Mineral (“SCM”) mine, a controlled subsidiary of PT Merdeka Battery Materials Tbk (“MBM”) which is also a majority owned, indirect subsidiary of MCG. SCM successfully increased its production capacity during the 2024-2025 period, demonstrating MCG’s capability in executing large-scale mining projects across different minerals and managing operational ramp-ups.

Furthermore, MGR is indirectly supported, through MCG, by two of Indonesia’s most respected investment groups — PT Provident Capital Indonesia (“PCI”) and PT Saratoga Investama Sedaya Tbk (“SRTG”). Together, these groups bring decades of experience in building and scaling multi-billion-dollar public enterprises while ensuring superior corporate governance, disciplined capital allocation, long-term value creation and deep understanding of Indonesia’s regulatory, economic and operating landscape.

SUMMARY

Matrix of core statistics of our Company:

 Ranked 5th largest primary gold mine in Asia with lowest average strip ratio of 0.7:1 Ranked 1st in Indonesia in terms of Mineral Resources and Ore Reserves Indonesia ranked 4th globally in gold Reserves, according to CRU	 US\$794/oz Projected AISC (excluding royalties) over LOM (lowest quartile globally)	 14,670 ha Tenement area of the Pani Gold Projects with full mining license 8,100 ha Pani Block 135 ha Pani Gold Mine
 291.5 Mt Total Mineral Resource* 7.0 Moz Total contained gold in Mineral Resources* 5.2 Moz Total contained gold in Ore Reserves*	 Up to approx. 545 koz/year Peak annual gold production post-CIL expansion	 2026(HL) 2028(CIL) HL plant to ramp-up from 8 to 10 Mtpa in 2028; CIL plant to be commissioned in 2028
 Potential High Exploration Upside: Pani Gold Mine's mineralisation is open at depth Multiple undrilled and underexplored near-mine targets within tenement	 February 2026 First gold production	 February 2026 Signed 2-year domestic Gold Sales and Purchase Agreement with Antam with transaction volume of up to 3t (up to 100 koz of gold)
 Made first domestic sale of refined gold granules in March 2026	 Zero Accident Award from Gorontalo Provincial Government for 7,666,280 person-hours without lost time injury (“LTI”) achieved by GSM 2,166,209 person-hours without LTI achieved by PETS	 ESG Will maintain full compliance with Indonesian regulatory requirement as well as global standards

Note:

* As of 31 December 2025

Indonesia is one of the world’s leading gold-producing nations and is ranked 4th globally in terms of gold Reserves, according to CRU. Indonesia is endowed with some of the world’s richest mineral deposits, supported by a long-standing mining tradition and an established regulatory framework that promotes responsible resource production. As Southeast Asia’s most populous country and largest economy, Indonesia has recently implemented reforms to enhance investment certainty while reinforcing environmental and social standards. Gold mining plays a significant role in the national economy, particularly in regions such as Central Sulawesi, an emerging gold district characterized by proven geological potential and supportive local governance. Within this strategic operating environment, we are advancing our development strategy with a disciplined, locally grounded approach that aligns with both Indonesian regulatory requirements and international best practices in sustainable mining.

Guided by our vision to become a world-class company that grows sustainability, upholds integrity, and creates long-term value for our stakeholders, our missions are (i) to manage and develop Indonesia’s Mineral Resources efficiently, safely, sustainably, and responsibly; (ii) implementing sustainability across all business activities, with a commitment to safety, environmental responsibility, and social contribution to our communities; (iii) carrying out sustainable mining practices and creating added value through continued exploration, asset potential development, and adaptive, long-term business strategies; and (iv) upholding corporate governance that is transparent, ethical, and accountable. Underpinning all of this is our core belief that sustainable growth and development must be rooted in strong corporate values and culture, specifically, that “Growth can only be achieved if we respect each other, work accountably and collaboratively, create excellence in performance, and always prioritise safety and sustainability.”

Currently our primary listing is on the IDX. Since our successful IPO in September 2025, we have demonstrated strong operational start-up, disciplined capital management, and a steadfast commitment to high standards of corporate governance. Our sustainable growth strategy and approach have earned us the trust of domestic and international investors alike.

SUMMARY

Our proposed [REDACTED] on the Hong Kong Stock Exchange represents a strategic step to enhance our access to international capital markets, broaden our global investor base, and further elevate our profile among institutional investors. We believe that a Hong Kong [REDACTED] will also support our long-term development objectives by positioning MGR as a gateway platform for international investors seeking exposure to Indonesia’s gold sector, subject to applicable regulatory requirements and market conditions.

Our Controlling Shareholder and Key Sponsors

We are a majority-owned subsidiary of MCG, an Indonesian mining group listed on the IDX. MCG is the holding company of a diversified portfolio of mining and mineral processing subsidiaries across gold, copper, and battery materials, including the operator of the Tuhuh Bukit Gold Mine in East Java and SCM Mine in Konawe (a controlled subsidiary of MBM). Through these subsidiaries, MCG has established a strong track record in developing and operating efficient, low-cost mines, reflecting its proven capabilities in mine development, operational optimization, technology and sustainable resource management.

While MGR maintains full financial independence, historically our Controlling Shareholder MCG has supported our development. MGR has learned from MCG’s high-value technical support and expertise, operational experience and best practices, mining technology and engineering, as well as ESG frameworks and governance standards. Any such support and services from MCG is supplementary in nature and provided on an arm’s-length basis.

MGR, indirectly through MCG, is supported by two of Indonesia’s most respected investment institutions, namely PCI and SRTG. Both institutions bring decades of experience in building and scaling multi-billion-dollar public enterprises and are recognized for their emphasis on rigorous corporate governance, disciplined capital allocation, and long-term value creation. Their proven investment track records, individually or collectively, include prominent Indonesian companies, such as Tower Bersama Group, MBM, PT Alamtri Resources Indonesia Tbk (formerly Adaro Energy), and PT Gojek Tokopedia Tbk. Their involvement further reinforces MGR’s commitment to strong governance, accountability and alignment with international best practices.

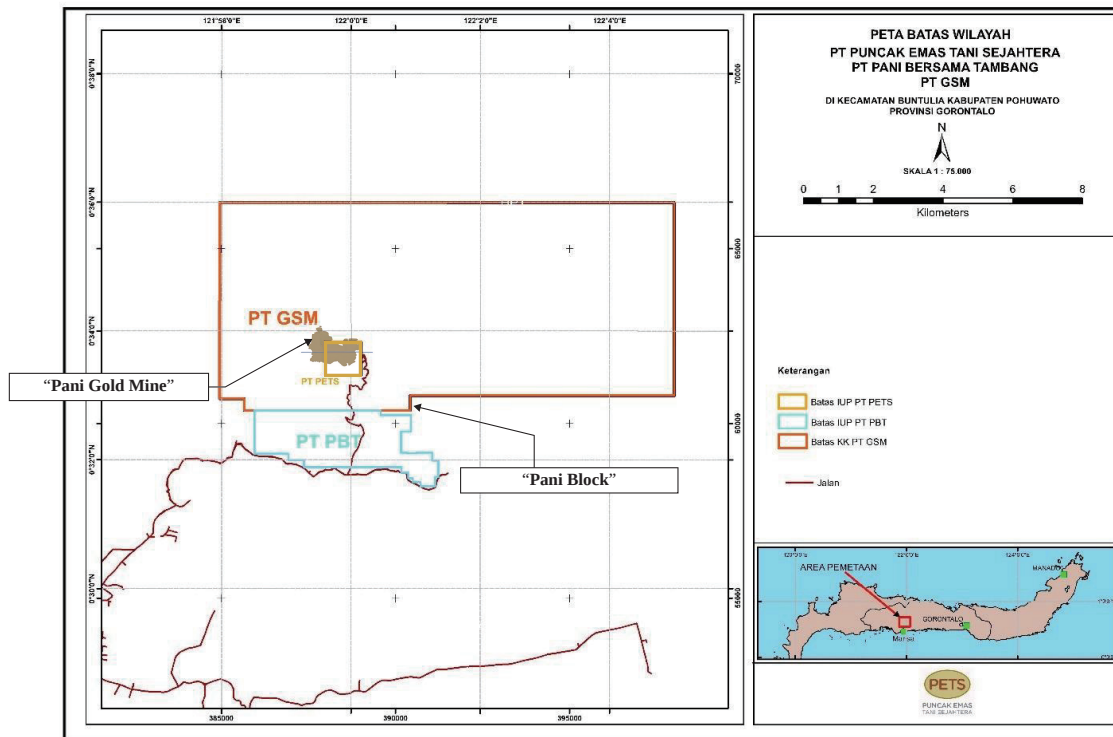
Our Flagship Asset: Pani Gold Mine

Located in Gorontalo, the Pani Gold Mine is our core asset at the heart of our value proposition which achieved its first gold production in February 2026 and completed its first gold sale in March 2026. The Pani Gold Mine covers a tenement area of 135 hectares out of the approximately 8,100 hectares of the Pani Block, which itself sits within the 14,670 hectare full tenement area of the Pani Gold Projects per our mining license. The Pani Gold Mine hosts Mineral Resources of 291.5 million tonnes grading 0.75 grams per tonne gold (“g/t Au”) containing 7.0 million ounces (“Moz”) (218.6 tonnes) of gold and an Ore Reserve of 203.1 million tonnes grading 0.79 g/t Au containing 5.2 Moz (160.5 tonnes) of gold. According to CRU, Pani Gold Mine is the largest primary gold mine in Indonesia on Resources basis, and ranks 5th/4th in Asia in terms of gold Resources and Reserves, respectively. Pani Gold Mine represents a rare combination of size, grade, mountain style and operational simplicity in today’s increasingly constrained gold supply landscape. Benefiting from its 0.7:1 average strip ratio, one of the lowest mining strip ratios globally, Pani Gold Mine will be developed in two value-accretive phases. We initially leverage a heap-leach operation to process oxide ore near the surface, targeting peak annual gold production of over 200 koz. In the subsequent expansion phase, we will use a carbon-in-leach (“CIL”) processing to process broader range of ore types, including oxide, transition, and fresh ore. This phased development strategy is expected to significantly expand throughput and recovery, positioning MGR for a peak annual gold production of up to approximately 545 koz over an estimated 15-year mine life.

Over the past five years, we have successfully obtained control of two mining licenses (IUP and CoW) formerly held by multiple parties to develop Pani as a single integrated asset. This enabled us to optimize the planning and development of the Pani Gold Mine, given the pit and supporting infrastructure stretch across the boundaries of these two mining permit areas. To support its optimal development, we established a dedicated holding and operating structure designed to enable the deposit to be developed as one cohesive unit, maximizing value, efficiency, and sustainability. The Pani Gold Mine has all key permits/approvals required for construction and mining operations in place which enabled production to commence. The permit framework includes valid mining licenses held by our subsidiaries, covering both the historic CoW and the IUP tenements, and satisfies all applicable regulatory requirements for

SUMMARY

construction, operation, and environmental compliance. The following map depicts the area and position of the Pani Gold Mine, relative to the larger Pani Block:



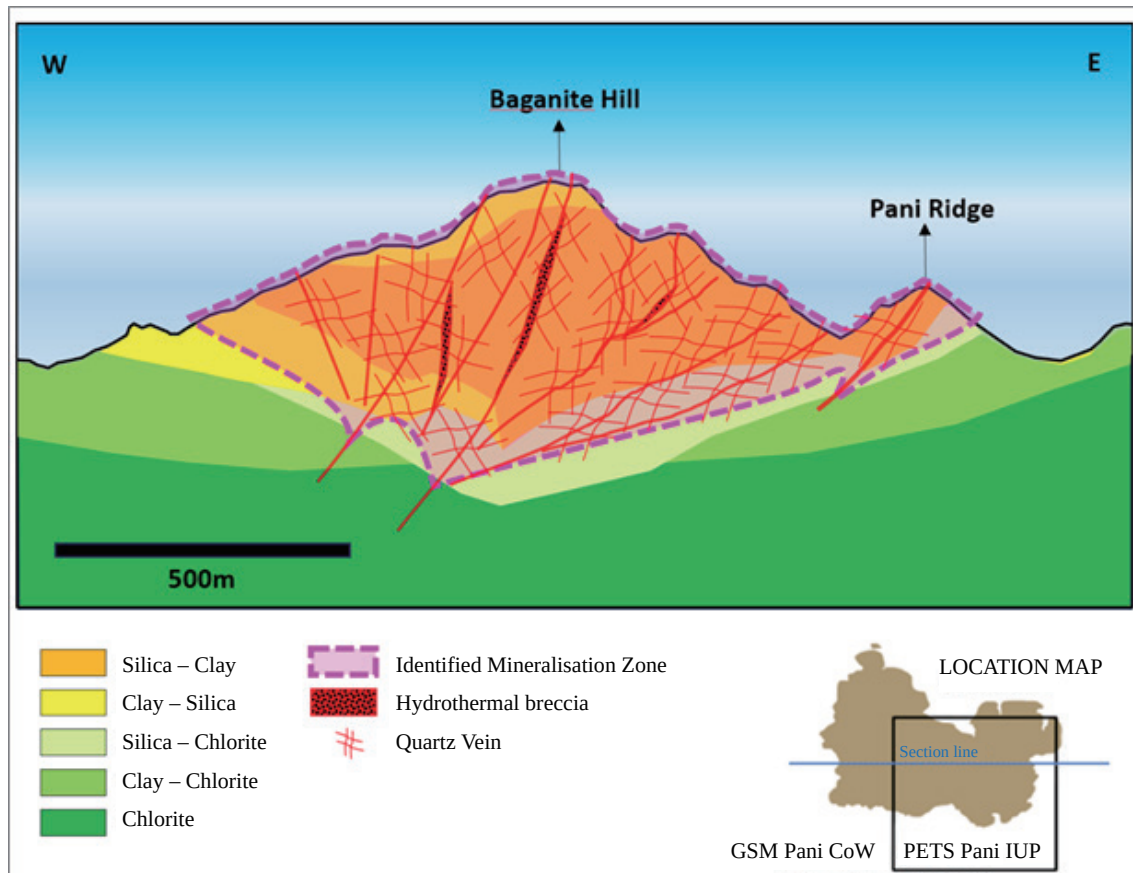
Beyond the current Mineral Resources and Ore Reserves, the Pani Gold Mine holds significant upside potential for further expansion within the existing mining area. From the existing defined Resources base, ongoing progress in feasibility studies and infill drilling initiatives are expected to further increase gold resources and support additional reserve conversion.

From 2023 to 2025 alone, total Resources grew from 6.3 Moz to 7.0 Moz of gold, while from 2023 to 2025, Ore Reserves surged from 51.5 Mt with 1.2 Moz of contained gold (37.3 tonnes) to 203.1 Mt with 5.2 Moz (160.5 tonnes) of contained gold, driven by focused drilling campaigns, feasibility advancement, and a supportive gold price environment. Ongoing ore body drilling is expected to continue this trend, with further increases in the Mineral Resource and Ore Reserve anticipated.

From 2023 to 2025, our average exploration cost was US\$21 per ounce in terms of gold Resources, which was significantly lower than our Indonesian peers' range of US\$27.9-US\$141.3 per ounce during the same period, according to CRU. Importantly, known mineralization currently occupies only a fraction of the Pani Block's extensive ~7,400 hectare tenement exploration area, leaving vast underexplored ground with high discovery potential. Our Mineral Resources and Ore Reserves as at 31 December 2025 are based on drilling at depths as of that date, and such drilling has not yet identified the bottom of the orebody, according to the CPR. The mineralisation in the current deposit is open at depth and subject

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to further exploration and drilling. The following conceptual image depicts Pani's geology and mineralisation:



Among all of the gold mines that adopt open-pit production, Pani Gold Mine is estimated to have the lowest average strip ratio of 0.7:1 across the production period, according to CRU. Benefiting from the near surface nature, the Pani Gold Mine will adopt low cost open-pit mining operations developed in two value-accretive phases, prioritizing near-term cash generation followed by strategic capacity expansion to maximize long-term shareholder value.

During Phase One, we utilize heap-leach processing to process near-surface oxide ore located up to 200 meters below the surface. First gold production was achieved in February 2026. Phase One has started with processing capacity of 8.0 million tonnes per year with an expected subsequent increase to 10.0 million tonnes per year, producing an estimated 110 to 204 koz of recoverable gold annually over an estimated heap leach operation of seven years.

Phase Two will focus on scaling up production through the development of a CIL processing facility designed to treat a broader range of ore types, including oxide, transition, and fresh ore. Construction of the CIL facility is scheduled to commence in 2026, and is expected to be completed in 2028. The CIL facility is being designed with an initial processing capacity of 12 million tonnes per year, producing an estimated 260,000 to 340,000 ounces of gold annually for the first 11 years of CIL facility operations. Upon completion and ramp-up, Phase Two aims to significantly expand capacity, with peak annual gold production of up to approximately 545,000 ounces targeted by 2031. This staged approach allows the Pani Gold Mine to generate early revenue, reinvest cash flow into growth, and systematically de-risk execution while leveraging existing infrastructure and operational improvements.

SUMMARY

Our Project Development and Operating Capabilities

Our Pani Gold Mine targets a competitive AISC of approximately US\$794/oz excluding royalties over its mine life, which falls in the lowest quartile globally, according to CRU. Supported by open-pit reserves suited to low-cost bulk mining, close proximity to infrastructure, and a dual-processing approach combining heap leach and CIL, the Pani Gold Mine is designed for rapid ramp-up to its full production profile.

Key infrastructure was substantially commissioned by late 2025, with the 150kV power connection to the state electricity grid (“PLN”) being energized in October 2025, followed by the commencement of crushing operations in November, and the commissioning of the ADR plant in December, enabling first gold production in February 2026. The site layout integrates water supply, tailings management, and processing facilities, with heap-leach and future CIL circuits co-located to maximize synergies and shared infrastructure. Year-round site access is ensured via all-weather haul roads managed and operated by PT Mentari Alam Persada (“MAP”). Gold doré is transported securely to an accredited domestic refinery in compliance with Indonesian regulatory protocols.

The Pani Gold Mine employs a proven heap-leach stacking methodology enhanced by targeted cyanide dosing. The design of the heap leach processing facilities incorporates operational and technical experience derived from the development and operation of the Tujuh Bukit Gold Mine which the MCG Group has been operating successfully since 2017. In addition, since 2018, the MCG Group has also operated a heap leach processing facility in the Wetar Copper Mine.

The Pani CIL circuit, designed for 12 Mtpa and >92% gold recovery, has been validated by metallurgical laboratory and pilot testing. Both processing facilities are engineered for both efficiency and scalability. Metallurgical performance has been optimized for robustness across variable ore types and throughput levels, with the objective of maintaining consistent recovery and operational reliability over the life of mine.

Operational excellence is embedded through an integrated system that combines real-time grade control, fleet dispatch optimization, standardized equipment fleets, and rigorous reconciliation between geological models and plant data — ensuring continuous alignment between plan and performance. This approach minimizes dilution, maximizes recovery, and reduces fuel and maintenance costs.

To date, the Pani Gold Mine has achieved 19.9 million man hours without a lost-time incident across all construction and commissioning activities, reflecting a proactive safety culture, disciplined on-site protocols, and direct oversight by our in-house team.

Our Company is led by an experienced Board of Directors and supported by management and professional team with end-to-end expertise across project development, construction and sustained operations. Critically, core functions including engineering, mine development, and plant operations are executed internally, ensuring direct control over quality, scheduling, cost discipline and regulatory compliance. The Board of Directors is supported by the Board of Commissioners (including Independent Commissioners), whose members bring extensive experience across Indonesia’s natural resources sector and publicly listed companies, providing oversight and governance. Together, this leadership and operating structure establishes a robust governance framework well-positioned to deliver disciplined, resilient, and value-accretive execution.

Our Market Opportunities

The global gold market is supported by robust structural drivers, with central banks and institutional investors increasingly relying on gold as a pillar component of financial resilience. This trend reflects a strategic reallocation toward non-sovereign assets amid persistent geopolitical and macroeconomic uncertainties. Continued official-sector purchasing, together with sustained investment demand, supports a durable, elevated price environment that significantly enhances the economic viability of low-cost, high-quality gold development projects such as Pani.

SUMMARY

Indonesia’s domestic gold market further strengthens this favourable backdrop. According to CRU, Indonesia recorded approximately 1.2 Moz of fabricated gold demand in 2025, representing around 1.8% of global fabrication demand, with consistent growth projected at approximately 1.2% CAGR through 2030, reaching 1.3 Moz by the end of the decade. Jewellery remains the dominant segment — historically accounting for over two-thirds of total consumption — and is expected to average 54% of total demand in the coming years. Notably, the electronics sector is emerging as a key growth driver, and is expected to surpass coins as the third-largest end-use category, fueled by Indonesia’s expanding consumer electronics market.

Pani benefits from both exceptional geological endowment and proximity to a stable, expanding domestic market. Against a backdrop of constrained global supply, declining discovery rates, and limited new production expected to come online by 2030, Pani’s scale, cost efficiency, and development timing align closely with the industry’s need for reliable and responsible gold supply. Its development not only addresses international demand but also reinforces Indonesia’s role as a key producer and consumer within the global gold ecosystem.

ESG

Our approach to ESG matters is integral to our long-term value creation strategy and is closely aligned with the broader ESG platform of the MCG Group. Leveraging MCG’s award-winning sustainability framework — recognized by multiple independent institutions as of December 2025 — we embed ESG principles across our core operations, risk management, and stakeholder engagement activities.

We have developed a comprehensive ESG strategy structured around six integrated sustainability pillars: environmental preservation; occupational health and safety; employee empowerment; community development and empowerment; respect for human rights; and good corporate governance. This strategy is guided by internationally recognized frameworks and standards, including the GRI Standards (2021), the UN Guiding Principles on Business and Human Rights, informed by GRI 14: Mining Sector Supplement (2024), the Ten Principles of the UN Global Compact, and the Sustainable Development Goals, as well as Indonesian regulatory requirements, notably POJK No. 51/POJK.03/2017 on the Implementation of Sustainable Finance issued by the Financial Services Authority. In addition, MGR considers key indicators used by leading independent ESG rating agencies, such as MSCI and Sustainalytics, to ensure our ESG approach addresses material issues from an investor perspective.

We have developed a suite of formal policies to operationalize these pillars, all of which are publicly available. In line with our Climate Policy, MGR supports the objectives of the Paris Agreement to limit global warming to well below 2°C and is implementing a decarbonization pathway aligned with that of our parent company, MCG.

Water stewardship is a core component of MGR’s environmental management. Under our Water Management Policy, we commit to responsible water use by minimizing freshwater consumption, reducing wastewater discharges, and engaging relevant stakeholders, including local communities and other water users, to ensure sustainable allocation and protection of shared water resources across the water use lifecycle. We are also committed to biodiversity conservation through systematic baseline assessments, identification of protected species and critical habitats, and implementation of a Biodiversity Management Plan (“BMP”) designed to avoid, minimize and mitigate impacts on ecosystems, while promoting the sustainable management of natural resources throughout the mine life cycle.

Through a dedicated compliance function, we maintain proactive relationships with local communities surrounding our operations. Community programs are developed through participatory processes and focus on co-created development programs that prioritize local employment, vocational skills training, and community-led social investment initiatives. These programs are intended to generate shared value and strengthen community partnerships, while also mitigating social risks and fostering stable, long-term operating conditions aligned with national development priorities and international best practices.

SUMMARY

Oversight of ESG implementation is embedded within our governance structure. The General Manager of Operations at the mining site is responsible for the day-to-day execution of ESG policies at the site, monitoring progress against defined targets, and reporting regularly to the Environmental Committee, the Sustainability Committee, and the Board of Directors. Strategic direction and accountability are further reinforced by our Sustainability Committee, which convenes quarterly and comprises members of the Board of Directors, senior management, and the Head of ESG. As at the Latest Practicable Date, a majority of the members of these committees are employees of our controlling shareholder, who oversee and supervise the Group’s operations at the parent company level. Such individuals serve on the relevant committees within the Group’s integrated sustainability governance framework. The Board retains ultimate responsibility for the Group’s sustainability governance, and the Company has dedicated operational personnel responsible for implementing sustainability initiatives on a day-to-day basis. Post-[REDACTED], we will further align our ESG disclosures in accordance with HKEX ESG Reporting Guide requirements and will proactively engage with ESG rating providers to ensure accurate representation of our performance and continuous improvement in sustainability practices.

STRENGTHS

Our Company benefits from the following competitive strengths:

- We have one of the largest gold mines in Asia with significant Resources and Reserves expansion potential driven by exploration at industry-leading cost efficiency.
- We have a low-cost open-pit operation sustained by continuous efficiency optimization.
- Our de-risked operation achieved first gold production in February 2026, first gold sale in March 2026 and has a clear accelerated path to capacity expansion.
- We are committed to excellence in ESG.
- We are powered by MCG’s proven expertise for accelerated growth, operational excellence and a seasoned management team.
- We have blue-chip sponsors with a track record in value creation.
- We are well-positioned to benefit from favourable tailwinds in the gold sector.

BUSINESS STRATEGIES

We intend to further develop and grow our business by:

- Delivering timely and safe commercial production at the Pani Gold Mine.
- Applying proven operational systems to ensure execution discipline.
- Expanding our resource base through focused, near-mine expansion in the Pani Block.
- Maintaining financial discipline and balance sheet strength.
- Implementing a forward-looking, industry-leading ESG roadmap across our operations.

OUR CONTROLLING SHAREHOLDER

Immediately following the [REDACTED] and without taking into account any Shares that may be issued or repurchased by the Company from time to time, MCG will hold [REDACTED] Shares, representing approximately [REDACTED]% of the issued and paid-up capital of the Company. Hence, upon the [REDACTED], we will remain a majority-owned subsidiary of MCG and MCG will be our Controlling Shareholder for the purposes of the Listing Rules. For details, see “Relationship with Our Controlling Shareholders”. Please also refer to “History and Corporate Structure” for the simplified corporate structure of the Group.

SUMMARY

RISK FACTORS

Our business and industry involve certain risks, which are set out in “Risk Factors” in this Document. You should read that section carefully in its entirety before you decide to invest in the [REDACTED]. Some of the primary risks we face include the following:

- Our reserve estimates and gold production estimates are based on a number of assumptions, which, if changed, may require us to lower our estimates. We may not be able to achieve our production estimates.
- We have a limited operating history that makes it difficult to evaluate our business activities and prospects. We were loss-making during the Track Record Period and our ability to achieve profitability is subject to uncertainties.
- Our financial performance is highly dependent on the market price for gold.
- We are subject to risks associated with dependence on a single mining area.
- We may fail to obtain, maintain or renew the government permits, licenses approvals and fulfil related obligations required for the Pani Gold Project’s operations and expansion program.
- Damage to the tailing storage facility at our CIL processing facility could negatively impact our business, reputation and operational performance.
- The development and operational activities of the Pani Gold Mine are subject to various environmental laws and regulations, and any failure to comply with such laws and regulations may have an adverse impact on us.
- Indonesia’s mining sector is subject to evolving regulatory frameworks, including potential changes to mineral export restrictions, royalty rate hikes, and requirements for domestic processing or value addition.
- Our insurance coverage may be inadequate to cover potential claims.
- The Pani Gold Mine may experience unexpected disruptions to its mining and processing operations as a result of operational risks, infrastructure risks and hazards due to human activities, which may result in increased costs or losses, serious injury or death, damage to reputation, suspension of operation and other penalties, any of which could adversely affect our business, financial condition and results of operations.
- The Pani Block is subject to geotechnical and hydrological risks that could have a material and adverse impact on our mining operations.
- Our operations at the Pani Block are subject to occupational hazards and our workers are subject to risks of serious injury or death caused by use of machinery, exposure to hazardous substances and equipment and tools in the course of production, which increase the risk of a safety incident or accident at our mine or processing facility.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements and related notes in “Accountants’ Report” in Appendix I to this Document. Our consolidated financial information was prepared in accordance with IFRS.

In 2023, 2024 and 2025, our revenue was US\$1.4 million, US\$1.8 million and US\$0.1 million, our loss for the year was US\$6.8 million, US\$12.7 million and US\$27.5 million, and our total comprehensive loss for the year was US\$6.9 million, US\$13.3 million and US\$27.3 million, respectively, after accounting for exchange difference on financial statements translation, actuarial gain/(loss) and related income tax (expense)/benefit.

SUMMARY

	31 December 2023	31 December 2024	31 December 2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	1,394	1,750	132
Cost of Revenue	(936)	(1,180)	(278)
Gross Profit/(Loss)	458	570	(146)
Operating Expense			
General and administrative expenses. . .	(2,170)	(1,019)	(9,486)
Loss from Operating	(1,712)	(449)	(9,632)
Finance income.	188	688	1,209
Finance expenses	(8,994)	(20,673)	(14,724)
Other income/(expense) – net	387	5,500	(2,245)
Loss Before Income Tax	(10,131)	(14,934)	(25,392)
Income tax benefit/(expense).	3,294	2,234	(2,102)
Loss for the Year.	(6,837)	(12,700)	(27,494)
Other comprehensive (loss)/income that will be reclassified to profit or loss:			
Exchange difference on financial statements translation	(25)	(680)	158
Other comprehensive (loss)/income that will not be reclassified to profit or loss:			
Actuarial (loss)/gain	(8)	80	4
Related income benefit/(tax)	2	(22)	–
Other comprehensive (loss)/income – net .	(31)	(622)	162
Total Comprehensive Loss for the Year . . .	(6,868)	(13,322)	(27,332)
ASSETS			
Total non-current assets	308,967	458,276	679,407
Total current assets	19,684	71,445	61,231
Total assets	328,651	529,721	740,638
LIABILITIES			
Total current liabilities	28,942	56,040	67,729
Total assets less current liabilities	299,709	473,681	672,909
Total non-current liabilities	144,513	200,643	291,970
Total liabilities	173,455	256,683	359,699

SUMMARY

	31 December 2023	31 December 2024	31 December 2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
EQUITY			
Equity attributable to owners of the parent entity			
Share capital	6,996	138,115	152,891
Additional paid-in capital – net	168,264	168,264	302,463
Treasury stock	–	–	(13,742)
Translation reserve	1,255	575	733
Employment benefits reserve	(11)	47	51
Accumulated losses	(21,307)	(34,007)	(61,499)
Total equity attributable to owners of the parent entity	155,197	272,994	380,897
Non-controlling interest	(1)	44	42
Total equity	155,196	273,038	380,939
Total liabilities and equity	328,651	529,721	740,638

[REDACTED]

SUMMARY

RECENT DEVELOPMENTS

In February 2026, the Pani Gold Mine achieved its first gold pour, ahead of the original target of the end of the first quarter of 2026. This milestone marks the start of commercial gold production and represents a significant step in the mine’s journey.

In February 2026, we, through PETS, signed a Gold Sales and Purchase Agreement (“**GSPA**”) with PT Aneka Tambang (Persero) Tbk (“**ANTAM**”). The GSPA is valid for two years with a total transaction volume of up to 3 metric tonnes (up to 100,000 ounces of gold). Under this partnership, PETS will sell refined gold granules to ANTAM domestically. The first sale of refined gold under the GSPA took place in March 2026.

In March 2026, our IDX-listed Shares joined the Global Junior Gold Miners Index (GDXJ), an index used as a benchmark for the VanEck ETF.

FUTURE PLANS AND [REDACTED]

See “Business — Business Strategies” for a detailed description of our future plans.

[REDACTED]

For details, see “Future Plans and [REDACTED].”

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors and Commissioners confirm that, up to the date of this Document, there has not been any material adverse change in our financial or trading position or prospects since 31 December 2025, and there is no event since 31 December 2025 which would materially affect the information shown in the Accountant’s Report in Appendix I to this Document.

DEFINITIONS

“ABI”	PT Andalan Bersama Investama
“ABI Merger Deed”	the Deed of Merger No. 142 dated 19 December 2022, drawn up before Darmawan Tjoa, SH, SE, Notary in Jakarta
“Antam”	PT Aneka Tambang Tbk
“Articles” or “Articles of Association”	the articles of association of our Company to be adopted on [●], [which shall take effect upon or prior to the [REDACTED]], as amended from time to time, a summary of which is set out in Appendix IV to this Document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board of Commissioners” or “BOC”	the board of Commissioners of our Company
“Board of Directors” or “BOD”	the board of Directors of our Company
“Business Day” or “business day”	any day on which banks in Hong Kong are generally open for normal banking business (other than a Saturday, Sunday or public holiday in Hong Kong)
[REDACTED]	
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Commissioner(s)”	the commissioner(s) of our Company
“Companies Ordinance” or “Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time
“Company”, “our Company”, “the Company”, “MGR”, “we” or “us”	PT Merdeka Gold Resources Tbk, a company incorporated under the applicable laws of the Republic of Indonesia on 20 November 2015 and domiciled in South Jakarta
“Competent Person”, “MiningOne” or “M1”	has the same meaning ascribed to it under Rule 18.01 of the Hong Kong Listing Rules and, in the context of this document, means PT Mining One Indonesia, an independent mining and geological consultant, which is an Independent Third Party
“Competent Person’s Report”, “CPR” or “M1 Report”	the Competent Person’s Report prepared by M1 on the Pani Gold Mine, the effective date of which is 31 December 2025 and details of which are set out in Appendix III to this document
“connected person”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules and, unless the context otherwise requires, means MCG
“core connected person”	has the meaning ascribed to it under the Listing Rules
“CRU”	CRU International Limited, our independent industry consultant

[REDACTED]

“DHE SDA”	Foreign Exchange Proceeds from Natural Resource Exports (Devisa Hasil Ekspor Sumber Daya Alam)
“Director(s)”	the director(s) of our Company
“ESG”	Environmental, Social, and Governance
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transportation services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions caused by a super typhoon

[REDACTED]

“GMS” or “General Meeting of Shareholders”	general meeting(s) of Shareholders

DEFINITIONS

“Group”, “our Group”, “the Group” or “the MGR Group”	our Company and its subsidiaries or, where the context requires, in respect of the period before our Company became the holding company of its current subsidiaries, the businesses operated by such subsidiaries as if they were subsidiaries of our Company at that time or their predecessors, as the case may be
“GSM”	PT Gorontalo Sejahtera Mining, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
“HDR(s)”	means the [REDACTED] executed and delivered hereunder by the [REDACTED] as agent for the Company evidencing ownership of the HDSS representing the [REDACTED]
“HDR Holder(s)”	a registered holder of any HDR(s), being their legal owner
	[REDACTED]
“HDS(s)”	the Hong Kong [REDACTED] shares representing the interests in the deposited securities and evidenced by the HDRs issued hereunder
“HK\$”, “Hong Kong dollars”, “HK dollars” or “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited

[REDACTED]

“IDX” or “Indonesia Stock Exchange”	the Indonesia Stock Exchange (Bursa Efek Indonesia)

“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board

“Independent Third Party(ies)”	any entity or person who is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules

“Indonesia”	the Republic of Indonesia

“Indonesian Companies Law”	Law No. 40 of 2007 on Limited Liability Companies, as amended from time to time

“Indonesian Constitution”	the Constitution of the State of the Republic of Indonesia of the Year 1945

“Indonesian Government” or “Government”	the government of the Republic of Indonesia

[REDACTED]

DEFINITIONS

[REDACTED]

“Joint Sponsors”	the joint sponsors named in “Directors, Commissioners and Parties Involved in the [REDACTED]”
“KSEI”	the Indonesia Central Securities Depository (PT Kustodian Sentral Efek Indonesia)
“Latest Practicable Date”	17 March 2026, being the latest practicable date for ascertaining certain information contained in this Document before its publication
“Listing Committee”	the Listing Committee of the Stock Exchange

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)

[REDACTED]

DEFINITIONS

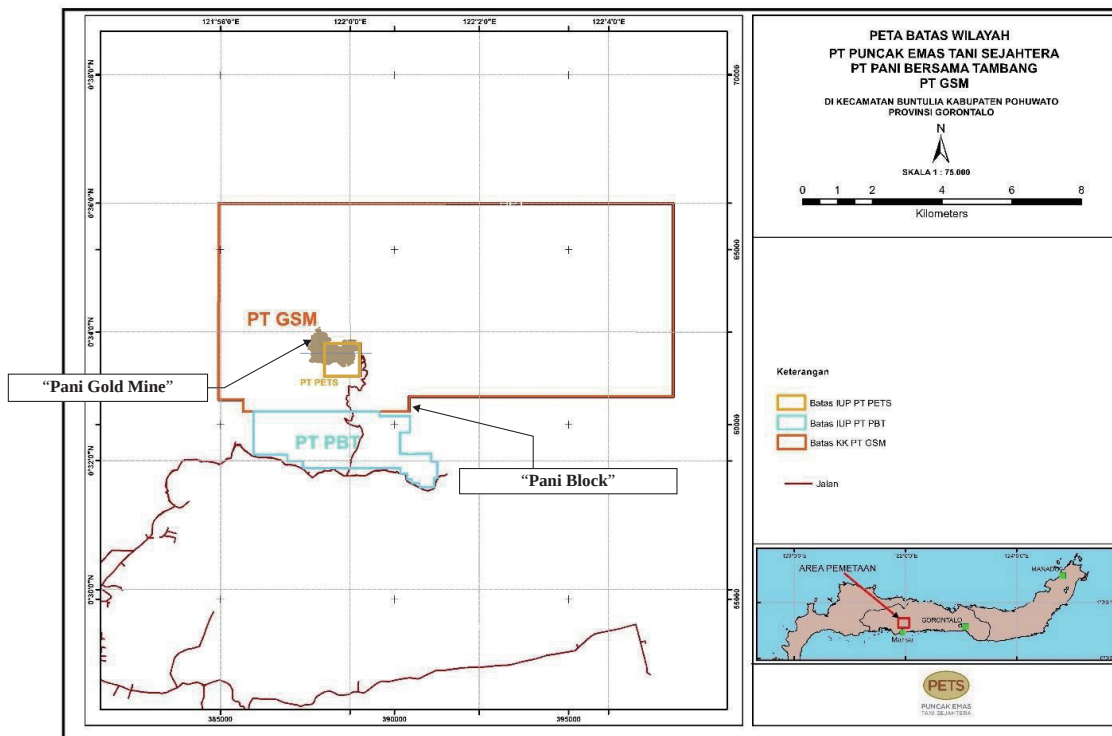
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“MAP”	PT Mentari Alam Persada, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“MCG”	PT Merdeka Copper Gold Tbk, our Controlling Shareholder
“MCG Group”	PT Merdeka Copper Gold Tbk and its subsidiaries, for the purposes of this document, excluding the Group
“MEMR”	Minister of Energy and Mineral Resources of the Republic of Indonesia
“MIM”	PT Merdeka Indonesia Mandiri, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“Minister of Law”	Minister of Law of the Republic of Indonesia, as amended from time to time and formerly known as the Minister of Law and Human Rights
“MKI”	PT Merdeka Kapital Indonesia, a subsidiary of MCG incorporated in Indonesia
“MMI”	PT Merdeka Mining Indonesia, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“MMS”	PT Merdeka Mining Servis, a subsidiary of MCG incorporated in Indonesia

[REDACTED]

“OJK”	the Indonesian Financial Services Authority (Otoritas Jasa Keuangan)

DEFINITIONS

[REDACTED]



“Pani Block”

the ~8,100 Ha area comprised of (i) a ~7,400 Ha area including the Pani Gold Mine and PIN as well as (ii) a 700 Ha mining processing and infrastructure area operated by PBT; located in Hulawa Village, Buntulia District, Pohuwato Regency and Gorontalo Regency, Gorontalo Province

“Pani Gold Mine” or “Pani”

the 135 Ha area gold mine operated by PETS and GSM, located in Hulawa Village, Buntulia District, Pohuwato Regency and Gorontalo Regency, Gorontalo Province

DEFINITIONS

“Pani Gold Projects”	all 14,670 Ha of the mining areas under IUP OP of PETS located in Hulawa Village, Buntulia District, Pohuwato Regency and Gorontalo Regency, Gorontalo Province and under CoW of GSM located in (i) the Pani Block in Hulawa Village, Buntulia District, Pohuwato Regency and Gorontalo Regency, Gorontalo Province, (ii) Buol Regency, Central Sulawesi Province and (iii) Bolaang Mongondow Utara Regency, North Sulawesi Province
“PBT”	PT Pani Bersama Tambang, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“PEG”	PT Puncak Emas Gorontalo, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“PETS”	PT Puncak Emas Tani Sejahtera, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“PIJ”	PT Pani Industri Jaya, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate Structure” in this document
“PIN”	PT Pani Industri Nusantara, our subsidiary incorporated in Indonesia, for more details, please see the section headed “History and Corporate structure” in the document

[REDACTED]

“Document”	this document being issued in connection with the [REDACTED]

[REDACTED]

“Rupiah” or “Rp”	the lawful currency of the Republic of Indonesia

[REDACTED]

DEFINITIONS

[REDACTED]

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of our Company
“Shareholder(s)”	holder(s) of our Shares
[REDACTED]	
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Track Record Period”	the period comprising the three financial years ended 31 December 2023, 2024 and 2025

[REDACTED]

“United States” or “U.S.”	the United States of America, its territories, possessions and all areas subject to its jurisdiction

[REDACTED]

“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States

[REDACTED]

GLOSSARY

This glossary contains explanations of certain technical terms used in this Document in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“Adsorption Desorption Recovery” or “ADR”	a processing method to the recover gold in solution from a heap leach facility, consisting of an adsorption process to adsorb the gold in solution onto activated carbon, a desorption process to desorb the gold off the activated carbon, and a recovery process of electrowinning to recover the gold in solution as solid gold sludge
“Ag”	the chemical symbol of silver
“all-in sustaining cost” or “AISC”	a metric which means operating costs excluding amortization and depreciation, plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. It generally comprises of cash costs (including byproduct credits), sustaining capital, exploration expenses, reclamation cost, inventory movement, royalties, selling expenses and general and administrative expenses
“Ammonium Nitrate/Fuel Oil” or “ANFO”	a commonly used, low-cost, high-volume, solid industrial explosive used in the mining industry
“annual processing capacity”	the quantity of ore that a processing plant can handle and process each year
“annual production capacity”	the maximum annual production capacity within the permitted annual production volume that can be achieved by our Group in the usual and ordinary course of business based on our existing resources and mine design
“Au”	the chemical symbol of gold
“BLS” or “barren leach solution”	the low concentration leach solution after the ADR process which is reused in the heap leach process or a proportion bled from the system and treated by a mine water treatment facility before discharge to the environment
“CIC” or “Carbon-in-Column”	an adsorption process to adsorb the gold in solution from the Pregnant Leach Solution onto activated carbon for a heap leach operation
“CIL” or “Carbon-in Leach”	a processing method to extract and recover gold through a simultaneous cyanidation leaching and carbon adsorption process of milled gold ore slurry to leach the gold into solution and adsorb onto activated carbon
“CoW” or “Contract of Work”	an agreement to conduct mining activities between the Indonesian government and a business entity, where such entity is given the exclusive right to do the mining

GLOSSARY

“cut-off grade”	the minimum grade at which a unit of mineralised material is considered economically viable to mine and process. Material above the cut-off grade is treated as ore because it generates positive economic value, whilst material below the cut-off grade is treated as waste because the cost of mining and processing it would exceed the revenue from the contained metal
“cutback”	the stage to sequence the mining by widening the pit by pushing the pit walls from one phase to the next to access additional ore or maintain safe, stable slopes as mining progresses. Pit cutbacks are typically sequenced in phases to optimise mine scheduling, cash flow, and operational practicality
“doré”	an alloy of precious metal containing a mixture of several metals, typically gold, silver, copper, and other base metals
“electrowinning”	an electrochemical process used to recover metal in solution as solid metal on a cathode. For gold processing, this involves cyanide alkali solution electrolysis using metal as an anode and cathode to deposit metals such as gold and silver
“EMR”	Energy and Mineral Resources
“exploration”	the stage in the mining business involves collecting detailed geological and environmental information regarding the location, shape, dimensions, distribution, quality and measured resources of mineral deposits. This stage aims to estimate Mineral Resources and evaluate the potential economic viability of developing the deposit
“feasibility study”	a detailed technical and economic assessment carried out to determine whether a project can be developed safely, profitably, and in compliance with regulatory and operational requirements
“g”	gram(s)
“g/t”	gram(s) per metric tonne metal concentration
“geological confidence”	the confidence level on a mineral deposit including the size, shape, distribution, quantity and quality according to the exploration stage
“gold granule”	near-spherical gold particles
“grade”	ratio of the content of a useful element or its compounds in an ore, for which the greater the content, the higher the grade. For gold, grade is commonly expressed in grams per tonne of ore (g/t Au)
“Ha” or “ha”	hectare(s)
“heap leach” or “HL”	a method to extract and recover gold by stacking gold ore and irrigating it with a dilute cyanide solution

GLOSSARY

“ILS” or “intermediate leach solution”	recirculated pregnant leach solution to improve the recovery of the heap leach
“Indicated Mineral Resource”	a Mineral Resource for which quantity and quality are determined based on points of observation, where the continuity, densities, shape, dimensions, grade, mineral content can be estimated with a moderate level of geological confidence
“Inferred Mineral Resource”	a Mineral Resource for which the quantity and quality can only be estimated with a low level of geological confidence
“infill drilling”	drilling performed between existing drilling holes with the aim to improve geological confidence and resource classification
“ISO 14001”	the international standard that specifies requirements for an effective Environmental Management System (EMS)
“ISO 14064”	an international standard providing a comprehensive framework for organizations to quantify, monitor, report, and verify greenhouse gas (GHG) emissions and removals
“IUI”	Industrial Business License
“IUP”	Mining Business License
“IUP-OP”	Mining Business License for Production Operation, which authorizes mining companies to conduct production, processing, transportation and sales of minerals or coal
“IUPK”	Special Mining Business License
“IUPK-OP”	Special Mining Business License for Production Operation
“JORC”	Joint Ore Reserves Committee
“JORC Code”	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition issued by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia
“JV”	Joint Venture
“koz”	thousand ounces, a unit of weight
“kt”	thousand metric tonnes, a metric unit of weight, being equivalent to 1.0 million kg
“ktpa”	kt per annum/year
“ktpd”	kt per day

GLOSSARY

“LBMA”	London Bullion Market Association, an international trade association representing a collective of global wholesale gold and silver traders, located in London
“LOM” or “life of mine”	the total planned duration of a mining operation, from the start of ore extraction through to the completion of mining and processing, based on the economically mineable mineralised material
“Measured Mineral Resource”	a Mineral Resource for which quantity is determined based on points of observation, where the continuity, densities, shape, dimensions, grade, mineral content can be estimated with a high level of geological confidence
“Moz”	million ounces
“Mt”	million tonnes
“Mtpa”	million tonnes per annum/year
“open pit”	a surface mining method where ore and waste are extracted from a large excavation in the ground, typically developed in successive benches and accessed by haul roads rather than underground methods
“ore preparation plant” or “OPP”	a facility used to crush and size mined ore into smaller and more uniform particles to ensure efficient and consistent processing in the subsequent heap leaching process
“ounce(s)” or “oz”	the unit used to measure gold weight, where one ounce is equal to 31.1035 grams
“PLS” or “pregnant leach solution”	a metal-laden solution containing valuable metals generated from ore leaching
“Probable Ore Reserve”	the economically mineable part of an Indicated Mineral Resource, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Ore Reserve is lower than that applying to a Proven Ore Reserve
“Proven Ore Reserve”	the economically mineable part of a Measured Mineral Resources that has been demonstrated to have the highest level of confidence after applying all relevant modifying factors
“Reserve” or “Ore Reserve”	the economically minable part of a Measured Mineral Resources and Indicated Mineral Resources, demonstrated by at least a pre-feasibility study and supported by the application of all relevant modifying factors, such as mining, metallurgical, economic, environmental, legal, social, and governmental considerations
“Resource” or “Mineral Resource”	a concentration or occurrence of minerals of economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction, as defined in JORC Code

GLOSSARY

“ROM”	Run of Mine, which is raw, unprocessed mined material extracted directly from a mine
“slurry”	a mixture of solids and liquids with a consistency of mud or paste
“stacking”	stacking mined ore or processed material before further processing or transportation
“stockpile”	a temporary storage area where mined ore are accumulated before processing, allowing for operational flexibility and continuous workflow
“strip ratio”	the ratio of the volume or weight of waste material that must be removed to the volume or weight of ore mined, usually expressed as a waste-to-ore ratio
“t/d” or “tpd”	tonne per day
“tailing”	waste materials generated from the process of separating ore or minerals from the waste rock. Tailings consist of small particles generated from crushing, grinding, and separation processes that contain ore residue or minerals that cannot be separated from the gangue. Tailings may contain a small amount of ore or minerals that still has extractable elements, where, as a result, tailings are sometimes reprocessed to extract those elements
“tonne” or “t”	metric tonne, a metric unit of weight, being equivalent to 1,000 kg
“TSF”	the Tailing Storage Facility
“waste”	rocks or other material removed during the mining process that do not economically recoverable minerals or ore

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements and information that involve risks and uncertainties, including statements based on our current expectations, beliefs, assumptions, estimates and projections about us, our industries and the regulatory environment in which we operate. In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "strive to," "seek," "expect," "target," "goal," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "projected," "is/are likely to" or other similar expressions. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The forward-looking statements included in this document relate to, among others:

- our business and operating strategies and the various measures we use to implement such strategies;
- our dividend distribution plans;
- our operations, business, financial conditions and prospects, including development plans for our business and future cash flows;
- our capital commitment plans;
- our future debt levels and capital needs;
- geopolitical tensions, international trade policies, protectionist policies and other policies that could place restrictions on economic and commercial activity;
- the future developments and competitive environment of the industry and markets in which we operate;
- the regulatory environment as well as the general industry outlook for the industry which we operate in;
- relationships with parties we contract and collaborate with to conduct our business;
- risks identified under the section headed "Risk Factors" in this document;
- general economic trends and business conditions; and
- other statements in this document that are not historical facts.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. In light of the aforementioned and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all.

Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

In this document, statements of or references to our intentions or those of the Directors and/or the Commissioners are made as of the date of this document. Any such information may change in light of future developments.

RISK FACTORS

You should carefully consider all of the information in this Document, including the following risk factors, before making any investment decision in relation to the [REDACTED]. Our business, financial condition, results of operations, performance and/or prospects could be materially and adversely affected by any of these risks. The market price of the [REDACTED] could fall significantly due to any of these risks, and you may lose all or part of your investment. The risks and uncertainties described below are not the only risks and uncertainties we face. In addition to the risks described below, there may be other risks and uncertainties not currently known to us or that we currently deem to be immaterial which may in the future become material risks. The risks discussed below may also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Our reserve estimates and gold production estimates are based on a number of assumptions, which, if changed, may require us to lower our estimates. We may not be able to achieve our production estimates.

The information regarding Ore Reserves and Mineral Resources for the Pani Gold Mine presented in this Document is sourced from the CPR. Based on the CPR, the Pani Gold Mine has an estimated 15-year mine life. The quantities and grades of ore presented in this report are estimates and should not be interpreted as accurate indications of the quantities or grades of ore that have been identified or that will be extracted by the MGR Group. Estimates are inherently approximate and, to some extent, subject to different interpretations, which may ultimately prove to be inaccurate and require adjustment.

Calculation of the size and/or grade of Mineral Resources depends on the interpretation and extrapolation of limited geological data, including samples and assays. Complex geological and metallurgical assessments are often required to calculate Mineral Resources, including the interpretation of exposed geological structures, the location, direction and depth of drill holes, the use of sampling techniques and statistical controls applied to the resulting data. There are various risks of bias associated with such data collection and calculations, including data collection techniques. The MGR Group must also make assumptions regarding, but not limited to, commodity prices, drilling costs, operating costs and royalties, as well as applicable regulatory frameworks, environmental and social factors. Many of these assumptions are inherently subjective, and the accuracy of such estimates depends on the MGR Group's ability to make accurate assumptions.

Discovered Mineral Resources may be converted into Ore Reserves after the completion of relevant studies and assessments that include considerations and modifications based on realistic assumptions regarding mining, metallurgical, economic, marketing, legal, environmental, social, and governmental factors. Such studies and assessments are based on available data, professional judgement, and industry practices and may be subject to change based on actual production, operational costs, commodity prices, and other relevant factors. The calculation of Ore Reserves is based on information available at the time the calculation is made and may change significantly when new information becomes available.

Actual future commodity prices, production, operating costs, royalties and recoverable mineral quantities may differ substantially from the MGR Group's assumptions. Consequently, estimates of Ore Reserves and Mineral Resources may be materially inaccurate.

The Ore Reserves and Mineral Resources disclosed by the MGR Group are not necessarily indicative of future operating results and should not be interpreted as assurances of mine life or profitability of future operations. Until minerals are actually mined and processed, ore quantities and grades should be considered only as assumptions. There can be no assurance that the MGR Group's Ore Reserves and Mineral Resources will be consistent with geological, metallurgical or other expectations or that the estimated volumes or grades of ore will be economically recoverable. Any material adjustment to the estimates of Ore Reserves or Mineral Resources, and/or the MGR Group's inability to convert Mineral Resources into Ore Reserves, could adversely affect the MGR Group's development and mining plans. This could have a material adverse effect on the MGR Group's business, financial condition, results of operations and prospects.

RISK FACTORS

We have a limited operating history that makes it difficult to evaluate our business activities and prospects. We were loss-making during the Track Record Period and our ability to achieve profitability is subject to uncertainties.

The MGR Group has a limited operational history on which to evaluate its business activities and prospects. Initial mining activities at PETS IUP-OP area commenced only in October 2025, and the heap-leach processing facility was commissioned in November 2025. As a result, the MGR Group has limited historical production data and operating performance records. The transition from pre-production and commissioning phases to steady-state commercial operations may result in material changes in revenue generation, cost structure, working capital requirements, and cash flow profiles. Accordingly, the comparability of our historical financial statements across periods may be significantly affected as operations ramp up and production levels increase. In addition, a number of our key projects, such as mining activities at GSM CoW area and the CIL processing facility, are still in various stages of construction and development.

Moreover, the MGR Group has not yet achieved profitability and was loss-making during the Track Record Period. In 2023, 2024 and 2025, our revenue was US\$1.4 million, US\$1.8 million and US\$0.1 million, respectively, and our total comprehensive loss for the year was US\$6.9 million, US\$13.3 million and US\$27.3 million, respectively, after accounting for exchange difference on financial statements translation, actuarial gain/(loss) and related income tax. As at 31 December 2025, the MGR Group recorded accumulated losses of US\$61.5 million. The MGR Group's ability to generate sustainable revenues at scale, and achieve profitability, is subject to uncertainties and will depend on, among other things, our ability to successfully execute our business plan, complete the development of the Pani Gold Mine in a timely manner and secure adequate financing on commercially competitive terms. Although the MGR Group benefits from being part of the MCG Group, which has a proven track record of successfully developing and operating mining projects in Indonesia, there can be no assurance that the Pani Gold Mine will achieve its expected production profile, cost structure, or financial performance. If the MGR Group is unable to generate sufficient revenues to cover development, operating, financing, and other costs related to the Pani Gold Project, the MGR Group's losses will continue and the MGR Group may not achieve or sustain profitability, which could negatively impact the value of an [REDACTED].

Our financial performance is highly dependent on the market price for gold.

The MGR Group's primary revenue is projected to be driven by gold sales, so its financial performance will be highly sensitive to fluctuations in gold prices. Gold prices are based on, or negotiated with reference to, the global gold price index, which tends to be cyclical and subject to significant volatility. As at 31 December 2025, the price of gold was approximately US\$4,319 per ounce.

In general, gold prices are influenced by various factors, most of which are beyond the control of the MGR Group, including, but not limited to:

- global, regional and national economic and political conditions;
- actual and anticipated demand and supply dynamics;
- speculative trading activities;
- actual or estimated purchases or releases of gold reserves or inventories by central banks or other significant holders or wholesalers, including purchases under hedging contracts;
- changes in the use of gold for industrial applications or as an investment;
- fluctuations in demand for jewellery;
- armed conflict, geopolitical tensions, acts of terrorism as well as epidemics and pandemics;
- foreign exchange rates, especially the movement in the value of the United States Dollar against other currencies;

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- monetary policies implemented by central banks in the world;
- fiscal policies implemented by countries with dominant economies; and
- actual and expected inflation and interest rates, as well as demand for gold as an inflation hedge.

A prolonged or substantial decline in gold prices could have a material adverse effect on the economic viability of the Pani Gold Project, as projected future revenues may not be sufficient to offset capital expenditures on development and operating costs incurred in order to generate expected returns. As a result of such a price decline, the MGR Group's ability to obtain the necessary financing to further develop the Pani Gold Mine on favourable terms could be limited. Although gold prices remained high in 2025, there can be no assurance that gold prices will not experience volatility in the future. Any such volatility could adversely affect the unit economics of the production of the Pani Gold Mine, and adversely affect our business, financial condition and results of operations.

To a lesser extent, the MGR Group will also sell silver produced by the Pani Gold Mine, so its financial performance will also depend on silver prices, which like gold prices, are based on, or negotiated with reference to, the global silver price index.

We are subject to risks associated with dependence on a single mining area.

All cash flows and operating profits of the MGR Group are currently dependent on the sale of gold and silver produced from the Pani Gold Mine, located within the IUP OP held by PETS and CoW held by GSM. Any operational difficulties, disruptions or material adverse developments affecting the Pani Gold Mine, whether due to internal factors or factors beyond the control of the MGR Group, could have a negative impact on the MGR Group's business, financial condition, result of operations and prospects. In addition, there can be no assurance that the MGR Group will successfully identify, develop and commercialize other prospects within or outside the Pani Gold Mine area within the specified time.

We may fail to obtain, maintain or renew the government permits, license, approvals and fulfil related obligations required for the Pani Block's operations and expansion program.

The MGR Group is required to obtain, maintain, and renew various permits and approvals from the central and/or regional governments to carry out operations in the Pani Gold Mine area and expansion programs in the Pani Block concession area, considering that the majority of the concession area remains unexplored. The permits and approvals required for mining and processing operations in the Pani Gold Mine area include, among others, general corporate, mining, labour, and environmental permits. Many of these permits will expire on different dates, and the MGR Group must ensure that all required permits and approvals are renewed prior to expiry and that any new permits and approvals are obtained when necessary.

In addition, the MGR Group must comply with the obligations attached to its permits in accordance with applicable laws and regulations. These obligations include, among others, submitting periodic reports and obtaining required incidental approvals. Failure to fulfil these obligations may result in various sanctions ranging from written warnings to permanent revocation of the permit.

There can be no assurance that the relevant government authorities (whether at the central or local government level) will renew and not revoke existing permits, will not refuse to issue new permits, or issue permits that conflict with the MGR Group's concessions in relation to the approvals required to conduct business activities in the Pani Block and implement any expansion program or impose unfavourable terms and conditions in connection with the issuance or renewal of such permits or approvals. There can also be no assurance that the Indonesian Government or regional authorities will issue or renew the required licenses or permits within the anticipated timeframe, if at all.

A loss of, or failure to obtain, maintain or renew, any permits, agreements and approvals necessary to conduct business activities at the Pani Gold Mine and Pani Block could have a material adverse effect on the MGR Group's business, financial condition, results of operations and prospects. In addition, if there are changes in applicable laws and regulations

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relating to authorizations, concessions, permits or licenses, the MGR Group may be required to make modifications to its technology and operations, which could require the MGR Group to make unanticipated capital expenditures and even ensure the operation of the Pani Gold Mine is economically viable or otherwise, which could have a material adverse effect on the MGR Group.

Damage to the tailing storage facility at our CIL processing facility could negatively impact our business, reputation and operational performance.

PIN, a company operating CIL treatment facilities faces inherent risks associated with operating a TSF, which is designed to contain wastewater from CIL operations. While we have taken steps to mitigate the risks of our TSF operations, see "Business — Risk Management and Internal Control Measures — Risk Management" for more details, damage to a TSF may occur due to several events, including, but not limited to, seismic or earthquake activity, heavy rainfall, dam overflows, pipe failures or water seepage, actual tailings dry density realised below target, equipment failures, system control failures, and human error.

Mining waste generated from processing activities will be neutralized through a detoxification process before being placed in the TSF. However, there is a possibility that damage to the detoxification circuit, due to a combination of equipment failure, control system failure and/or human error, which could result in some levels of toxic substances to aquatic wildlife being sent to the TSF. Such an event could lead to environmental contamination, including potential impacts on aquatic ecosystems and surrounding habitats, regulatory investigations, fines or penalties, suspension of operations, remediation obligations, civil claims, and reputational damage. Any of these outcomes could have a negative impact on the MGR Group's business, financial position and results of operations.

In addition, changes in applicable laws, regulations, or regulatory interpretation may occur that would increase the time and cost of constructing, operating, inspecting, maintaining, and decommissioning the TSF, obtaining new permits or renewing existing permits to construct the TSF, or requiring the use of new technology. New regulations could also impose more restrictive requirements that may exceed the MGR Group's current standards, including mandated compliance with contingency plans and additional insurance requirements, or require the MGR Group to pay additional fees or royalties to operate the TSF. The MGR Group may also be required to provide for and facilitate the relocation of communities and facilities affected by TSF damage. Any such regulatory changes or liabilities could materially increase capital and operating expenditures and adversely affect the MGR Group's business, financial condition, results of operations, and prospects.

The development and operational activities of the Pani Block are subject to various environmental laws and regulations, and any failure to comply with such laws and regulations may have an adverse impact on us.

Due to the potential significant impacts of the Pani Block's mining and processing operations on the environment, facilities and operations, the Pani Block subject to various environmental laws and regulations in force in Indonesia, from the national, provincial to regional levels. These regulations are becoming increasingly stringent and subject to enhanced enforcement, which may result in increased liabilities and impose additional compliance costs for the MGR Group.

These environmental laws and regulations could cause delays in the Pani Block's activities, require the MGR Group to incur substantial compliance costs, or even prohibit or restrict certain activities in environmentally protected areas. In addition, the introduction of new or more stringent environmental standards (including regulations addressing climate change) or stricter enforcement of existing standards, may require the Pani Block to undertake additional capital expenditures beyond those currently anticipated. The MGR Group may also expend significant financial and managerial resources to ensure ongoing compliance, and anticipates that such efforts will continue as environmental regulations evolve. Non-compliance with applicable laws and regulations (including failure to obtain or maintain relevant environmental permits, as well as compliance with technical conditions imposed under environmental approval) may be subject to administrative sanctions (such as warnings, fines, or suspension of activities) demolition, and criminal sanctions, in addition to the obligation to remediate environmental damage and compensate affected third parties.

Mining and processing activities have the potential to harm the environment, and incur significant costs for environmental rehabilitation, damage control and losses, where these risks might not fully covered by the MGR Group's current insurance policies.

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The Pani Block’s reclamation and post-mining obligations may change significantly if there are changes in mining activities including changes in the reclamation plan and mine closure plan, if the actual costs incurred by the Pani Block in connection with mine reclamation and post-mining activities differ from assumptions or if there are changes in government laws and regulations either while PETS and GSM hold their current permits or extend their licenses. Any significant unanticipated increase in reclamation and rehabilitation costs could have an adverse effect on the MGR Group’s business, financial condition and results of operations.

If the MGR Group or any of its third-party contractors fail to comply with applicable environmental laws and regulations in Indonesia, or if an incident occurs at an asset site, the MGR Group may be liable for any damages or costs arising from or in connection with such incident, and this may have an adverse effect on the MGR Group’s business, financial condition, results of operations and prospects.

Indonesia’s mining sector is subject to evolving regulatory frameworks, including potential changes to mineral export restrictions, royalty rate hikes, and requirements for domestic processing or value addition.

The mining, processing and exploration activities in the Pani Block have been and will be subject to various laws, policies and regulations governing the ownership, exploration, development and mining of reserves, taxation and royalties, exchange controls, import and export taxes, remittance of foreign currency, restrictions on foreign currency and repatriation of earnings, investment licensing, environmental issues, employment, social relations, and other issues. Over the past 20 years, the government has issued various new laws and regulations impacting the mining industry in Indonesia, some of which imply significant changes that lead to uncertainty about their application.

Changes in applicable royalty rates have a direct impact on the MGR Group’s profitability, and royalty rates have been increased in the past. For example, in April 2025 the royalty rates applicable to primary gold were increased by between two and six percentage points. Any further increases in royalty rates, the introduction of additional levies, or changes in the method of calculating royalties could adversely affect our business, financial condition and results of operations.

On 30 April 2018, MEMR Regulation No. 25/2018 was enacted. MEMR Regulation No. 25/2018, as last amended by MEMR Regulation No. 17/2020 and partially revoked by MEMR Regulation No. 17/2025 regarding Procedures for Preparing, Submitting, and Approval of Work Plans and Budgets and Procedures for Reporting the Implementation of Mineral and Coal Mining Business Activities, requires domestic processing and refining up to certain minimum limits before metallic minerals, including gold, can be sold abroad. The policy of banning the export of raw Mineral Resources is essentially a policy to increase the added value of Indonesia’s natural resources, ultimately for the greatest prosperity of the people. However, if this policy is not supported by the development of adequate mineral processing and refining facilities in the near future, it could hamper the export sales of metallic mineral products. As of the date of this Document, PT Aneka Tambang Tbk (“**Antam**”) is the only LBMA-certified gold refiner in Indonesia. In addition, in 2025 the output of domestic mineral processing and refining in Indonesia continued to exceed the capacity of the domestic downstream industry.

On 12 July 2023, the government enacted Government Regulation No. 36 of 2023 on Foreign Exchange Proceeds from Export Activities Derived from the Exploitation, Management, and/or Processing of Natural Resources as amended by Government Regulation No. 8 of 2025 (“**GR No. 36/2023**”) (as amended by Government Regulation No. 8/2025) and Bank Indonesia Regulation No. 7 of 2023 on Export Proceeds and Import Payment Proceeds as amended by Bank Indonesia Regulation No. 3 of 2025 which requires exporters to include all DHE SDA, including those from the mining sector, in the Indonesian financial system by placing DHE SDA in a special account through: (a) banks, if the export value is less than US\$250,000 or its equivalent, and (b) banks and/or Indonesian Export Financing Institutions, if the export value is at least US\$250,000 or its equivalent. Furthermore, based on GR No. 36/2023, DHE that has been placed in the special account must be placed at least 100% for a minimum of 12 months from the placement of DHE SDA in the special DHE SDA account. This provision is expected to increase the burden on exporters, including the MGR Group, because they must provide additional working capital during this period.

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Changes in Indonesian policies, laws and regulations, including those relating to financial reporting, foreign exchange arrangements or other regulatory requirements, may adversely affect the MGR Group's business, financial condition, results of operations and prospects if the MGR Group fails to comply with changes in such Government policies, laws and regulations. In general, there can be no assurance that changes in Government policies, laws and regulations affecting the mining industry will not be issued or revoked suddenly, which could adversely affect the MGR Group's business, financial condition, results of operations and prospects.

Our insurance coverage may be inadequate to cover potential claims.

The MGR Group's business activities are generally subject to a number of risks and hazards, including but not limited to adverse environmental conditions, industrial accidents, labour disputes, unusual or unforeseen geological conditions, changes in the regulatory environment and natural phenomena such as adverse weather conditions, floods and earthquakes. Such events could result in damage to mining properties and processing facilities, personal injury or death, environmental damage to our properties, delays in development, monetary losses and potential legal liability.

The MGR Group currently maintains insurance policies covering risks associated with construction activities at the Pani Block, including third-party liability coverage, and insurance for delays in the commencement of operations, machinery breakdown and heavy equipment. We also plan to maintain business interruption insurance policies intended to provide coverage for potential financial losses arising from the suspension or interruption of operations due to certain events.

However, there can be no assurance that the MGR Group's insurance will be sufficient to cover losses or liabilities that may arise or the continued availability of insurance at acceptable premium levels, or at all. In particular, certain financial institutions, asset managers, and insurance companies could in the future limit the availability of insurance coverage to companies which derive their revenues from certain business activities. Therefore, the MGR Group may not always be able to obtain insurance for certain risks due to high premiums or other reasons, and the MGR Group may ultimately incur uninsured losses, which could negatively impact the MGR Group's business, financial condition, results of operations and prospects.

The Pani Block may experience unexpected disruptions to its mining and processing operations as a result of operational risks, infrastructure risks and hazards due to human activities, which may result in increased costs or losses, serious injury or death, damage to reputation, suspension of operation and other penalties, any of which could adversely affect our business, financial condition and results of operations.

The mining, processing, and transportation operations of the Pani Gold Mine are subject to risks and hazards that could disrupt production for varying length of time, including those normally encountered in exploration, mining, development, and production of gold. These risks, hazards, and changes in conditions, including operational and infrastructure risks, include, but are not limited to:

- fire, explosion, embargo, serious injury and death due to industrial and mining accidents in connection with the operation of mining equipment, milling equipment, and/or logistics systems and in connection with transportation, such as the transportation of chemicals, heavy mining equipment, and transportation of employees to and from the site;
- labour disputes;
- lack of competent workforce;
- delays or disruptions in drilling, excavation and other third-party delays;
- delays in the arrival of heavy machinery used in construction arrivals due to port congestion and capacity limitations at the port facilities used by the Pani Block in its barging operations; and
- inability to access haulage roads, jetties, ports and other infrastructure, which are not currently owned by the MGR Group.

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Any such occurrence could result in damage to, or destruction of, mines and other production facilities, property damage, environmental damage, and potential legal liability. Processing operations are also subject to hazards such as equipment failure, toxic chemical leakage, power loss, heavy equipment damage, failure of retaining dams around tailings containment areas, and tailings filtration or filtered tailings facility underperformance, resulting in environmental pollution and consequent liability.

In the event that any of the above operational and infrastructure risks or hazards occur, the Pani Block could incur significant losses that may involve serious personal injury or death, severe damage to or destruction of property and equipment, pollution, damage to natural resources or other environmental damage, environmental remediation responsibilities, regulatory investigations and penalties, and suspension of operational activities. Furthermore, the insurance coverage held by the MGR Group may not be sufficient to cover all adverse impacts. Consequently, this could negatively impact the MGR Group's business, financial condition, results of operations and prospects.

The Pani Block is subject to geotechnical and hydrological risks that could have a material and adverse impact on our mining operations.

The Pani Block is exposed to geotechnical and hydrological risks, particularly in relation to the open pit slope, haul route and mine access infrastructure, and heap-leach pad. For example, slope instability in the pit walls may result in wall failures or landslides, potentially interrupting or halting mining operations. Landslides or ground instability along route or access road may disrupt ore delivery to processing facilities. Furthermore, ore stacking on the heap-leach pad may be susceptible to instability and potential failure, particularly under conditions of excessive moisture or saturation.

There can be no assurance that unanticipated adverse geotechnical and hydrological conditions, such as landslides and mine wall failures, will not occur in the future, or that such conditions will be detected in advance. Geotechnical instability is inherently uncertain and may be influenced by factors beyond the MGR Group's control, such as severe weather events, prolonged or intense heavy rainfall, flooding and seismic activity which may contribute to slope failures, ground movement, structural instability or material slippage. Geotechnical failures or related incidents could result in restricted access to mine sites, suspension of operations, damage to equipment and infrastructure, regulatory investigations, increased monitoring and mitigation costs, remediation expenditures, or other operational disruptions. Any such events could reduce production levels, increase operating costs, and materially and adversely affect the MGR Group's business, results of operations, financial condition and prospects.

Our operations at the Pani Block are subject to occupational hazards and our workers are subject to risks of serious injury or death caused by use of machinery, exposure to hazardous substances and equipment and tools in the course of production, which increase the risk of a safety incident or accident at our mine or processing facility.

Due to the nature of the work environment, which is typically confined and subject to geological uncertainties, the mining industry is inherently susceptible to a high risk of work-related serious injuries or death, as well as industrial and mining accidents. Such incidents may also result in breaches of the conditions for our mining and exploration licenses or any other approvals, permits or authorizations, which may result in fines and penalties or even potential revocation of such licenses, approvals, permits and authorizations. There can be no assurance that accidents will not occur at our operations in the future despite our efforts to comply with safety protocols and applicable laws and regulations. In addition to adversely affecting our business and results of operations, safety accidents in the region may also adversely affect our reputation.

Our operations are subject to health and safety legislation which imposes duties and obligations on us to ensure, amongst other things, a working environment which is healthy and safe, as far as is reasonably practicable. In terms of the health and safety legislation, we may be subject to significant penalties and/or administrative fines for non-compliance. Depending on the particular circumstances, litigation (criminal and/or civil) may be instituted against us in respect of an accident, dangerous occurrence or health threatening occurrence which has resulted in the death of an employee (or contractor staff). Any changes to the health and safety laws which increase our burden of compliance and impose higher penalties for non-compliance may result in further significant costs for us.

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Despite our efforts to protect our employees' health through implementation of safety measures, accidents or safety incidents may occur due to factors beyond our control. There can be no assurance that workplace accidents will not occur at our gold mines in the future. The occurrence of significant accidents could result in damage to or destruction of production facilities, serious injury to or death of employees, environmental damage, business interruption, production delays, increased operating costs, monetary losses and potential legal liability to us. Such incidents may also result in breaches of the conditions for our mining and exploration licenses or any other approvals, permits or authorizations, which may result in fines and penalties or even possible revocation of such licenses, approvals, permits and authorizations. Should we fail to comply with any relevant laws, regulations or policies or should any accident occur, our business, reputation, financial condition and results of operations may be adversely affected, and we may be subject to penalties, civil liabilities or criminal liabilities. Any such accident may also subject us to adverse publicity and damage to our brand name and reputation. Due to the growing awareness of and concern about safety and environmental protection, the risk of such accident may result in social demonstrations against the construction and operation of our mine and facilities, which may further disrupt our business operations, negatively affect our image and reputation and materially and adversely affect the MGR Group's business, results of operations, financial condition and prospects.

Operations or processing facilities at the Pani Block are subject to inherent risks involving, among other things, the operation of heavy equipment, handling of explosives, other hazardous and toxic substances including cyanide and other chemicals; therefore, industrial accidents may occur resulting in property damage, personal injury or death. The MGR Group may also still be liable for loss of life and property, medical expenses, medical leave payments and fines or penalties for violations of applicable laws and regulations in Indonesia.

The MGR Group may also experience business disruptions or negative publicity as a result of an order to suspend equipment for investigation by the Government or the implementation or enforcement of mandatory enhanced safety measures as a result of such an accident. These types of accidents or safety measures imposed by Government authorities could have a material adverse effect on the operations of the Pani Block, which could adversely affect the MGR Group's business, financial condition, results of operations and prospects. Furthermore, safety issues involving third parties, such as contractors or business partners at the Pani Block, could also have an indirect impact on the MGR Group's reputation and operations, even if the incident is not directly caused by the MGR Group.

Our assets at the Pani Block are subject to adverse weather and natural disasters.

The Pani Block's operations are located in Gorontalo Province, which is subject to severe weather, particularly during the rainy season, as well as natural disasters such as earthquakes, landslides, volcanic eruptions, prolonged droughts, and other weather events. A prolonged rainy season can significantly impact mining and processing operations, damage haul roads and other critical infrastructure, affect our processing activities, and reduce equipment utilization and overburden removal rates. While the MGR Group routinely monitors rainfall in the operating area using geohazard maps, actual rainfall and rain hours can vary significantly in the area where the Pani Block operates from year to year and may result in our utilization and production volumes of the Pani Block for a given period or a particular year being significantly lower than anticipated and targeted, even after the MGR Group builds in allowances for typical rainfall and rain hours due to seasonal weather conditions. The Pani Block is also exposed to the risk of natural disasters such as earthquakes and landslides, which can significantly damage our mining, processing facilities, and general infrastructure. Further, extensive damage to our facilities, serious injury to or death of our employees, whether as a result of earthquakes, landslides or other natural disasters, may adversely affect our ability to conduct our operations and, as a result, reduce our future operating results. The MGR Group's insurance policies may not be adequate to cover any losses or liabilities arising from the occurrences of these events, and such events could adversely affect the MGR Group's business, financial condition, results of operations and prospects.

Operational activities of the Pani Block may be disrupted by opposition from local communities.

The MGR Group faces the risk that the operations of the Pani Block could be disrupted by opposition from local communities or unrest. Although the MGR Group has

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adopted social responsibility programs, see "Business — Environmental, Social and Corporate Governance and Sustainability — Corporate Social Responsibility" for more details, due to the adverse environmental impacts associated with our mining and processing activities, local communities surrounding the Pani Gold Project's operational areas may oppose, at times violently, the carrying out of further mining and processing activities. Such opposition from local communities may arise from various factors, including but not limited to, actions taken by the MGR Group or other external factors beyond the control of the MGR Group. While there has been no material adverse impact to our operations, there can be no assurance that any future opposition, unrest or protests will not disrupt our business operations. If the operations of the Pani Block are disrupted by opposition or unrest from local communities and the Pani Block is unable to resolve such disruptions in a timely manner, the Pani Block may not be able to meet its production targets, and this could have a material adverse effect on the MGR Group's business, financial condition, results of operations and prospects.

Our business prospects are dependent on our ability to continuously and successfully develop the Pani Block.

Our business prospects are dependent on our ability to continuously and successfully develop the Pani Block. The MGR Group is currently developing the Pani Block based on the CPR that provides estimates of the project's expected returns. These estimates are based on a range of assumptions regarding the prices of gold and silver, estimated ore tonnage, grade and metallurgical characteristics, expected recovery rates, projected capital expenditures and operating costs, and anticipated rates of return on investment.

As part of its development strategy, the MGR Group currently plans to develop and operate two major mines within the Pani Gold Mine area, namely PETS and GSM. Both mines are designed to be integrated into a single mining operation to support ore processing using heap leach and CIL methods, with the aim of optimizing operational efficiency and maximize metal recovery. This integrated approach is intended to optimize the Mineral Resource potential of each mine and ensure the continuity of ore supply throughout the life of the project. For heap leach facilities, PETS has obtained Techno-Economic Approval based on Letter No. T-1114/MB.04/DBM.PE/2024 dated 22 October 2024, issued by the Acting Director of Mineral Resources Development; Director of Mineral and Coal Revenue.

The estimates and projections set out in the CPR are inherently subject to various uncertainties that many of which are beyond the control of the MGR Group. These uncertainties include, but are not limited to, the timing and costs of constructing mining infrastructure and processing facilities, the availability and costs of skilled labour, electricity, water and transportation facilities, licenses, approvals and permits required by regulatory authorities, fluctuations in commodity prices, and the MGR Group's ability to secure adequate funding for construction and development activities. Actual results may differ from those anticipated, and such differences may be material and could adversely affect the MGR Group's business, financial condition, results of operations and prospects.

Processing facility construction and development projects are subject to operational risks that may result in increased costs or delays and there can be no assurance that we will be successful in implementing or completing such projects.

The MGR Group plans to develop a CIL processing facility under PIN, with the construction commenced in 2026 and targeted for completion in 2028. The facility is designed to have a processing capacity of approximately 12 million tonnes of ore per year.

The construction and development of processing facilities involves various risks that could impact the prospects and profitability of the MGR Group, including but not limited to:

- delays in, or failure to obtain, the required permits and approvals (including new AMDAL approvals and feasibility studies), which may result in project delays or increased costs;
- cost overruns or delays in securing the necessary equipment, machinery, materials, supplies, labour or services, as well as challenges in implementing new technologies to develop and operate the processing facility;

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- inadequate operating cash flow or constraints in obtaining additional financing to fund capital expenditure requirements;
- accidents, natural disasters, equipment failures, and public health events (including epidemics and pandemics), which may cause delays, cost overruns, temporary suspension or cancellation of projects; and
- changes in market conditions, commodity prices or regulatory requirements that may reduce the economic viability or profitability of the project.

There can be no assurance that the MGR Group will successfully complete the construction and development projects of the processing facilities on schedule, within budget, or at all. Any delay, cost overrun, or failure to complete the project could have a material adverse effect on the MGR Group's business, financial condition, results of operations and prospects.

Illegal mining can disrupt our operational activities.

Illegal mining activities, theft and robbery of gold bearing materials and production inputs, and unauthorized mineral extraction are common challenges in the mining industry and may occur within our concession areas. Illegal mining refers to mining activities conducted without valid land rights, mining licenses, exploration or transportation permits, or other legally required authorizations. Such activities are often associated with several negative impacts, including environmental damage, unsafe working practices, corruption, child labour, human trafficking and other unlawful conduct. In regions where illegal mining occurs, local governance structures may be limited or under-resourced, which can contribute to a complex social environment that is less stable.

Illegal mining activities within or near our concession may cause environmental degradation, underground fires, property damage, or personal injury or loss of life, for which we may potentially be held liable as concession holder. In addition, illegal miners are often supported by syndicates, including, in some cases, employees of legal mining operators. Consequently, in the event that our employees are found to be assisting illegal miners, we will be required to dismiss all implicated employees and this may result in labour unrest. Illegal mining activities could also result in depletion of mineral deposits, potentially making the future mining of such deposits uneconomical. In addition, the presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits.

Unauthorized mineral extraction and illegal mining are common challenges in Indonesia and, in certain instances, cause major disruption to the operations of mining companies. Incidents of illegal mining in Indonesia generally tend to increase during periods of rising mineral prices.

The MGR Group may suffer losses from illegal mining within the Pani Block area, such as the loss of potential future Ore Reserves and Mineral Resources and rehabilitation costs associated with illegally mined areas. In addition to adversely affecting the MGR Group's business, financial condition, results of operations and prospects, illegal mining activities may give rise to health, safety and security risks. The MGR Group has no control over the perpetrators and practices of illegal mining. Such miners may not comply with international health and safety standards and may breach various environmental regulations, for which the MGR Group may be liable by virtue of the concession rights held by the Pani Block.

The process of removing illegal mining activities from the Pani Block concession area may take several years and there can be no assurance that we will be successful in eliminating all such illegal mining activities from the concession area within the targeted timeframe, or at all. While we actively seek to prevent and address illegal mining activities from Pani Block, there can be no assurance that unauthorized mineral extraction or illegal mining within the Pani Block concession area will not occur in the future. Any unauthorized mineral extraction or illegal mining within the Pani Block concession area could have a material adverse effect on our business, financial performance, results of operations and prospects. Currently, the majority of the Pani Block mining area is free from illegal mining activities, although small numbers of illegal miners are still found from time to time. For example, in September 2023, an illegal demonstration was staged seeking to continue unlawful mining activities in the vicinity of the Pani Block, which escalated into limited acts of damage to certain of our facilities and local government offices. The incident did not result in any injuries or health and

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safety impacts. The damage sustained was minimal and immaterial in nature, and the overall impact on the MGR Group was limited. Site activities were subject to a brief interruption but were promptly restored to normal operations. The MGR Group worked collaboratively with the local government to resolve the matter and the MGR Group did not pursue further legal action in relation to this incident. There can be no assurance that similar events will not occur in the future or that illegal miners will not return to the Pani Block area in the future.

We are dependent on transportation facilities and infrastructure, where lack of access to such facilities and infrastructure can impact production and development.

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, and reliable electricity and water supplies are important determinants affecting capital and operating costs. Major disruptions to transportation systems, including any blocking of access to haulage road infrastructure, could adversely affect the operations and shipping activities of the Pani Block, as well as materially and adversely affect the MGR Group's business, financial condition, results of operations and prospects.

Furthermore, the lack of transportation facilities and infrastructure could delay or prevent the development of the Pani Block. Completion of the Pani Block development is subject to various conditions, including the timely availability of electricity, water, and transportation. The lack of availability of any of these facilities and infrastructure on acceptable terms and conditions, or a delay in providing them, could hinder or delay the development of the Pani Block. If adequate infrastructure is not provided in a timely manner, there can be no assurance that:

- the development of the Pani Block will be completed in a timely manner, if at all;
- the resulting operating activities will achieve the anticipated production volume; or
- the construction costs and operating costs associated with the development of the Pani Block will not be higher than anticipated.

Unusual or rare weather phenomena and natural disasters such as earthquakes and landslides, sabotage, or interference by community, government, or any other party in any form with the operations, infrastructure, and logistical access of the Pani Block may disrupt the maintenance, availability, utilization, and accessibility to critical infrastructure. Changes in Government policies or regulations may also limit or hinder operational activities.

The occurrence of any of these events could have a material adverse effect on the MGR Group's business, financial condition, results of operations and prospects.

Any natural disaster could significantly damage the mining infrastructure and general infrastructure of the Pani Block. Furthermore, extensive damage to the Pani Block facilities and serious injury to or death of employees due to natural disasters or other reasons may adversely impact the Pani Block's ability to conduct operations and, consequently, reduce the MGR Group's the MGR Group's financial condition, results of operations and prospects.

We rely on third-party contractors for a number of mining supporting services at the Pani Gold Mine.

A number of mining supporting services at the Pani Gold Mine are performed by third-party contractors, particularly for the provision of fuel, explosives, electricity supply, and maintenance of camp service facilities.

Such arrangements with third-party contractors carry risks associated with the possibility that the contractors may take actions contrary to the instructions or requests of the MGR Group, be unable, or unwilling, to fulfil their obligations, or have economic or other interests or objectives that are inconsistent with the interests of the MGR Group. In addition, changes in economic conditions, regulations, or other external factors may cause contractors to be unable or unwilling to fulfil their obligations. For example, in times of supply shortages, such contractors may not always prioritize the MGR Group's operation, as this depends on their internal policies and decisions.

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If any contractor fails to perform its duties or if the MGR Group fails to maintain a long-term and stable working relationship with them and the MGR Group is unable to find suitable alternative suppliers, this could have a material adverse effect on the MGR Group’s business, financial condition, results of operations and prospects.

Labour disputes, labour activism or increases in labour costs could adversely impact companies in Indonesia, including us, which could ultimately affect our business activities, financial condition, results of operations and prospects.

Our business relies on maintaining stable and constructive relationship with our employees. Employees in Indonesia have the right to form and join trade unions and to organise strikes in accordance with applicable laws and regulations. A work slowdown, stoppages, strike or other labour-related disputes at our mining sites could disrupt operations, reduce production levels and result in adverse publicity, which could have a material adverse effect on our business and operation.

There can be no assurance that such disputes or disruptions will not occur in the future. Legislation that facilitates the formation of trade unions, coupled with weak economic conditions, has resulted in, and will likely continue to result in, labour unrest and activism in Indonesia. In 2000, the government issued Law No. 21 of 2000 on Trade Unions (the “**Trade Union Law**”). The Trade Union Law allows employees to form unions without employer interference. In March 2003, the government enacted the Manpower Law, partially amended by the Job Creation Law (Perpu Cipta Kerja), which, among other things, changed the amount of severance pay, service pay, and compensation paid to employees upon termination of employment. The Manpower Law requires further regulations for its implementation, which regulations may have a substantial effect upon employment relations in Indonesia generally. The Manpower Law requires a bipartite forum with participation from employers and employees and participation of more than 50.0% of a company’s employees to negotiate collective bargaining agreements, and establishes more permissive procedures for staging strikes. Under the Manpower Law, employees who voluntarily resign are also entitled to payments for, among other things, unclaimed annual leave and relocation costs.

Following its enactment, several labour unions urged Indonesia’s Constitutional Court to declare certain provisions of the Manpower Law unconstitutional and order the government to repeal them. The Constitutional Court declared the Manpower Law valid except for certain provisions, including provisions relating to employers’ rights to dismiss employees who commit serious misconduct and criminal sanctions against employees who initiate or participate in illegal labour strikes. Certain provisions of the Manpower Law may negatively impact the MGR Group’s business operations.

The previous Job Creation Law (now repealed and replaced by the Job Creation Law), as further regulated by Government Regulation No. 35 of 2021 on Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest Periods, and Termination of Employment, introduced several amendments to the Labor Law, including allowing employers to terminate employees based on “efficiency” grounds due to losses, whereas the previous Labor Law required company closure as a condition for termination on such grounds. Another amendment to the Labor Law is that there is only one severance pay formula applicable to all types of termination of employment, whereas previously it was regulated at twice the general severance pay for multiple reasons. Furthermore, there is an overall reduction in the amount of severance pay owed under the new severance pay formula. In addition to the new severance pay formula, employees are entitled to a maximum of six months’ salary under the central government’s Employment Loss Guarantee. Several demonstrations have occurred against the Job Creation Law, and labour unrest is likely to continue as implementing regulations are issued.

Labor unrest and activism in Indonesia could disrupt the MGR Group’s business operations and could have a material adverse effect on the financial condition of Indonesian companies in general, which could ultimately depress the value of the Rupiah relative to other currencies, share prices on the IDX and the share prices of Indonesian companies listed on the Hong Kong Stock Exchange, including our HDRs. Any of these events could have a material adverse effect on the MGR Group’s business, cash flows, results of operations, financial condition, or future prospects. In addition, inflationary pressures or changes in applicable laws and regulations could generally result in increased labour costs, which could have a material adverse effect on the MGR Group’s business, cash flows, results of operations, financial condition, and future prospects.

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The Manpower Law stipulates that employers are prohibited from paying wages below the minimum wage determined annually by the provincial or regional/city government. The minimum wage is determined based on economic and labour conditions. However, because there are no specific provisions governing the determination of the minimum wage increase amount, the increase in the minimum wage cannot be predicted. For example, based on regional regulations established in Jakarta, according to each industry, the minimum wage increased from IDR 5.3 million per month in 2025 to IDR 5.7 million per month in 2026. In Gorontalo Province, where the Pani Gold Mine is located, the minimum wage increased from IDR 3.2 million per month in 2025 to IDR 3.4 million per month in 2026. Increases in the minimum wage in Indonesia could have a material adverse effect on the MGR Group's business, cash flows, financial condition, and future prospects.

We rely on the experience and expertise of key management personnel to develop the Pani Block, and any failure to retain such personnel could have a material adverse effect on our business, financial condition, results of operations and prospects.

The MGR Group relies on the vision, expertise, experience and managerial skills of the Board of Directors, the Board of Commissioners and other members of the MGR Group management team, all of whom are critical to the successful development of the Pani Block. However, there can be no assurance that the MGR Group will be able to retain the services of the Board of Directors, the Board of Commissioners or other members of the MGR Group management team. A loss of any key management team member could adversely affect the MGR Group's ability to develop the Pani Block, and may also result in changes in the implementation of the MGR Group's project, strategy and expansion plans. Consequently, if one or more of the key management personnel cease to be involved in the management of the MGR Group for any reason, it could have a material adverse effect on the MGR Group's business, results of operations, financial condition and prospects.

In addition, the success of the Pani Block depends heavily on the skills and collective efforts of a number of senior management and key personnel within the MGR Group, particularly its mining expertise, including its highly skilled team of engineers, geologists, and metallurgists. Experienced engineers, geologists, and metallurgists cannot be quickly replaced, and resignation of highly skilled employees could significantly impact the MGR Group's ability to develop the Pani Block. A key factor in retaining staff and attracting additional highly qualified personnel includes the MGR Group's ability to offer competitive compensation arrangements.

Difficulty in retaining or attracting highly qualified individuals in key management positions as well as highly skilled engineers and geologists could adversely affect the MGR Group's business, financial condition, results of operations and prospects. Failing to hire and retain sufficient numbers of management and other skilled personnel could adversely affect the MGR Group's business, financial condition, results of operations and prospects.

Any increases in operational costs could have a detrimental impact on our mining and processing business activities. We are subject to costs and risks related to mine closure.

Our business has been, and may continue to be, directly affected by volatility in commodity prices and broader inflationary pressures. Inflation in Indonesia could increase our production costs and operating expenses, including raw materials, transportation, wages and power costs. Geopolitical risks and conflicts may further disrupt supply chains and create additional inflationary pressures. The Iran conflict, sanctions, tariffs and other measures have contributed to volatility in commodity prices, including increases in oil, gas, ammonia nitrate, copper, steel and gold prices. Oil prices, in particular, affect a number of our input costs, including fuel and transport costs, while gas prices influence power costs, and other commodity prices may directly impact mining and processing costs. Sustained inflationary pressures may also lead to higher interest rates and the increased cost of borrowing, and could have a material adverse effect on global financial markets and economic conditions. The extent and duration of geopolitical conflicts, sanctions and resulting market disruptions are uncertain and difficult to predict. Any prolonged inflationary impacts or supply chain disruptions could have a material adverse effect on our business, financial condition and results of operations, and may magnify the impact of other risks described in this document.

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The MGR Group's mining and processing activities are primarily affected by changes in operating costs, particularly fuel, cyanide (NaCN) consumption, electricity costs, and freight costs associated with transportation to and from the mines. Future increases in the maintenance costs of mining equipment and other processing equipment could reduce the competitiveness of the MGR Group's operations. To the extent that the MGR Group is unable to fully offset the impact of these increased costs through price adjustments, productivity improvements, cost reduction programs or other measures, the MGR Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

In addition, we are subject to costs and risks related to mine closure. Our existing mining operations have finite lives, and the eventual closure of our operations will entail costs and risks regarding on-going monitoring, rehabilitation and compliance with environmental standards, which may exceed the provisions we have made. We have rehabilitation obligations for areas we have cleared or disturbed for mining and production purposes, and are required to rehabilitate and re-vegetate mined land in accordance with applicable regulations. Key costs and risks for mine closures are: (i) long-term management of permanent engineered structures, such as tailings dams, and acid drainage; (ii) achieving environmental remediation, rehabilitation and closure standards, including the assessment, funding and implementation of post-closure polluted and extraneous water pumping treatment; (iii) orderly retrenchment of employees and third-party contractors; and (iv) relinquishment of the sites with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of mine closure activities is dependent on our ability to successfully implement closure plans approved by the relevant government authorities, and aligned with community and employee expectations. Challenges in achieving closure objectives may result in increased closure costs, delays in site relinquishment, extended environmental monitoring and remediation requirements, and reputational damage, as well as giving rise to potential liabilities, particularly if the closure standards are not met or if a post-closure environmental incident occurs. In such circumstances, our business, financial condition and results of operations could be materially and adversely affected.

We face increasing competition from domestic and foreign competitors.

The MGR Group faces increasing competition from domestic and international gold producers and competition in the mining industry is intense at all stages. Certain domestic and international competitors may have certain advantages over the MGR Group, including greater financial and technical resources, larger gold reserves, greater economies of scale, better name recognition and more established relationships in certain markets. Competition in selling precious metals may intensify depending on factors such as (i) finding mineral-rich properties that are economically viable to develop and produce; (ii) the availability of technical expertise to find, develop and operate such properties; (iii) access to skilled workforce; (iv) the availability of capital to fund exploration, research and development; and (v) the ability of competitors to establish or strengthen competitive advantage. Such competition may impair the MGR Group's ability to secure attractive concession areas, recruit or retain qualified personnel or to obtain sufficient funding for exploration, development and operation activities. If the MGR Group is unable to compete effectively, it may experience reduced sales and profitability, which in turn, could adversely affect the MGR Group's business, financial position, results of operations and prospects.

Investors increasingly prioritize ESG performance when making investment decisions. Failure to meet evolving ESG standards could lead to negative ESG ratings, exclusion from ESG indices, or reduced access to financing.

Institutional investors have increasingly integrated ESG performance into their capital allocation strategies when making investment decisions. Many investors have established strict exclusionary frameworks or mandates that prioritize high-performing ESG companies. Our inability to satisfy these evolving expectations or meet specific ESG benchmarks could result in material adverse effects.

Many asset managers now rely on third-party ESG ratings (such as those from MSCI or Sustainalytics) to determine eligibility for ESG-themed funds or indices. A downgrade in our rating or a perceived failure to manage material ESG risks, such as climate transition or human capital management, could lead to large-scale divestment by these institutional holders.

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In addition, certain financing instruments, including "sustainability-linked" loans and green bonds, incorporate performance targets tied to specified ESG metrics. If we fail to meet the sustainability performance targets associated with these instruments, we may incur financial penalties, including increased interest rates or face limitation accessing certain debt markets.

Furthermore, because there is no single global standard for ESG measurement, we may be subject to diverging requirements across different jurisdictions. Compliance with multiple and evolving ESG frameworks may require significant management attention and additional costs. Any failure on our part to meet certain ESG standards and sustain high ESG ratings could lead to negative investor sentiment, and materially and adversely affect the prices of our Shares and/or HDRs.

Adverse publicity, protests or the inability to maintain good relationships with stakeholders could have a material adverse effect on our business, financial condition, results of operations and prospects.

As an established company, our reputation is sensitive to the public perception of our overall business conduct, which includes our corporate governance, management practice and corporate culture. We cannot guarantee that no one will, intentionally or incidentally, disseminate information about us, our internal management matters and negative information about our management, which may result in negative public perception. There can be no assurance that any measures taken to address, clarify or rectify negative publicity will always be effective in the future. Any negative publicity about our Company, Directors, Commissioners, employees, spokespersons or products, regardless of nature or veracity, could lead to potential loss of customers or investors' confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, financial condition, results of operations, reputation and prospects may be materially and adversely affected.

Globally, there is growing public concern regarding the impact of mining operations on the surrounding environment, communities, and the natural environment. Non-Governmental Organizations ("NGOs"), whether local, national, and international, including those opposed to globalization and resource development, are often vocal critics of the mining industry, including the use of cyanide and hazardous substances.

While the MGR Group strives to operate in a socially and environmentally responsible manner, adverse publicity generated by NGOs, the media, or other third parties, whether directly or indirectly associated with the mining industry, or specifically the operations of the Pani Block, could have a detrimental impact on the reputation and financial condition of the MGR Group and/or on the MGR Group's relationship with the communities in which the Pani Block operates.

Any adverse and unanticipated environmental impacts resulting from the operations of the Pani Block may result in NGOs, communities or other parties taking action against the MGR Group.

Although the MGR Group believes that it has built good relationships with key stakeholders, if the Pani Block operations are disrupted in the future by protests or criticism from local, national, or global NGOs, the public, or other parties, this could have a material adverse effect on the MGR Group's reputation, business, financial condition, results of operations and prospects. Furthermore, technological advances and the development of social media have enabled the widespread and rapid dissemination of information, both accurate and inaccurate, beyond the MGR Group's control. Even inaccurate information or misinformation may influence public perception and pose significant reputational risks.

In the ordinary course of our business activities we may be subject to litigation and administrative investigation matters, and any unfavourable decision or outcome may adversely affect our business and financial performance.

The nature of our business activities may expose us to litigation relating to, among other things, labour, environmental, health and safety, land rights, regulatory, tax and administrative proceedings, government investigations, tort claims and contract disputes, and criminal prosecution. In the context of these and any future proceedings, the MGR Group may not only be required to pay monetary fines or damages, but may also be subject to

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complementary sanctions or injunctions that may adversely affect the MGR Group's ability to continue operating. While the MGR Group may contest these matters vigorously and make insurance claims where appropriate, litigation and other proceedings are inherently costly and unpredictable, making it difficult to accurately estimate the outcome of any actual or potential litigation or proceedings. Although the MGR Group may establish provisions as necessary, such amounts may vary significantly from the amounts actually paid by the MGR Group due to the inherent uncertainties of the estimation and judicial processes. There can be no assurance that administrative and other legal proceedings will not have an adverse impact on the MGR Group's ability to continue operating, its financial condition and results of operations in the event of an unfavourable ruling.

We may be unable to detect and prevent fraud or other misconduct by our employees, representatives, agents, customers or other third parties.

The MGR Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers, or other third parties, which could subject the MGR Group to litigation, financial losses, and sanctions imposed by government authorities, and may affect the MGR Group's reputation. This misconduct may include, but is not limited to:

- hiding unauthorized or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to conduct due diligence necessary to identify potential risks that are material to the MGR Group in deciding whether to make investments or disposal of assets;
- improperly using or disclosing confidential information;
- engaging in improper activities such as accepting or offering bribes;
- misappropriating funds;
- conducting transactions that exceed authorized limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activity;
- engaging in unauthorized or excessive transactions to the detriment of the MGR Group's customers; or
- failing to comply with applicable laws or the MGR Group's internal policies and procedures.

The MGR Group's internal control procedures are designed to monitor the MGR Group's operations and ensure overall compliance. However, such internal control procedures, if any, may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner, if at all. In addition, these procedures may not always detect and prevent fraud and other misconduct, and the precautions taken by MGR Group to prevent and detect such activities may not be effective. However, the MGR Group cannot provide assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result, and may adversely affect the MGR Group's reputation, business, financial condition, results of operations and prospects.

Our risk management and internal control systems may be inadequate or ineffective.

The MGR Group has established risk management and internal control systems, consisting of relevant policies, an organizational framework, procedures and management methodologies.

The MGR Group believes such systems are appropriate and adequate for the operation of the MGR Group's business. However, risk management and internal control systems are subject to inherent limitations of the design, implementation and operation. There can be no assurance that the MGR Group's risk management and internal control systems will be sufficiently effective in identifying and preventing all risks to which it is exposed. Furthermore, as the MGR Group's risk management and internal control systems are implemented and operated by personnel, they are susceptible to human error, misjudgement or misconduct. If the MGR Group fails to adapt and implement its risk management policies

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and procedures in a timely manner, the MGR Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

A significant portion of the PETS Operation Production Mining Business License and GSM Contract of Work areas within the Pani Block remain unexplored, and there can be no assurance that further exploration programs will result in additional Mineral Resources.

A majority of the PETS Operation Production Mining Business License and GSM Contract of Work areas within the Pani Block remain unexplored and undeveloped. There can be no assurance that these concession areas will be successfully developed or will yield economical viable deposits, or at all.

Furthermore, there can be no assurance that the mineral deposits in the PETS Operation Production Mining Business License and GSM Contract of Work areas within the Pani Block can be commercially mined. Exploration and development activities for mineral deposits involve a high degree of financial risk over a significant period of time, which a combination of careful evaluation, management experience, and knowledge may not eliminate. Although the discovery of additional ore-bearing deposits may result in substantial rewards, only a limited number of explored areas are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular location. There can be no assurance that the MGR Group's current exploration programs will result in profitable commercial mining operations. The profitability of the MGR Group's operations will, in part, be related to the costs and success of its exploration and development programs, which may be affected by several factors. Additional expenditures are required to establish reserves sufficient to commercially mine and to construct, complete, and install mining and processing facilities within the areas that are mined and developed.

Furthermore, once mineral deposits are discovered, it can take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial time and expenditure are required to:

- establish Mineral Resources through drilling;
- determine appropriate mining and metallurgical processes to optimize recovery of metal content in ore;
- obtain environmental and other licenses;
- construct mining, processing facilities and infrastructure required for the greenfield project; and
- obtain the ore or extract the minerals from the ore.

If a project proves not to be economically feasible by the time we are able to exploit it, the MGR Group may incur substantial write-offs. Furthermore, potential changes or complications related to metallurgical and other technological processes arising during the life of a project may result in cost overruns, which may render the project not economically feasible.

Exploration project items, such as any future estimates of reserves, metal recoveries, or cash operating costs will, also, to a large extent, be based on the interpretation of geologic data obtained from numerous drill holes and other sampling techniques, as well as future feasibility studies. Actual operating costs and economic returns of all exploration projects may differ materially from the estimated costs and returns, and accordingly our financial condition, results of operations and cash flows may be negatively affected.

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The mining industry is capital-intensive, and we will require additional capital to meet our future capital needs, which may adversely affect our financial position and result in additional dilution to HDR Holders and Shareholders. We may be unable to obtain adequate financing, on terms acceptable to us or at all, to fund the development and business expansion plans of the Pani Block.

The mining industry is capital-intensive, and the MGR Group requires significant capital expenditures to maintain the mining process, processing facilities, and other facilities and equipment at the Pani Block. Substantial capital is also necessary to expand or develop existing facilities and Ore Reserves, as well as to explore for additional Mineral Resources in the Pani Block.

The MGR Group has relied on a mixture of equity capital and debt financing to fund the exploration and development activities of the Pani Block in the past. Going forward, the MGR Group expects to use a combination of cash generated from the operations of the Pani Gold Mine and bank loan facilities to meet its business growth objectives, including the further development of the exploration, mining, and processing operations of the Pani Block. However, there can be no assurance that funding from these sources will be available on a timely basis or in amounts sufficient to fully implement the MGR Group's expansion plans, particularly in the current uncertain global financial environment. Macroeconomic uncertainty, changes in financial institution regulations, constrained liquidity in capital markets, limited financing alternatives, or disruptions at certain financial institutions may adversely affect the MGR Group's access to external financing. If the MGR Group obtains equity funding, it may be on terms that are highly dilutive or otherwise adverse to the Company's HDR Holders and Shareholders.

Therefore, although the MGR Group currently has access to several sources of funding, the failure to obtain additional funding or to do so on commercially acceptable terms when needed could have a material adverse effect on the MGR Group's business, financial condition, results of operations and prospects.

Our substantial level of indebtedness could impair our ability to raise additional capital to develop the Pani Block, fund our operations and prevent us from meeting our obligations under our indebtedness, which could adversely affect our financial condition.

As of 31 January 2026, the MGR Group's outstanding bank loans in United States Dollars were US\$300.5 million. As the Pani Gold Mine progresses, the MGR Group plans to obtain additional borrowings from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes of the Pani Block.

If the MGR Group incurs additional debt, the risks associated with high level of leverage may increase. In particular, the MGR Group's high level of indebtedness could:

- make it difficult for the MGR Group to fulfil its debt service obligations;
- require a substantial portion of the MGR Group's cash flows to be applied toward principal and interest payments, thereby reducing funds available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- limit the MGR Group's ability to obtain additional financing on acceptable terms, or at all;
- increase the MGR Group's vulnerability to adverse economic, industry or market conditions in general;
- expose the MGR Group to increased interest rate risk, particularly in respect of borrowings with floating interest rates;
- reduce the flexibility of the MGR Group in planning and responding to changes in the industries in which the MGR Group operates;
- place the MGR Group at a competitive disadvantage relative to less leveraged competitors; and
- increase the MGR Group's overall borrowing costs.

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Any of the foregoing factors could have a material adverse effect on the business, financial condition and results of operations of the MGR Group and the ability of the MGR Group to meet its payment obligations under its indebtedness, and prices of the Company's Shares and/or HDRs.

Furthermore, the Company may be required to grant security of its shares in certain subsidiaries, plant, equipment and buildings based on existing or future facilities. Such security arrangements and the restrictive covenants contained in debt agreements may limit the operational and financial flexibility of the MGR Group. A breach of these covenants or restrictions could result in events of defaults, which may materially and adversely affect the business, financial condition and results of operations of the MGR Group.

We are subject to fluctuations in interest rates.

Interest rate fluctuations are beyond the control of the MGR Group. The MGR Group may not be able to hedge its interest rate exposures on commercially reasonable terms, or at all. Increases in prevailing interest rates could significantly result in higher financing costs, particularly in respect of borrowings with floating interest rates, and may increase the cost of future debt financing. Any sustained rise in interest rates could materially and adversely affect the MGR Group's business, financial condition, results of operations and prospects.

Our gold resources may not ultimately be extracted at a profit.

Despite identifying substantial gold resources, the economic feasibility of extracting our gold resources is uncertain due to several factors. Fluctuating gold prices can impact revenue projections, while high extraction costs and technical challenges in mining operations may hinder profitability.

Additionally, unforeseen environmental or regulatory changes could increase operational expenses or restrict access to resources, further complicating extraction efforts. The complexity of developing appropriate metallurgical processes and constructing economically viable mining facilities adds to the uncertainty. If the costs associated with extraction exceed the market value of the gold, or if operational challenges prevent efficient mining, we may incur financial losses, which could adversely affect our business, financial condition, results of operations and prospects.

Certain facts, forecasts and other statistics in this Document obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecasts and other statistics in this Document are derived from various government, official sources and public information. However, our Directors and Commissioners cannot guarantee the reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and presenting such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from government and official sources has not been independently verified by us, the Joint Sponsors, or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

We may fail to maintain our projected financial performance, particularly with respect to our AISC.

In the mining industry, operations such as enhanced exploration and the initiation of mining activities, along with fluctuations in labour and raw material costs, and the growing stringency of environmental regulations, may increase our costs, including both capital cost and operating costs. For details, please see the Competent Person's Report in Appendix III to this Document. There can be no assurance that we will be able to sustain our projected AISC. Our AISC performance is not indicative of future results, and the inherent risks associated with cost management in our industry could materially affect our financial outlook. Factors beyond our control, such as fluctuations in commodity prices, changes in production costs, and unforeseen operational disruptions, may lead to an increase in our cost structure. Any such increase could adversely affect our financial results and market position, potentially diminishing our comparative advantage in the industry.

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We may not be able to maintain adequate, uninterrupted, timely and specification-compliant supplies of utilities, materials, equipment and service at commercially acceptable prices, or at all.

Electricity and water are the main utilities used in our operations. Electricity is used for most of our business and safety-critical operations, including cooling, hoisting and dewatering. We obtain electricity from various sources, including, without limitation, local state grid, licensed state-owned electricity enterprises, local gas-fired power plants and local state electricity power grid. Any power outage, disruption or shortage in power supply available to our operations could therefore have a material adverse impact on our production and employee safety. There may be incidents of power cuts at the Pani Block. There can be no assurance that our production will not be reduced as a result of the power outages. As an open pit mine, the Pani Gold Mine relies on electricity for key operations, including water pumping and ventilation. Any interruption of electricity supply will materially and adversely affect our production and safety by disrupting operations, including water pumping and ventilation. In addition, we may be subject to penalties if our consumption of electricity exceeds the permissible maximum demand pursuant to electricity supply agreements. Our water supplies are sourced from underground water sources and local water companies. As of the Latest Practicable Date, the water permit for the Pani Block was valid. There can be no assurance that we will be granted extension to our water permits should they expire, and if not, we will not be able to continue to access the relevant water resources. There can be no assurance that there will be no interruption in electricity or water. In addition, shortage of critical parts and equipment may adversely affect our operations and development projects. In the event that our existing suppliers cease to supply us with electricity, water, materials or equipment at commercially acceptable prices or at all, our operations will be interrupted, and our business, financial condition, results of operations and prospects will be materially and adversely affected.

We regularly monitor the fluctuations in market prices for the materials used in our operations. However, there can be no assurance that such supplies will not be interrupted or that their prices will not increase in the future. Additionally, if the materials, equipment and services provided by our suppliers do not meet our requirements or specifications, it may lead to production disruptions, safety incidents, legal disputes and financial losses. Any of the foregoing could impact existing profit margins and have a material adverse effect on our business, financial condition, results of operations and prospects.

The physical impacts of climate change and relevant regulations may adversely affect our mining operations, workforce and supply chain.

Our operations, workforce and supply chain may be exposed to a number of physical risks posed by climate change, such as changes in rainfall rates or patterns, rising sea levels, reduced water availability, higher temperatures and more frequent extreme weather events. Such impacts are highly uncertain and would vary by operation based on particular geographic circumstances. As a result, we may face increased operational costs associated with, for example, power and supply chain disruption, delays and increased pricing. In addition, the potential for overall decreases in precipitation could affect the availability of water needed for our operations, leading to increased operating costs, or in extreme cases, disruptions to mining operations. Such events or conditions, including, for example, flooding or inadequate water supplies, could disrupt mining and transport operations, mineral processing and rehabilitation efforts, create resource or energy shortages or damage our property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on our workforce and on the communities around our mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease, all of which could have a material adverse effect on our results of operations and financial condition. Each of these potential physical impacts of climate change could disrupt our operations and have a materially adverse effect on our business, financial condition, results of operations and prospects.

Our operations may also be affected by climate change regulations. Greenhouse gases are emitted by our operations as a result of fuel and energy consumption. While our operations are not presently subject to specific regulatory measures to address or limit greenhouse gas emissions, Indonesia may be bound by international or local climate change treaties. As regulatory requirements in respect of climate change evolve, compliance may require additional costs and involve other unexpected effects, which could have a material adverse effect on our business, financial condition, results of operations and prospects. As producing gold is an energy-intensive business, transitioning to a lower-carbon economy will require significant investment and may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

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As we just began commercial production, our revenue is dependent on a limited number of domestic customers in Indonesia, and any failure to diversify our domestic customer base could adversely affect our business, profit, financial condition, results of operations and prospects.

We began producing gold in February 2026, completed our first sale of gold in March 2026, and had only one gold customer as of the Latest Practicable Date. In February 2026, we agreed to sell refined gold granules domestically to PT Aneka Tambang (Persero) Tbk (“ANTAM”) in a total transaction volume of up to 3 metric tonnes (up to 100,000 ounces) over a two year period. Sales under this agreement will represent a substantial proportion of our revenue. Going forward we expect to derive, and believe that we will continue to derive, a significant portion of our revenue from a limited number of domestic customers.

Although we will seek to build commercial relationships with new domestic customers, given the limited number of domestic gold buyers in Indonesia currently, there can be no assurance that we will be able to diversify our domestic customer base, or find new domestic customers to buy our gold products if our current customers do not renew their agreements. If we fail to identify enough domestic customers to buy the volumes of gold products we produce, we may need to resort to selling our gold products internationally, and such international sales would be subject to export duties. For details, see “Financial Information — Significant Factors Affecting our Financial Condition and Results of Operations — Changes in government policies and laws — Export duties and regulation”. The more gold products we sell internationally, incurring export duties, the more our business, profit, financial condition, results of operations and prospects will be adversely affected.

We may be unable to meet our estimated gold production volume.

Our production estimates are based on, among other things, Ore Reserves estimates, gold recovery rate, and the assumptions regarding ground conditions and physical characteristics of Ore Reserves, our mining schedule, utilization of production facilities, costs of production, conditions of the industry, political stability and the general economy. There are uncertainties in our ability to develop sufficient mining flexibility to achieve our mining schedule. Our Ore Reserves estimates are based on assumed gold price of US\$2,300 per ounce as at 31 December 2025 for the Pani Gold Mine, and as a result, our reserve estimates, production schedule, operation and actual production may be adversely affected if the actual gold price falls significantly below these gold price assumptions. According to the Competent Person Report, in a hypothetical situation, assuming the current project design, the life of mine schedule and all operational factors remain constant, if the gold price decreases by a certain percentage, our projected operations may be considered uneconomic. As a result, our production volume might be affected accordingly. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed elsewhere in this Document, including but not limited to:

- actual gold ore mined varying from estimates in grade, tonnage, and metallurgical and other characteristics;
- encountering unusual or unexpected geological conditions;
- mining dilution;
- actual gold recovery rate in formal production lower than estimates during the testing;
- restrictions imposed by government authorities;
- industrial accidents;
- equipment failures;
- natural phenomena such as weather conditions, floods, rockslides and earthquakes;
- changes in the costs of utilities;
- decreases in gold price which may cause Mineral Reserves that are currently economic to become uneconomic;
- labour unrest, strikes, labour turnover;

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- interference from local communities and competitors;
- socio-economic impact; and
- shortages of supplies needed for operation.

Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to our property or the property of others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable. New mining operations frequently experience unexpected issues during the initial development phase. Delays can often occur in the commencement of production. Estimates of production from properties not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, the CPR or other feasibility studies prepared by our personnel and/or outside consultants), but it is possible that actual facilities utilization, gold recovery rate, cash operating costs and economic returns will differ significantly from those currently estimated. There can be no assurance that we will achieve our production estimates. Our inability to achieve our production estimates could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks relating to the transport of our inventory.

We have a transportation fleet that is responsible for transporting gold concentrates and doré, and transporting gold products. We also engage third-party logistics service providers to deliver products to certain customers. Our work-in-progress and finished products are valuable items, and we are subject to risk of delay, damage or loss of such items, which may occur for reasons beyond our control, including labour disputes or strikes, acts of war or terrorism and natural disasters. There can be no assurance that such incidents, including safety accidents or losses during transit, will not occur. In addition, we have limited control over third-party logistics service providers. Any delay, damage or loss of our work-in-progress or finished products during transportation may have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on information technology and communications systems, the failure of which may significantly and adversely impact our operations and business.

We rely on our information technology and communications systems, such as our transportation monitoring system, toxic gas monitoring system, personnel locating system, and financial reporting system. These systems are vital to the safe, efficient and continuous operations of the Pani Block. Our information technology and communications systems could be exposed to, among other things, damage or interruption from telecommunications failure, unauthorized entry and malicious computer code, fire, natural disaster, power loss, industrial action, hardware and software failures and human error. While we maintain backup systems in place, the occurrence of any of the above may also disrupt our information technology and communications systems and may lead to important data (including geophysical and geological data) being irretrievably lost or damaged. Such damage or interruption may adversely affect our business, financial condition, results of operations and prospects.

We are exposed to credit risk in relation to defaults from counterparties.

During the Track Record Period, we had trade and other receivables primarily relating to our loan to related parties and, to a lesser extent, prepaid taxes. As of 31 December 2023, 2024 and 2025, our trade and other receivables amounted to US\$60.2 million, US\$19.7 million and US\$36.5 million, respectively. There can be no assurance that our counterparties will remain creditworthy or will not default on their obligations to us in the future, notwithstanding our credit assessment procedures. In addition, there is limited financial or publicly available information on many of our counterparties, which may constrain our ability to assess their creditworthiness. If any of our counterparties fail to fulfil their contractual obligations to us, we may incur losses, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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We are a holding company and rely on dividend payments from our subsidiaries.

The Company is a holding company incorporated in Indonesia and operates its core business through its subsidiaries. Therefore, the Company’s availability of funds to pay dividends to Shareholders and repay its indebtedness depends on dividends received from its subsidiaries. If the Company’s subsidiaries incur debt or losses, their ability to pay dividends or other payments to the Company may be impaired. Consequently, the Company’s ability to pay dividends and repay its indebtedness will be restricted. Furthermore, Indonesian laws require that a company may declare dividends in any year only if it has set aside a portion of its profits for statutory reserve funds and has a positive retained earnings balance, which may differ in many aspects from generally accepted accounting principles in other jurisdictions.

In addition, restrictive covenants in bank credit facilities or other agreements that the Company or its subsidiaries may enter into in the future may also restrict its subsidiaries’ ability to provide capital or declare dividends to the Company and its ability to receive such payments. The Company may also enter into similar financing agreements in the future that may further limit the Company’s ability to pay dividends, and the Company may incur costs or liabilities that would reduce or eliminate the cash available for dividend distribution. Therefore, these restrictions on the availability and usage of the Company’s principal source of funding may impact the Company’s ability to pay dividends to its Shareholders and service its indebtedness.

RISKS RELATED TO DOING BUSINESS IN INDONESIA

Fluctuations in the value of the Rupiah could have a material adverse impact on our business activities, financial condition, results of operations and prospects.

The Rupiah has experienced and will continue to experience significant volatility. The Rupiah exchange rate against the U.S. dollar (based on Bank Indonesia’s middle rate) was Rp15,416 = US\$1.00 as of 31 December 2023, Rp16,162 = US\$1.00 as of 31 December 2024, and Rp16,782 = US\$1.00 as of 31 December 2025.

While the Company’s reporting currency is currently U.S. dollars, the Group has subsidiaries using U.S. dollar and Rupiah as their functional currencies. Accordingly the MGR Group has exchange rate risk exposures arising mainly from changes in U.S. dollar exchange rates that result in changes in the value of liabilities denominated in foreign currency, and partly from purchases and transactions by the Group’s subsidiaries in currencies other than their functional currencies. The MGR Group’s current policy is not to hedge foreign exchange risk. A prolonged or significant appreciation in the value of the Rupiah could have a material adverse effect on the MGR Group’s business, financial condition, results of operations and prospects.

The Rupiah is generally freely convertible and transferable (except for banks in Indonesia which cannot transfer Rupiah to persons outside Indonesia and cannot conduct certain transactions other than with residents). However, from time to time, Bank Indonesia intervenes in the foreign exchange market in furtherance of its policies, either by selling Rupiah or using its foreign exchange reserves to purchase Rupiah. The MGR Group cannot guarantee that the Rupiah will not experience continued depreciation and volatility, that Bank Indonesia’s current floating exchange rate policy will not be changed, that additional depreciation of the Rupiah against other currencies, including the U.S. dollar, will not occur, or that the Government of Indonesia will take additional actions to stabilize, maintain, or increase the value of the Rupiah, or that any of these actions, if taken, will be successful.

Modifications to the current floating exchange rate policy could result in significantly higher domestic interest rates, reduced liquidity, capital or foreign exchange controls, or the withholding of additional financial assistance by multinational lenders. This could result in reduced economic activity, economic recession, loan defaults, or decreased interest from the MGR Group’s customers. As a result, the MGR Group may also face difficulties in funding capital expenditures and implementing the MGR Group’s strategy. The occurrence of any of the foregoing could have a material adverse effect on the MGR Group’s business, financial condition, results of operations, and prospects.

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Indonesia is located in an earthquake zone and is at significant risk of geological and other natural disasters that can cause property damage, loss of life, social unrest and economic losses.

The Indonesian archipelago is one of the most volcanically active regions in the world. Because Indonesia is located at the confluence of three major lithospheric plates, it is prone to significant seismic activity that can cause volcanic eruptions, earthquakes, tsunamis, and tidal waves. Historically, Indonesia has experienced a number of natural disasters, including heavy rains, floods, and major earthquakes throughout Indonesia that have triggered tsunamis and volcanic activity. These disasters have resulted in loss of life, the displacement of large numbers of people, and widespread property damage. The occurrence of any of the foregoing could have a material adverse effect on the MGR Group's business, financial condition, results of operations, and prospects.

Changes in the regional or global economy could have a material adverse impact on the Indonesian economy and the MGR Group's business activities.

The MGR Group's business activities are subject to fluctuations in global markets and general economic conditions in Indonesia, Asia, and the global economy. Any global or regional financial instability could adversely affect the Indonesian economy, which could have a material adverse effect on the MGR Group's business, financial condition, results of operations, and prospects.

The Indonesian stock market crashed in early 2020 due to the COVID-19 pandemic, and the global financial market's reaction to it also affected the performance of Indonesia's financial markets. Adverse financial developments were characterized by, among other things, a lack of credit availability, a decline in foreign direct investment, the failure of global financial institutions, a decline in global stock markets, a slowdown in global economic growth, and a decline in demand for certain commodities. Furthermore, despite growth in the global economy, the decline in China's economy and the decline in global commodity prices have created additional economic uncertainty worldwide. These negative economic developments have had a detrimental impact on both developed and developing countries, including Indonesia and other Association of Southeast Asian Nations ("ASEAN") countries.

Indonesia and other ASEAN countries, along with emerging market countries globally, have been negatively impacted by unprecedented financial and economic conditions in developed economies. Although the government has taken various steps to improve these conditions, with the aim of maintaining economic stability and public confidence in the Indonesian economy, the continuation of these unprecedented conditions could have a detrimental impact on economic growth, the government's fiscal position, the Rupiah exchange rate, and other aspects of the Indonesian economy.

There can be no assurance that the Indonesian economy will continue to improve. In particular, any changes in the regional or global economic climate that result in a loss of investor confidence in the financial systems of emerging markets and other markets, or other factors, could lead to increased volatility in Indonesia's financial markets, hinder or reverse Indonesian economic growth, or lead to a prolonged economic crisis or recession in Indonesia. Any increased volatility, slower or negative growth in the global economy, including the Indonesian economy, could have a material adverse effect on the MGR Group's business, financial condition, results of operations and prospects.

Changes in tax policy could have an adverse effect on our business, financial condition, results of operations and prospects.

Indonesia is a large and diverse nation, encompassing many ethnicities, languages, traditions, and customs. Before 1999, the government controlled almost all aspects of national and regional governance. The period following the end of former President Suharto's administration was marked by widespread demands for greater regional autonomy. In response to these demands, in 1999, the House of Representatives (DPR) passed Law No. 22 of 1999 on Regional Government ("Law No. 22/1999") and Law No. 25 of 1999 on Fiscal Balance between the Central Government and Regional Governments ("Law No. 25/1999"). Law No. 22/1999 has been repealed and replaced several times, most recently by Law No. 23 of 2014 on Regional Government, first amended by Government Regulation in Lieu of Law No. 2 of 2014, then by Law No. 2 of 2015, and Law No. 9 of 2015 and most recently amended by the Job Creation Government Regulation in Lieu of Law (Perpu). Law No. 23/2014 has also been partially revoked by Government Regulation in Lieu of Law No. 1 of 2020 and Law No. 1 of 2022 on Financial Relations between the Central Government and Regional Governments ("No. 1/2022").

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Meanwhile, Law No. 25/1999 has been revoked and replaced with Law No. 1/2022. Under this regional autonomy law, regional autonomy is expected to grant regions greater authority and responsibility over the use of "national assets" and to create a balanced and equitable financial relationship between the central and regional governments.

Regional autonomy laws and regulations have changed the regulatory environment for businesses in Indonesia by decentralizing certain regulatory, taxation and other powers from the central government to regional governments, and this has the potential to create uncertainty.

This uncertainty arises, among other things, from the lack of implementing regulations for regional autonomy areas and the shortage of government personnel with relevant sector experience at some levels of local government. Furthermore, there is limited precedent or other guidance on the interpretation and implementation of regional autonomy laws and regulations. Under regional autonomy laws, local governments are authorized to adopt their own regulations, which may differ from restrictions, taxes, and levies imposed by other local governments or is in addition to restrictions, taxes and levies set by the central government.

The MGR Group's business activities and operations are located in Indonesia and may be negatively affected by conflicting or additional restrictions, taxes and levies that may be imposed by applicable local governments.

Terrorist attacks, terrorist activities and certain destabilizing events have caused substantial and ongoing economic and social volatility in Indonesia, which could have a material adverse effect on the MGR Group's business activities.

Historically, there have been several bombings in Indonesia, targeting government and foreign government buildings, as well as public and commercial buildings.

In May 2005, a bombing in Central Sulawesi killed at least 21 people and injured at least 60. In October 2005, a bombing in Bali killed at least 23 people and injured at least 101 others. In July 2009, two separate bombings occurred in Jakarta, killing at least nine people and injuring 50 others. In January 2016, two suicide bombers and two gunmen exchanged fire with police before bombing a police post and a cafe in Central Jakarta, killing at least four people and injuring more than 20. Officials from the Indonesian, Australian, and United States governments have indicated that these bombings may be linked to international terrorist organizations. In May 2017, two suicide bombers attacked a bus terminal in Jakarta, killing three people and injuring ten others. In May 2018, terrorist bombings at three churches in Surabaya resulted in the deaths of more than 10 people and injuring more than 40. In March 2021, a suicide bomber attacked a church in Makassar, South Sulawesi. The bomber attacked the church on Palm Sunday. In response to the terrorist attack, the Indonesian government has instituted certain security improvements and implemented certain legal reforms in an effort to implement better counter-terrorism measures, and several suspected key terrorist figures have been arrested and prosecuted. There can be no assurance that further terrorist acts will not occur in the future.

These terrorist acts could cause destabilization, which could have an adverse impact on investor confidence in Indonesia and the Indonesian economy, and potentially on the MGR Group's business activities. Any terrorist attack, including an attack that causes damage to the MGR Group's infrastructure or to the MGR Group's suppliers and customers, could have a material and adverse impact on the international financial markets and the Indonesian economy. There can be no assurance that the MGR Group's properties will not be the target of terrorist attacks, acts of violence, and political developments, all of which could have a material and adverse impact on the MGR Group's business, financial condition, results of operations, and prospects.

Any downgrade of Indonesia's credit rating or that of Indonesian companies could have a detrimental impact on us.

In 1997, several internationally recognized statistical rating organizations, including Moody's, Standard & Poor's, and Fitch Ratings ("Fitch"), downgraded Indonesia's sovereign rating and the credit ratings of various Indonesian Government credit instruments and the credit ratings of a large number of banks and other companies in Indonesia. In early 2026, MSCI threatened to downgrade Indonesia from an emerging market to a frontier market due to concerns over opaque shareholding structures, low liquidity, and potential market

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manipulation; this threat triggered a significant stock market drop. As of the date of this Document, Indonesia’s long-term sovereign debt in foreign currencies is rated (i) “Baa2” with a negative outlook by Moody’s; (ii) “BBB” with a stable outlook by Standard & Poor’s; and (iii) “BBB” with a negative outlook by Fitch. These ratings reflect an assessment of the government’s overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they fall due.

There can be no assurance that Moody’s, Standard & Poor’s, Fitch, or any other statistical rating organization will not downgrade, or further downgrade, the credit ratings of Indonesia or Indonesian companies. In particular, the credit ratings of Indonesia or Indonesian companies, including the MGR Group, could be further downgraded. Any future downgrade or default could adversely affect liquidity in Indonesia’s financial markets and affect the ability of the Government of Indonesia and Indonesian companies, including the MGR Group, to obtain additional financing, the interest rates and other commercial terms on which such additional financing is currently available, and could have a material adverse effect on the MGR Group’s business, financial condition, cash flows, results of operations and prospects.

Regulations in Indonesia may impact the ability of non-bank companies like ours to obtain financing.

Bank Indonesia issued Regulation No. 16/21/PBI/2014 dated 29 December 2014 on the Implementation of Prudential Principles in the Management of Foreign Loans for Non-Bank Corporations (as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 dated 21 April 2016) and Circular Letter No. 16/24/DKEM dated 30 December 2014 on Prudential Principles in the Management of Foreign Loans for Non-Bank Corporations (as last amended by Circular Letter No. 18/6/DKEM dated 22 April 2016) (“**Prudential Principles Regulations**”), which require companies in Indonesia that plan to obtain foreign loans to (i) at least hedge (either in the form of forwards, swaps and/or options) their foreign debt; (ii) maintain a minimum liquidity ratio; and (iii) have a minimum credit rating of “BB-” at both the corporate and foreign debt levels provided by a rating agency recognized by Bank Indonesia. The hedge ratio and liquidity ratio are calculated based on certain methods stipulated in the Prudential Principles Regulations. These Prudential Principles Regulations are effective from 1 January 2015. The minimum credit rating requirements apply to foreign loans executed on or after 1 January 2016. Failure to comply with the Prudential Principles Regulations will be subject to administrative sanctions in the form of a warning letter from Bank Indonesia to the debtor, with a copy to the lender, the relevant ministry, the OJK and the IDX (in the case of a public company). If the Company is unable to fulfil the requirements under the Prudential Principles Regulations, there can be no assurance that the Company will be able to obtain funding in the future and adequate short-term and long-term foreign financing which could have a material adverse effect on the MGR Group’s business, financial condition, results of operations and prospects.

Uncertainties with respect to the Indonesia legal system could affect our Group.

Our business and operations are governed by Indonesian laws and regulations. The Indonesian legal system, which is based on civil law, may involve certain uncertainties that could materially and adversely affect our business, financial condition, results of operations and prospects. The Indonesian regulatory landscape continues to evolve, and variations may occur between national and regional regulations. Unlike common law jurisdictions, the Indonesian judiciary is not strictly bound by previous court decisions, which may result in variations in the interpretation and enforcement of laws, regulations, and contractual provisions. Administrative practices may also differ across different jurisdictions. While we aim to manage these risks effectively, such legal dynamics may from time to time result in additional costs or operational challenges.

RISKS RELATED TO THE [REDACTED]

The risk associated with complying with two distinct regulatory regimes, including differing disclosure requirements, corporate governance standards, and shareholder rights regulations. Specifically, the divergence between IDX and Hong Kong Stock Exchange requirements could result in non-compliance penalties, [REDACTED] risks, or increased administrative costs.

Failure to comply with disclosure, internal control, and financial reporting requirements, and other risk management requirements associated with public companies may result in regulatory sanctions, operational disruptions, and ability to comply with periodic reporting obligations.

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Following the completion of the [REDACTED], the Company will be subject to the Listing Rules of the Hong Kong Stock Exchange, on which the HDRs will be [REDACTED], in addition the reporting requirements of the IDX, the stock exchange on which the Shares are [REDACTED], and the OJK. The rules and regulations of the IDX and OJK require, among other things, the maintenance of relevant procedures, disclosure controls, and internal controls over the periodic reporting of financial and other material information to the OJK, the IDX, and investors. Following the [REDACTED], the Company will be required to comply with additional [REDACTED] requirements and implement new compliance practices, and the divergence between IDX and the Listing Rules could result in the incurrence of substantial additional professional fees and internal administrative costs to expand its legal, compliance, accounting and finance functions.

The Company may face additional challenges related to the implementation of effective disclosure and internal controls. If the Company fails to comply with these regulatory requirements, or fails to maintain appropriate and effective internal controls, this may result in additional costs, loss of business, and failure to meet reporting obligations. Ineffective disclosure could cause Shareholders and potential investors in our HDRs to lose confidence in the Company's financial information, which could negatively impact the trading price of the Company's Shares and/or HDRs.

Market and economic conditions can affect demand, prices for and liquidity of our Shares and/or HDRs, which can fluctuate widely.

Movements in domestic and international stock markets, economic conditions, foreign exchange rates, and interest rates may affect the market price and demand for the Company's Shares and/or HDRs. The Company's Shares and dividends, if any, will be quoted and announced in Rupiah, while the HDRs will be quoted in Hong Kong dollars. Fluctuations in the Rupiah/Hong Kong dollar exchange rate against other currencies will affect, among other things, the value of gains to be received by HDR Holders from the [REDACTED] denominated in foreign currency and the value of dividends distributed in foreign currency. In addition, foreign exchange regulations may be enacted that prevent or restrict the conversion of Rupiah into other foreign currencies. Dividends may also be subject to income tax.

Prices of the Company's Shares and/or HDRs may fluctuate widely, depending on several factors, including:

- the difference between the realization of the Company's financial performance and operating results and the expectations of the shareholders, buyers and analysts;
- addition or departure of key personnel;
- involvement in legal cases;
- announcements by the Company regarding strategic alliances or joint ventures;
- acquisitions made by the Company or the Company's competitors;
- announcements made by the Company or the Company's competitors;
- changes in analyst recommendations or perceptions regarding the Company or Indonesia;
- changes in economic, political or market conditions in Indonesia in general;
- changes in the share prices of foreign companies (particularly Asian companies) as well as companies in developing and emerging markets;
- market capitalization does not reflect an indication of the valuation of the Company's business activities;
- government regulations including regulations that impose restrictions on trading in certain stocks, price movement restrictions and margin requirements;
- problems previously faced by the IDX continue or recur, including exchange closures, broker violations, strikes and settlement delays;
- the level of market depth and liquidity for a stock, including the liquidity of the stock compared to other stocks in the market at the time of the [REDACTED];

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- “short squeeze” trading activity, whether actual or suspected;
- fluctuations in stock market prices; and
- sales of Shares by the Company’s Controlling Shareholder.

The interests of our Controlling Shareholder and substantial shareholders may differ from the interests of our minority Shareholders and HDR Holders.

MCG is the Company’s Controlling Shareholder. Consequently, MCG indirectly has, and will continue to have, the power to influence the Company’s policies and business activities. MCG may have business interests outside the Company’s operations and may take actions, whether or not involving the Company, that favour or benefit MCG or other companies over the Company, which could have a material adverse effect on the Company’s business, financial condition, results of operations and prospects. From time to time, the Company has entered into, and expects to continue to enter into, transactions with companies controlled by MCG or its affiliates.

Our HDR price may be affected if additional Shares are issued by us or if there are substantial future sales or perceived potential sales of our Shares in the public market.

Sales of a substantial number of the Company’s Shares in the public market, or the perception that such sales may occur in the future, could adversely affect the market price of the Company’s Shares or the Company’s ability to raise capital through a [REDACTED] of equity or equity-backed securities. Sales of large blocks of the Company’s Shares by the Company’s Shareholders in the future, sales of new Shares by the Company in the future, or the perception that such sales may occur in the future, could cause the Company’s share price to decline and make it more difficult for the Company to raise capital. In addition, the sale or issuance of substantial numbers of Shares by the Company, or the market perception that such issuance or sale may occur, could materially and adversely affect the prevailing market price of the HDRs.

We may not declare and pay dividends in the future.

As of the date of this Document, we have never declared nor paid any cash dividends on our Shares. The Company’s ability to declare dividends on its Shares will depend on the Company’s future financial performance, retained earnings, financial condition, cash flows and working capital requirements, as well as capital expenditures, contractual commitments and costs incurred in connection with the Company’s future business activities. In addition, the Company may enter into financing arrangements in the future, which may limit its ability to pay dividends, and the Company may incur costs or obligations that would reduce or eliminate cash available for dividend distribution. Any of these factors could affect the Company’s ability to pay dividends to its shareholders. There can be no assurance that the Company will be able to pay dividends or that the Directors and Commissioners will recommend, or that the Company’s Shareholders will approve, the distribution of such dividends.

The rights of HDR Holders may be limited and subject to restrictions.

The Company’s affairs and interests are governed by the Company’s Articles of Association, laws governing companies incorporated in Indonesia, Indonesian capital market laws and regulations, including but not limited to regulations issued by the IDX and OJK. The rights of the Company’s Shareholders and the responsibilities of the Board of Commissioners and the Board of Directors under Indonesian law may differ from the rights and responsibilities applicable to companies incorporated in other jurisdictions.

The obligations of majority shareholders, commissioners, and directors to minority shareholders under Indonesian law may be more limited than those applicable in other countries. Therefore, under Indonesian law, minority shareholders may not be able to protect their interests to the same extent as in other countries. Corporate law principles such as the validity of a company’s actions, the fiduciary duties imposed on management, commissioners, directors, and controlling shareholders, and the rights of minority shareholders are governed by the Indonesian Companies Law, OJK regulations (including BAPEPAM-LK regulations), IDX regulations, and the Company’s articles of association. These legal principles may differ

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from those that would apply if the Company were incorporated in a jurisdiction other than Indonesia. In particular, the concept of management’s fiduciary duties has not been tested in Indonesian courts. Derivative claims filed in connection with the activities of directors and commissioners are almost never brought on behalf of a company or tested in Indonesian courts, and minority shareholder rights were only defined in 1995 and have not yet been demonstrated in practice. Even if such conduct were prosecutable under Indonesian law, the lack of legal precedent could make pursuing such civil action significantly more difficult. Therefore, there can be no assurance that the legal rights or remedies of minority shareholders will be equivalent to, or as extensive as, those available in other jurisdictions, or adequate to protect the interests of minority shareholders.

HDR Holders that are non-resident individuals of Indonesia or non-Indonesian corporations without a permanent establishment in Indonesia are subject to Indonesian withholding tax on cash distributions.

Dividend distributed and paid by the Company to the Non-Indonesian Tax Resident (HDR Holders) is subject to withholding tax in Indonesia at the rate of 20% (twenty percent) imposed on gross amount of such dividend. However, if there is Double Taxation Avoidance Agreement (“DTAA”), a lower tax rate may apply if certain conditions are satisfied, e.g. the Non-Indonesian Tax Resident can provide the Company the valid Form DGT or Form DGT plus Certificate of Resident in timely manner as well as meet the anti-treaty abuse and beneficial ownership tests.

An active trading market for the HDRs on the Hong Kong Stock Exchange might not develop or be sustained.

Following the completion of the [REDACTED], there can be no assurance that an active trading market for the HDRs on the Hong Kong Stock Exchange will develop or be sustained. If an active trading market of the HDRs on the Hong Kong Stock Exchange does not develop or is not sustained after the [REDACTED], the market price and liquidity of the HDRs could be materially and adversely affected. As a result, the market price for the HDRs in Hong Kong following the completion of the Introduction may not be indicative of the trading prices of our Shares on the IDX, even allowing for currency differences.

The characteristics of the Indonesian capital markets and the Hong Kong capital markets are different.

The IDX and the Hong Kong Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of Shares [REDACTED] in Indonesia and the HDRs might not be the same, even allowing for currency differences. Fluctuations in the price of our Shares due to circumstances peculiar to their local capital markets could materially and adversely affect the price of the HDRs, and vice versa. Because of the different characteristics of the Indonesian and Hong Kong equity markets, the historic and future market prices of the Shares may not be indicative of the performance of our securities (including the HDRs) after the [REDACTED].

Rights of shareholders under Indonesian law may be different from rights of shareholders in other jurisdictions, including Hong Kong. Changes in Indonesia foreign ownership rules or capital market regulations could adversely affect HDR Holders.

We are primarily governed by Indonesian laws and are principally subject to the Indonesian Companies Law and the IDX Regulations. Our Articles of Association and the Indonesian Companies Law govern our corporate affairs. Legal principles relating to matters such as the validity of corporate procedures, directors’ and commissioners’ fiduciary duties and liabilities, and shareholders’ rights under Indonesian law may be different from those that would apply to a company incorporated in any other jurisdiction, including Hong Kong. Indonesian foreign ownership rules or capital market regulations, including the IDX Regulations, could potentially change in ways that could adversely affect HDR Holders. For further information regarding the shareholder protection regime in Indonesia, automatic waivers that we have been granted under the Joint Policy Statement, and waivers that we have sought from the Hong Kong Stock Exchange with respect to the [REDACTED], see “Appendix IV — Summary of the Constitution of the Company and the Indonesian Companies Law” and “Waivers”.

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[We have applied for[, and been granted], waivers by the Hong Kong Stock Exchange from certain requirements under the Listing Rules. Neither our Shareholders nor the HDR Holders will have the benefit of those Hong Kong laws, rules, regulations and the Listing Rules for which we have applied, and been granted, waivers or exemptions from by the Hong Kong Stock Exchange and the SFC. Additionally, if any of these waivers or exemptions were to be revoked for any reason, including our non-compliance with applicable undertakings, additional legal and compliance obligations might be costly and time consuming, and might result in issues of interjurisdictional compliance, which could adversely affect us and HDR Holders].

As the SFC does not have extra-territorial jurisdiction on any of its powers of investigation and enforcement, it will also have to rely on the regulatory regimes of the IDX and FSA to enforce any corporate governance breaches committed by us in Indonesia. Investors should be aware that it could be difficult to enforce any judgment obtained outside Indonesia against us or any of our associates.

Trading of the HDRs may be suspended as a result of announcements of price sensitive information outside the permitted periods for submitting announcements to the Hong Kong Stock Exchange.

Rule 2.07C(4)(a) of the Listing Rules provides that, subject to certain exceptions, electronic copies of announcements or notices must not be submitted to the Hong Kong Stock Exchange between 8:30 a.m. and 12:00 p.m. or between 12:30 p.m. and 4:15 p.m. on a normal Business Day, or between 8:30 a.m. and 12:00 p.m. on the eves of Christmas, New Year and the Lunar New Year when there is no afternoon session, for publication on the Hong Kong Stock Exchange’s website (“**Trading Hours**”). However, in the event that any such announcement is made on a Business Day during Trading Hours, the Hong Kong Stock Exchange retains the discretion to impose a temporary suspension of the Company’s securities listed on the Hong Kong Stock Exchange.

Compliance with the IDX and OJK Regulations by the Company may require us to make announcements of price sensitive information on a timely basis and outside the permitted periods for submitting announcements to the Hong Kong Stock Exchange under Rule 2.07C(4)(a) of the Listing Rules. Under the IDX and OJK Regulations, an announcement as a result of certain events, including any material event affecting an issuer, is required to be made immediately and regardless of whether such announcement is made during normal trading hours. No suspension in trading of our securities would generally be imposed by the IDX if trading of our HDRs on the Hong Kong Stock Exchange were to be suspended as a result of the Hong Kong Stock Exchange exercising its discretion to impose a temporary suspension of the Company’s securities. Differences in trading hours, disclosure deadlines and public holidays between Indonesia and Hong Kong may result in the Company triggering a temporary suspension of trading of its HDRs in Hong Kong due to the prioritization of compliance with Indonesian regulatory requirements, thereby impeding trading activities for Hong Kong investors. This scenario could have an adverse impact on the trading of our HDRs, as it could potentially put Hong Kong investors at a disadvantage compared to investors in Indonesia, who may be able to deal in the Company’s securities while Hong Kong investors would be prevented from doing so. And vice versa, due to differences in public holidays in Indonesia and Hong Kong, compliance with the Listing Rules by the Company may require us to announce price sensitive information outside trading hours of the IDX, which could potentially put Indonesian investors at a disadvantage compared to investors in Hong Kong, who may be able to deal in the Company’s securities while Indonesian investors would be unable to do so.

HDR Holders are subject to additional obligations under the Deposit Agreement.

The Deposit Agreement to which each HDR Holder is deemed a party provides for additional obligations on the part of the HDR Holders with respect to the payment of fees. These obligations have been fully disclosed in “[REDACTED], Terms of [REDACTED] and the [REDACTED], Registration, [REDACTED] and Settlement — Fees and Expenses”.

Shareholders and HDR Holders will not have the benefit of those Hong Kong laws, rules and regulations that are waived. Additionally, those waivers could be revoked, exposing us, our Shareholders and HDR Holders to additional legal and compliance obligations.

We have applied for[, and the Hong Kong Stock Exchange and the SFC have granted], a number of waivers and exemptions from Hong Kong laws, rules and regulations (including the Listing Rules), as highlighted in “Waivers” in this document.

RISK FACTORS

Our Shareholders and HDR Holders will not have the rights and benefits of those Hong Kong laws, rules, regulations and Listing Rules for which we have applied for[, and been granted], waivers and exemptions by the Hong Kong Stock Exchange and the SFC. Such waivers and exemptions include, but are not limited to, those from the restrictions or requirements relating to corporate actions such as spin-off listings of any of our subsidiaries on any stock exchanges other than the Hong Kong Stock Exchange where the approval of our Shareholders and HDR Holders is not required, and the restrictions or requirements relating to private [REDACTED] and issuance of new Shares or HDRs after the [REDACTED]. While we do not have any current plans to undertake such corporate actions, should we decide to undertake such corporate actions in the future, our Shareholders and HDR Holders will not have the rights and benefits that would otherwise be available to them under Hong Kong laws, rules, regulations and Listing Rules and such corporate actions may result in the dilution of our Shareholders’ and HDR Holders’ interests in our Company.

Additionally, if any of these waivers were to be revoked, additional legal and compliance obligations might be costly and time consuming, and may result in our violating one set of laws or listing rules in order to comply with another set of laws or listing rules, which in turn could adversely affect us, our Shareholders and HDR Holders.

You may experience difficulty in effecting service of legal process and enforcing judgments against us and our management.

We are incorporated under the laws of Indonesia. Most of our Directors and Commissioners and certain members of senior management reside in Indonesia, and substantially all of our assets and most of the assets of these persons are located in Indonesia. As a result, it may not be possible for holders or beneficial owners of HDRs to effect service of process outside of Indonesia upon any of these persons or us, or to enforce against them or us, judgments obtained in courts outside of Indonesia. As a result, recognition and enforcement in Indonesia of judgments of a court in a foreign jurisdiction in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

HDR Holders are not Shareholders and must rely on the [REDACTED] to exercise on their behalf the rights that are otherwise available to the Shareholders.

HDR Holders only have the contractual rights set forth for their benefit under the Deposit Agreement and must rely on the [REDACTED] to exercise on their behalf the rights that are otherwise available to Shareholders. In particular:

- HDR Holders are not permitted to vote at Shareholders’ meetings in the capacity of HDR Holders and they may only vote by providing instructions to the [REDACTED];
- there can be no assurance that HDR Holders will receive voting materials in time to instruct the [REDACTED] to vote;
- pursuant to Indonesia law, the notice period required for Shareholders’ meetings is 3 weeks or 21 calendar days (excluding the date of the invitation for the Shareholders’ meeting and the date of the Shareholders’ meeting);
- HDR Holders, or persons who hold their HDRs through brokers, dealers or other third parties, will not have the opportunity to exercise their right to vote, although our Company and the [REDACTED] will endeavour to make arrangements to ensure as far as practicable that all HDR Holders will be able to vote;
- as only the [REDACTED] will be recorded as a Shareholder in the Shareholder registry of the Company, HDR Holders will not be recorded as Shareholders, and thus, dividends and other distributions will not be paid directly to them; and
- HDR Holders will depend on the [REDACTED] and the terms of the Deposit Agreement to receive any dividends or other distributions payable to Shareholders and HDR Holders will also incur charges on any cash distribution made pursuant to the Deposit Agreement and on transfers of certificated or direct registrations of HDRs.

See “[REDACTED], Terms of [REDACTED] Receipts and the [REDACTED], Registration, [REDACTED] and Settlement — Fees and Expenses”.

RISK FACTORS

HDR Holders may not receive new HDRs, rights to [REDACTED] additional HDRs or other distributions.

HDR Holders may not receive new HDRs, rights to [REDACTED] additional HDRs or other distributions if the Company and/or the [REDACTED], after having considered, amongst other things, the restrictions under the applicable laws and regulations, the percentage shareholding of the HDRs and/or the administrative procedures to make such distribution, to the extent that is reasonable on a case by case basis, determine that it is not practicable: to distribute new HDRs pursuant to the distribution of Shares; or to offer rights to [REDACTED] new HDRs; or to make distributions other than cash or Shares.

We will furnish the [REDACTED] with documents which may be reasonably requested by it on a case-by-case basis as required for the specific circumstances in each case under applicable laws and regulations. In the absence of evidence satisfactory to the [REDACTED] that it may lawfully distribute such rights, the [REDACTED] will not distribute such rights to HDR Holders. Any distribution of warrants or other instruments representing such rights is subject to the discretion of the [REDACTED]. See “[REDACTED], Terms of [REDACTED] Receipts and the [REDACTED], Registration, [REDACTED] and Settlement — Share Dividends and Other Distributions”.

The time required for HDRs to be exchanged into Shares (and vice versa) may be longer than expected and investors may not be able to settle or effect any sales of their securities during this period.

There is no direct trading or settlement among the stock exchanges on which the Shares and HDRs are traded. In addition, there is a time difference between Indonesia and Hong Kong. There might be unforeseen market circumstances or other factors which delay the exchange of HDRs into Shares (and vice versa) and investors may be prevented from settling or effecting the sale of their securities across the stock exchanges during such periods of delay. In addition, there can be no assurance that any exchange of HDRs into Shares (and vice versa) will be completed in accordance with the timelines investors might anticipate.

Investors are subject to exchange rate risk between Indonesian Rupiah and Hong Kong dollars.

The value of an investment in the HDRs quoted in Hong Kong dollars and the value of dividend payments in respect of the HDRs could be affected by fluctuations in the Indonesian Rupiah/Hong Kong dollar exchange rates.

Withdrawals and exchanges of HDRs into Shares traded on the IDX might adversely affect the liquidity of the HDRs.

The Shares are currently traded on the IDX. Any HDR Holder may at any time request that the HDRs it holds be withdrawn and exchanged into Shares for trading on the IDX. Upon the exchange of HDRs into Shares, the relevant HDRs will be cancelled. For further details on the procedures for the withdrawal of HDRs, see “[REDACTED], Terms of [REDACTED] and the [REDACTED], Registration, [REDACTED] and Settlement”. In the event that a substantial number of HDRs are withdrawn and exchanged into Shares and subsequently cancelled, the liquidity of the HDRs on the Hong Kong Stock Exchange may be adversely affected.

HDR Holders will be reliant on the performance of several service providers. Any breach by those service providers of their contractual obligations could have adverse consequences for an investment in the HDRs. The [REDACTED] may resign or be replaced, which could temporarily disrupt HDR services.

An investment in HDRs will depend for its continuing viability on the performance of several service providers, including the [REDACTED], the [REDACTED], the [REDACTED] and any sub-[REDACTED] appointed in respect of the underlying Shares. A failure by any of those service providers to meet their contractual obligations, whether or not by culpable default, could detract from the continuing viability of the HDRs as an investment. The Company will not have direct contractual recourse against the [REDACTED], the [REDACTED], any sub-[REDACTED] or the HDR Registrar, hence the potential for redress in circumstances of default will be limited.

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], our Company has sought the following waivers and exemptions from strict compliance with the relevant provisions of the Listing Rules, the SFO and the Companies (Winding Up and Miscellaneous Provisions) Ordinance and have applied for a ruling under the Takeovers Code:

Rules	Subject matter
Rules 3.10(1) and 3.10A of the Listing Rules	Appointment of independent non-executive directors
Rule 8.05(1)(A) of the Listing Rules	Basic Conditions in relation to Qualifications for [REDACTED]
[REDACTED]	
Rule 13.25B of the Listing Rules	Monthly Return
[REDACTED]	
Section 4.1 of the Introduction to the Takeovers Codes	Not a public company in Hong Kong under the Takeovers Code
Part XV of the SFO	Disclosure of interests under Part XV of the SFO
Paragraphs 41(4) and 45 of Appendix D1A to and Practice Note 5 of the Listing Rules	Disclosure of Interests Information

Appointment of Independent Non-executive Directors

Rule 3.10 of the Listing Rules requires a [REDACTED] company to appoint at least three independent non-executive directors. Rule 3.10A of the Listing Rules requires a [REDACTED] company to appoint independent non-executive directors representing at least one-third of the board of directors.

Pursuant to the Indonesian Companies Law, it is mandatory for companies incorporated in Indonesia to adopt a two-tier board structure comprising the Board of Directors and the Board of Commissioners. The Board of Directors and the Board of Commissioners have distinctive and separate roles in managing and supervising the Company’s operations. The Board of Directors is responsible for making decisions related to the day-to-day management and operation of the company which primarily assumes the ultimate executive function of the Company. In contrast, the Board of Commissioner’s role is supervisory and advisory in nature and does not have an executive function or authority in managing the operation of the company’s day to day business. For more information on the duties and responsibilities of our Directors and Commissioners, see “Practices of the Boards — Duties and Responsibilities of Directors and Commissioners” in the section headed “Directors, Senior Management and Commissioners” in the document.

Given there is no equivalent concept of non-executive directors under Indonesian laws and the Board of Commissioners in a two-tiered board structure is already designed to undertake a supervisory role to monitor and oversee the performance of the Directors, there is no exact equivalent concept under the Indonesian Laws of independent non-executive directors. Instead, it is required for public or listed companies in Indonesia, such as the Company, to have Independent Commissioners as part of its Board of Commissioners.

The Company is of the view that the substance and the functionality of its two-tiered governance structure is, as a whole, similar to the single-tiered board structure adopted by other issuers in Hong Kong, where its Independent Commissioners could be considered as the equivalent of independent non-executive directors under the requirements of the Stock Exchange.

WAIVERS AND EXEMPTIONS

Upon the [REDACTED], the Company's Board of Commissioners and the Board of Directors shall comprise of a total of 11 Directors and Commissioners:

- (a) the Board of Commissioners shall comprise seven Commissioners, with four Independent Commissioners that satisfy the independence requirements under Rule 3.13 of the Listing Rules and at least one of the Independent Commissioners shall possess the appropriate professional qualifications or accounting or related financial management expertise; and
- (b) the Board of Directors shall comprise four Directors with management roles, which shall also represent the senior management of the Company.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.10 and 3.10A of the Listing Rules, subject to the following conditions:

- (a) so long as the Company remains [REDACTED] on the Hong Kong Stock Exchange, the majority of the Board of Commissioners members will be Independent Commissioners and the attendance quorum for any Board of Commissioners meeting would require that there be more Independent Commissioners attending than non-independent Commissioners;
- (b) each of the Independent Commissioners should satisfy the independence requirements applicable to independent non-executive directors under Rule 3.13 of the Listing Rules;
- (c) at least one of the Independent Commissioners should have appropriate professional qualifications or accounting or related financial management expertise as required of independent non-executive directors under Rule 3.10(2) of the Listing Rule;
- (d) each individual member of the Board of Commissioners should confirm to the Company that, in performing their respective supervisory roles as Commissioners of the Company under applicable Indonesian regulations, he or she (i) accepts the responsibilities and obligations, including the relevant duties of care (including fiduciary duties) that are applicable to a director of the company for the purposes for and as required under the Hong Kong Listing Rules; (ii) accepts the full responsibilities collectively (with other Commissioners and Directors of the Company) and individually for the Company's compliance with the Hong Kong Listing Rules, and (iii) shall comply with all requirements applicable to a director of a [REDACTED] issuer under the Hong Kong Listing Rules;
- (e) the Company shall ensure that: (i) the Independent Commissioners in the Board of Commissioners will assume and perform all duties and obligations required to be performed by the independent non-executive directors under the Hong Kong Listing Rules; and (ii) the Audit Committee and the Nomination and Remuneration Committee will have the roles and responsibilities equivalent to the audit committee, nomination committee, and remuneration committee under the Hong Kong Listing Rules.

Basic Conditions in relation to Qualifications for [REDACTED]

Pursuant to Rule 8.05 of the Listing Rules, a new applicant must satisfy either the profit test in Rule 8.05(1) or the market capitalization/revenue/cash flow test in Rule 8.05(2) or the market capitalization/revenue test in Rule 8.05(3) of the Listing Rules. Pursuant to Rule 8.05B of the Listing Rules, the Stock Exchange may vary or waive the profit or other financial standards requirement in Rule 8.05 of the Listing Rules in respect of, among others, mineral companies to which the provisions of Chapter 18 of the Listing Rules apply.

Pursuant to Rule 18.04 of the Listing Rules, if a Mineral Company (as defined under Chapter 18 of the Listing Rules) is unable to satisfy either the profit test in Rule 8.05(1), the market capitalization/revenue/cash flow test in Rule 8.05(2), or the market capitalization/revenue test in Rule 8.05(3) of the Listing Rules, it may still apply to be [REDACTED] if it can establish to the Stock Exchange's satisfaction that its directors and senior management, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience.

WAIVERS AND EXEMPTIONS

As the Pani Gold Mine was in the pre-production phase during the Track Record Period with the first gold production achieved in February 2026, the results from our business operation during the Track Record Period does not meet the profit requirement under Rule 8.05(1)(a) of the Listing Rules. Our Company has therefore applied for and the Stock Exchange [has granted] a waiver from strict compliance with Rule 8.05(1)(a) of the Listing Rules in accordance with Rules 8.05B(1) and 18.04 of the Listing Rules for the following reasons:

- (a) our Company was principally engaged in gold exploration, mining and processing in Indonesia and is a mineral company to which Chapter 18 of the Listing Rules applies;
- (b) as supported by the first gold production achieved in February 2026, our Company is able to demonstrate a clear path to commercial production for the Pani Gold Mine. For details of how the Pani Gold Mine have a clear path to commercial production, please refer to the paragraphs headed “Business Strategies — Deliver Timely and Safe Commercial Production at the Pani Gold Mine” in the section headed “Business” of this document; and
- (c) our management team led by our directors possess sufficient experience in the mining industry relevant to the exploration and extraction in gold mining, all of whom have more than 5 years’ experience working in the management of a mining company. For details of the biographical information of our Directors, including details of the relevant experience of our Directors in the mining industry, please refer to the section headed “Directors, Senior Management and Commissioners” of this document. In this regard, our Company is of the view that the Directors, taken together, have sufficient experience that is specifically relevant to the exploration and/or extraction activities that the Company is pursuing.

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

Monthly Return

Rule 13.25B of the Listing Rules requires a [REDACTED] issuer to publish a monthly return in relation to movements in its equity securities, debt securities and any other securitized instruments, as applicable, during the period to which the monthly return relates.

According to the note to Rule 13.25B of the Listing Rules, this common waiver is subject to the condition that the issuer can meet one of the following three conditions:

- (a) it has received a relevant partial exemption from Part XV of the SFO;
- (b) it publishes a “next day disclosure return” in strict compliance with Rule 13.25A of the Listing Rules; or
- (c) it is subject to overseas laws or regulations that have a similar effect to Rule 13.25B of the Listing Rules and any differences are not material to shareholder protection.

Our Company [has obtained] a relevant partial exemption from strict compliance with Part XV of the SFO. Our Company has applied for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the continuing obligations under Rule 13.25B of the Listing Rules. Our Company will disclose information about share repurchases, if any, in our Company’s annual reports and will also disclose such information on the IDX in accordance with applicable Indonesian rules and regulations.

[REDACTED]

WAIVERS AND EXEMPTIONS

Not a Public Company

Section 4.1 of the Takeovers Code applies to takeovers, mergers and share repurchases affecting public companies in Hong Kong and companies with a primary listing in Hong Kong. In order to determine whether a company is a “public company in Hong Kong,” Section 4.2 of the Takeovers Code provides that the Executive will consider all the circumstances and apply an economic or commercial test, taking into account primarily the number of Hong Kong shareholders and the extent of share trading in Hong Kong and other factors including (i) the location of its head office and place of central management; (ii) the location of its business and assets, including such factors as registration under companies legislation and tax status; and (iii) the existence or absence of protection available to Hong Kong shareholders given by any statute or code regulating takeovers, mergers and share repurchases outside Hong Kong.

Our Company has applied for, and the SFC [has granted], a ruling that our Company is not a “public company in Hong Kong” for the purposes of the Takeovers Codes. Therefore, the Takeovers Codes do not apply to us. In the event that the bulk of trading in our Shares migrates to Hong Kong such that our Company would be treated as having a dual-primary listing pursuant to Rule 19C.13 of the Listing Rules, the Takeover Codes will apply to our Company.

Disclosure of Interests under Part XV of the SFO

Part XV of the SFO imposes duties of disclosure of interests in Shares. Under the OJK Regulation No. 4/2024, which our Company is subject to, any director or commissioner of a public company, any party holding at least 5% of voting rights and any controlling shareholder is required to submit a report to the OJK on any change in its ownership of voting shares in the public company. Such report must be made for each change of one percentage point (1%) or more in the ownership of voting shares, calculated from the immediately preceding percentage ownership. Therefore, compliance with Part XV of the SFO would subject our Company’s substantial shareholders, directors, commissioners and their associates to a second level of reporting, which would be unduly burdensome to them, would result in additional costs and would not be meaningful, since the statutory disclosure of interest obligations under the OJK Regulation No. 4/2024 that apply to our Company and its substantial shareholders, directors, commissioners and their associates would provide its investors with sufficient information relating to the shareholding interests of its significant shareholders.

Our Company has applied for, and the SFC [has granted], a partial exemption under section 309(2) of the SFO to our Company, its substantial shareholders, directors and chief executive from strict compliance with the provisions of Part XV of the SFO (other than Divisions 5, 11 and 12 of part IV of the SFO) on the conditions that (i) the bulk of trading in the Shares (including in the form of HDRs) is not considered to have migrated to Hong Kong on a permanent basis in accordance with Rule 19C.13 of the Listing Rules; (ii) all the disclosures of interests filed with the IDX are also filed with the Hong Kong Stock Exchange as soon as practicable, which will then publish such disclosures in the same manner as disclosures made under Part XV of the SFO; and (iii) our Company will advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in Indonesia and any significant changes in the volume of our Company’s worldwide share turnover that takes place on the Hong Kong Stock Exchange. This exemption may be reconsidered by the SFC in the event there is a material change in information provided to the SFC.

Disclosure of Interest Information

Part XV of the SFO imposes duties of disclosure of interests in shares. Practice Note 5 and paragraphs 41(4) and 45 of Appendix D1A to the Listing Rules require the disclosure of interests information in respect of shareholders’ and directors’ interests in this document.

The OJK Regulation No. 4/2024 and the rules and regulations promulgated thereunder require disclosure of interests by shareholders that are broadly equivalent to Part XV of the SFO. Relevant disclosure in respect of the substantial shareholder’s interests can be found in the section headed “Substantial Shareholders” in this document.

WAIVERS AND EXEMPTIONS

Our Company has applied for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with Practice Note 5 and Paragraphs 41(4) and 45 of Appendix D1A to the Listing Rules is to be granted on the following conditions:

- the SFC granting our Company, its substantial shareholders, directors and chief executive a partial exemption from strict compliance with Part XV of the SFO;
- our Company undertaking to file with the Hong Kong Stock Exchange, as soon as practicable, any declaration of shareholding and securities transactions filed with the IDX; and
- our Company undertaking to disclose in present and future **[REDACTED]** documents any shareholding interests as disclosed in an IDX filing and the relationship between its directors, commissioners, members of committees and their relationship to any controlling shareholders.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS, COMMISSIONERS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Mr. Boyke Poerbaya Abidin . .	Jl. Kuricang XVII GD. 2 No. 17, RT003/RW010, Pondok Ranji Sub-District, East Ciputat District, South Tangerang City, Indonesia	Indonesian
Mr. Nicholas John Green	Jl. Kemang Dalam II No I/9, RT 002/003 Bangka, Mampang Prapatan Sub-District, South Jakarta City, Jakarta, Indonesia, 12730	Australian
Mr. Barend Johannes Nicolaas Knoetze	17 Weenit Rd, Ellenbrook, Perth, Western Australia, Australia, 6069	Australian
Mr. Suryadinata Tanu	Apartemen Grand Tropik Unit 909, Tanjung Duren Utara Sub-District, Grogol Petamburan District, West Jakarta City, Indonesia	Indonesian

COMMISSIONERS

Name	Address	Nationality
Commissioners		
Mr. Santoso Kartono	Apartment Roxi Mas Lt.7 No. 11 RT.017/RW 06, Gambir, Cideng Sub-District, Central Jakarta City, Indonesia, 11510	Indonesian
Mr. Winato Kartono	Jl. Subang No. 3A, Menteng Sub-District, Menteng District, Central Jakarta City, Indonesia, 10310	Indonesian
Mr. Xinyu Wang	Room 1701, Block 21, Xingfu Jiayuan (Xingfu Street), Chongwen District, Beijing, the People's Republic of China	Chinese

Independent Commissioners

Mr. Heri Sunaryadi	River Park GG, 1/5 A Sector. 8, RT 001/RW 006, Pondok Jaya Sub-District, Pondok Aren District, South Tangerang City, Indonesia	Indonesian
Dr. Jona Widhagdo Putri	Apartment Puri Imperium Unit 2195, Jl. Kuningan Madya Kav.5, Guntur Sub-District, Setiabudi District, South Jakarta City, Indonesia 12960	Indonesian
Mr. Yu Gao	Flat A 22/F, Block 12, Pacific Palisades, 1 Braemar Hill Road, North Point, Hong Kong	Chinese

DIRECTORS, COMMISSIONERS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. John Mackay McCulloch Williamson	38 Chung Hom Kok Road, Chung Hom Kok, Hong Kong	British

For further details, see the section headed “Directors, Senior Management and Commissioners” in this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	UBS Securities Hong Kong Limited 52/F, Two International Finance Centre 8 Finance Street Central Hong Kong CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place 88 Queensway Hong Kong

[REDACTED]

DIRECTORS, COMMISSIONERS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisers to Our Company . *As to Hong Kong and U.S. laws:*

Simpson Thacher & Bartlett
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3 Garden Road
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As to Indonesian laws:

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Indonesia

**Legal Advisers to
the Joint Sponsors and
the [REDACTED]**

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Hong Kong

DIRECTORS, COMMISSIONERS AND PARTIES INVOLVED IN THE [REDACTED]

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Jl. Jend. Sudirman Kav.7-8
Jakarta 10220
Indonesia

Legal Advisers to [REDACTED] . *As to Hong Kong law:*

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38th Floor, Jardine House
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Independent Auditor** **BDO Limited**
Certified Public Accountants
25th Floor
Wing On Centre
111 Connaught Road Central
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Competent Person **PT Mining One Indonesia**
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Timur, Kec. Pasar Minggu
Jakarta Selatan 12560
Indonesia

Industry Consultant **CRU International Limited**
30 Raffles Place, #09-04
Singapore 048622

[REDACTED] **[●]**

CORPORATE INFORMATION

Registered Office	Treasury Tower, 67th Floor District 8 SCBD Lot. 28 Jalan Jenderal Sudirman Kav. 52-53 South Jakarta 12190 Indonesia
Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square, 1 Matheson St, Causeway Bay, Hong Kong
Company’s Website	https://merdekagoldresources.com/ <i>(The information contained in this website does not form part of this document)</i>
Authorized Representative	Ms. Jessica Joanne Ruth Treasury Tower, 67th Floor District 8 SCBD Lot. 28 Jalan Jenderal Sudirman Kav. 52-53 South Jakarta 12190 Indonesia
Audit Committee	Mr. Heri Sunaryadi (<i>Chairman</i>) Mr. Aria Kanaka Mr. Atik Wijaksono Susanto
Nomination and Remuneration Committee	Mr. Heri Sunaryadi (<i>Chairman</i>) Mr. Santoso Kartono Ms. Lilis Halim
Compliance Adviser	Somerley Capital Limited 20th Floor, China Building 29 Queen’s Road Central Hong Kong

[REDACTED]

INDUSTRY OVERVIEW

The information set out in this section and other sections of this Document were extracted from the CRU Report prepared by CRU, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged CRU to prepare the CRU Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], or any other parties involved in the [REDACTED], or any of our or their respective directors, officers, or representatives, and no representation is given as to its accuracy.

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned CRU, an Independent Third Party, to conduct a study of Global gold and gold mining industry. We agreed to pay CRU a fee of US\$70,000 for the preparation of CRU Report, and our directors consider that such fee reflects market rates and are of the view that the payment of the fee does not affect the fairness of conclusions drawn in CRU Report. CRU offers business intelligence on the global metals, mining and fertilizer industries through market analysis, price assessments, consultancy, and events. Since its foundation in 1969, CRU has consistently invested in primary research and developed robust market assessment methodologies. The consulting team of CRU has extensive experience acting as the Industry Expert for [REDACTED], including in Hong Kong and for gold mining companies. The CRU brand name is associated with integrity and independence and well regarded by the financial community.

RESEARCH METHODOLOGY

During the preparation of the CRU Report, CRU has relied on data either developed internally or obtained from the public domain. CRU regularly develops its own market outlooks through its expert analysis team. Public domain data may include information obtained from sources such as published corporate annual reports, trade data reported by governments or independent research publications. Our Directors have confirmed that there has been no adverse change in the market situation since the date of CRU Report which may qualify, contradict, or have impact on the information of this section.

BASIS AND ASSUMPTION

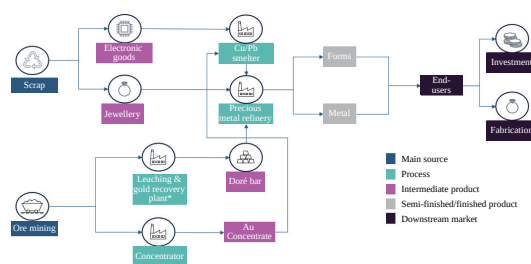
CRU Report was compiled based on the following assumptions: (i) the global social and political climate is not expected to have any major disruptions; (ii) global economies are expected to maintain steady growth trajectories in the forecast period; (iii) the commodity discussed in the CRU Report performs according to general economic theory.

ANALYSIS OF THE GLOBAL GOLD INDUSTRY

Introduction

Gold is a highly corrosion-resistant precious metal. Demand for gold generally comes from fabricator and investments. Due to its relative scarcity and stable properties, gold has long been used in human history as a form of money and as store of value, making it a conventional option for investment. It is a highly desirable financial asset among investors who use it to diversify portfolios, hedge against inflation and protect themselves from economic downturns when gold acts as a safe-haven store of value. Due to its excellent stability, malleability and ductility, gold is used to produce jewellery and dental work. Its high thermal and electricity conductivity also make it popular in the industrial and electronic sectors.

The gold value chain



SOURCE: CRU

Gold is obtained from either mined ore or recycled scrap. Gold ores are usually crushed and ground and then subject to extraction processes such as cyanidation or leaching to produce partially refined gold bars, which are then sent to refineries to produce high purity gold.

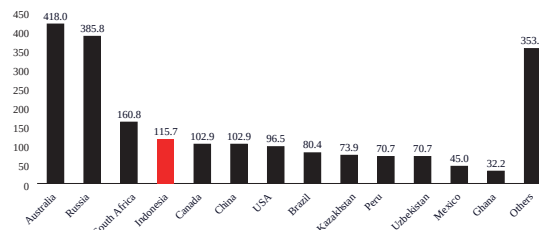
GOLD MINERAL RESERVES

According to the 2026 US Geological Survey (USGS) Minerals Commodities Summaries, global mine reserves for gold, in terms of contained gold metal, were estimated to be 2,109.1

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Moz (65,600 tonnes). Large gold reserves are concentrated in a few countries, with the top 6 ranking countries, responsible for more than half (61.0%) of all gold reserves. Australia holds the largest reserves and accounts for 19.8% of the global total at 418.0 Moz (13,000 tonnes) followed closely by Russia at 18.3% or 385.8 Moz (12,000 tonnes) of the global total. South Africa places third with sizable deposits of 160.8 Moz (5,000 tonnes), comprising 7.6% of the global total. In Asia, Indonesia holds the highest reserves at 115.7 Moz (3,600 tonnes) or 5.5% of the global reserves. In the Americas, Canada has the largest reserves at 102.9 Moz (3,200 tonnes), accounting for approximately 4.9% of the global total.

Global gold mineral reserves by country, 2025E, Moz



SOURCE: USGS, Mineral Commodity Summaries, February 2026 (Reserves in terms of ‘contained metal’).

GOLD DEMAND

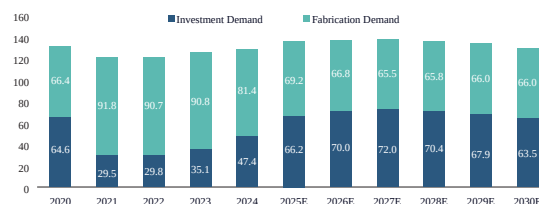
Gold mainly has two types of demand in the forms of fabrication and investment, due to its dual qualities of usage in both consumer and industrial applications and as an investment asset.

- Fabrication demand** – Fabrication gold demand can be categorized by end user sectors. Fabrication gold demand is highly dependent on the macro economy and gold prices. Higher fabrication gold demand is usually seen during a recovering global economy, while lower fabrication gold demand is found during times of uncertainty as it is replaced by investment in gold as a safe-haven asset.
- Investment demand** – Gold serves as a highly desired alternative financial asset and is popular among global investors given its quality to store value. Investors use gold to diversify their portfolios, hedge against inflation and protect themselves from economic downturns when gold acts as a safe-haven store of value.

Gold demand is expected to shift from fabrication-led to a more balanced mix with investment demand rising in the medium term. In 2020, investment and fabrication demand were similar as Covid-19 led to economic uncertainty and resulted in increased investment demand. From 2021 to 2024, gold demand was dominated by fabrication demand as economies reopened and gradually recovered which also saw a spike in jewellery demand. Concurrently, investment demand fell as higher interest rates and rising real yields increased the opportunity cost of holding non-yielding gold.

In the medium term from 2026 to 2029, investment demand is expected to be greater than fabrication demand. This comes amidst a declining interest rate, inflation expectations and geopolitical uncertainty. Lower real interest rates reduce the opportunity cost of holding non-yielding assets like gold, making gold more attractive relative to bonds and cash while rising expectations for sustained inflation increases demand for gold as an inflation hedge.

Global gold demand by type, 2020 – 2030E, Moz

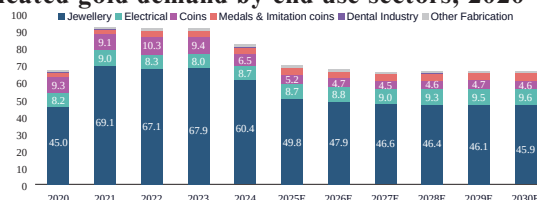


SOURCE: CRU, Industry Associations

Total fabrication demand of gold equaled 66.4 Moz (2,066 tonnes) in 2020 due to the drop in demand from the jewellery sector. However, fabrication demand rebounded quickly and fluctuated between 81 – 92 Moz (2,519 – 2,862 tonnes) from 2021 to 2024. In the medium term, fabrication demand is expected to drop to 2020-levels and fluctuate between 65 – 69 Moz (2,022 – 2,146 tonnes). This drop in fabrication demand is expected because heightened geopolitical tensions and tariffs could increase investment demand, supporting higher prices; higher prices are likely to suppress price-sensitive jewellery demand.

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Global fabricated gold demand by end use sectors, 2020 – 2030E, Moz

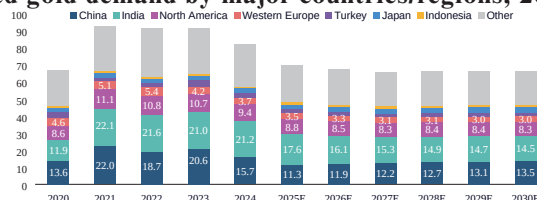


SOURCE: CRU, Industry Associations

On a regional level, China and India have been the two largest consumer countries for gold fabrication and consumed around 13.6 Moz (421.8 tonnes) and 11.9 Moz (370.8 tonnes) of global gold fabrication respectively in 2020. Though global fabrication demand was low in 2020 due to Covid-19 disruptions, it quickly recovered with India overtaking China to lead in gold fabrication demand in 2021 at 22.1 Moz (687.0 tonnes). Majority of this came from India's jewellery sector which recorded its peak of 19.6 Moz (610.9 tonnes) in 2021.

Although global fabrication demand fell back to 2020-levels in 2025, India maintained its lead as the largest gold fabrication consuming country in the world at 25.4% of global fabrication demand, closely followed by China accounting for around 16.2%. North America and Western Europe combined accounted for around 17.8% of global demand for gold fabrication in 2025. Looking forward, India and China are expected to maintain their dominance in gold fabrication demand at a combined 42.4% by 2030.

Global fabricated gold demand by major countries/regions, 2020 – 2030E, Moz



SOURCE: CRU, Industry Associations

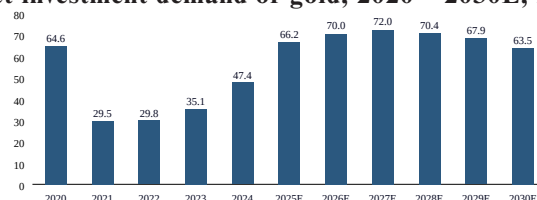
The difference between gold supply and fabrication demand forms the fundamental market balance, which is assumed to be absorbed by the market as investment demand. Investment demand is impacted by various factors related to the macro economy, including inflation, interest rates, the U.S. dollar, investment portfolio, debts, central bank holdings and other monetary policies. In 2025, the investment demand of gold equalled 66.2 Moz (2,059.5 tonnes).

This comes amidst continued geopolitical risks (Russia-Ukraine war, Israel-Iran conflict) which has contributed to global uncertainty and an influx towards gold as a safe-haven asset. Another factor is that central banks, led by China, have also been buying more gold to decrease their exposure to American policy decisions and diversify away from US dollars.

Additionally, gold demand in 2025 increased at a faster pace than mined gold supply, which tends to be more inelastic and responds at a slower pace. As a result, the increase in gold demand along with the speed it increased at led to the spike in gold prices in 2025.

CRU forecasts the investment demand of gold to peak at 72.0 Moz (2,239.0 tonnes) in 2027. Plateauing interest rates and inflation are expected to reduce interest in gold as an asset post 2027. However, investment demand levels are projected to remain higher than pre-pandemic levels as gold's status as a safe-haven asset remains strong.

Net investment demand of gold, 2020 – 2030E, Moz



SOURCE: CRU

GOLD SUPPLY

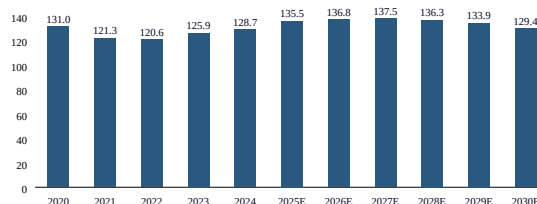
In 2020, net global gold supply equalled 131.0 Moz (4,075.8 tonnes). Supply increased by 4.5 Moz (137.7 tonnes) in 2025, mostly because of mine production increasing over the last five

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years. Global supply is forecast to increase further in the medium term, peaking at 137.5 Moz (4,276.9 tonnes) in 2027 and then reducing to 129.4 Moz (4,025.6 tonnes) in 2030. Overall, net global gold supply is anticipated to fall at a small CAGR of 0.9% between 2025 and 2030.

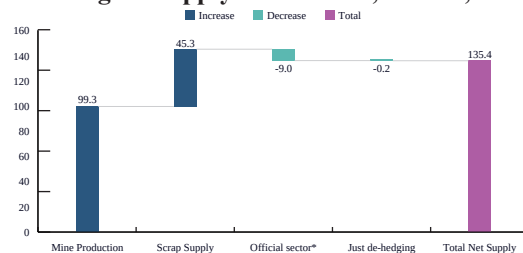
In 2025, gold from mine production formed the largest share of supply, equalling 99.3 Moz (3,088.4 tonnes). Scrap supply is also a significant contributor to the global gold supply, contributing 45.3 Moz (1,410.0 tonnes) in 2025. The official sector (central banks) remained a net buyer in 2025, decreasing overall supply by 9.0 Moz (280.0 tonnes) as gold bought is typically stored in vaults and removed from the circulating supply of gold on the market, while the effect of producer net de-hedging decreased supply by 0.2 Moz (5.0 tonnes).

Net global gold supply, 2020 – 2030E, Moz



SOURCE: CRU

Global gold supply breakdown, 2025E, Moz



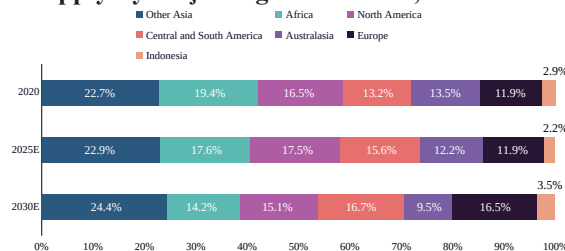
SOURCE: CRU

Note: * Official sector refers to official sector net sales.

Mine production is the largest contributor to gold supply. Asia is the world's largest mined gold producing region, estimated to account for 25.2% of total mine production, 25.0 Moz (777.2 tonnes) in 2025. The single largest contributing country in the world is China, anticipated to produce 12.2 Moz (380.7 tonnes) of mined gold or 12.3% of the global total in 2025. Aside from China, Uzbekistan and Indonesia are the next largest contributing countries in Asia, supplying 4.1 Moz (128.5 tonnes) and 2.2 Moz (69.1 tonnes) respectively in 2025.

Outside Asia, Africa is the second largest mined gold producing region comprising 17.6% of global supply in 2025, with North America closely following it at 17.5%.

Global mined gold supply by major regions in 2020, 2025E and 2030F, % of total



SOURCE: CRU

GOLD PRICES

Nominal gold prices have been on the rise since 2020 due to the uncertainty caused by the Covid-19 pandemic as investors sought to purchase more gold. Traditionally, gold prices have an inverse relationship with interest rates, rising when interest rates fall and falling when interest rates rise which matched the trend from 2020 to 2022. From 2022 onwards, gold prices have continued to climb and remained elevated since.

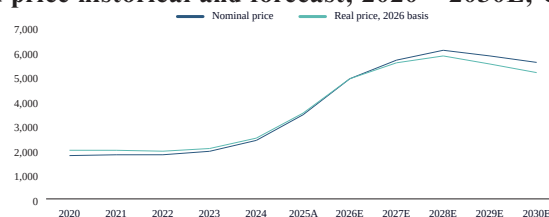
INDUSTRY OVERVIEW

The nominal price of gold was \$3,431/oz in 2025 and is forecasted to increase to \$5,566/oz by 2030. In real 2026 price terms¹, this represents an increase to \$5,150/oz. The forecasted increase in gold prices is mainly due to persistent macroeconomic and geopolitical events, including declining interest rate, continued central bank buying, persistent geopolitical uncertainties, the rising share of gold in global investment portfolio and inelastic gold supply.

- 1) **Declining interest rate:** Lower or negative real interest rates reduce the opportunity cost of holding non-yielding assets like gold, making gold more attractive relative to bonds and cash. The anticipation of further Federal Reserve interest rate cuts is expected to drive real interest rates lower in the US, making gold more attractive compared to interest-bearing assets.
- 2) **Inflation expectations:** Rising expectations for sustained inflation increase demand for gold as an inflation hedge. If market price is persistently above-target inflation, investors are likely to allocate more to gold to preserve purchasing power, reinforcing the forecast of continued price appreciation.
- 3) **Rising Central Bank buying:** Central banks continue to have strong gold demand particularly from emerging markets diversifying away from the US dollar as they view gold as a stable store of value and seek to reduce their exposure to US policies.
- 4) **Geopolitical uncertainty:** Geopolitical volatility is becoming entrenched. The fragmentation of global power, ongoing conflict flashpoints, and an increasingly multipolar world order are reinforcing investor appetite for politically neutral safe-haven assets. With bonds offering limited protection and equities increasingly exposed to policy shocks, gold is increasingly seen not merely as an inflation hedge, but as protection against systemic instability due to its durability, neutrality and immunity to political risk.
- 5) **Investment flows:** Although gold currently plays a small proportion in global investment portfolios, its allocation is expected to rise to become a more popular component in investment portfolios. This means that even small percentage changes in portfolio allocation can lead to significant demand changes that are greater than supply changes and drive gold prices up.
- 6) **Supply bottleneck:** Gold supply is relatively inelastic as ore grade declines in existing mines while long lead times required to bring new mines into production limits the gold industry’s ability to respond quickly to higher prices which would mean that stronger demand is likely to lead to higher prices instead of rapid production growth.

It should be noted that past performance is not indicative of future results, as gold prices are volatile. This forecast does not constitute an investment advice.

Gold price historical and forecast, 2020 – 2030E, US\$/oz



SOURCE: CRU

GOLD INDUSTRY IN INDONESIA COMPETITIVE LANDSCAPE

The ranking and competitiveness analysis only covers producing primary gold mines² as 1) Pani is a primary gold mine and started operations in Q1 2026; 2) Only producing assets are included as it generally takes a long time to have a mine from discovery to production. This benchmarking approach helps to map Pani’s position in a reasonable scale, which is widely accepted in the industry practice. 2026 and 2030 are selected as benchmark years for Pani to fully capture the evolving competitiveness position of Pani against domestic and overseas peers during its ramp-up.

Pani’s competitive advantage of mining from the mountain top allows it to access gold ore earlier with lesser pre-strip mining and a lower strip ratio compared to other gold mines,

¹ Real price is the nominal price adjusted for inflation. Here the real price is adjusted using 2025 as base year.

² Primary gold mines are defined as mines where >50% of their total revenue is generated by the sales of gold.

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shortening the time required for Pani to reach steady-state production. This also reduces waste movement per ton of ore in the early stages and improve early cash flow. Additionally, a higher topographic position can also lead to shortened haul distances as waste dumps, crushers and stockpiles can be placed closer to the mine. Lastly, mining from the mountain top is likely to reduce groundwater inflows compared to low-lying pits.

RESOURCE & RESERVES

As of 2025, Pani is ranked as the largest primary gold mine on Mineral Resources and Reserves basis in Indonesia. Among Indonesian gold mines that adopt open-pit production, Pani is estimated to have the lowest average strip ratio (~0.7:1) across the production period in which CRU tracks on.

Gold resources & reserves, Pani vs. Indonesia primary gold producing mines, 2025

No	Mine	Mineral resources, Moz	Ore reserves, Moz	Mining type	Processing method	Strip ratio*
1	Pani	7.00	5.20	Open-pit	Phase I: HL; Phase II: CIL	~0.7:1**
2	Mine A ⁽¹⁾	7.00	0.86	Underground	CIL	N/A
3	Mine B ⁽²⁾	5.53	3.89	Open-pit	CIL	~4.5:1
4	Mine C ⁽³⁾	1.31	0.53	Open-pit	HL	~1.1:1
5	Mine D ⁽⁴⁾	0.92	0.43	Open-pit	HL	~1.0:1
6	Mine E ⁽⁵⁾	0.65	0.17	Underground	CIL	N/A

SOURCE: CRU, PT Merdeka Gold Resources, companies' Annual Reports, JORC standard. *. Carbon-in-leach (CIL), Heap leach (HL)

Note: * average strip ratio across the historic & forecast production years. N/A for underground production or non-disclosed information.

- (1) Mine A is owned by an Indonesian gold mining and processing operator. The company is not publicly traded on any stock exchange.
- (2) Mine B is owned by an Indonesian gold mining company that is listed on the Indonesia Stock Exchange (IDX).
- (3) Mine C is owned by an Indonesian mining company that is listed on the Indonesia Stock Exchange (IDX).
- (4) Mine D is owned by an Indonesian gold mining company that is listed on the Indonesia Stock Exchange (IDX).
- (5) Mine E is owned by an Indonesian gold mining company that is listed on the Indonesia Stock Exchange (IDX).

Life-of-Mine (LOM) is a critical factor indicating a mine's ability to generate revenue on a continuous basis. Among all Indonesian mines, Pani has the longest LOM (15 years) with potential for future mine life extensions. Pani also secured the longest license period, with the Contract of Work (CoW) expected to expire in early 2049.

Life-of-mine and Remaining license period of Indonesian primary gold producing mines in 2025

No	Mine	LOM* (yrs)	As of Jan 2026 Remaining license period (yrs)
1	Pani	15	23
2	Mine A	10	3
3	Mine B	9	15
4	Mine C	9	8
5	Mine D	4	4
6	Mine E	2	4

SOURCE: CRU, PT Merdeka Gold Resources, public company reports.

Note: * LOM estimates are based on current mine plans and reserve estimates, and are subject to change based on future exploration, economics and operational factors.

Regionally, Pani is ranked as the 5th/4th largest primary gold mine on Mineral Resources and Reserves basis in Asia.

Gold resources & reserves, Pani vs. Asian major primary gold producing mines, 2025

No	Mine	Country	Mineral resources, Moz	Ore reserves, Moz	Mining type	Processing method
1	Mine F ⁽¹⁾	Uzbekistan	96.90	47.00	Open-pit	HL
2	Mine G ⁽²⁾	Kazakhstan	12.41	9.97	Open-pit & underground	Flotation
3	Mine H ⁽³⁾	Kyrgyzstan	12.27	7.64	Open-pit & underground	CIL
4	Mine I ⁽⁴⁾	Saudi Arabia	7.36	4.50	Open-pit	CIL
5	Pani	Indonesia	7.00	5.20	Open-pit	Phase I: HL; Phase II: CIL
6	Mine B	Indonesia	5.53	3.89	Open-pit	CIL
7	Mine J ⁽⁵⁾	Armenia	5.03	2.35	Open-pit	HL
8	Mine K ⁽⁶⁾	Philippines	3.83	1.43	Open-pit	CIL

SOURCE: CRU, PT Merdeka Gold Resources, companies' Annual Reports, JORC standard. Carbon-in-leach (CIL), Heap leach (HL)

Note:

- (1) Mine F is operated by a state-owned mining company in Uzbekistan. The company is not publicly traded on any stock exchange.
- (2) Mine G is owned by a Kazakhstani mining company that is listed on the Astana International Exchange (AIX).
- (3) Mine H is owned by a state-owned mining company in Kyrgyzstan. The company is not publicly traded on any stock exchange.
- (4) Mine I is owned by a Saudi Arabian mining company that is listed on the Saudi Exchange (Tadawul).

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- (5) Mine J is owned by an Armenian mining company. The company is not publicly traded on any stock exchange.
 (6) Mine K is owned by a Canadian mining company that is listed on the Toronto Stock Exchange (TSX), New York Stock Exchange (NYSE) and Namibian Stock Exchange (NSX).

On a regional basis, Pani has the 4th longest LOM (15 years) among Asia’s major primary gold producing mines.

Life-of-mine of Pani vs Asian major primary gold producing mines

No	Mine	Country	As of January 2026 LOM* (yrs)
1	Mine F	Uzbekistan	30
2	Mine G	Kazakhstan	28
3	Mine H	Kyrgyzstan	17
4	Pani	Indonesia	15
5	Mine J	Armenia	12
6=	Mine D	Indonesia	9
6=	Mine B	Indonesia	9
8	Mine I	Saudi Arabia	8

SOURCE: CRU, PT Merdeka Gold Resources, public company reports.

Note: * LOM estimates are based on current mine plans and reserve estimates, and are subject to change based on future exploration, economics and operational factors.

On a global basis, Pani is ranked as the 12th/11th largest primary gold mine on Mineral Resources and Reserves basis compared to other major primary gold producing mines.

Gold resources & reserves, Pani vs. Global major primary gold producing mines, 2025

No	Mine	Country	Mineral resources, Moz	Ore reserves, Moz	Mining type	Processing method
1	Mine F	Uzbekistan	96.90	47.00	Open-pit	HL
2	Mine L ⁽¹⁾	Russia	55.00	30.70	Open-pit	BIONORD
3	Mine M ⁽²⁾	Australia	38.90	14.40	Open-pit & underground	CIL
4	Mine N ⁽³⁾	United States	34.30	15.00	Open-pit & underground	HL
5	Mine O ⁽⁴⁾	Russia	24.00	11.20	Open-pit	CIL
6	Mine P ⁽⁵⁾	Canada	22.50	19.10	Open-pit	CIP
7	Mine Q ⁽⁶⁾	Papua New Guinea	20.40	15.80	Open-pit	CIL
8	Mine R ⁽⁷⁾	United States	14.40	8.30	Open-pit & underground	HL & CIL
9	Mine S ⁽⁸⁾	Canada	13.09	7.50	Open-pit & underground	CIP
10	Mine T ⁽⁹⁾	United States	12.50	8.90	Open-pit & underground	HL & CIL
11	Mine U ⁽¹⁰⁾	D.R. Congo	8.23	4.60	Open-pit & underground	CIL
12	Pani	Indonesia	7.00	5.20	Open-pit	Phase I: HL; Phase II: CIL

SOURCE: CRU, PT Merdeka Gold Resources, companies’ Annual Reports, JORC standard. Carbon-in-leach (CIL), Heap leach (HL), Carbon-in-pulp (CIP).

Note:

- (1) Mine L is owned by a Russian mining company that is listed on the Moscow Exchange (MOEX).
 (2) Mine M is owned by an Australian mining company that is listed on the Australian Securities Exchange (ASX).
 (3) Mine N is operated by a joint venture whose partners are publicly listed on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX).
 (4) Mine O is owned by a Russian mining company that is listed on the Moscow Exchange (MOEX).
 (5) Mine P is owned by a Canadian company that is listed on the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE).
 (6) Mine Q is owned by an American company that is listed on the New York Stock Exchange (NYSE) and Australian Securities Exchange (ASX).
 (7) Mine R is operated by a joint venture whose partners are publicly listed on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX).
 (8) Mine S is jointly owned and operated by 2 mining companies which are listed on New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX).
 (9) Mine T is majority-owned and operated by a publicly listed company on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX).
 (10) Mine U is operated by a joint venture whose partners are listed on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX).

On a global basis, Pani has the 9th longest LOM (15 years) among the world’s major primary gold producing mines.

Life-of-mine of Pani vs Global major primary gold producing mines

No	Mine	Country	As of January 2026 LOM* (yrs)
1	Mine F	Uzbekistan	30
2	Mine P	Canada	27
3	Mine V ⁽¹⁾	Ghana	24
4	Mine T	United States	21
5	Mine W ⁽²⁾	Papua New Guinea	18
6=	Mine R	United States	16
6=	Mine Q	Papua New Guinea	16
6=	Mine S	Canada	16
9	Pani	Indonesia	15

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SOURCE: CRU, PT Merdeka Gold Resources, public company reports.

Note: * LOM estimates are based on current mine plans and reserve estimates, and are subject to change based on future exploration, economics and operational factors.

- (1) Mine V is owned by a gold company that is listed on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX).
- (2) Mine W operated by a joint venture majority-owned by Canadian and Chinese enterprises, both are publicly listed.

PRODUCTION

Indonesia is the 3rd largest gold mine producing country in Asia, supplying an estimated 2.2 Moz (69.1 tonnes) in 2025 and accounting for 2.2% of global supply. Based on publicly available information, 7 large-scale gold mine operators accounted for over 80% of total mine production in 2025. CRU estimates Pani to be the 2nd largest primary gold mine in Indonesia with an initial production of 108 koz (3.4 tonnes) in 2026. As Pani ramps up with new CIL facility and reaches a production scale of 505 koz (15.7 tonnes) in 2030 and will reach the peak production of 545 koz (17.0 tonnes) in 2031, it is expected to be the largest primary gold producer in Indonesia.

Pani's production scale vs. Indonesian primary gold mines (operating) in 2026E, koz

No	Mine	2026E production	Market share*
1	Mine B	244	46.1%
2	Pani	108	20.4%
3	Mine C	87	16.4%
4	Mine D	58	11.0%
5	Mine E	32	6.0%

SOURCE: CRU, PT Merdeka Gold Resources.

Note: * Market share: mine production of Indonesian primary gold production.

Pani's production scale vs. Indonesian primary gold mines (operating) in 2030E, koz

No	Asset	2030E production	Market share*
1	Pani	505	62.5%
2	Mine B	265	33.0%
3	Mine D	38	4.7%

SOURCE: CRU, PT Merdeka Gold Resources.

Note: *Market share: mine production % of Indonesian primary gold production.

In Asia, Pani is expected to be the 10th largest primary gold producer in 2026, accounting for ~1.2% of regional gold production. With Pani reaching production scale of ~505 koz (15.7 tonnes) in 2030, it is expected to be the 2nd largest primary gold producer, making up ~6.1% of the regional market share.

Pani's production scale vs. top 10 Asian primary gold mines (operating) in 2026E, koz

No	Mine	Country	2026E production	Market share*
1	Mine F	Uzbekistan	1,910	22.1%
2	Mine H	Kyrgyzstan	568	6.6%
3	Mine G	Kazakhstan	315	3.6%
4	Mine I	Saudi Arabia	248	2.9%
5	Mine B	Indonesia	244	2.8%
6	Mine K	Philippines	167	1.9%
7	Mine X ⁽¹⁾	Kazakhstan	163	1.9%
8	Mine Y ⁽²⁾	Japan	119	1.4%
9	Mine Z ⁽³⁾	Philippines	110	1.3%
10	Pani	Indonesia	108	1.2%

SOURCE: CRU, PT Merdeka Gold Resources.

Note: * Market share: mine production % of Asian primary gold production.

- (1) Mine X is located in the northern Kazakhstan. It is owned and operated by a major precious metals producer that is publicly listed on the Moscow Exchange (MOEX) and the Astana International Exchange (AIX).
- (2) Mine Y is owned and operated by a major Japanese metals firm that is publicly listed on the Tokyo Stock Exchange (TYO).
- (3) Mine Z is in the Philippines. It is owned and operated by a multinational miner listed on the Toronto Stock Exchange (TSX).

Pani's production scale vs. top 10 Asian primary gold mines (operating) in 2030E, koz

No	Mine	Country	2030E production	Market share*
1	Mine F	Uzbekistan	1,760	21.3%
2	Pani	Indonesia	505	6.1%
3	Mine G	Kazakhstan	315	3.8%
4	Mine B	Indonesia	265	3.2%
5	Mine I	Saudi Arabia	237	2.9%
6	Mine H	Kyrgyzstan	196	2.4%
7	Mine J	Armenia	182	2.2%
8	Mine X	Kazakhstan	160	1.9%
9	Mine K	Philippines	136	1.6%
10	Mine Y	Japan	124	1.5%

SOURCE: CRU, PT Merdeka Gold Resources. Public documents.

Note: * Market share: mine production % of Asian primary gold production.

ALL-IN SUSTAINING COSTS (AISC), 2026 BENCHMARK

CRU currently tracks the AISC of ~242 primary gold-producing assets, their cumulative production covering ~60% of global mined gold production (including gold from copper and

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polymetallic mines). The AISC is the cost of sustaining current mining operations, including all cash costs plus royalties, corporate general and administrative costs, reclamation costs, exploration costs, sustaining capital exploration/development and sustaining capital expenditure. It is observed that Indonesia has one of the highest mining royalties incurred on gold producers among major gold producing countries, which is largely determined by national government policy. Note that the curves presented in this section is AISC (excl. royalties) for the purpose of comparing cost excluding this factor.

The table below presents general ranges of gold mining royalty rates applied in key gold-producing countries, including Asia, North America and Africa.

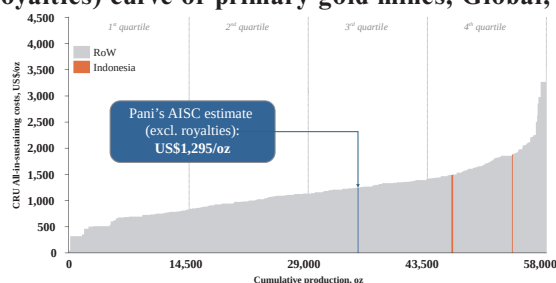
Gold mining royalty rates by main gold producers

Country	General range of royalty rates	Notes
Indonesia	7% – 16%	Progressive rates based on gold price movements
Uzbekistan	7%	Applies for gold only
Ghana	5%	Applies for all minerals
China	2% – 6%	Progressive rates based on gold price movements
Canada	1% – 6%	Rates vary by province
Australia	2.5% – 5%	Rates vary by state
United States	1.5% – 5%	Rates vary by state
South Africa	0.5% – 5%	Rates subject to producer's EBIT against gross revenue

SOURCE: CRU, public documents from national governments.

For 2026, the Company's Pani project is estimated with an average site AISC (excl. royalties) of US\$1,295 per ounce during the Phase 1 production. Pani is expected to fall within the 3rd quartile on the global AISC (excl. royalties) curve. It is worth noting that 2026 will be the first year of operation and the CIL operation (Carbon-in-Leach) is still not online, hence the estimated cost per oz will be higher than that of full-production.

AISC (excl. royalties) curve of primary gold mines, Global, 2026, USD/oz



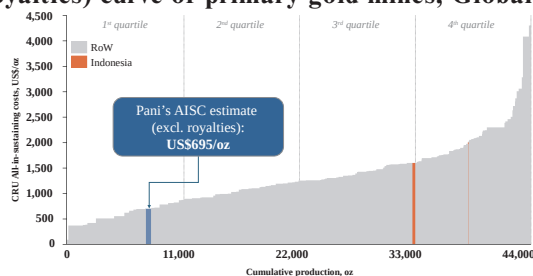
DATA: CRU, PT Merdeka Gold Resources.

ALL-IN SUSTAINING COSTS (AISC), 2030 BENCHMARK

For 2030, the Company's Pani project is expected to ramp-up and reach production of 505 koz. Therefore, CRU also provides an estimation of its position in global cost curve since the cost after ramp-up stage is usually considered the representative as industry practice. Looking forward, over the life of mine of Pani, the AISC (excl. royalties) is estimated to be US\$794 per ounce.

Below cost curve presents Pani's AISC (excl. royalties) against global primary gold mines that are operational as of 2030. In this case, Pani will stand at the 1st quartile on the global AISC (excl. royalties) curve and is more economic than 85-90% of global primary gold production. It is worth noting that the 2030 cost curve projections are forward-looking, and this depends on the successful ramp-up of Pani to steady-state, without major operational disruptions.

AISC (excl. royalties) curve of primary gold mines, Global, 2030, USD/oz



DATA: CRU, PT Merdeka Gold Resources.

MARKET DRIVERS

The following are the key market drivers of the global gold market:

- **Falling real yields combined with a weakening US dollar:** Continued rate cuts by the US Federal Reserve have strengthened expectations that real yields will remain low,

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reducing the opportunity cost of holding a non-yielding asset like gold. This tailwind has been reinforced by a decline in the U.S. dollar driven by the Fed's dovish pivot and widening fiscal concerns, increasing demand for gold as an alternative store of value.

- **Increasing gold reserves by central banks:** Gold is viewed as an important approach of reserve and settlements with gold reserves being used to hedge against the risks of international financial markets and geopolitical risks. There is an increasing trend of emerging markets and developing economies increasing their central bank gold reserves as they seek to diversify away from US dollar exposure.
- **Rising gold price:** Movements in the gold price affect both supply and demand. Higher prices expand miners' profit margins, encouraging increased production and the development of higher-cost projects. On the demand side, rising prices often draw speculative and retail investors who buy in anticipation of further gains. In the current environment, persistent global financial uncertainty has strengthened gold's safe-haven appeal, helping sustain the recent upward price trend.
- **Increasing demand for safe haven assets:** Global socio-economic fluctuations and uncertainties, coupled with geopolitical risks such as the Russia-Ukraine conflict and conflicts in the Middle East, have collectively fuelled market demand for safe-haven assets. This is likely to attract investors as gold is traditionally a choice for risk aversion while countries may also increase their gold reserves to protect their economies from exchange rate fluctuations, thereby driving the growth of the global gold market.

DEVELOPMENT TRENDS

The following are some trends of the global gold mining industry:

- **Green and low-carbon transformation:** Green mining in the gold industry is at the intersection of government policy and company execution. Governments around the world are tightening expectations through regulations in aspects that include emissions, water use, biodiversity impacts and others while simultaneously enacting of policies to encourage the development of environmentally friendly gold mining technologies. This forces gold mining companies to respond by designing projects and upgrading infrastructure to meet the requirements to abide with environmental-friendly mining and reduce approval delays.
- **Technology and process innovation:** Utilising integrated digital technologies like analytics, automation and real-time operating workflows to optimise decisions across the full mine-to-mill chain and improve safety, productivity, recovery and cost predictability. This integrates data across geology, mining and processing into a system which constantly measures performance and adjusts operations. In practice, intelligent mining includes stronger orebody knowledge and grade control to reduce ore loss and dilution, smarter pit/underground execution via dispatch optimization, and process-plant improvements through advanced process control that lifts throughput and stabilizes recovery. It also covers predictive maintenance to cut unplanned downtime.
- **Grade decline and reserve replacement:** Gold mines are facing declining ore grades as the shallow gold resources have been mined first. Lower ore grades would mean fewer ounces per tonne, which typically increases the per ounce cost of gold and increases sensitivity to dilution. Concurrently, miners must also turn to deep mining to replace depleted reserves to maintain future production. Deep gold mines may range from several hundred meters to several thousand meters deep.
- **Longer permitting timelines:** Permits and approvals are taking a longer duration in many jurisdictions as governments impose more stringent environmental and social regulations regarding water usage, tailings management and land use. This could trigger delays and increase the time from discovery to production.
- **ESG focus and sustainable practices:** Environmental, social, and governance (ESG) factors are increasingly influencing the gold mining industry with many consumers and investors demanding higher ESG standards. This is likely to lead companies to adopt more sustainable practices and focus on decarbonising power at mines, water stewardship, responsible sourcing, community engagement and ethical business practices to improve their reputation and appeal to relevant stakeholders. These practices are likely to contribute to the long-term sustainability of the gold mining industry.
- **Industry concentration continues to improve with resource integration:** The gold mining industry has high capital intensity and technical threshold. Under the pressure of increasing production cost, major leading enterprises have accelerated resource integration through M&As, focusing on a high grade and low-cost gold assets, while

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small and medium-sized mines with low efficiency, high cost and substandard environmental protection are gradually eliminated due to insufficient competitiveness. This trend of industry integration is conducive to optimizing the allocation of industry resources, improving the overall operational efficiency of the industry, and also provides development opportunities for enterprises with strong capital strength and resource advantages to expand their market share through resource integration.

ENTRY BARRIERS FOR THE GOLD INDUSTRY

New players wishing to enter the gold mining industry in Indonesia and globally may face several barriers to entry such:

- **Lack of availability of profitable deposits:** There are already thousands of gold mines in operation globally and within Indonesia from small artisanal mines to large open-pit and underground mines. A successful gold mine depends, to a large extent, on the ability to find deposits that stand out from the great variety and quantity of existing deposits. Gold mine grades vary considerably on a national and regional basis and to successfully identify high-grade gold resources is not an easy task. This makes it difficult for newcomers to compete with existing miners who benefit from existing reserves and advanced extraction technologies.
- **High capital requirements:** Mine exploration, the development to production stage, and the use of mining equipment all require large sums of capital investment, ranging from several hundreds of millions to several thousand of millions in U.S. dollars. In Indonesia, capital requirements are also impacted by the need to secure Environmental Approval (*Persetujuan Lingkungan*) which can entail additional monitoring commitments. These financial hurdles reinforce the dominance of well-capitalized majors and limit market entry for smaller firms.
- **High cost to scale operations:** A large-scale gold mine typically requires substantial investment in infrastructure, reliability systems and supply chain resilience, which is especially important when factoring in Indonesia’s wet season. While operating a small-scale gold mine with high cost might have lower barriers to entry, operating a large-scale gold mine with competitive low cost is extremely difficult.
- **Paucity of technical knowledge:** Gold mining is highly technical especially where heap leach processing is used. In a heap leach operation, the main waste streams are typically leached ore on the pad and cyanide-bearing solutions, which are reagents used during processing. These waste streams require proper waste management practices but the implementation of adequate waste management practices can become increasingly difficult for new entrants who may lack the capital to fund the necessary equipment for mining waste and tailings disposal. Without access to these technologies, smaller players struggle to compete, reinforcing the dominance of tech-equipped industry leaders.
- **Lack of exploration capabilities:** Exploration is an essential activity for discovering new gold resources. These activities usually require a large amount of capital and experienced, capable teams to increase the probability of success. In Indonesia, successful exploration also requires getting the correct licensing for mining business activities. This adds significant difficulties for new joiners to enter the gold mining market in Indonesia.
- **Infrastructure and access to resources:** The gold mining industry often operates in remote and challenging locations, requiring substantial infrastructure development and logistical support. Constructing roads, power supply networks, and water management systems in remote areas can be logistically complex and financially demanding. This makes it difficult for newcomers to compete with established miners.
- **Permitting and ability to engage with local communities:** Strong and credible engagement with local communities in Indonesia it is a strategic imperative that determines whether a project secures land access, obtains and keeps permits, controls operating costs, and can actually produce revenue over its planned life. Existing major gold mines enjoy the benefits of well-established engagement with local communities while newcomers may face challenges.
- **Responsible sourcing and supply chain transparency:** Gold mine companies increasingly face expectations regarding supply chain due diligence and transparency. It is important for new entrants to act in accordance with the OECD Due Diligence Guidance and ensure that their gold has been responsibly mined and responsibly sourced. The policy and regulation guidance favour established mining firms with the expertise and financial resources, while raising the risk and cost for newcomers, further consolidating the industry dominance among existing major players.

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The following sets out as a summary of the laws and regulations that affect our business and operation in Indonesia. Information contained below shall not be construed as a comprehensive summary of all the laws and regulations applicable to us.

LAWS AND REGULATIONS RELATED TO OUR INDONESIA OPERATIONS

Regulation of Gold Mining in Indonesia

Under the Indonesian Constitution, all natural resources in the Republic of Indonesia are controlled by the Indonesian Government and must be used for the maximum benefit of the Indonesian people. The old mining law, Law No. 11 of 1967 on Mining and its implementing regulations adopted this as a fundamental principle. ‘Control’ was interpreted as being equivalent to ownership and therefore no title to particular mineral deposits was granted by the state to private companies or individuals. The state, in general, only granted rights to exploit and sell the mineral deposits to encourage new investment in the Indonesian mining sector.

The Law No. 11 of 1967 on Mining was then replaced by Law No. 4 of 2009 on Mineral and Coal Mining (“**Mining Law**”), as amended by Law No. 3 of 2020, Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation as Law (“**Job Creation Law**”), and Law No. 2 of 2025 (the “**Mining Law (as amended)**”), revoking the old mining regime. The Indonesian Government has issued several implementing regulations to implement the Mining Law (as amended), including Indonesian Government Regulation No. 96 of 2021 on Implementation of Mineral and Coal Mining Activities as amended by Indonesian Government Regulation No. 25 of 2024 and Indonesian Government Regulation No. 39 of 2025 (“**GR No. 96/2021 (as amended)**”), Indonesian Government Regulation No. 55 of 2010 on the Fostering and Supervision over the Implementation of Mineral and Coal Mining Business Management (“**GR No. 55/2010**”), and Indonesian Government Regulation No. 78 of 2010 on Reclamation and Post-mining (“**GR No. 78/2010**”).

One of the objectives of the Mining Law (as amended) is to provide equal treatment to foreign and domestic investors introduced under the Investment Law (as defined below) through, among other things, (i) the abolition of the contract of work system under the previous mining legal framework; (ii) the introduction of a license-based system equally applicable to both foreign and domestic investors; (iii) the permission of foreign investment subject to certain divestment requirements; (iv) the authorization of the Indonesian Government to designate mining areas (*Wilayah Pertambangan* or “**WP**”) within Indonesia; (v) the requirement of a tender process for the granting of new mineral mining licenses; (vi) the regulation of larger mining areas and reduction terms for production in particular types of mining activities; (vii) the requirement to comply with onshore processing and/or refining obligations; (viii) the regulation of mining services contractors; (ix) the centralization of authority over mining activities in the central Indonesian Government; and (x) continuation of mining operations granted by the Indonesian Government for the issuance of a Special Mining Business License (*Izin Usaha Pertambangan Khusus* or “**IUPK**”) to existing Contract of Work (*Kontrak Karya* or “**CoW**”) holders, which will allow such permit holders to continue mining activities for up to two times extension periods with 10 years additional time for each extension period.

Under GR No. 55/2010, the supervision of licensed mining activities is generally conducted by the MEMR and the governor of the province in which the mining area is located. GR No. 55/2010 also regulates the supervision of finances, mineral and coal processing data, conservation of minerals and coal, operational safety, environmental impacts, land reclamation, post-mining management, technical training of labourers, as well as a host of production data of the types, quality, and total amount of extracted minerals.

Mining licensing system

Old mining licensing system

The Mining Law (as amended) abolished the old mining licensing system, which previously provided for mining authorizations (*Kuasa Pertambangan* or “**KP**”), CoWs (for mineral commodity) and Coal Contract of Works (“**CCoWs**”) (for coal commodity).

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The previous mineral mining licensing regime (i.e., by virtue of CoWs) is subject to less regulatory risk and risks pertaining to amendment and extension of the licenses as compared to the current mining licensing system. This is due to the nature that of CoWs, as they are considered as an agreement between the Indonesian Government and the relevant CoW holder, pursuant to which the Indonesian Government is considered as being in the same position as the contractor with the respect to their respective legal status as a party under the CoW. In the current regime, concessions are issued in the forms of licenses, which puts the Indonesian Government in the position as an “authority” and allows the Indonesian Government to amend the terms of the licenses granted to the contractors, as well as amend the regulations relating to the licenses that has been issued. Any amendments to the terms of CoWs that were issued under the previous mining licensing regime, in order to amend the CoW to be in accordance with the current mining and tax regime, would be subject to negotiations and agreement between the Indonesian Government and the contractor.

Under the Mining Law (as amended), all existing KPs, CoWs and CCoWs will remain valid for the remainder of their respective terms and, upon their expiration, may be converted into licenses under the new mining licensing system. Pursuant to GR No. 96/2021 (as amended), in order to extend an expiring CoW, the CoW must be converted into an IUPK for the Continuation of Contract/Agreement Operation (*IUPK sebagai Kelanjutan Operasi Kontrak/Perjanjian* or “**IUPK Continuation**”) within five years at the earliest; and one year at the latest, before the end of the CoW validity period.

In addition, Law No. 3 of 2020 on Amendment of Law No. 4 of 2009 on Mineral and Coal (“**Mining Law 2020**”) introduced certain incentives to mining license holders, including (i) Mining Business Licenses (*Izin Usaha Pertambangan* or “**IUP**”) and/or IUPK holders for metal mineral commodities that integrate their mining activities with processing and/or refinery facilities, and (ii) IUP, IUPK, and/or IUPK Continuation holders for coal commodities that integrate their mining activities with development and/or utilization activities for the purposes of increasing the coal quality. Such incentives are in the form of a guarantee that such IUP, IUPK, and/or IUPK holders will obtain the maximum validity period and available extensions for their licenses (i.e., 10 years period for each extension). In order to be eligible for such incentive, the integration with refinery/processing facilities must satisfy the criteria that (i) the refinery/processing activities are conducted independently by the IUP and/or IUPK holder or (ii) the refinery/processing activities are conducted by other company owned by the IUP and/or IUPK holder directly or indirectly of at least 30% and cannot be diluted.

Current mining licensing system

Under the Mining Law, the legality to conduct mining business activity is based on licensing system. However, the amendment to the Mining Law in 2020 introduced a new licensing regime for the mining business which shall be based on the business licenses determined by the central Government — which under the current business licensing regime, the business licenses shall be integrated and based on risk level of the business activities thereby named ‘Risk-Based Business License’. The risk level is segregated into four categories, namely (i) low risk, (ii) medium-low risk, (iii) medium-high risk and (iv) high risk. Mineral and coal mining activities are categorized as high-risk business activities. Further elaboration in connection with the requirements to obtain Risk-Based Business License in mining sector is as follows:

1. Business Identification Number (*Nomor Induk Berusaha* or “**NIB**”) is the proof of registration of business actors to carry out business activities and as an identity for business actors in carrying out their business activities. Low risk business only requires NIB to operate.
2. Standard Certificate is a statement and/or evidence of fulfilment of standards for the implementation of business activities. A self-declared standard certificate is required for medium-low risk business, while a verified standard certificate is required for medium-high risk business.
3. License/Permit is an approval of the Central Government or Regional Government for the implementation of business activities that must be fulfilled by business actors before carrying out their business activities. License/Permit is required for high-risk business activities.

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The types of licenses required under the Mining Law (as amended) for mining activities are as follows:

a. IUP

An IUP grants the holder the right to mine one type of resource, including coal, rock, metal minerals or non-metal minerals, within a designated Mining Business License Area (*Wilayah Izin Usaha Pertambangan* or “**WIUP**”). A WIUP must be located within a Mining Business Area (*Wilayah Usaha Pertambangan* or “**WUP**”), which are areas stipulated by the Government, after being determined by the relevant provincial government and consulted with the House of Representatives of the Republic of Indonesia (*Dewan Perwakilan Rakyat* or “**DPR**”). An IUP may only be granted for the mining of one type of resource and, if there are other mining commodities found in the relevant WIUP, then the IUP holder has the right of first refusal to commercialize such other mining commodities. An IUP may only be granted to a “business entity (*Badan Usaha*)” (i.e., Indonesian legal entity engaging in mining activities, which include BUMD (as defined below), BUMN (as defined below) and private business entity), “individual companies (*perusahaan perorangan*)” (i.e., Indonesian individuals (*orang perseorangan*), Indonesian general partnership (*firma*) and Indonesian limited partnership (*perusahaan komanditer*)) or cooperative (*koperasi*) by way of submitting an application to the MEMR or by attending an auction process for an WIUP (except for non-metal mineral and rock mining). In the event that the IUP holder elects to commercialize the other mining commodities found in the relevant WIUP, then the IUP holder will need to apply for a new IUP through another newly established Indonesian business entity. An IUP comprises two stages, as follows:

i. Exploration IUP

An Exploration IUP (*IUP Eksplorasi*) covers general investigation, exploration, and feasibility study stages. IUP holder that have completed the exploration activities are guaranteed the ability to conduct production operation as the continuation of their mining business activities. Pursuant to Minister of Energy and Mineral Resources (“**MEMR**”) No. 7 of 2020 on Procedures for Granting Areas, Licensing and Reporting of Mineral and Coal Mining Business Activities as amended by MEMR Regulation Resources No. 16 of 2021 (“**MEMR Regulation 7/2020**”), when applying for IUP Exploration, business actors are also required to place a time deposit in a state bank as a guarantee for the exploration activity (*jaminan kesungguhan eksplorasi*).

ii. Production Operation IUP

A Production Operation IUP (*IUP Operasi Produksi*) covers the stages of construction, mining, processing and/or refinery or development and/or utilization, as well as transportation and sales. Prior to obtaining a Production Operation IUP, business actors must fulfil administrative, technical, environmental and financial requirements. After obtaining a Production Operation IUP, for the purpose of mineral and coal conservation, holder of Production Operation IUP must carry out advanced exploration activities annually and prepare the budget accordingly.

b. IUPK

An IUPK is granted for coal and metal mineral mining within a special mining area (*Wilayah Izin Usaha Pertambangan Khusus* or “**WIUPK**”), which must be located within a special mining operation area (*Wilayah Usaha Pertambangan Khusus* or “**WUPK**”). A WUPK is an area that has been converted into a mining area from a state reserved area (*Wilayah Pencadangan Negara* or “**WPN**”) after being approved by the DPR for mining operations. Similar to an IUP, an IUPK may only be granted for the mining of one type of resource, unless there are other mining commodities found in the relevant WIUPK and the IUPK holder elects to commercialize the other mining commodities found in the relevant WIUPK. In this case, the IUPK holder will need to apply for a new IUPK through another newly established Indonesian business entity. However, the application through a newly established Indonesian business entity would not be required if the IUPK holder is an Indonesian publicly listed company. Furthermore, IUPK also comprises two stages, namely Exploration IUPK (*IUPK Eksplorasi*) which covers the

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general investigation, exploration, and feasibility study stages and Production Operation IUPK (*IUPK Operasi Produksi*) which covers the stages of construction, mining, processing and/or refinery or development and/or utilization, as well as transportation and sales.

An IUPK may only be granted to “business entity”, namely an Indonesian legal entity engaging in mining activities established as (i) a state-owned enterprise (*Badan Usaha Milik Negara* or “**BUMN**”), (ii) a regional government-owned enterprise (*Badan Usaha Milik Daerah* or “**BUMD**”) or (iii) a private business entity (*badan usaha swasta*). BUMNs and BUMDs take priority over private business entities in obtaining an IUPK. If a BUMN and/or BUMD do not exercise its privilege to obtain an IUPK, a private business entity may obtain an IUPK by participating in an auction and, upon winning the auction, submitting an application to MEMR to obtain the IUPK.

c. IUPK Continuation

IUPK Continuation is granted to the holder of an existing CoW (for mineral mining) or a CCoW (for coal mining) following the expiry of their CoW or CCoW as an extension of mining rights under such CoW or CCoW. Existing CoWs or CCoWs will remain valid for the remainder of their respective terms but are subject to amendments of certain terms (not including taxes and levies) and may be converted to an IUPK Continuation upon expiration. In order to extend and convert an expiring CoW and/or CCoW into an IUPK Continuation, the holder of the CoW and/or CCoW shall submit an application to the MEMR within five years at the earliest, and at least one year at the latest, prior to the expiry of such CoW and/or CCoW.

d. IPR

People’s Mining License (*Izin Pertambangan Rakyat* or “**IPR**”) is granted to either individual local residents (*orang perseorangan yang merupakan penduduk setempat*) or cooperatives for mining of coal, rock, metal minerals and non-metal minerals within a limited mining operational area that is located in a People’s Mining Area (*Wilayah Pertambangan Rakyat* or “**WPR**”). A WPR is an area designated by the Indonesian Government after determined by the regional government, in consultation with the DPR.

e. SIPB

Rock Mining License (*Surat Izin Penambangan Batuan* or “**SIPB**”) is granted to BUMD or village-owned enterprises (*badan usaha milik desa*), domestic investment private business entities (*badan usaha swasta dalam rangka penanaman modal dalam negeri*), cooperatives and individual companies for the mining of certain types of rocks or for certain needs of rocks within an WIUP.

f. Assignment License

Assignment License (*Izin Penugasan*) is a license to conduct radioactive mineral-related businesses.

g. Transportation and Sales License

Transportation and Sales License (*Izin Pengangkutan dan Penjualan*), granted either for “business entities”, cooperatives, or individual companies to buy, transport and sell mineral and coal mining commodities. Prior to the enactment of the Mining Law 2020, this license was known as a Production Operation IUP Special for Transportation and Sales (*IUP Khusus untuk Pengangkutan dan Penjualan*).

h. IUJP

Mining Service Business License (*Izin Usaha Jasa Pertambangan* or “**IUJP**”) is granted to “business entities”, cooperatives or individual companies which grants the holder the right to engage in (i) consultation, planning and implementation of general investigation, exploration, feasibility studies, mining construction, transportation, mining environment, reclamation and post mining, and/or mining safety, and (ii) consultation and planning in mining or processing and refining activities.

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i. IUP for Sales

IUP for Sales (*IUP untuk Penjualan*) is granted to business entities (*badan usaha*) that do not engage in mining activities but intends to sell mineral and/or coal that has been extracted by other mining companies. IUP for Sales may be granted by the MEMR for a single sale transaction only.

Previously, under the Mining Law, a Special Production Operation IUP for Processing and/or Refinery (*IUP OP Khusus untuk Pengolahan dan/atau Pemurnian*) was granted for processing and/or refinery activities. However, pursuant to Mining Law 2020, to the extent that the processing and/or refinery activities under such licenses have not been integrated within the mining area, the licenses must be converted into an Industrial Business License (*Izin Usaha Industri* or “**IUI**”) within one year after the enactment of Mining Law 2020. IUI fall under the Ministry of Industry’s authority and are not considered mining-related business licenses. See “*Regulatory Overview — Regulation of the Indonesian Industrial Sector*”.

The table below provides details of the mining licenses available under the Mining Law (as amended).

No.	Type and description	Permitted minerals	Validity period	Permitted area (hectares)
1.	Exploration IUP	Metal minerals Non-metal minerals Certain types of non-metal minerals Rock Coal	Maximum 8 years Maximum 3 years Maximum 7 years Maximum 3 years Maximum 7 years	Maximum 100,000 Maximum 25,000 Maximum 25,000 Maximum 5,000 Maximum 50,000
2.	Production Operation IUP	Metal Minerals Non-metal minerals Certain types of non-metal minerals Rock Coal	(i) Maximum 20 years, and can be extended twice, each for a period of 10 years; or (ii) Maximum 30 years, which can be extended twice, each for a period of 10 years, if the mining activities are integrated with processing and/or refining facilities. Maximum 10 years, and can be extended twice, each for a period of 5 years. Maximum 20 years, and can be extended twice, each for a period of 10 years. Maximum 5 years, and can be extended twice, each for a period of 5 years. (i) Maximum 20 years, which can be extended twice, each for a period of 10 years; or (ii) Maximum 30 years, which can be extended twice, each for a period of 10 years, if the mining activities are integrated with processing and/or refining facilities.	Maximum 25,000 Maximum 5,000 Maximum 5,000 Maximum 1,000 Maximum 15,000
3.	Exploration IUPK	Minerals Coal	Maximum 8 years Maximum 7 years	Maximum 100,000 Maximum 50,000
4.	Production Operation IUPK	Minerals	(i) Maximum 20 years, and can be extended twice, each for a period of 10 years; or (ii) Maximum 30 years, which can be extended twice, each for a period of 10 years, if the mining activities are integrated with processing and/or refining facilities.	Determined based on the MEMR’s evaluation on the development of all areas proposed by the license holder

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No.	Type and description	Permitted minerals	Validity period	Permitted area (hectares)
		Coal	(i) Maximum 20 years, and can be extended twice, each for a period of 10 years; or (ii) Maximum 30 years, which can be extended twice, each for a period of 10 years, if the mining activities are integrated with development and/or utilization activities.	Determined based on the MEMR's evaluation on the development of all areas proposed by the license holder
5.	IUPK Continuation	Any commodity within the existing CoW and/or CCoW mining area.	(i) Maximum period of 10 years following the expiry of the CoW and/or CCoW, with a second extension for a maximum period of 10 years thereafter; or (ii) Maximum period of 10 years for the holders of an IUPK Continuation for Coal Mining that has integrated development and/or utilization activities into its mining activities.	Determined based on the areas approved by the MEMR under the development plan for the production operation stage
6.	IPR	Metal minerals, non-metal minerals and rock	Maximum 10 years, and can be extended twice, each for a period of 5 years.	Maximum 5 hectares for individuals and 10 hectares for cooperatives.
7.	SIPB	Certain types of rock	Maximum 3 years, and can be extended twice, each for a period of 3 years	Maximum 50 hectares
8.	Assignment License	–	Indefinite term	–
9.	Transportation and Sales License	Minerals or coal	5 years, which can be extended up to a period of 5 years for each extension.	–
10.	IUJP	–	5 years, which can be extended up to a period of 5 years for each extension.	–
11.	IUP for Sales	–	Granted for a single sale transaction only.	–

Transferability of License

The Mining Law (as amended), as further regulated under GR No. 96/2021 (as amended), clearly prohibits the transfer of an IUP or IUPK to a third party, without obtaining written approval from the MEMR. The approval to transfer IUP or IUPK may only be granted by the MEMR after the completion of exploration phase, which is evidenced by availability of resources and/or reserve data, and the fulfilment of all administrative, technical, environmental, and financial requirements.

Transferability of Shares Ownership

The Mining Law (as amended) and GR No. 96/2021 (as amended) stipulate that transfer of shares ownership (which under GR No. 96/2021 (as amended), transfer of ownership means change of shareholder(s) and/or change of shareholding composition conducted outside the stock exchange) in both IUP and IUPK holders can only be conducted upon obtaining written approval from the MEMR. The approval for IUP may be granted if the following requirements are fulfilled namely (i) have completed the exploration stage activities which are evidenced by the availability of resources and reserves data; and (ii) have fulfilled the administrative, technical, environmental, and financial requirements.

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Foreign Divestment Requirements

Under the Mining Law (as amended), Production Operation IUP/IUPK holders in the context of foreign investment must divest at least 51% (fifty-one percent) of their shares in stages to the Central Government, Regional Government, BUMN, BUMD, and/or domestic private entities. Further, GR No. 96/2021 (as amended) sets out a foreign divestment scheme for foreign-owned entities holding an IUP/IUPK. Under the divestment obligation, foreign shareholders must divest their interest in the entity until the ownership of Indonesian shareholders is not less than the following percentages in the respective years below on the production operation stage (which shall be counted as of the date of commencement of the operation):

- a. IUP and IUPK holders who carry out mining activities by using open mining method and not integrated with processing and/or refining facilities or mining and/or utilization activities:
 1. tenth year amounting to 5% (five percent);
 2. eleventh year amounting to 10% (ten percent);
 3. twelfth year amounting to 15% (fifteen percent);
 4. thirteenth year amounting to 20% (twenty percent);
 5. fourteenth year amounting to 30% (thirty percent);
 6. fifteenth year amounting to 51% (fifty-one percent).
- b. IUP and IUPK holders who carry out mining activities by using open mining method and integrated with processing and/or refining facilities or mining and/or utilization activities:
 1. fifteenth year amounting to 5% (five percent);
 2. sixteenth year amounting to 10% (ten percent);
 3. seventeenth year amounting to 15% (fifteen percent);
 4. eighteenth year amounting to 20% (twenty percent);
 5. nineteenth year amounting to 30% (thirty percent);
 6. twentieth year amounting to 51% (fifty-one percent).
- c. IUP and IUPK holders who carry out mining activities by using underground mining method and not integrated with processing and/or refining facilities or mining and/or utilization activities:
 1. fifteenth year amounting to 5% (five percent);
 2. sixteenth year amounting to 10% (ten percent);
 3. seventeenth year amounting to 15% (fifteen percent);
 4. eighteenth year amounting to 20% (twenty percent);
 5. nineteenth year amounting to 30% (thirty percent);
 6. twentieth year amounting to 51% (fifty-one percent).
- d. IUP and IUPK holders who carry out mining activities by using underground mining method and integrated with processing and/or refining facilities or mining and/or utilization activities:
 1. twentieth year amounting to 5% (five percent);

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2. twenty first year amounting to 10% (ten percent);
3. twenty second year amounting to 15% (fifteen percent);
4. twenty third year amounting to 20% (twenty percent);
5. twenty fourth year amounting to 30% (thirty percent);
6. twenty fifth year amounting to 51% (fifty-one percent).

As for the divestment procedures, the GR No. 96/2021 (as amended) sets the same provision with the previous regime, where the foreign-owned shares must be offered in stages to the Central Government, Regional Government, BUMN, BUMD, and/or domestic private entities. However, pending the issuance of the implementing MEMR regulation (as provided in GR No. 96/2021 (as amended)), there is no further detail on the procedures for the divestment obligations under GR No. 96/2021 (as amended) and on whether the new relaxed gradual divestment timeline will be applicable to IUP production operation holders who have been requested to carry out divestment obligation (including if its divestment obligation has not been completed) pursuant to the previous regime. Under MEMR Regulation No. 9 of 2017 on the Procedure of Share Divestment and Mechanism of Divestment Share's Price Determination in Coal and Mineral Mining Business Activities, as amended by MEMR Regulation No. 43 of 2018, Production Operation IUP/IUPK holder must conduct a share divestment offer to an Indonesian entity no later than 90 calendar days after 5 years of operation. The foreign-owned shares must initially be offered to the Central Government through the MEMR, who will have 90 calendar days to evaluate and negotiate such offer. If the Central Government does not purchase the shares, then the shares shall be offered to provincial and regent/municipal governments. The provincial or regent/municipal government will have 30 calendar days as of the offering date to respond whether or not to accept such offer. If these provincial or regent/municipal governments also do not purchase these shares, these shares are then tendered to both BUMN and BUMD. If there is no BUMN and BUMD willing to purchase the shares, the shares can be tendered to private local companies. If a local private company does not purchase these shares, the shares may then be offered to the public. Divestment may be executed through issuance of new shares and/or transfer of existing shares, whether directly or indirectly. The Government may form a consortium among provincial, municipal, state and/or regional-owned enterprises for the purpose of participating in the purchase of the shares. In addition to the foregoing, GR No. 96/2021 (as amended) stipulates that foreign-owned IUP/IUPK holders increasing issued and paid-up capital after share divestment begins must ensure divested shares are not diluted below the minimum required.

Reclamation and post-mining activities

Reclamation plan

Under GR No. 78/2010, as implemented by MEMR Regulation No. 26 of 2018 on Implementation of Good Mining Practices and Supervision of Mineral and Coal Mining (“**MEMR Regulation No. 26/2018**”) and further implemented by MEMR Decree 1827K/30/MEM/2018 on Implementing Guidelines for Good Mining Practices (“**MEMR Decree No. 1827K/2018**”), mining companies are required to carry out reclamation and post-mining activities at every phase of mining activities (i.e. during Exploration and Production Operation phase). Prior to undertaking any exploration activities, Exploration IUP/IUPK holders must prepare a reclamation plan for the Exploration phase in accordance with the approved environmental document and submit it to the MEMR or the respective governor for approval. The approval by the MEMR will state the amount of the reclamation guarantee required to be paid by the license holder. The reclamation guarantee for the exploration phase must be in the form of a time deposit and denominated in either U.S. dollars or Rupiah and placed in an Indonesian Government bank under the name of the Director of the Directorate General of Minerals and Coal (“**DGMC**”) or the respective regional governor and the name of the license holder. The period of the time deposit shall be in line with the reclamation's schedule.

Production Operation IUP/IUPK holders are also required to submit a reclamation plan for the Production Operation phase, which must be prepared in accordance with the feasibility study and the approved environmental document. The plan must be included in the

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submission of the application for a Production Operation IUP/IUPK to the MEMR or the respective governor. Similar to the reclamation plan at the Exploration phase, the approval of the reclamation plan for the Production Operation phase shall also state the amount of reclamation guarantee which shall be paid by the holder of IUP or IUPK either in US Dollars or Rupiah. The reclamation guarantee may be satisfied in one of the following options: (i) joint account in an Indonesian state-owned bank; (ii) time deposit in an Indonesian Government's bank in Indonesia; (iii) bank guarantee issued by an Indonesian Government-owned or private bank; or (iv) accounting reserve for a Production Operation IUP/IUPK holder who lists at least 40.0% of its shares on the Indonesian Stock Exchange ("IDX") and its paid-up capital is in the amount of at least US\$50 million. Production Operation IUP/IUPK holders who place their reclamation guarantee in an accounting reserve are required to submit a statement letter made before a notary stating that the reclamation guarantee has been paid to MEMR or the respective governor.

The reclamation guarantee both in the Exploration and Production Operation phase may be disbursed by the holder of the IUP or IUPK upon obtaining the approval from the MEMR or the respective governor and such approval will be based on the success rate of the reclamation activities.

Post-mining plan

In addition to the reclamation plan for the Production Operation phase, Exploration IUP/IUPK holders are also required to prepare a post-mining plan as a prerequisite to obtain the Production Operation IUP/IUPK. Similar to the reclamation plan, the post-mining plan approval will be issued by the MEMR or the respective governor and shall contain the amount of post-mining guarantee which shall be paid by the Production Operation IUP/IUPK holders, the payment schedule and the holding period of guarantee. The post-mining guarantee shall be placed in an Indonesian state-owned bank in the form of a time deposit under the name of the Director of the DGMC or the respective governor and the name of the license holder, either in US Dollars or IDR. The post-mining guarantee may be withdrawn by the Production Operation IUP/IUPK holder upon securing approval from the MEMR or the respective governor. Such approval will be based on the success rate of the post-mining activities. In the case that the Production Operation IUP/IUPK's validity period is extended by the MEMR or the respective governor, the Production Operation IUP/IUPK holders shall amend their post-mining plan.

Indonesian Government royalties

Pursuant to Indonesian Government Regulation No. 19 of 2025 on the Types and Tariffs of Non-State Tax Revenue Applicable in the Ministry of Energy and Mineral Resources, IUP and IUPK holders are required to pay production royalties to the Government. Currently, a range of royalties apply with respect to different types of coal and mineral mining. Under the Mining Law (as amended), Production Operation IUPK holders are required to pay 10% of net profit from the mine, which comprises 4% to be paid to the Central Government and 6% to be shared between the relevant provincial and regional governments in whose jurisdictions the mine is located. The above percentages are determined based on the following applicable royalty tariff regulations:

- a. For gold, a progressive royalty rate applies as follows:
 - Reference Mineral Price (HMA) below US\$1,800, a royalty rate of 7% of the price per troy ounce applies;
 - $\text{US\$1,800} \leq \text{HMA} < \text{US\$2,000}$, a royalty rate of 10% of the price per troy ounce applies;
 - $\text{US\$2,000} \leq \text{HMA} < \text{US\$2,200}$, a royalty rate of 11% of the price per troy ounce applies;
 - $\text{US\$2,200} \leq \text{HMA} < \text{US\$2,500}$, a royalty rate of 12% of the price per troy ounce applies;
 - $\text{US\$2,500} \leq \text{HMA} < \text{US\$2,700}$, a royalty rate of 14% of the price per troy ounce applies;

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- US\$2,700 ≤ HMA < US\$3,000, a royalty rate of 15% of the price per troy ounce applies; and
- HMA is equal to or above US\$3,000, a royalty rate of 16% of the price per troy ounce applies.

For silver, a royalty rate of 5% of the price per troy ounce applies.

General mining services

Other than regulating the mining activities, the Mining Law (as amended) along with its implementing regulations also regulate mining services activities. Under the Mining Law (as amended), the mining services business activities encompasses several sectors, among other things (i) exploration, (ii) feasibility study, (iii) mining construction, (iv) mining area environment, and (v) processing of mining commodity. Any company that intends to conduct mining services activities is required to obtain IUPJ and under MEMR Regulation No. 7/2020, IUPJ holders are prohibited from having any other mining licenses, such as an IUP or IUPK. IUPJ holders have several obligations as set forth under the MEMR Regulation No. 7/2020, among other things, (i) prioritize using local products, sub-contractors and manpower, (ii) prepare and submit a written report on its business activities, (iii) appoint an operational person in charge as the head in the operational area, and (iv) submit all documents relating to mining service contracts entered into with IUP, IUPK or other IUPJ holders.

If IUP/IUPK holders intend to engage mining service companies to support its business activities, Mining Law (as amended) requires IUP/IUPK holders to engage with local and/or national mining services companies and where no local and/or national mining service company is available, the IUP/IUPK holders may engage foreign-owned mining services companies. Furthermore, in engaging the mining service companies, the IUP/IUPK holders shall retain responsibility for its mining business activities.

Under GR No. 96/2021 (as amended) IUP/IUPK holders are prohibited from engaging its affiliates and/or subsidiaries with mining services business activities in the WIUP/WIUPK if it operates without approval from the MEMR. Such approval may be granted by the MEMR if:

- a. no mining services company in the area that provides mining services similar as provided by the relevant subsidiary;
- b. no capable mining services company; or
- c. no mining services company that is willing to engage with the IUP/IUPK holders.

For clarity, affiliates and/or subsidiaries in relation to a mining services company refer to a mining company that has a direct share ownership relationship with a mining service company. According to Director General of Mineral, Coal and Geothermal Regulation No. 376.K/30/DJB/2010 of 2010 on the Procedure and Requirements to Request Approval of Using Subsidiaries and/or Affiliates in the Mining Service Business, a mining service company has a direct share ownership in a mining company if:

- a. 20% shares of the mining service company's shares are directly owned by an IUP/IUPK holder;
- b. 50% of the voting rights of a mining service company are held by an IUP or IUPK holder by virtue of an agreement directly controlling financial and operation policies of the mining service company; and/or
- c. an IUP/IUPK holder has the authority to appoint and discharge finance and operational directors (or persons having equivalent positions) of a mining service company.

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Mandatory approval from MEMR and notification to MEMR

Pursuant to the Mining Law (as amended) and MEMR Regulation 7/2020, any change of shareholding composition in a mining company must be approved by the MEMR. To obtain the approval, the MEMR Regulation No. 48 of 2017 on Business Supervision in The Energy and Mineral Resources Sector (“**MEMR Regulation No. 48/2017**”) sets out that the mining company must submit a written application to the MEMR along with administrative requirements and financial requirements. Administrative requirements are comprised of, among other things, the application letter, reason for the shares transfer, GMS’ approval for the shares transfer, the latest articles of association ratified by the Minister of Law (“**MOL**”), a copy of the Production Operation IUP, shares transfer plan, identity of the buyer of the shares, statement letter certifying that all the information provided are true and digital copies of all the aforementioned documents. Meanwhile, the financial requirements are comprised of, among other things, income tax report letter of the mining company for the last two years, audited financial statement for the last two years, evidence of payment of non-tax state income, income tax report letter of the buyer of the shares for the last two years and audited financial statement of the buyer of the shares for the last two years. Noncompliance with this requirement may result in administrative sanctions in the form of written warning, fines, temporary cessation of Production Operation activities and/or revocation of the IUP.

Additionally, pursuant to MEMR Regulation No. 7/2020, any change of members of board of directors and board of commissioners must be notified to the MEMR no later than 14 days after the change has been notified to the MOL (which under the Indonesian Companies Law, such change should be notified to the MOL by no later than 30 days from the date of the shareholders’ resolution). Similarly, noncompliance with this requirement may result in administrative sanctions in the form of written warning, fines, temporary cessation of Production Operation activities and/or revocation of the IUP or IUPK.

Gold sales price controls

On 11 January 2017, the MEMR issued MEMR Regulation No. 7 of 2017 on Method of Determination of Minerals and Coal Benchmark Sale Price as lastly amended by MEMR Regulation No. 11 of 2020 (“**MEMR Regulation No. 7/2017 (as amended)**”). MEMR Regulation No. 7 of 2017 (as amended) stipulates that the gold pricing arrangement between the IUP, IUPK, or CoW holder and the gold purchaser (including their respective affiliated parties) must determine the gold price which is no less than the metal mineral benchmark price (*Harga Patokan Mineral Logam* or “**HPML**”), which constitutes the floor price in calculating the obligation to pay production dues by holders of Production Operation IUP/IUPK for metallic minerals. The HPML is stipulated by the MEMR for each commodity of the metal minerals, including for gold metal.

The applicable HPML will be determined based on a formula containing several variables including mineral content/value, constant, metal mineral price reference (*Harga Mineral Logam Acuan* or “**HMA**”), corrective factor, treatment cost and refining charges and/or payable metal. The HPML formula is determined by the MEMR which may be regularly reviewed on semi-annual basis and the HMA is determined by the MEMR on monthly basis based on the metal mineral publications issued by LME, London Bullion Market Association, Asian Metal, Indonesia Commodity & Derivatives Exchange, Jakarta Future Exchange and/or other publications (both issued locally and overseas) used in selling metal minerals. The HPML may be calculated in US Dollars or in Rupiah.

Obligation to Process and/or Refine Minerals and Coal

Pursuant to the Mining Law (as amended) and GR No. 96/2021 (as amended), Operation Production IUP/IUPK holders for mineral commodities ((i) metal minerals, (ii) non-metal minerals, (iii) rocks and (iv) coal) must carry out processing and/or refining to increase the value of minerals originated from domestic mining. The Government guarantees the continuity of processing and/or refining result utilization. The guarantee is granted in the form of export facilities and/or fiscal and/or non-fiscal incentives for companies that build derivative industries of processing and/refining products. The minimum limit of processing and/or refining for each mineral commodity is set out further in MOTR Regulation No. 23/2023 (as amended) (as defined below) for export purpose.

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Mineral export license

Minister of Trade Regulation No. 23 of 2023 on Export Policy and Regulation as lastly amended by Minister of Trade Regulation No. 9 of 2025 (“**MOT Regulation No. 23/2023 (as amended)**”) sets forth limitations on the export of certain types of raw material, ore, and processed and/or refined mining products. Mining products which are subject to limitations under MOT Regulation No. 23/2023 (as amended) are listed in its appendix I, which mainly consists of minerals that have been refined and/or processed in accordance with the minimum applicable level of processing and/or refinery. The export of mining products listed under appendix I of MOT Regulation No. 23/2023 (as amended) may only be performed by the holder of (i) Production Operation IUP, (ii) Production Operation IUPK, (iii) IUP for Sales, or (iv) IUI, and such exportation can only be carried out after verification or technical investigation has been performed by a qualified surveyor (save for certain products which are excluded from such verification or technical investigation requirements as stipulated under MOT Regulation No. 23/2023 (as amended), the results of which shall be stated in surveyor report (*laporan surveyor*)).

Specific for the exportation of gold products, under Minister of Trade Regulation No. 22 of 2023 on Goods Prohibited from Being Exported as lastly amended by Minister of Trade Regulation No. 8 of 2025, (i) gold in powder form, in unworked form, or in other semi-finished forms, not being currency, with a purity of < 99% Au and (ii) partially refined gold in the form of gold ore and its concentrate, as well as dore bullion, are prohibited from being exported. However, under MOT Regulation No. 23/2023 (as amended), such products can be exported for non-commercial purposes, namely for the purposes of (i) research and development, (ii) re-export, and/or (iii) export of industrial products categorized as mining products whose primary raw materials originate from imports and/or metal scrap. Such exportation can be carried out only after verification or technical investigation has been performed by a qualified surveyor, which results is stipulated in a surveyor report, and after securing export approval (*persetujuan ekspor*). For gold in powder form, in unworked form, or in other semi-finished forms, not being currency, with a purity of $\geq 99\%$ Au can be exported for commercial and non-commercial purposes after obtaining the surveyor report.

Implementation of Export Duty on Gold Products

On 9 December 2025, the Minister of Finance of the Republic of Indonesia promulgated Ministry of Finance Regulation No. 80 of 2025 on the Determination of Gold Export Goods Subject to Export Duty and the Export Duty Tariff (the “**MOF Regulation No. 80**”). Under the MOF Regulation No. 80, certain gold products exported from Indonesia may be subject to export duty, with tariff rates determined based on specified reference price ranges. Gold products covered by the regulation include (i) dore in the form of lumps, ingots, cast bars and other forms, (ii) non-dore granules and other untapped forms, (iii) non-dore lumps, ingots and cast bars, and (iv) minted bars.

The applicable export duty tariff varies according to the reference price of gold per troy ounce. Reference prices from USD2,800 to less than USD3,200 per troy ounce fall under the first tariff band specified in the Schedule of the MOF Regulation No. 80, while reference prices of USD3,200 per troy ounce or higher fall under the second tariff band specified in the Schedule of the MOF Regulation No. 80. The export duty percentage for each gold product category is therefore determined by its classification and the prevailing reference price during the relevant period. The duty payable is calculated by multiplying the applicable tariff, the quantity of exported goods, the export price per unit, and the applicable exchange rate, in accordance with the ad valorem formula set out in the regulation. The export price used for this calculation is determined by the Director General of Customs and Excise based on the periodic Export Benchmark Price (HPE) issued by the Minister of Trade.

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Land rights for mining purposes in Indonesia

The Mining Law (as amended) regulates that the granting of any mining license does not constitute the granting of land rights over the land located within the mining concession area to the mining company holding such mining license. Therefore, such mining company is obliged by the Mining Law (as amended) and GR No. 96/2021 (as amended) to come to a “settlement” with people holding land titles within the mining concession, as the holder of the mining license only able to conduct the mining activities after obtaining the approval from the land right holder. The purpose of this “settlement” is to compensate the land title holder for the disruption to their utilization of the surface of the land caused by the mining activities. A settlement only needs to be reached with land title holders in areas of the concession which will be affected by mining activities. If the settlement effort by the mining company is failed, the Indonesia Government through the MEMR altogether with the Ministry of Agrarian Affairs and with the assistance of regional government shall mediate the land settlement.

Forestry regulation

Law No. 41 of 1999 on Forestry, as amended by Law No. 19 of 2004 on the Stipulation of Government Regulation in Lieu of Law No. 1 of 2004 as Law (“**Forestry Law 1999**”) provides that open-pit mining operations cannot be conducted within protected forests. However, if a mining company intends to conduct non-open-pit mining operation in forest area, it is required to obtain the Forest Borrow-to-Use Permit (*Izin Pinjam Pakai Kawasan Hutan* or “**IPPKH**”) which is the required permit to carry out the utilization of forest area for mining purposes requires. Such permit is issued by the Minister of Forestry.

However, after the Forestry Law 1999 was amended by the Job Creation Law (“**Forestry Law (as amended)**”), the IPPKH is replaced by the Forest Area Utilization Permit (*Persetujuan Penggunaan Kawasan Hutan* or “**PPKH**”). In relation to the replacement of IPPKH by PPKH, Indonesian Government Regulation No. 23 of 2021 on the Organization of Forestry (“**GR No. 23/2021**”) regulates that (i) IPPKH that have been issued and fulfilled all obligations prior to the enforcement of this government regulation remains valid up until the expiration of such IPPKH and enforced as the PPKH and (ii) IPPKH that have been issued but have yet fulfilled all obligations prior to the enforcement of this government regulation shall remain valid and shall complete the obligations in accordance with this government regulation.

Under GR No. 23/2021, mining activities in a forest area can only be carried out in production forests (*hutan produksi*) and, if conducted underground, in protected forests (*hutan lindung*). Further, Minister of Environment and Forestry Regulation No. 7 of 2021 on Forestry Plan, Change of Area Function of the Forest and Utilization of Forest Area as amended by Minister of Environment and Forestry Regulation No. 20 of 2025 (“**MOEF Regulation No. 7/2021**”), the quota of mineral and coal mining activities (including its facilities and infrastructure) which may be granted a PPKH shall be (among other limitations):

- a. up to 10% of the total area of the protected forest and production forest, if the mining activities are conducted in an island;
- b. up to 10% of the total area of the forestry holding unit (*kesatuan pemangkuan hutan*) if the mining activities are conducted in a production forest within Perum Perhutani’s working area;
- c. up to 10% of the total area of the protected forest in a province if the mining activities are conducted in a protected or production forest within such province.

However, the MOEF Regulation No. 7/2021 also provides exemption on the quota of mineral and coal mining activities which may be granted a PPKH, namely if the PPKH is intended for (among other transitional provisions):

- a. mining exploration or extended exploration;
- b. transportation roads for mining production;
- c. strategic projects pursuant to a cooperation between governments;
- d. mineral production operation activities accompanied by the construction of a smelter that have been determined by the MEMR; or

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- e. mineral and coal mining activities that previously have obtained IPPKH for the operation production activities which later re-apply to obtain PPKH for the same location.

Under GR No. 23/2021, Provisi Sumber Daya Hutan (“**PSDH**”) is defined as a non-tax state levy (PNBP) imposed as compensation for the intrinsic value of forest products and/or forest-based outputs taken from State Forests. Under Article 102 of GR No. 23/2021, a holder of a Forest Area Utilization Approval (Persetujuan Penggunaan Kawasan Hutan) is permitted to conduct land-clearing tree-cutting activities, provided that the holder pays the applicable PSDH or Dana Reboisasi (DR). GR No. 23/2021 situates PSDH within the national forestry administrative framework, where PSDH constitutes part of the mandatory financial obligations tied to forest utilization activities.

Minister of Environment and Forestry Regulation No. 8 of 2021 on Forest Zoning and the Preparation of Forest Management Plans, as well as Forest Utilization in Protected Forests and Production Forests, as amended (“**MOEF No. 8 of 2021**”) reinforces this construction and integrates PSDH into the operational regime of forest management by classifying PSDH as part of the PNBP obligations used in forest-utilization licensing. Every forest product extracted within a licensed forest-utilization area must be measured, verified, recorded, and reported, and these recorded volumes form the basis for calculating PSDH. Under Article 308 of MOEF No. 8/2021, PSDH is imposed on (1) timber (Hasil Hutan Kayu) and non-timber forest products (Hasil Hutan Bukan Kayu) extracted from certain areas, and (2) outputs of forest-area utilization and (3) outputs of forest environmental-service utilization.

Environmental regulation

Environmental protection in Indonesia is governed by various laws, regulations and decrees, including the following:

- a. Law No. 32 of 2009 on Environmental Protection and Management, as amended by the Job Creation Law (“**Indonesian Environmental Law**”);
- b. Indonesian Government Regulation No. 28 of 2025 on Implementation of the Risk-Based Business Licensing (“**GR No. 28/2025**”);
- c. Indonesian Government Regulation No. 22 of 2021 on Implementation and Management of Environmental Protection (“**GR No. 22/2021**”);
- d. Minister of Environment and Forestry Regulation No. 4 of 2021 on List of Business and/or Activities Which Required to Have an Environmental Impact Assessment, Environmental Management Effort and Environmental Monitoring Effort, or Statement on Environmental Management and Monitoring Readiness (*Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup* or “**SPPL**”) (“**MOEF Regulation No. 4/2021**”);
- e. Minister of Environment Regulation No. 16 of 2012 on the Guidelines on Preparation of Environmental Documents (“**ME Regulation No. 16/2012**”);
- f. MEMR Regulation No. 7/2020;
- g. MEMR Regulation No. 26/2018;
- h. MEMR Decree No. 1827K/2018; and
- i. Minister of Environment and Forestry Regulation No. P.26/MENLHK/SETJEN/KUM.1/7/2018 on the Guidelines for the Preparation, Assessment, and Examination of Environmental Documents in the Implementation of OSS (“**MOEF Regulation No. 26/2018**”).

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These laws generally provide, among other things, that mining companies must have the facilities and bear the costs and expenses of reclamation and rehabilitation of concession areas and shall prevent and minimize environmental pollution and destruction resulting from mining activities. Mining companies whose operations have a significant environmental or social impact must create and maintain Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan* or “AMDAL”) documents, which must contain:

- a. an analysis known as Terms of Reference on Environmental Impact Analysis Form (*Formulir Kerangka Acuan Analisis Dampak Lingkungan*);
- b. an environmental impact analysis (*Analisis Dampak Lingkungan*);
- c. an environmental management plan (*Rencana Pengelolaan Lingkungan*); and
- d. an environmental monitoring plan (*Rencana Pemantauan Lingkungan*).

In certain circumstances as set out in the MOEF Regulation No. 4/2021, including where the mining activities are in exploration stage, AMDAL documents are not required and an Environmental Management Effort and Environmental Monitoring Effort (*Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan* or “UKL-UPL”) document must be prepared instead. Technical guidelines for the preparation of these documents are set out in ME Regulation No. 16/2012 and MOEF Regulation No. 26/2018.

Pursuant to MOEF Regulation No. 26/2018, a company must obtain environmental permits which will be issued by the Online Single Submission system (“OSS System”) business licensing system on behalf of the Minister of Environment and Forestry, Governor or Mayor/Regent (in accordance with their respective authorities) through the OSS business licensing system. However, by the issuance of the Job Creation Law, the requirement to obtain a separate environmental permit has now been removed. Instead, pursuant to GR No. 22/2021, a company, in order to legally conduct its business and/or activity, must obtain an Environmental Approval (*Persetujuan Lingkungan*) from the central or regional government’s approval, which serves as a pre-requisite for the issuance of business license (*perizinan berusaha*) of the company.

An Environmental Approval is obtained through preparation of AMDAL or UKL-UPL and shall have the same validity period with the business license. Any business actors who have conducted their businesses before GR No. 22/2021 takes effect and (i) who do not have the environmental documents or who have environmental documents, but such documents do not comply with prevailing regulations; and (ii) whose business locations are in accordance with the spatial plan (*rencana tata ruang*), are required to have:

- a. an Environmental Evaluation Documents (*Dokumen Evaluasi Lingkungan Hidup*, or “DELH”) for business activities with significant environmental effect; or
- b. an Environmental Management Documents (*Dokumen Pengelolaan Lingkungan Hidup*, or “DPLH”) for business activities with insignificant environmental effect.

Such DELH or DPLH must be submitted by the business actor to the Minister of Environment and Forestry, or regional government in accordance with their respective authority, through an Environmental Documents Information System, to be approved. The approved DELH or DPLH is equal to an Environmental Approval which is used as pre-condition and integrated in the business licensing.

After all environmental documents are obtained, the company must conduct environmental management of the mining areas under the Good Mining Practice principles under the prevailing laws and regulations. MEMR Regulation No. 26/2018 states that environmental management of the mining areas include the implementation of environmental management and supervision according to the company’s environmental document; and prevention and recovery of the environment in the event of pollution and/or environmental damage. Mining companies have to prepare an annual Work Plan and Budget (*Rencana Kerja dan Anggaran Belanja* or “RKAB”) which includes environmental aspects. Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, and Production Operation IUPK are required to provide a reclamation guarantee, and for holders of Production Operation IUP/IUPK are also required to provide post-mining guarantee. MEMR Decree No. 1827K/2018 further stipulates the guidelines on the environmental management of the mining areas. The

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environmental management activities are supervised by the mining inspector with further supervision from the head of the mining inspector.

In addition, mining companies are required to appoint a head of mining technology and Person-in-Charge for Technical and Environmental matters who is required to: submit regular reports on the environmental management and supervision activities to the mining inspector; report if there is a potential environmental pollution and/or damage indication to the mining inspector; submit a report regarding environmental case no later than 24 hours after the case occurred accompanied by the mitigation plan to the mine inspector; create procedural standard for environmental pollution and/or damage mitigation of the potentially caused environmental pollution and damaged area; and lead the reclamation and post-mining operation.

Under Indonesian environmental regulations, remedial and preventative measures and sanctions (such as the imposition of substantial criminal penalties, fines and the cancelation of concessions) may be imposed to remedy or prevent pollution caused by operations. Such sanctions range from three to 15 years of imprisonment for any person who intentionally has caused environmental pollution or environmental damage, and fines ranging from between Rp3 billion to Rp15 billion, subject to an additional penalty of one-third of the fine amount if the charge is filed against the party who ordered the criminal act or against the criminal mastermind. The Minister of Environment and Forestry also reserves the right to impose a monetary penalty in lieu of any rehabilitation obligations of a liable person.

Emission Discharge

Pursuant to the GR No. 22/2021 and Minister of Environment and Forestry Regulation No. 5 of 2021 on Procedures for the Issuance of Technical Approvals and Operational Feasibility Certificates for the Environmental Pollution Control Sector (“**MOEF Regulation No. 5/2021**”), any business actor, including mining companies, that conduct emission discharge activities, is required to obtain Technical Approval on Compliance with Emission Quality Standards (*Persetujuan Teknis Pemenuhan Baku Mutu Emisi*) before conducting any emission dischargement activities. Furthermore, such business actor is also required to obtain Operational Feasibility Certificates (*Surat Kelayakan Operasional* or “**SLO**”) for its emission control installations. In addition to the foregoing, under GR No. 22/2021, any business actor that conducts emission dischargement activities is required to submit reports on fulfilment of air pollution control obligation through the Environmental Information System (*Sistem Informasi Lingkungan Hidup* or “**SIMPEL**”).

Wastewater disposal

Pursuant to the GR No. 22/2021 and MOEF Regulation No. 5/2021, any business actor, including mining companies, that dispose wastewater because of its business activities, is required to obtain Technical Approval on Compliance with Wastewater Standard (*Persetujuan Teknis Pemenuhan Baku Mutu Air Limbah*) before conducting the wastewater disposal activities. Furthermore, such business actor is also required to obtain SLO for its wastewater disposal installations. Pursuant to GR No. 22/2021, any business actor that conducts wastewater disposal activities is required to submit reports on fulfilment of water pollution control obligation through SIMPEL.

Hazardous and toxic substances

Pursuant to the GR No. 22/2021 and Minister of Environmental and Forestry Regulation No. 6 of 2021 on Procedures and Requirements for the Management of Hazardous and Toxic Waste (“**MOEF Regulation No. 6/2021**”), any business actor that produces hazardous and toxic substances (*bahan berbahaya dan beracun* or “**B3 Waste**”) in conducting its business activities is required to temporarily storage the B3 Waste it produces in carrying out the B3 Waste temporary storage activities, such business actor is required to (i) comply with the B3 Waste storage standards which are integrated to the NIB, for hazardous waste producer with business and/or activities that requires SPPL and/or (ii) obtain Technical Specification for B3 Waste Storage Activities (*Rincian Teknis Penyimpanan Limbah B3*) which are included in the Environmental Approval, for hazardous waste producer with business and/or activities that requires AMDAL or UKL-UPL. Furthermore, business actor that conducts B3 Waste storage activities is subject to the obligation to submit the B3 Waste storage activities report at least once every six months since the issuance of its NIB and/or Environmental Approval.

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Usage of explosives

Explosives usage in Indonesia for mining purposes is regulated by MEMR Regulation 7/2020 and Head of National Police Regulation No. 17 of 2017 on Licensing, Supervision, Control and Safety of Commercial Explosive Materials (“**National Police Regulation No. 17/2017**”). Based on the National Police Regulation No. 17/2017, an “end-user” is defined as a legal entity performing a government project and/or a private business entity that is directly responsible as the user of an explosive material. The National Police Regulation No. 17/2017 requires end-users who are engaging in the mineral, coal and geothermal sectors to have:

- a. an IUP, CoW, CCoW, concession, or other licenses;
- b. a head of mining technician and explosive expert that holds a Blasting Permit Card (*Kartu Izin Meledakkan*) issued by the DGMC or the head of the provincial mining office, as applicable; or
- c. a local mineral business license for an entity that engages in the industrial mineral sector or C class material in accordance with the prevailing laws and regulations.

National Police Regulation No. 17/2017 also provides that end-users may be granted certain explosive-related licenses including a storage license, ownership, possession, and storage license, purchasing and utilization license, transfer of use license, residual use license, transport of explosives license and annihilation license.

Smelting Regulations

Under the Mining Law (as amended), the holder of Production Operation IUP/IUPK, other than conducting mining activities, may also engage in processing and/or refinery activities and have their own smelting facility. The Production Operation IUP/IUPK has become an integrated license to conduct mining and smelting activities. Therefore, the holders of Production Operation IUP/IUPK are not required to obtain any specific license to carry out processing and/or refinery activities.

However, if a company intends to only conduct processing and/or refinery activities without conducting any mining activities, such company, under MEMR Regulation No. 7/2020 (as amended), is required to obtain IUP/IUPK Production Operation for processing and/or refinery (“**IUP OM**”). Under the Mining Law (as amended), the IUP OM issued before the law comes into force shall be adjusted into an IUI that is issued based on laws and regulations in the industrial sector within 1 (one) year at the latest since the law comes into force.

Regulation of the Indonesian Industrial Sector

The primary law on the industrial sector is Law No. 3 of 2014 on Industry as amended by the Job Creation Law (“**Industrial Law**”). Under the grandfathering clause of the Industrial Law, all ancillary regulations of the Law No. 3 of 2014 on Industry enacted prior to the amendment by the Job Creation Law shall remain in force insofar as none of the provisions are in conflict with the Industrial Law and to the extent that no ancillary regulation under the Industrial Law were introduced.

The Industrial Law requires a company operating in the industrial sector to secure business licenses from the Central Government. Prior to the enactment of the Job Creation Law, the business license for industrial sector is the IUI. However, after the enactment of the Job Creation Law and further strengthen by the enactment of the Minister of Industrial Affairs (“**MOI**”) Regulation No. 37 of 2025 on Standards for Business Activity and/or Standards for Products/Services in the Implementation of Risk-Based Business Licensing in the Industrial Sector (“**MOI Regulation No. 37/2025**”), the required business license for a company engaging in industrial sector is determined based on the risk level of the industrial business activities carried out, as follows:

- a. low risk level business activities: NIB;
- b. medium-low risk level business activities: NIB and standard certificate (*sertifikat standar*);

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- c. medium-high risk level business activities: NIB and verified standard certificate (*sertifikat standar terverifikasi*); and
- d. high risk level business activities: NIB and permit (*izin*).

However, under the grandfathering clause of the Industrial Law, any IUI that was secured prior to the enactment of the Industrial Law shall remain valid insofar as the industrial activities covered by the IUI remain in place. Failure to secure the required business license for industrial sector business activity may result in administrative sanctions, such as written notice, fines and/or temporary closure while absence of operations for three consecutive years after obtaining the business license may also subject to the administrative sanctions in the form of from written reprimand and revocation of business license and business license to support business activities.

The Industrial Law also mandates that any company engaging in industrial activities must carry out its operations within an Industrial Estate (*Kawasan Industri*) and failure to comply may result in administrative sanctions on such company. However, under the MOI Regulation No. 37/2025, this requirement is not applicable to (i) any industry located in regions which have yet to be equipped with Industrial Estate or whose Industrial Estate are fully occupied, (ii) small or medium-scale industries which have no potential to adversely affect the environment or (iii) industries using certain raw materials and/or running certain manufacturing processes, and which must be located in specialized zones, (iv) any industry located in an industrial zone within a special economic zone.

In addition to the foregoing, the Industrial Law and the MOI Regulation No. 13 of 2025 on the Procedures for the Submission of Industrial Data, Industrial Estate Data, Other Data, Industrial Information, and Other Information Through the National Industrial Information System (“**MOI Regulation No. 13/2025**”) requires every company operating in the industrial sector to submit report of the industrial data through the National Industrial Information System (*Sistem Informasi Industri Nasional* or “**SIINas**”), which must be carried out in the development and production stages periodically four times a year with the following details:

- a. industrial data for the period of January to March must be submitted on 1 April and no later than 10 April of the current year;
- b. industrial data for the period of April to June must be submitted on 1 July and no later than 10 July of the current year;
- c. industrial data for the period of July to September must be submitted on 1 October until no later than 10 October of the current year; and
- d. industrial data for the period of October to December must be submitted on 1 January until no later than 10 January of the following year.

Furthermore, under the MOI Regulation No. 13/2025, the company operating in the industrial sector may be required to submit other data in the form of (i) additional data, (ii) data clarification, and/or (iii) extraordinary events in the company if requested by the MOI via the SIINas, in which such other data must submitted via SIINas no later than three days after receiving the request from the MOI. Failure to submit the industrial data and/or other data previously mentioned may subject the company to administrative sanctions ranging from written reprimand to revocation of business license.

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Furthermore, in relation to the industrial estate, the Industrial Law and Indonesian Government Regulation No. 28 of 2021 on Industrial Affairs as amended by Government Regulation No. 46 of 2023 stipulate that every company that intends to conduct industrial estate business activity is required to fulfil business licensing from the Indonesian Government. The business licenses that are required to be fulfilled by a company that intends to engage in industrial estate business activities are (i) NIB and (ii) Industrial Estate Business License (*Izin Usaha Kawasan Industri*). Under MOI Regulation No. 13/2025, company that engages in industrial estate is required to submit industrial estate data through SIINas, which shall be carried out during the development and the production stages periodically four times a year with the following details:

- a. industrial estate data for the period of January to March must be submitted on 1 April and no later than 10 April of the current year;
- b. industrial estate data for the period of April to June must be submitted on 1 July and no later than 10 July of the current year;
- c. industrial estate data for the period of July to September must be submitted on 1 October until no later than 10 October of the current year; and
- d. industrial estate data for the period of October to December must be submitted on 1 January until no later than 10 January of the following year.

Furthermore, similar to companies that engage in industrial sector business activities, the companies that engage in industrial estate business activities may be required to submit other data if requested by the MOI via the SIINas. Failure to submit the industrial estate data and/or other data previously mentioned may subject the company to administrative sanctions ranging from written reprimand to revocation of business license.

Building Law

Law No. 28 of 2002 on Buildings as amended by the Job Creation Law (“**Building Law**”) stipulates provisions on construction and utilization of buildings in which each building must have certain function and classification. A function of a building must be obtained through a Building Approval (*Persetujuan Bangunan Gedung* or “**PBG**”) before the building is constructed. The building must fulfil certain technical standard in accordance with its functions. Building Approval will be issued by the central government through an electronic system. Once a building is constructed and prior to its utilization, it must obtain a Functional Worthiness Certificate (*Sertifikat Laik Fungsi* or “**SLF**”). The certificate is issued by the central government or regional government upon its discretion by taking into account among others statement of function feasibility as submitted by the supervisory services or construction management provider. Failure to fulfil requirements under the Building Law is subject to administrative sanctions in the form of among other things, restriction on construction activities, temporary/permanent suspension of construction work, temporary/permanent suspension of building utilization or ultimately order of demolition of the building. In addition, there is also a maximum fine of 10% of the value of the building.

Indonesian Labor Law

Labor or employment in Indonesia is primarily regulated by the Law No. 13 of 2003 on Labor as amended by the Job Creation Law (“**Indonesian Labor Law**”). Under the Indonesian Labor Law, an employee is any person working for a salary or other form of remuneration. In contrast, an employer is any individual, entrepreneur, legal entity or other body employing manpower by paying a salary or other form of remuneration. An employee is employed by the employer with an employment agreement, which consists of (i) fixed-term employment agreement (*perjanjian kerja waktu tertentu* or “**PKWT**”) and (ii) permanent employment agreement (*perjanjian kerja waktu tidak tertentu*). According to the Indonesian Government Regulation No. 35 of 2021 on Fixed-Term Employment Agreement, Outsourcing, Working Hours and Breaks and Termination of Employment Relationships, a PKWT must be registered to the Ministry of Manpower (“**MOM**”) via an online platform established by the MOM no later than three business days since the signing of the PKWT.

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Employers are prohibited from paying wages below the minimum wage. The minimum wage is determined annually by the Governor, based on the calculation formula stipulated in government regulation which will be issued annually. The Governor is obligated to set the provincial minimum wage (*upah minimum provinsi*) and may also establish the regency/city minimum wage (*upah minimum kabupaten/kota*) if the calculation of the regency/city minimum wage results in a figure higher than the provincial minimum wage.

Under the Indonesian Labor Law and Law No. 21 of 2000 on Labor Union, employees of a company with more than ten employees may form a labor union. Such labor union must be registered with the MOM. A registered labor union is entitled to (i) make a collective labor agreement with the employer (see below), (ii) represent employees in solving industrial relations disputes, (iii) represent employees in various employment activities and (iv) carryout activities that can improve employees’ welfare.

The Indonesian Labor Law further provides that any employer that employs ten or more employees is required to maintain a company regulation (*peraturan perusahaan*) which will come into force once registered with the MOM (or its regional offices). The company regulation contains, among other things, the rights and obligations of the employer and the employee, term of works, and rule of the company. A company regulation is valid for two years as from the date it is registered with the MOM and must be renewed once expired. Failure to maintain a valid company regulation is subject to monetary sanctions ranging from Rp5 million up to Rp50 million. The obligation to maintain a company regulation does not apply if the employer has entered into a collective labor agreement (“CLA”) with its labor union. The CLA must be made upon consensus between the employer and the labor union. Similar with company regulation, CLA is valid for a maximum of two years from date it is signed (unless otherwise agreed between the parties) and, by written agreement between the parties, can be extended for a further one-year term. The CLA applies to all employees in a company. If at the same time there is an employment contract entered into by the company and an individual employee, the provisions of CLA shall apply in the absence of specific provisions in the employment contract or in the event there are conflicting provisions between the two agreements.

In addition to the above, the Indonesian Labor Law also provides that any employer that employs 50 or more employees is required to establish Bipartite Cooperation Body (*Lembaga Kerja Sama Bipartit* or “**LKS Bipartit**”). The LKS Bipartit is a body functions as a communication and consultation forum on matters related to industrial relations within a company. The members of the LKS Bipartit consist of the employer and the workers’ representatives. According to MOM Regulation No. PER.32/MEN/XII/2008 of 2008 on Procedures on the Establishment and Membership Structure of the Bipartite Cooperation Body, the establishment of an LKS Bipartit must be registered to the MOM no later than 14 days following its establishment.

Moreover, the introduction of the Job Creation Law, particularly in the manpower sector, has reinstated several provisions, including on outsourcing, which was previously deleted by the Old Job Creation Law. Under the Job Creation Law, a company may subcontract part of its work to another company under a written outsourcing agreement. However, the scope of “part of its work” will be determined further by the government in a forthcoming government regulation.

In addition to the abovementioned provisions, under Law No. 24 of 2011 on Social Security Body (*Badan Penyelenggara Jaminan Sosial* or “**BPJS**”) as amended by the Job Creation Law (“**BPJS Law**”), an employer is required to participate in the Government’s social and security program by gradually registering themselves and its employees as participants in the Manpower BPJS (*BPJS Ketenagakerjaan*) and Health BPJS (*BPJS Kesehatan*). The amount contributed to Manpower BPJS and Health BPJS are to cover the employee for general healthcare and in case of occupational accident, death and for an old age pension is calculated by reference to the amount an employee receives. The Job Creation Law introduces a new unemployment insurance under the Manpower BPJS system. The insurance provides cash payments, access to job openings and training, and compensation from the government. All employees who are already enrolled with the Manpower BPJS system are automatically registered for the unemployment insurance. The monthly premium contributions for these benefits are paid by the central government. Employees’ entitlement will be deemed to have been waived if they do not claim the benefits within three months of termination, obtain new employment or pass away.

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Investment Regulation

On 26 April 2007, the Indonesian Government issued Law No. 25 of 2007 regarding Capital Investments (“**Investment Law**”), as amended by the Job Creation Law, which principally regulates direct investments in Indonesia, in the form of foreign capital investments (*Penanaman Modal Asing* or “**PMA**”) and domestic capital investment (*Penanaman Modal Dalam Negeri* or “**PMDN**”). In Indonesia, a foreign investor must undertake its investment through a foreign investment limited liability company (“**PMA company**”).

The Investment Law provides that all types of businesses are open for investment, except for certain sectors which are fully closed to investment and for certain sectors which can only be carried out by the central Indonesian Government. Currently, these prohibited and restricted business activities are listed in Indonesian Presidential Regulation No. 10 of 2021 on Investment Business Sectors, which was amended by Indonesian Presidential Regulation No. 49 of 2021 (“**PR No. 10/2021**”). The types of business which are open for investment are partly or conditionally open based on a system of permitted ownership limits, reserved sectors and licensing requirements. Significantly, the PR No. 10/2021 provides that any sector not stated to be closed or partly closed will be fully open for investment without restriction. The list of business sectors on the Regulation 10/2021 is based on the comprehensive classification of sectors set out in the Central Statistics Bureau (*Badan Pusat Statistik* or “**BPS**”) Regulation No. 2 of 2020 on Indonesian Business Sector Classification (*Klasifikasi Buku Lapangan Usaha Indonesia* or “**KBLI**”) (“**BPS Regulation No. 2/2020**”). However, on 17 December 2025, the BPS Regulation No. 2/2020 has been replaced by the BPS Regulation No. 7 of 2025 on Indonesian Business Sector Classification (“**BPS Regulation No. 7/2025**”). Under BPS Regulation No. 7/2025, various amendments have been made to the KBLI under BPS Regulation No. 2/2020, and all existing use of the KBLI under BPS Regulation No. 2/2020 by Indonesian companies must be adjusted to conform with the KBLI under BPS Regulation No. 7/2025 no later than six (6) months from the enactment date of BPS Regulation No. 7/2025 (i.e., enacted on 18 December 2025). Consequently, the PR No. 10/2021 may be subject to amendment to align with the updated KBLI set forth in BPS Regulation No. 7/2025.

To encourage capital investment, the Indonesian Government provides several incentives to PMA and/or PMDN companies such as relief or reduction of tax and customs and convenience in obtaining immigration and import services and/or permits. Another important feature of the Investment Law is the Indonesian Government’s guarantee that it will not nationalize a PMA company, except were declared by law. If the Indonesian Government nationalizes any PMA company, it must pay compensation as determined by the market price of the investment. This guarantee is accompanied by an assurance that the foreign investor will have the right to transfer and repatriate in foreign currency, profit, bank interest, dividends and other means of income.

If a company converts its investment status from PMDN to PMA or *vice versa*, under the Investment Coordinating Board (*Badan Koordinasi Penanaman Modal* or “**BKPM**”) Regulation No. 5 of 2025 (“**BKPM Regulation No. 5/2025**”), such conversion is subject to post-reporting obligation through the Online Single Submission system (“**OSS system**”) for further validation. Furthermore, based on this regulation, if a company that has subsidiaries converts its investment status from PMDN and PMA, each of its subsidiaries must also convert its status from PMDN to PMA. However, the BKPM Regulation No. 5/2025 does not provide any time limit to carry out such conversion obligation.

Every business actor, according to the BKPM Regulation No. 5/2025 is required to submit Investment Activities Report (*Laporan Kegiatan Penanaman Modal* or “**LKPM**”) through the OSS system for each location and business activities stipulated in its NIB. The submitted LKPM encompasses the following data:

- a. realisation of investment;
- b. realisation of employment;
- c. realisation of goods and/or services production;
- d. fulfilment of basic requirements, business license, and/or business license to support business activities;

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- e. fulfilment of obligations and responsibilities of the investment business actors; and
- f. constraints encountered by the investment business actors.

Furthermore, under the BKPM Regulation No. 5/2025, the submission of LKPM by every business actor must be carried out in accordance with the following provisions:

- a. Small-scale business actors are required to submit the LKPM every semester, whereby:
 - 1. first semester report must be submitted no later than 15 July of the current year; and
 - 2. second semester report must be submitted no later than 15 January of the following year.
- b. Medium and large-scale business actors are required to submit the LKPM every quarter, whereby:
 - 1. first quarter report must be submitted no later than 15 April of the current year;
 - 2. second quarter report must be submitted no later than 15 July of the current year;
 - 3. third quarter report must be submitted no later than 15 October of the current year; and
 - 4. fourth quarter report must be submitted no later than 15 January of the following year.

Regulations on Corporate, Social and Environmental Responsibility

Indonesian Companies Law imposes an additional obligation on all companies, including companies engaged in the mining and industry sectors, to undertake activities concerning “corporate, social and environmental responsibility”. The purpose of this obligation is to create a sustainable relationship with the environment and to enhance the norms, values and culture of the local community. Such obligation must be budgeted and treated as an expense of the company, and must be implemented through reasonable measures. Any non-compliance will be sanctioned in accordance with applicable laws.

On 4 April 2012, the Indonesian Government issued Indonesian Government Regulation No. 47 of 2012 on Corporate Social and Environmental Responsibility (“**GR No. 47/2012**”) to implement Article 74(4) of the Indonesian Companies Law which imposes corporate, social and environmental responsibilities. GR No. 47/2012 stipulates that the Board of Directors of a company is responsible for implementing the mandatory corporate, social and environmental responsibilities in accordance with the annual working plan of such company. The annual working plan shall include a business plan and budget. The budget plans must be prepared based on considerations of “appropriateness and reasonableness”, based on “the financial capacity of the company having regard to the risks that give rise to the social and environmental responsibilities that must be borne by the company, subject to the obligations of the company as set out in the legislation governing the company’s business operations”. Thus, in theory at least, the higher a company’s profits and the greater the impact of its operations have on the environment, the more resources it should allocate to its corporate, social and environmental responsibilities.

In addition to the foregoing, The Mining Law (as amended), MEMR Regulation No. 26/2018, and GR No. 96/2021 (as amended) also require the holders of IUP/IUPK to organize community development programs. In carrying such obligation, holders of IUP/IUPK are required to prepare a master plan for community development and empowerment plan for the community for the communities residing around the WIUP and/or WIUPK that they operate. In preparing such master plan, holder of IUP/IUPK is required to consult with the MEMR and the regional government. Furthermore, the holder of an IUP/IUPK is required to allocate funds for the implementation of a community development and empowerment program, the amount of which shall be determined by the MEMR. Such fund allocation must also be included in the RKAB. Holder of IUP/IUPK is obliged to submit report on realisation of community development and empowerment program to the MEMR. A more specific

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guidelines to organize community development programs is regulated in the MEMR Decree No. 1824 K/30/MEM/2018 on the Guidelines on Implementation of Community Development and Empowerment Program.

Indonesian Language Law

On 9 July 2009, Law No. 24 of 2009 on Flag, Language, Coat of Arms and National Anthem (“**Law No. 24/2009**”) was enacted. It requires agreements to which an Indonesian party is a party to be executed in the Indonesian language. If both an Indonesian party and a foreign party are parties to an agreement (a “**Cross-Border Agreement**”), in addition to Indonesian language, such Cross-Border Agreement may also be executed in English or the national language of the foreign party. Law No. 24/2009 is silent as to whether both the Indonesian language and foreign language versions of such cross-border agreements need to be executed at the same time. On 30 September 2019, Presidential Regulation No. 63 of 2019 on Use of Indonesian Language (“**PR No. 63/2019**”) was issued as an implementing regulation of Law No. 24/2009. PR No. 63/2019 further stipulates that parties to a Cross-Border Agreement may contractually agree on the governing language of such agreement to determine the interpretation in case where different translation occurs, implying that both the Indonesian language and foreign language versions of a Cross-Border Agreement must at least be executed simultaneously.

Capital Market Regulation

Trading Session

Trading on the IDX is conducted pursuant to IDX Regulation No. II A on Trading of Equity Securities, as last amended on 8 April 2025. Trading of equity securities is carried out during the following sessions:

Trading Session	Markets	New Trading Hours (GMT +7)
Pre-opening	Regular	Monday–Friday 08:45:00–08:59:59
1 st session.	Regular, Cash and Negotiated	Monday–Thursday 09:00:00–12:00:00 Friday 09:00:00–11:30:00
2 nd session	Regular	Monday – Thursday 13:30:00 – 15:49:59 Friday 14:00:00 – 15:49:59
2 nd session	Negotiated	Monday – Thursday 13:30:00 – 16:30:00 Friday 14:00:00 – 16:30:00
Pre-closing session	Regular	Monday – Friday 15:50:00 – 16:01:59
Pre-closing session	Regular	Monday – Friday 16:02:00 – 16:15:00

Trading of securities is divided into three market segments: regular market, negotiated market and cash market (except for rights issues which may only be traded in the cash market and in the morning session of the negotiated market). The regular market is the mechanism for trading stock in standard lots on a continuous auction market during exchange hours. Regular market and cash market trading is generally carried out in unit lots of 100 shares. Price movements of traded securities are as follows:

- a. for shares with a previous price of less than Rp200, in multiples of Rp1 and each price movement should be no more than Rp10;
- b. for shares with a previous price between the range of Rp200 up to less than Rp500, in multiples of Rp2 and each price movement should be no more than Rp20;
- c. for shares with a previous price between the range of Rp500 up to less than Rp2,000, in multiples of Rp5 and each price movement should be no more than Rp50;

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- d. for shares with a previous price between the range of Rp2,000 up to less than Rp5,000, in multiples of Rp10 and each price movement should be no more than Rp100; and
- e. for shares with a previous price of Rp5,000 or more, in multiples of Rp25 and each price movement should be no more than Rp250.

Auctioning takes place according to price priority and time priority. Price priority refers to the giving of priority to buying orders at a higher price or selling orders at a lower price. Time priority refers to the giving of priority to the buying or selling order placed first, if they are placed at the same price.

The negotiated market trading is carried out (i) by direct negotiation between members of IDX, (ii) between clients through one member of the IDX, (iii) between one client and one member of the IDX, or (iv) between members of the IDX with the Indonesian Stock Clearing and Guarantee (PT Kliring dan Penjaminan Efek Indonesia or the "KPEI"). Negotiated market trading does not use round lots.

Transactions on the IDX regular market are required to be settled no later than the second trading day after the transaction, except for cross trading. Transactions on the IDX negotiated market are settled based on agreement of the parties involved, or not later than the second trading day after the transaction if the parties have not agreed on the timing of settlement. Transactions on the IDX cash market are required to be settled on the trading day of the transaction. In case of a default by an exchange member on settlement, cash market trading takes place, under which trading of securities by means of direct negotiation on cash and carry terms will be conducted. All cash market transactions must be reported to the IDX. An exchange member is obliged to pay a transaction cost as regulated by the IDX and in the event of a delay in payment of the transaction cost a fine of 1.0% of the outstanding amount will be imposed for each day of delay. For any violation of the IDX rules, the IDX may impose on an exchange member any of the following sanctions namely, (i) a fine up to Rp500 million; (ii) a written warning; and/or (iii) a temporary suspension of trading activities; or (iv) a revocation of license as an exchange member.

All transactions involving shares listed only on the IDX that use the services of brokers must be conducted on the IDX. In order for a trade to be made on the IDX, both the cash and securities settlement must be conducted through the facilities of the IDX.

Between October and December 2008, engaging in short selling was prohibited by the IDX. However, short-selling transactions were permitted after the issuance of an IDX decision which took effect on 1 May 2009, subject to fulfilment of certain requirements such as: (i) the maintenance of a regular securities account that shows the transaction records of the trader, (ii) the maintenance of a margin trading or short selling financing securities account, and (iii) an initial deposit of Rp200 million into the margin trading or short selling financing securities account. Under normal and general conditions, only a member of the IDX that has obtained approval from the IDX can enter into a short selling transaction or margin transaction.

Furthermore, the IDX may cancel a transaction if there exist proof of fraud, market manipulation or the use of insider information. The IDX may also suspend trading if there are indications of fraudulent transactions or artificial inflation of share prices, misleading information, use of insider information, counterfeit securities or securities blocked from trading, or any other material event. The IDX may suspend trading of certain securities or suspend certain members of the stock exchange.

Based on agreements with their clients, members of the IDX charge a brokerage fee for their services up to a maximum of 1.0% of the transaction value. When conducting share transactions on the IDX, exchange members are required to pay a transaction levy equal to 0.018% of each transaction value (subject to a minimum fee of Rp20 million a month) for transaction of share and other registered securities, 0.009% of each transaction value for clearing fees and 0.003% of each transaction value for settlement fees. Exchange members generally pass on the cost of this levy to their clients. Clients are also responsible for paying a 11% value-added tax on the amount of the brokerage fee and transaction levy. Indonesian sellers are also required to pay a withholding tax of 0.1% of the total transaction value, and an additional tax of 0.5% for founder shares. A stamp duty of Rp10,000 is also payable on every transaction.

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At any time during working hours, shareholders or their appointees may request the issuer or a securities administration bureau appointed by the issuer of such shares to register their shares in the issuer’s registry of shareholders.

IDX Auto Rejection Regulations

Pursuant to IDX Rules No. II-A, JATS will automatically reject a sale offer and/or purchase demand for equity type securities if:

- a. the sale offer or purchase demand price is less than Rp50;
- b. the sale offer or purchase demand price is: (a) more than 35% above or below the Reference Price (as defined below) within the range from Rp50 to Rp200; (b) more than 25% above or below the Reference Price within the range from more than Rp200 to Rp5,000; or (c) more than 20% above or below the Reference Price over Rp5,000; or
- c. the volume of the sale offer or purchase demand in regular market or cash market is more than 50,000 lots or 5% out of the total number of the company’s shares listed on the IDX (whichever is smaller).

“**Reference Price**” means the price used by JATS as the basis for validating the price movement parameters of a security.

The above restrictions only apply to the regular market and cash market and not the negotiated market of the IDX. After taking into account trading conditions, the IDX may amend the above provisions upon a decision of the IDX board of directors with prior approval from the OJK. Such amendment shall be announced in IDX and shall be effective, at the earliest, after three trading days from such announcement.

[REDACTED], [REDACTED] and Reporting Regulations

The Indonesian Government established the Financial Services Authority (*Otoritas Jasa Keuangan* or “**OJK**”) pursuant to Law No. 21 of 2011 on the Financial Services Authority as amended from time to time, to assume supervisory and regulatory functions over financial services sectors, including banking, capital markets, insurance, pension funds, finance companies, and other financial institutions.

In capital markets sector, OJK regulates and monitors securities issues which are [REDACTED] or listed in Indonesia. [REDACTED] are generally conducted as underwritten public offers for sale by subscription. OJK regulates the [REDACTED] and allocation procedures.

Unless waived, companies are required to meet certain historical financial requirements in order to become [REDACTED] on the IDX. Requirements for the [REDACTED] on the IDX are set out in the Amendment of Rule No. I-A, attachment to the Decision of the board of directors of IDX No. Kep-00101/BEI/12-2021 dated 21 December 2021 on Listing of Shares and Equity-Linked Securities other than Shares issued by a Listed Company, which came into force on 21 December 2021 (“**IDX Listing Regulation No. I-A**”), which revoked the provisions in the Decision of the board of directors of IDX No. Kep-00183/BEI/01-2018 dated 26 December 2018 regarding the Amendment of Regulation I-A regarding [REDACTED] of Shares and Equity-Linked Securities other than Shares Issued by a Listed Company as the previous IDX Listing Regulation No. I-A.

Listed companies are required to submit, among other things, the following documents to OJK and the IDX:

- a. an annual report, to be submitted not later than four months after the end of the financial year of the company;
- b. consolidated financial statements consisting of:
 1. an annual financial report audited by an accountant registered with OJK, to be submitted no later than three months after the date of such report;
 2. any of the following mid-year reports: (a) a mid-year report (unaudited), to be submitted no later than one month after the date of such report; (b) a mid-year

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- report with limited review by an accountant registered with OJK, to be submitted no later than two months after the date of such report; or (c) a mid-year report audited by an accountant registered with OJK containing a full opinion on the fairness of such report, to be submitted no later than three months after the date of such report; and
3. quarterly reports, the preparation of which is required by the rules of the IDX, to be submitted to the IDX no later than one month after the date of such report for a non-audited report, two months after the date of such report for a limited audit report, and three months after the date of such report for a fully audited report;
- c. material information that is important and relevant according to OJK regulations and which may affect the value of the security or an investment decision, which includes merger, spin-off, acquisition, consolidation, stock split, combination of stock, distribution of interim dividends, delisting or relisting, change in direct or indirect control, change in management, repayment of debt securities, purchase or sale of material assets, replacement of public accountants, replacement of trustees, material legal claims, supervision of a relevant regulator which may affect the business, business restriction by a relevant regulatory agency, debt restructuring, any material event which may cause additional financial obligations or cause a disruption to revenue and other important information possibly affecting share prices on the exchange; such information must be submitted to OJK and announced publicly as soon as possible but in any event no later than two business days after such information is found;
 - d. a copy of any amendment to the company's articles of association;
 - e. the purpose of the utilization of [REDACTED] from the [REDACTED];
 - f. notice of any change in the composition of a company's board of directors or board of commissioners;
 - g. the amount of shares owned by each director and commissioner of a company;
 - h. report on shareholding and any change in shareholding which applies only to a shareholder that owns 5% or more of the paid-up capital of the company;
 - i. report on shareholding and any changes in shareholding of a director or commissioner in the company;
 - j. notice on appointment and replacement of corporate secretary; and
 - k. notice of any material deviation from projections published by the listed companies.

Transfer of Shares

Transfers of listed shares on the IDX are governed by the Indonesian Companies Law and IDX rules. Under the Indonesian Companies Law, as a general matter, ownership of shares is based on the registration of ownership in the relevant company's share register. To be valid against the issuing company, a request for an entry of the transfer into a share registry must be received by the company. To be valid against a third party, the entry of the transfer must actually be made into the share register.

Transfers of scripless shares are made by way of appropriate instructions to the relevant brokers, sub-brokers or [REDACTED] with whom the transferor and the transferee involved maintain securities accounts in accordance with the individual arrangements with such brokers, sub-brokers or [REDACTED]. Upon receipt of such instructions, the relevant brokers, sub-brokers or [REDACTED] will, in accordance with such arrangements, effect the relevant changes in the register which they are required to maintain for rights and entitlements purposes.

Effective as of 30 June 2002, only shares held through PT Kustodian Sentral Efek Indonesia ("KSEI") (and which have not been pledged or foreclosed upon based on a court order or seized for the purpose of criminal proceedings) may be traded on the IDX.

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Securities transaction settlement services are part of the central depository services provided for the fulfilment of the rights and obligations as the result of stock exchange transactions or over-the-counter transactions by means of the transfer of securities and or funds between securities accounts. The settlement of stock exchange transactions is performed by KSEI based on transfer instructions received from both a selling Clearing Member (defined as a member of the stock exchange registered as the KSEI Clearing Member) and a buying Clearing Member. Alternatively, KSEI may settle over-the-counter transactions based on transfer instructions from a selling KSEI Selling Account Holder and acceptance from a buying KSEI Account Holder. Over the counter transfer instructions must also state whether the transaction requires a payment. When a transfer of securities and/or funds is completed and settled, KSEI submits a report to the KPEI or the Clearing Member on the settlement of a stock exchange transaction and confirmation is given to the relevant KSEI Account Holder on the settlement of over-the-counter transactions.

Under OJK Regulation No. 9/POJK.04/2018 on the Acquisition of Public Company ("**OJK Regulation No. 9/2018**"), a controller is defined as a party who, directly or indirectly, owns more than 50% of the shares of a public company or has the ability to control the management or policy of a public company. Transfer of more than 50% of the issued shares of a public company or the acquisition of direct or indirect control of the management of a public company will be deemed to be an acquisition of a public company and trigger a mandatory tender offer by the new controlling shareholder. The new controlling shareholder will have to conduct a mandatory tender offer for all the other shares in the public company, except for: (i) shares owned by shareholders who are acting in conjunction with the new controlling shareholders, (ii) shares owned by other parties who have received an offer on the same terms and conditions as the new controlling shareholder, (iii) shares owned by other parties who are conducting a tender offer at the same time on the same company's shares, (iv) shares owned by the majority shareholders, and (v) shares owned by the other controlling shareholders in the public company. If the mandatory tender offer results in the new controlling shareholder holding more than 80% of the total paid-up capital in the public company, the new controlling shareholder must transfer or refloat a certain amount of the shares to the public so that at least 20% of the total paid-up shares in the public company is owned by the public and spread among at least 300 parties within two years after the completion of the mandatory tender offer. If the acquisition results in the new controlling shareholder obtaining more than 80% of the total paid-up capital in the public company, the new controlling shareholder will have to transfer the shares to the public equal to the percentage of shares obtained in the mandatory tender offer, at a minimum, within two years after the completion of the mandatory tender offer.

Reporting Requirements for Indonesian Mining Listed Companies

Pursuant to Regulation No. I-A.1 on the Listing of Shares and Equity Securities Other than Shares Issued by Companies in the Mineral and Coal Mining Sector, public companies that have entered the production operation stage but have not yet commenced the sales stage, as well as public companies that have not yet commenced the production operation stage, are required to disclose the following information:

- a. A monthly report on the realization of the production operation work plan, which must be submitted to the Exchange no later than the 12th (twelfth) day of the following month. This reporting obligation applies on a continuous basis until the public company has commenced the sales stage.
- b. Information regarding the progress in achieving projected performance, which must be disclosed for the purpose of monitoring by the Exchange. Such information must be submitted together with the annual financial statements and disclosed on a periodic basis every 1 (one) year up to the 5th (fifth) year following the company's [REDACTED] on the Exchange, or until the company records operating profit and net profit, whichever occurs earlier.

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Reporting Requirements on Shares Ownership

According to OJK Regulation No. 4 of 2024 on the Report on Share Ownership or Any Change of Share Ownership in Public Company Shares and the Report on Activities of Guaranteeing Public Company Shares *juncto* OJK Circular Letter No. 10/SEOJK.04/2025 on Submission of Ownership Reports or Any Changes in Ownership of Public Company Shares and Reports on Activities Guaranteeing Public Company Shares Electronically, (a) any member of the board of directors or board of commissioners who owns shares with voting rights (directly or indirectly), (b) any party that directly or indirectly holds at least 5% of the Company’s shares with voting rights (including holders or beneficial owners of multiple voting rights), and (c) any controlling shareholder, must report their ownership of, and any change in the ownership of, the company’s shares to OJK through the electronic system no later than 3 business days after the relevant transaction or change.

Any encumbrance or pledge over the Company’s shares representing at least 5% of voting shares (whether in a single transaction or on an aggregated basis) must be reported to OJK no later than 3 business days after the execution of the relevant encumbrance agreement.

At minimum, the report should include: (i) the reporter’s identity (including status as director, commissioner, ≥5% holder, or controller), (ii) the name of the public company and the class of shares (with voting rights), (iii) the number/percentage of shares or voting rights acquired, disposed, or encumbered, (iv) transaction date and price (for transfers) or key encumbrance details, (v) purpose of the transaction, (vi) direct/indirect ownership status and, if indirect, the upstream ownership chain/beneficial owner, and (vii) for controllers, a statement on whether control will be maintained. Submission must be made via OJK’s electronic system.

OJK’s Regulation on Annual Reporting Requirements

OJK Regulation No. 29/POJK.04/2016 on Annual Report of Issuer or Public Company governs the submission timeframe and contents of the annual reports of public companies (“**OJK Regulation No. 29/2016**”). This regulation substantially deals with procedural and technical matters related to corporate, accounting information. In addition, OJK has issued Circular Letter No. 16/SEOJK.04/2021 on the Form and Contents of Annual Reports of Issuers and Public Companies, which was issued on 29 June 2021 as the implementing regulation for OJK Regulation No. 29/2016, (“**OJK Circular Letter No. 16/2021**”). OJK Circular Letter No. 16/2021 sets out in detail the requirements for the form and contents of annual reports, including the requirement for a public company to reveal its ultimate principal or controlling shareholder, clearly spelled out in diagrammatic or chart form. In accordance with OJK Circular Letter No. 16/2021, annual reports may contain contents in any form including images, graphs, tables and/or flowcharts (accompanied by a title and/or description clarifying any such information). Failure to comply with these requirements may result in administrative sanctions ranging from a written warning or suspension of business to business license revocation.

In addition, as required under OJK Regulation No. 14/POJK.04/2022 on Submission of Financial Statement of Issuer or Public Company enacted on 22 August 2022, within three months after the end of each financial year, an issuer or public company must submit to OJK and announce to the public its annual financial statements consisting of, among other things, an audited statement of financial position and an audited profit and loss statement that have been signed by all members of the Board of Commissioners and Board of Directors of the relevant issuer or public company. Furthermore, such annual financial statements should be approved and ratified by the shareholders of the relevant issuer or public company at the annual general meeting of shareholders.

Related Party Transactions and Material Transactions

Under OJK Regulation No. 42/POJK.04/2020 on Affiliated Party Transactions and Conflict of Interest Transactions (“**OJK Regulation No. 42/2020**”), there are two types of related party transactions, namely affiliated transactions and conflict of interest transactions. Pursuant to OJK Regulation No. 42/2020, an affiliated transaction means any activity and/or transaction performed by a public company or controlled company with an affiliate of the public company or affiliate of a member of the board of directors, member of the board of commissioners, major or substantial shareholder (being shareholder(s) who, directly or indirectly, owns 20% or more shares with voting rights or such other lower threshold as determined by the OJK), or controlling shareholder, including any activity and/or transaction performed by the public

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company or controlled company for the interest of the affiliate of the public company or affiliate of a member of the board of directors, member of the board of commissioners, major shareholder or controlling shareholder.

A "controlling shareholder" is a controller as defined under OJK Regulation No. 9/2018, which is a party that (a) directly or indirectly owns more than 50% of all shares with voting rights that are fully paid up of public company; or (b) has the ability to determine, either directly or indirectly, in any ways, the management and/or policy of a public company. As a general rule, affiliated party transactions do not require the approval of independent shareholders, unless: (i) the value of the affiliated party transaction exceeds the threshold of a "material transaction" within the meaning of OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Change of Business Activities ("**OJK Regulation No. 17/2020**") that requires GMS approval, (ii) the affiliated party transaction may potentially disrupt continuation of the business of the company (e.g., the transaction in pro forma would cause the public company to experience a decrease of 80% or more in its revenue or suffer a net loss) and/or (iii) the OJK deems that the affiliated party transaction requires an approval.

Unless exempted, affiliated party transactions need (i) to be submitted to OJK for notification and publicly announced within two business days following the date of the transaction and (ii) a fairness opinion from an OJK-approved independent appraiser. A summary of such fairness opinion must be published along with the public announcement in the company's and IDX's websites. However, if the affiliated transaction falls under certain exemptions as stipulated under OJK Regulation No. 42/2020, such transaction (i) will be required to be reported to OJK only, with no obligation to disclose the same to the public; or (ii) will not be required to be announced to the public or reported to OJK, as the case may be.

Affiliated transactions that are required to be reported to OJK, but not publicly announced, include, among others: (i) transactions performed pursuant to the implementation of laws and regulations or a court decision; (ii) transaction between the following: (a) the public company and a controlled company whose shares are held for at least 99% of paid-up capital of the controlled company; (b) fellow controlled companies whose shares are held for at least 99% by such public company; (c) a controlled company and a company whose shares are held by the controlled company for at least 99% of paid-up capital of such company; (iii) transaction which value not exceeding 0.5% of paid-up capital of the public company or not exceeding the amount of Rp5,000,000,000, whichever is lower; (iv) transaction of loan received directly from a bank, venture capital, financing company, or infrastructure financing company, whether domestic or foreign; (v) transaction of granting of guarantees or security interest to a bank, venture capital, financing company, or infrastructure financing company, whether domestic or foreign, on loan received directly by the public company or controlled company; (vi) transaction of addition or reduction of equity participation to maintain its percentage of ownership after such participation has been performed for at least 1 (one) year; (vii) transaction performed by a public company which is a financial service institution and a controlled company which is a sharia financial service institution in the context of development of such sharia financial service company; and/or (viii) transaction in the context of restructuring performed by a public company directly or indirectly controlled by the government.

Affiliated transactions that are not required to be disclosed to the public or reported to OJK include, among others: (i) use of any facility provided by the public company to member of the board of commissioners, member of the board of directors and/or major shareholder, in the event of major shareholder concurrently serving as employee, and such facility is directly connected to their responsibility to the public company and in accordance with policies of the public company, and has been approved by GMS; (ii) transaction between the public company and an employee, member of the Board of Directors, or member of the Board of Commissioners of the public company or an employee, member of the Board of Directors, or member of the Board of Commissioners of a controlled company with the same requirements, to the extent it has been approved by GMS; (iii) consideration, including salary, pension fund contribution, and/or special benefit provided to member of the Board of Directors, member of the Board of Commissioners, and major shareholder, in the event of major shareholder concurrently serving as employee, if the total amount of such consideration is disclosed in the periodic financial statements, to the extent approved by GMS; (iv) continuing transaction performed prior to the implementation of [REDACTED] by the public company or prior to submission of registration statement as public company, provided that (a) the transaction has been disclosed in the document of [REDACTED] or in the information transparency or registration statement of public company; and (b) terms and conditions of the transactions

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has not undergone any change which may harm the public company; and/or (v) continuing transaction performed upon implementation of or upon the coming into effect registration statement as public company, provided that (a) the initial transaction underlying the subsequent transaction has been complied with this regulation of the OJK; and (b) terms and conditions of the transaction has not undergone any change which may harm the public company.

Any transaction by a company listed on the IDX which entails a conflict of interest must be approved by an independent shareholder. A conflict of interest transaction is defined in OJK Regulation No. 42/2020 as a conflict between the economic interests of a public company, on the one hand, and the personal economic interests of any member of its board of commissioners, board of directors, major or substantial shareholders (defined as a holder of 20.0% or more of the issued shares) or controlling shareholders which may harm the relevant public company. OJK has the power to enforce this rule, and shareholders may also bring enforcement action based on this rule.

Corporate Governance of Public Companies

On 17 November 2015, OJK issued OJK Regulation No. 21/POJK.04/2015, on the Implementation of Corporate Governance Guidelines for Public Companies ("**OJK Regulation No. 21/2015**"), which sets out several requirements on good corporate governance for public companies. Pursuant to OJK Regulation No. 21/2015, public companies are obliged to implement corporate governance guidelines set by the OJK, and are required to disclose information on the implementation of the recommendations mentioned in the good corporate governance, or "**GCG**", guidelines issued by the OJK ("**GCG Guidelines**") in their annual report. The GCG Guidelines are contained in the OJK Circular Letter No. 32/SEOJK.04/2015 on the Corporate Governance Guidelines for Public Companies.

The GCG Guidelines provide several recommendations to assist public companies with implementing good corporate governance principles, including: to set self-assessment procedures for the board of directors and board of commissioners, to issue an internal policy on whistleblowing system, to provide and retain summaries of the resolutions of the general meetings of the shareholders on the company's website for at least one year. If a public company does not implement the GCG Guidelines, such a public company is required to provide an explanation on the underlying reason as to why the public company does not implement the GCG Guidelines. Failure to implement the GCG Guidelines may be subject to administrative sanctions imposed by the OJK, such as a written warning and a fine, among other things.

Independent Commissioner and Audit Committee

Based on OJK Regulation No. 33/POJK.04/2014 on Board of Directors, Board of Commissioners of Issuers or Public Companies, an independent commissioner of a listed company must:

- a. not own any shares of the listed company, whether directly or indirectly;
- b. not have an affiliated relationship with the listed company, or with any commissioners, directors or principal shareholders or controlling shareholders of the listed company;
- c. not have any business relationship which is directly or indirectly related to the listed company's business activity; and
- d. not be an employee of the company or a person who has had the authority or responsibility over planning, leading, controlling or supervising the operations of the company within the period of six months prior to appointment except for a re-appointment as an independent commissioner in the listed company for the next period.

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Based on OJK Regulation No. 55/POJK.04/2015 on the Establishment and Guidelines for the Duty of Audit Committee, the audit committee of a public company must comprise at least three members, one of whom must be an independent commissioner of the listed company who will serve as chairman of the audit committee. Pursuant to the OJK Regulation No. 55/2015, member of the audit committee must:

- a. be characterized by a high level of integrity and competence, sufficient knowledge and experience in line with educational background, and good communication skills;
- b. understand financial statements, the company's business (particularly in relation to the service or business operations of the company), audit processes, risk management, capital markets, and the prevailing rules and regulations;
- c. comply with the code of ethics of the audit committee, as adopted by the company;
- d. commit to enhance his/her professional knowledge through education and training;
- e. comprise at least one member having an educational background in the accounting and/or for finance field;
- f. not be an insider in an accountancy firm, law firm, public appraiser, or other institution that has provided assurance services, non-assurance services, appraisal services and/or other consultancy services to the company within a period of six months prior to appointment;
- g. not have authority or responsibility over planning, directing, or controlling the operations of the company within a period of six months prior to appointment, except for the independent commissioner;
- h. not hold any direct or indirect shareholdings in the company. In the event that a member of the audit committee acquires shares as the result of a legal action, then within a period of not more than six months subsequent to such acquisition, the said shares must be disposed of;
- i. not include members affiliated with members of the board of commissioners, board of directors, or substantial shareholders of the company; and
- j. not have any direct or indirect business relationship with the core business of the company.

Corporate Secretary

The corporate secretary acts as a liaison or contact person between the listed company, Indonesian Government authorities, including OJK, and the public. The corporate secretary must have access to material and relevant information relating to the listed company and must be familiar with all statutory regulations relating to capital markets, particularly on disclosure matters.

Pursuant to the OJK Regulation No. 35/POJK.04/2014 on Corporate Secretary of Listed Company or Public Company, the corporate secretary must fulfill the following requirements:

- a. be capable of performing legal acts;
- b. have sufficient knowledge and understanding in the field of law, finance and corporate governance;
- c. understand the business activity of the issuer or the public company;
- d. possess good communication skills; and
- e. be domiciled in Indonesia.

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Nomination and Remuneration Committee

Under OJK Regulation 34/2014 on the Nomination and Remuneration Committee of the Issuer or Public Company, an issuer or a public company is required to have the function of nomination and remuneration conducted by the board of commissioners. The board of commissioners may form a nomination and remuneration committee consisting of at least three members, with an independent commissioner acting as the head of the committee, while the other members may be selected from (i) the board of commissioners, (ii) outside of the public company, or (iii) managerial positions under the board of directors in charge of human resources. In addition, members of the board of directors are not allowed to be appointed as members of the nomination and remuneration committee. The committee is appointed and dismissed following a decision of the board of commissioners. Furthermore, the nomination and remuneration committee is responsible for, among other things:

- a. providing recommendations to the board of commissioners concerning the (i) composition of the board of directors and/or board of commissioners, (ii) policies and criteria required in the nomination process, (iii) policies on the performance evaluation for the board of directors and/or the board of commissioners, (iv) remuneration structure, (v) remuneration provisions, as well as (vi) amount of the remuneration;
- b. assisting the board of commissioners in conducting evaluations of the performance of the board of directors and/or board of commissioners pursuant to the evaluation standards;
- c. providing recommendations to the board of commissioners regarding the skill development program for the board of directors and/or board of commissioners;
- d. proposing qualified candidates for membership on the board of directors and/or board of commissioners to be submitted the general meeting of shareholders;
- e. providing recommendations to the board of commissioners on remuneration committee; and
- f. assisting the board of commissioners in evaluating the performance of the board of directors and/or board of commissioners pursuant to the remuneration received by the board of directors and/or board of commissioners.

IDX [REDACTED], [REDACTED], [REDACTED], and Corporate Governance Rules

The IDX listing rules and regulations for equity securities are aimed at enhancing good corporate governance and clarifying [REDACTED], [REDACTED] and [REDACTED] criteria, sanctions for violation of stock exchange rules and e-reporting and monitoring. The IDX Listing Regulation regulates the four-board system, consisting of the Main Board, the Development Board, the Acceleration Board and the Economic Board.

The Main Board serves as the flag carrier of the IDX and is intended for companies fulfilling regional listing standards relating to size, track record and net tangible assets. The Development Board allows both large and small companies with prospects but who do not qualify to be listed on the Main Board yet, as well as companies in the recovery phase, to be listed on the IDX. The Acceleration Board is a listing board provided to accommodate issuers with small-medium scale assets. Companies which have not been able to meet the requirements of the Development Board can also be listed on the Acceleration Board. The Economic Board is a listing board provided to accommodate issuers that use technology and have high growth rates.

[REDACTED]

Under the IDX Listing Regulation No. I-A, all companies listed on the IDX must satisfy the following general listing requirements ("**General Listing Requirements**"), which includes, among others: (a) having status as a limited liability company, (b) having a registration statement declared effective by OJK, (c) have an initial [REDACTED] share price of at least IDR100 per share, (d) enter into an [REDACTED] on a full commitment basis, (e) registering its equity at KSEI, (f) if the company is a subsidiary or a holding company of another listed company, having obtained an appraisal/evaluation by an independent appraiser registered with OJK, stating that upon termination of an affiliation between the company and the listed

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company, each company can continue to sufficiently perform its operational activities; and showing that either (i) the pro forma financial statements of the company, independent of and without consolidation with the financial statements of the listed company, or (ii) the pro forma financial statements of the listed company, independent of and without consolidation with the financial statements of the company,

can satisfy the listing requirements.

[REDACTED] on Main Board, Development Board, Acceleration Board and New Economic Board

Under the IDX Listing Regulation No. I-A, a company is deemed qualified to undertake an *[REDACTED]* on the Main Board if it fulfils certain requirements, including:

- a. having satisfied the General Listing Requirements;
- b. having operated in the same core business for the past three consecutive years prior to the *[REDACTED]* which is evidenced by recording an operating income for the last three years;
- c. audited financial reports covering at least the last three financial years or the audited financial statements covering at least two financial years and the last audited interim financial statements if obtained opinion without modification;
- d. either (i) having profit before tax in the last one financial year and net tangible assets of at least IDR250 billion; (ii) having accumulated profit before tax in the last two financial years of at least IDR100 billion and capitalization value of the shares is at least IDR1 trillion before the *[REDACTED]*; (iii) having business income in the last one financial year of at least IDR800 billion and capitalization value of the shares is at least IDR8 trillion before the *[REDACTED]*; (iv) having total assets in the last one financial year of at least IDR2 trillion and capitalization value of the shares is at least IDR4 trillion before the *[REDACTED]*; or (v) having cash flows from cumulative operating activities in the last two financial years of at least IDR200 billion and capitalization value of the shares is at least IDR4 trillion before the *[REDACTED]*;
- e. having at least 1,000 shareholders, each having a single investor identification number, with the following conditions: (i) for a prospective listed company that is conducting *[REDACTED]*, this minimum number of shareholders requirement must be met after the completion of the relevant *[REDACTED]*; and (ii) for a prospective listed company that is not conducting a *[REDACTED]*, this minimum number of shareholders requirement must be met no later than one month before the *[REDACTED]* application; and
- f. the number of free float shares after the *[REDACTED]* is at least 300 million and meets the following conditions:
 1. at least 20% of the total listed shares for a company which has an equity value of up to IDR500 billion before the *[REDACTED]*;
 2. at least 15% shares of the total listed shares for a company which has an equity value ranging from more than IDR500 billion to IDR2 trillion before the *[REDACTED]*; or
 3. at least 10% shares of the total listed shares for a company which has an equity value of more than IDR2 trillion before the *[REDACTED]*.

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Under such listing rules, a company is deemed qualified to undertake an [REDACTED] on the Development Board if it meets certain requirements, including the following:

- a. having satisfied the General Listing Requirements;
- b. having operated in the same core business for at least the past 12 consecutive months prior to the [REDACTED] date which is evidenced by recording an operating income for the last one year;
- c. fulfilled one of the following requirements: (1) it has net tangible assets of at least IDR50 billion; or (2) it has accumulated profit before tax for the last two financial years of at least IDR10 billion and shares capitalization value of at least IDR100 billion prior to the [REDACTED]; or (3) it has operating income in the last financial year of at least IDR40 billion and shares capitalization value of at least IDR400 billion prior to the [REDACTED]; or (4) it has total assets in the minimum amount of IDR250 billion in the last financial year and shares capitalization value of at least IDR500 billion prior to [REDACTED]; or (5) it has cash flow from accumulated operational activities for the last two years of at least IDR20 billion and shares capitalization value in the minimum amount of IDR400 billion prior to [REDACTED];
- d. or if the proposed company to be [REDACTED] is a company which has been experiencing losses, has not yet booked any profit, or has been in operation for less than two years, (1) based on its financial projection to be announced on the stock exchange at the latest at the end of the second financial year as of the [REDACTED] it has obtained operational and net profits; or (2) based on its financial projection by no later at the end of the company's sixth financial year as of the [REDACTED], it has obtained operational and net profits, especially if the proposed [REDACTED] company is a company that by nature of its business will likely require a longer period of time to reach a break-even point;
- e. shares owned by minority shareholders immediately after the initial [REDACTED] within five stock exchange days before the [REDACTED] which are at least 150 million shares in number and meet the following conditions: (i) at least 20% shares of the paid up capital for a company which has an equity value of less than IDR500 billion before the [REDACTED]; (ii) at least 15% shares of the paid up capital for a company which has an equity value ranging from IDR500 billion to IDR2 trillion before the [REDACTED]; or (iii) at least 10% shares of the paid up capital for a company which has an equity value of more than IDR2 trillion before the [REDACTED]; and
- f. at least 500 shareholders, each holding a securities account with the following conditions; (i) for a prospective listed company conducting [REDACTED], the number of shareholders is the same with the amount during the [REDACTED]; and (ii) for a prospective listed company from a public company, the number of shareholders is the latest shareholders no later than one month before the [REDACTED].

The rules allow a company listed in the Development Board to be promoted to the Main Board if it meets the requirement for listing on the Main Board.

Other than the above, under the Decision of the Board of Directors of IDX No. Kep-00104/BEI/07-2023 dated 31 July 2023 on Amendment to the Rule I-V on Specific Provisions on Listing of Shares and Equity Securities other than Shares issued by a Listed Company in Acceleration Board, a company is deemed qualified to undertake an [REDACTED] on the Acceleration Board if it fulfils certain requirements. A company may also be deemed qualified to undertake an [REDACTED] on the New Economic Board if it fulfils certain requirements under the Rule I-Y on the Listing of Shares and Equity Securities other than Shares issued by Listed Companies on the New Economic Board as stipulated in the Attachment to the Decree of the Board of Directors of IDX No. Kep-00083/BEI/11-2022 dated 30 November 2022.

The rules also allow a company listed in the Acceleration Board, to be promoted to the Main Board or Development Board if it fulfils the requirements for [REDACTED] on the Main Board or Development Board. The requirements for [REDACTED] on the Main Board generally also apply to a company that is willing to undertake an [REDACTED] on the Economic Board.

REGULATORY OVERVIEW

Delisting

Pursuant to IDX Rule I-N on Delisting and Relisting of Shares in Stock Exchange as stipulated in the Attachment to the Decree of the Board of Directors of IDX No. KEP-00054/BEI/05-2024, a company can be delisted by the IDX on several basis. Such basis are (i) request of said listed company, (ii) OJK's request, or (iii) IDX's decree. For a listed company to be able to delist voluntarily, it is required to fulfil several conditions which are (i) its shares have been listed on the IDX for at least five years, (ii) has settled all of its obligations to the IDX as required under the exchange rule, and (iii) has paid the delisting fee amounting to five times of the most recent annual listing fee. Meanwhile, for a listed company to be delisted based on IDX's decree, there are several reasons that might trigger such delisting, namely (i) certain conditions adversely affect the company as a going concern, financially or legally, or such conditions adversely affect the continuing status of the company as a public listed company and the company has not shown it has implemented sufficient remedial actions, (ii) the listed company does not fulfil the listing requirements in the stock exchange, or (iii) its shares are suspended from the regular market and the cash market and may only be traded in the negotiated market within the last 24 months.

Furthermore, under OJK Regulation No. 45 of 2024 on Development and Strengthening of Issuers and Publicly-Traded Companies ("**OJK Regulation No. 45/2024**"), a listed company that is going to be delisted is also required to:

- a. obtain approval from their independent shareholders;
- b. buy back all shares owned by their public shareholders until the number of shareholders is less than 50 (or any other number determined by OJK);
- c. announce their go-private plan along with the announcement of GMS to approve the go-private plan; and
- d. apply to OJK for a revocation of their effective registration statement.

Buy Back

Pursuant to OJK Regulation No. 29 of 2023 on Buy Back of Share Issued by Public Company enacted on 29 December 2023 ("**OJK Regulation No. 29/2023**"), a public company may repurchase its shares in accordance with Articles 37 and 39 of the Indonesian Companies Law, or to satisfy Article 62 of the Indonesian Companies Law as long as such buyback does not related to or causing fraud, market manipulation and/or insider trading. The repurchase of shares shall be completed within 12 months after the date of approval of the general meeting of shareholders. The public company is required to transfer the buyback shares within three years after the completion of the share repurchase. If, after the three-year period, there are still remaining buyback shares held by the public company, the company is required to complete the transfer of such shares no later than one year after the lapse of the three year period. However, the three year period for transferring the buyback shares may be extended for another two years if (i) the public company has transferred at least 10% of the buyback shares, or (ii) the company's share price during those three years has never exceeded the average buyback price of a public company.

Furthermore, under OJK Regulation No. 13 of 2023 on Policy to Maintain the Performance and Stability of the Capital Market Under Significantly Fluctuating Market Conditions enacted on 20 July 2023 ("**OJK Regulation No. 13/2023**") an issuer or a public company also may buy back its shares if there are significantly fluctuating market conditions as long as such buyback does not related to or causing fraud, market manipulation and/or insider trading. "Significantly fluctuating market condition" occurs under the following circumstances:

- a. a decrease in most of all the prices of securities listed on the IDX or market organizer outside the IDX in which such a large amount of material occurs suddenly (crash);
- b. capital market is under significant pressure;
- c. regional and global economic conditions that are experiencing pressure and deceleration to have a significant impact or potential to have a significant impact on the stability of the capital market;
- d. occurrence of natural or non-natural disasters that have an impact on the pressure on the stability of the capital market;

REGULATORY OVERVIEW

- e. such a large redemption of shares or investment product participation units and material in nature which occurs suddenly (crash), the cessation of securities trading for most of the securities portfolios of investment products at the IDX, or the closing of the IDX in which most of the securities portfolios of investment products are traded;
- f. trading system failures or transaction settlements which cause the market to fluctuate significantly; and/or
- g. other conditions as established by the OJK.

Under OJK Regulation No. 29/2023, every public company that buyback its shares are required to disclose such buyback to its shareholders simultaneously with the GMS announcement by complying with the principle of transparency which must at least contain:

- a. estimated schedule, the estimated cost of the buyback of shares, and the estimated nominal value of all shares to be bought back;
- b. explanation, consideration and reason for the buyback of public company shares;
- c. estimated decrease in revenue of the public company as a result of the implementation of the buyback of shares and the impact on the financing cost of the public company;
- d. pro forma earnings per share of the public company after the plan to buy back the shares, by taking into account the decline in revenue;
- e. limitation of share price for the buyback of shares;
- f. limitation on the period of buyback of shares;
- g. method to be used in order to repurchase the shares;
- h. management discussion and analysis on the effect of the buyback of shares on the business activities and growth of the public company in the future; and
- i. source of funds to be used for the implementation of the buyback of shares.

EXCHANGE CONTROLS

Exchange Controls

Foreign exchange activities in Indonesia are primarily governed by Law No. 24 of 1999 on Foreign Exchange Traffic and Exchange Rate System (as amended), which adopts a free foreign exchange regime subject to further regulation by Bank Indonesia.

The Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations such as Bank Indonesia Regulation No. 6 of 2024 on the Money Market and Foreign Exchange Market ("**PBI 6/2024**") to restrict the movement of Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah by foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity.

Bank Indonesia retains broad authority under applicable laws to introduce additional foreign exchange measures, liquidity controls or macroprudential regulations in response to market conditions.

REGULATORY OVERVIEW

Indonesian Law on Currency and Obligation to Use Rupiah in Indonesian Territory

On 28 June 2011, the House of Representatives (or the “**Indonesian Parliament**”) passed Law No. 7 of 2011 on Currencies, which was amended on 12 January 2023 by Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (the “**Currency Law**”) and on 31 March 2015, Bank Indonesia issued Bank Indonesia Regulation No. 17/3/2015 (“**PBI 17/3**”) and enacted Bank Indonesia Circular Letter No. 17/11/DKSP of 2015 on 1 June 2015 as the implementation guidelines (“**SEBI 17/2015**”). Under the Currency Law and PBI 17/3, all parties are required to use Rupiah for cash and non-cash transactions conducted within Indonesia, including (i) each transaction which has the purpose of payment; (ii) settlement of other obligations which must be satisfied with money; and/or (iii) other financial transactions (including deposits of Rupiah in various amounts and types of Rupiah denomination from customers to banks).

Subject to further requirements under PBI 17/3, the obligation to use Rupiah does not apply to (i) certain transactions relating to the implementation of state revenue and expenditure; (ii) the receipt or provision of grants either from or to overseas; (iii) international trade transactions, which includes (a) export and/or import of goods to or from outside Indonesian territory and (b) activities relating to cross border trade in services; (iv) bank deposits denominated in foreign currencies; (v) international financing transactions; or (vi) transactions in foreign currency which are conducted in accordance with applicable laws and regulations, including, among others; (a) a bank’s business activities in foreign currency which is conducted based on applicable laws regarding conventional and sharia banks, (b) securities in foreign currency issued by the Government in primary or secondary markets based on applicable laws, and (c) other transactions in foreign currency conducted based on applicable laws, including the law regarding Bank Indonesia, the law regarding investment and the law regarding *Lembaga Pembiayaan Ekspor Indonesia* (Indonesia Eximbank).

The Currency Law and PBI 17/3 prohibit the rejection of Rupiah when offered as a means of payment, to settle obligations and/or with respect to other financial transactions within Indonesia, unless there is uncertainty regarding the authenticity of the Rupiah bills offered, or the parties to the transaction have agreed in writing to the payment or settlement of obligations in a foreign currency. Article 10 of PBI 17/3 further explains that the exemption based on such a written agreement between the parties is only applicable to an agreement made with respect to one of the above exempted transactions or transactions related to a strategic infrastructure project.

PBI 17/3 took effect from 31 March 2015, and the requirement to use Rupiah for non-cash transactions was effective from 1 July 2015. Written agreements which were signed prior to 1 July 2015 that contain provisions for the payment or settlement of obligations in foreign currency for non-cash transactions will remain effective until the expiry of such agreements. However, any extension and/or certain amendment of such agreements must comply with PBI 17/3.

According to SEBI 17/2015, a business operator in Indonesia must quote the price of goods and/or services in Rupiah and is prohibited from conducting dual quotations where the price of goods and/or services is listed both in Rupiah and a foreign currency, anywhere including on electronic media. The restriction applies to, among others, (i) price tags, (ii) service fees, such as agent fees in the sale and purchase of property, tourism services fee or consultancy services fee, (iii) leasing fees, such as apartment leases, housing leases, office leases, building leases, land leases, warehouse leases or vehicle leases, (iv) tariffs, such as loading/unloading tariff for cargo at the seaport or airplane ticket tariff, (v) price lists, such as a restaurant menu price list, (vi) contracts, such as clauses for pricing or fees, (vii) documents of offer, order, invoice, such as the price clause in an invoice, purchase order or delivery order, and/or (viii) payment evidence, such as the price listed in a receipt.

Further, SEBI 17/2015 stipulates that conditional exemptions may apply to certain infrastructure projects, among others, (i) transportation infrastructure, including airport services, seaport procurement and/or services, railway infrastructure and facilities, (ii) road infrastructure, including toll roads and toll bridges, (iii) watering infrastructure, including standard water bearer channel, (iv) drinking water infrastructure, including standard water bearer building, transmission channels, distribution channels, drinking water treatment installation, (v) sanitation infrastructure, including waste water treatment installation, collector channel and main channel, and waste facility which includes transporter and waste storage, (vi) informatics and telecommunications, including telecommunication network and

REGULATORY OVERVIEW

e-government infrastructure, (vii) power infrastructure, including power plant, which includes power development sourcing from geothermal, transmission or distribution of electricity, and (viii) natural crude oil and natural gas infrastructure, including transmission and/or distribution of crude oil and natural gas. These exemptions apply if (a) the project has been declared by the central or regional government as a strategic infrastructure project, as evidenced by a formal confirmation letter from the relevant ministry/institution with regards to the project owner; and (b) an exemption approval has been obtained from Bank Indonesia.

A failure to comply with the obligation to use Rupiah in cash transactions will result in criminal sanctions in the form of fines and confinement. While a failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warning, (ii) fines, and/or (iii) prohibition from undertaking payment activities. Bank Indonesia may also recommend the relevant authorities and institutions to conduct certain action such as revoking the business license or stopping the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

Purchasing of Foreign Currencies Against Rupiah through Banks

On 11 July 2024 and 23 September 2024, Bank Indonesia issued PBI 6/2024 and Members of the Board of Governor of Bank Indonesia Regulation No. 11 of 2024 on Foreign Exchange Market Transactions (collectively, "**FX Transaction Regulation**"), respectively. Under the FX Transaction Regulation, any purchase of foreign currency against Rupiah that exceeds a prescribed threshold is required to have an underlying transaction and supported by underlying transaction documents. Certain transactions are exempted from the underlying requirement, including (i) interbank FX transactions, (ii) transactions between a bank and an Islamic bank or Islamic banking unit, and (iii) transactions cleared through a central counterparty (CCP).

The threshold is (i) US\$100,000 or its equivalent per month per purchaser, for either spot (cash) transactions, (ii) for forward and domestic-non deliverable forward (DNDF) transactions, US\$100,000 per month per purchaser for buy transactions and US\$5,000,000 per transaction for sell transactions, (iii) US\$5,000,000 per transaction for swap transactions, (iv) for other FX derivative transactions, US\$100,000 per month per purchaser for buy transactions and US\$1,000,000 per transaction for sell transactions. In the event that a purchase exceeds the threshold, the maximum amount of a purchase cannot exceed the value of the underlying transaction. For purchase of foreign currencies against Rupiah within the threshold, the purchaser must declare in a duly stamped or authenticated written statement that its purchase of foreign currency against Rupiah is within the prescribed threshold. The declaration may be provided through various authenticated formats, including signed letters, official email, SWIFT messages, Bank's electronic system-generated confirmations, or negative confirmation.

The underlying transaction for the purposes of the FX Transaction Regulation may consist of: (i) domestic trade of goods and services; (ii) current account activities; (iii) the granting of facility or financing from a bank in Indonesia to Indonesian residents for trade and investment activities; (iv) financial account activities; (v) capital account activities; and (vi) any other underlying transaction which is determined by Bank Indonesia. The underlying transaction may not include: (i) a placement of funds; (ii) securities issued by Bank Indonesia; (iii) undrawn credit or financing facilities; or (iv) cryptocurrency assets.

Failure to comply with underlying transaction documentation requirements or declaration obligations may result in administrative sanctions imposed by Bank Indonesia, including written warnings, fines and/or restrictions on foreign exchange transactions.

HISTORY AND CORPORATE STRUCTURE

HISTORY

The Company incorporated in November 2015 under the name PT Pani Bersama Jaya, as a limited liability company, pursuant to the Deed of Establishment No. 87 dated 20 November 2015 which was approved by the Minister of Law and Human Rights of the Republic of Indonesia pursuant to Decree No. AHU-2467705.AH.01.01.TAHUN 2015 dated 20 November 2015. Upon its establishment, the Company’s initial business activities were focused on the sector of mining related activities.

MCG acquired 66.70% of the Company’s total issued and paid-up capital in November 2018 and the Company became a subsidiary of the MCG Group. Since then, the Company has evolved into a holding company engaged in gold mining and associated mineral processing activities, as well as other related minerals business operations. The Company, through its subsidiaries, manages the Pani Gold Mine at Pohuwato Regency, Gorontalo Province in Sulawesi, Indonesia and oversees mining operations, processing activities, and supporting infrastructure for the Pani Gold Mine.

On 23 September 2025, the Company became primary listed on the IDX under the ticker EMAS through its [REDACTED] and as a spin-off from MCG. Following its initial [REDACTED], the Company remains a majority-owned subsidiary of MCG.

The Company is an IDX-listed gold mining company anchored by the Pani Gold Mine, which, based on the Industry Report, is recognized as one of the largest primary gold mines in Indonesia on a resources basis. By 2030, the Company is expected to rank among the top two primary gold mines in Asia by production.

KEY HISTORICAL MILESTONE

Set out below are some of our key historical milestones:

Date	Event
November 2015	• Incorporation of the Company under the name of PT Pani Bersama Jaya as a limited liability company; and • Incorporation of PBT.
November 2018	MCG acquired a majority stake in the Company, effectively representing 66.70% of the Company’s total issued and paid-up capital and became the controlling shareholder of the Company.
December 2022	The Company entered into the ABI Merger Deed, pursuant to which ABI was merged into the Company. As a result of the merger, the Company obtained 99.99% ownership in GSM.
September 2023	Acquisition of 99.99% ownership in MMI.
December 2023	Acquisition of 99.99% ownership in MAP.
June 2024	Acquisition of 51% ownership in PETS through PEG. As a result, the Company obtained an effective ownership of 99.99% in PETS.
August 2024	Incorporation of PIJ, in which the Company holds 99.96% ownership.
January 2025	Incorporation of PIN, in which the Company holds 99% ownership.
June 2025	The Company changed its name to PT Merdeka Gold Resources Tbk.
September 2025	The Company became primary listed on the IDX (under the ticker EMAS) on 23 September 2025.

HISTORY AND CORPORATE STRUCTURE

Date	Event
October 2025	Commencement of initial ore mining activities and energization of the 150kV PLN power grid.
November 2025	Commencement of production activities at the Ore Processing Plant (OPP).
December 2025	• Commencement of the crushed ore stacking. • Early works infrastructure and bulk earthworks for CIL commenced construction. The Group obtained a syndicated financing facility of US\$350,000,000 with PT Bank UOB Indonesia as facility agent, security trustee and security agent, and other financial institutions as lenders.
February 2026	• First gold production from the Pani Gold Mine. • Entered into the first gold sales and purchase agreement.
March 2026	Completion of the first gold sales.

OUR SUBSIDIARIES

The principal business activities, date of establishment and place of incorporation of each of our subsidiaries as of the date of the Latest Practicable Date are shown below:

Name of subsidiary	Date of Establishment	Date of becoming part of the Group	Place of Establishment	Shareholding percentage held by the Group ^{(1) (2)}	Principal Business Activities
PBT	November 2015	November 2015	Indonesia	99.99%	Precious basic metal manufacturing industry, holder of Production Operation IUP specifically for Processing and/or Refining
PEG	December 2013	December 2017	Indonesia	99.99%	Holding company
PETS . . .	February 2014	December 2017	Indonesia	99.99%	Gold and silver mining, holder of the IUP-OP of certain part of the Pani Gold Mine
GSM	July 1994	December 2022	Indonesia	99.99%	Gold and silver mining, holder of the CoW in relation to certain part of the Pani Gold Mine
MMI	May 2022	September 2023	Indonesia	99.99%	Support activities for other mining and quarrying, and rental and leasing
MAP	December 2019	December 2023	Indonesia	99.99%	Wholesale trade activities on a fee or contract basis, other supporting transportation activities n.e.c. (not elsewhere classified), other business support service activities n.e.c. (not elsewhere classified), real estate owned or leased, and construction of civil engineering buildings for roads
PIJ	August 2024	August 2024	Indonesia	99.96%	Industrial area

HISTORY AND CORPORATE STRUCTURE

Name of subsidiary	Date of Establishment	Date of becoming part of the Group	Place of Establishment	Shareholding percentage held by the Group ⁽¹⁾⁽²⁾	Principal Business Activities
PIN	January 2025	January 2025	Indonesia	99.99%	Precious basic metals manufacturing industry.

Note:

- (1) Such shareholding interest may be held directly by the Company or indirectly through its subsidiaries.
- (2) Pursuant to the Indonesian Companies Law, all companies incorporated in Indonesian are required to have at least two Shareholders. As of the Latest Practicable Date, the remaining 0.01% of PBT is held by Mr. Januarius Felix Lumban Gaol; the remaining 0.01% of GSM is held by MCG; the remaining 0.01% of MMI is held by MKI; the remaining 0.01% of MAP is held by MKI; and the remaining 0.04% of PIJ is held by MKI; PEG is held as to 99.99% by PBT and 0.01% by the Company; PETS is held as to 99.87% by PET, 0.13% by PEG and 0.00025% by the Company; PIN is held as to 55% by PETS and 45% by GSM.

LISTING ON THE IDX

On 23 September 2025, the Company completed its initial public offering and listing of its Shares on IDX under the ticker “EMAS”. Since the date of our listing on IDX and up to the Latest Practicable Date, our Directors and Commissioners confirmed that the Company had no instances of non-compliance with the rules of IDX in any material respects and to the best knowledge of our directors and commissioners after having made all reasonable enquiries, there is no matter that should be brought to investors’ attention in relation to our compliance record on IDX.

MCG, the Controlling Shareholder of the Company, has been listed on the IDX under the ticker “MDKA” since 19 June 2015. For a period of five full financial years prior to the date of this Document (i.e. during 2021 – 2025), MCG had no instances of non-compliance with the rules of IDX in any material respects and to the best knowledge of our directors and commissioners after having made all reasonable enquiries, there is no matter that should be brought to investors’ attention in relation to MCG’s compliance record on IDX.

REASONS FOR THE [REDACTED]

Our proposed [REDACTED] on the Hong Kong Stock Exchange represents a strategic initiative to strengthen the Company’s capital market platform and enhance its international profile. We believe that [REDACTED] on the Hong Kong Stock Exchange would diversify and broaden our investor base by attracting international institutional investors, improve trading liquidity through access to deeper global capital markets, strengthen corporate governance and reporting standards through compliance with international regulatory frameworks, and funding flexibility for project development and growth initiatives. We believe that a Hong Kong [REDACTED] will further support our long-term development objectives by enhancing our accessibility to international investors seeking exposure to Indonesia’s gold sector, subject to applicable regulatory requirements and market conditions.

HISTORY AND CORPORATE STRUCTURE

REORGANIZATION DURING THE TRACK RECORD PERIOD

During the Track Record Period, the Company consolidated the interests in MMI and MAP as part of its reorganization to consolidate and strengthen operational control over assets related to the Pani Block. These transactions were conducted on normal and arms-length commercial terms. Set out below are the details of such reorganization steps:

The MMI Reorganization:

On 20 September 2023, MMI underwent a reorganization where: (i) MMI issued 990,000 new shares with a nominal value of Rp4,950,000,000 for which the Company subscribed in full of such new shares (the “**MMI Shares Issuance**”); and (ii) the Company and MCG entered into a Shares Sale and Purchase Deed under which MCG agrees to transfer 9,999 shares in MMI that it held, with a nominal value of Rp49,995,000 to the Company (the “**MMI Acquisition**”). The total consideration for both MMI Shares Issuance and MMI Acquisition are approximately US\$325,560.

Each of the MMI Shares Issuance and the MMI Acquisition was approved by the shareholders of MMI through the Deeds of Restatement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders of MMI, dated 20 September 2023 and were completed on the same date.

Following the completion of the MMI Shares Issuance and the MMI Acquisition, the Company holds 99.99% of the issued and paid-up capital of MMI. The consideration of the MMI Acquisition was determined on normal commercial terms with reference to, among other things, the net assets of MMI, which was assessed by an independent valuer. MMI carries out other support activities for mining and quarrying, rental of construction equipment with operator, and rental and leasing for mining and energy machinery and equipment.

The MAP Reorganization:

On 18 December 2023, MAP underwent a reorganization where: (i) MAP issued 668,000 new shares with a nominal value of Rp167,000,000,000 for which the Company subscribed in full of such new shares (the “**MAP Shares Issuance**”); and (ii) the Company and MCG entered into a Shares Sale and Purchase Deed under which MCG agreed to transfer 240,199 of its shares in MAP, with a nominal value of Rp60,049,750,000 to the Company (the “**MAP Acquisition**”). The total consideration for both MAP Shares Issuance and MAP Acquisition were approximately US\$14,904,533.

Each of the MAP Shares Issuance and the MAP Acquisition was approved by the shareholders of MAP through the Deed of Restatement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders of MAP, dated 18 December 2023 and were completed on the same date.

Following the completion of the MAP Shares Issuance and the MAP Acquisition, the Company holds 99.99% of the issued and paid-up capital of MAP. The consideration of the MAP Acquisition was determined on normal commercial terms with reference to, among other things, the net assets of MAP, which was assessed by an independent valuer. MAP carries out wholesale trade activities on a fee or contract basis, other supporting transportation activities, other business support service activities, real estate ownership or leasing, and construction.

HISTORY AND CORPORATE STRUCTURE

ACQUISITIONS DURING THE TRACK RECORD PERIOD

PETS Acquisition:

On 27 June 2024, the Company and PEG separately entered into a Shares Transfer Deed with KUD Dharma Tani, pursuant to which, KUD Dharma Tani transferred 255 of its shares in PETS, with a nominal value of Rp255,000,000 and representing approximately 51% of the issued and paid up capital in PETS, to the Company and PEG, for a total consideration of Rp677,930,972 and Rp172,194,466,857, respectively (the “**PETS Acquisition**”).

The PETS Acquisition was approved by the shareholders of PETS by way of Deed of Restatement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders of PETS dated 27 June 2024 and the PETS Acquisition was completed on the same date.

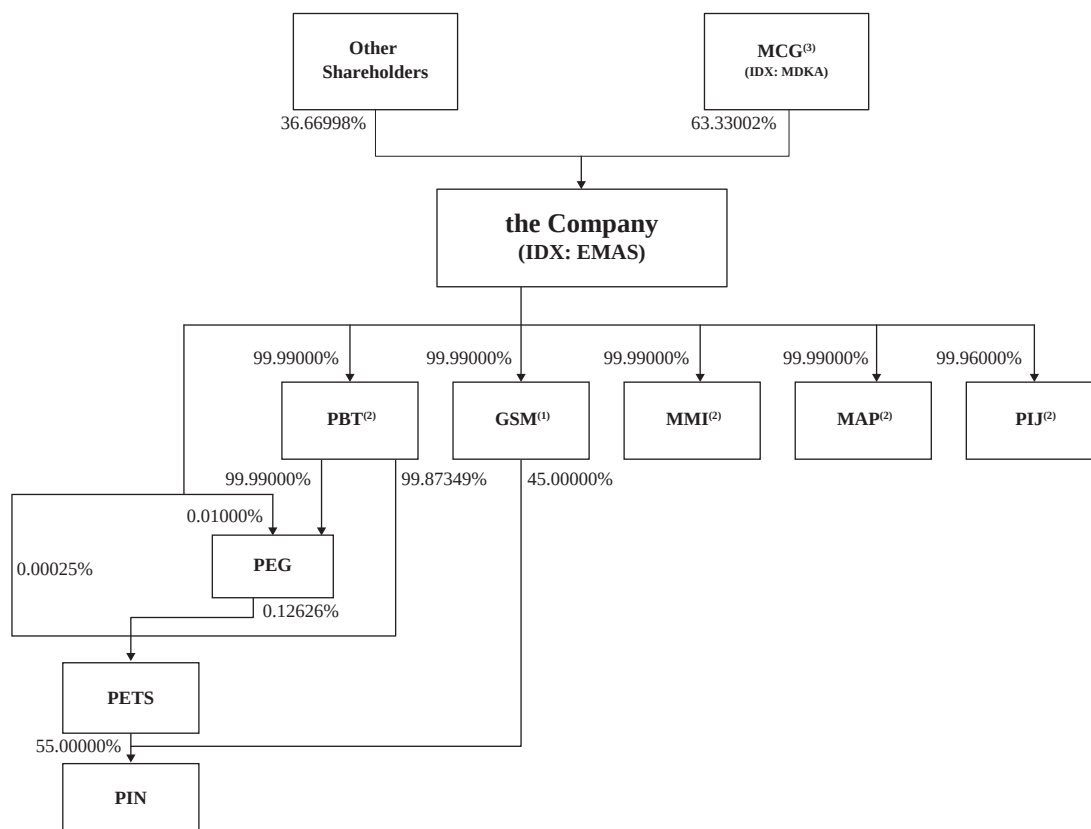
Prior to the PETS Acquisition, the Company held approximately 49% of the issued and paid-up capital in PETS and therefore following the PETS Acquisition, the Company currently indirectly holds 99.99% of the total issued and paid-up capital of PETS. The consideration of the PETS Acquisition was determined on normal commercial terms with reference to, among other things, the net assets of PETS, which was assessed by an independent valuer. PETS carries out gold and silver mining business and holds the IUP-OP covering an area of around 100 hectares in Hulawa Village, Buntulia District, Pohuwato Regency, Gorontalo Province, where the Pani Gold Mine is located.

The PETS Acquisition did not constitute a major transaction pursuant to Note 1 to Rule 4.05A of the Listing Rules. During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider material to us.

HISTORY AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED]:



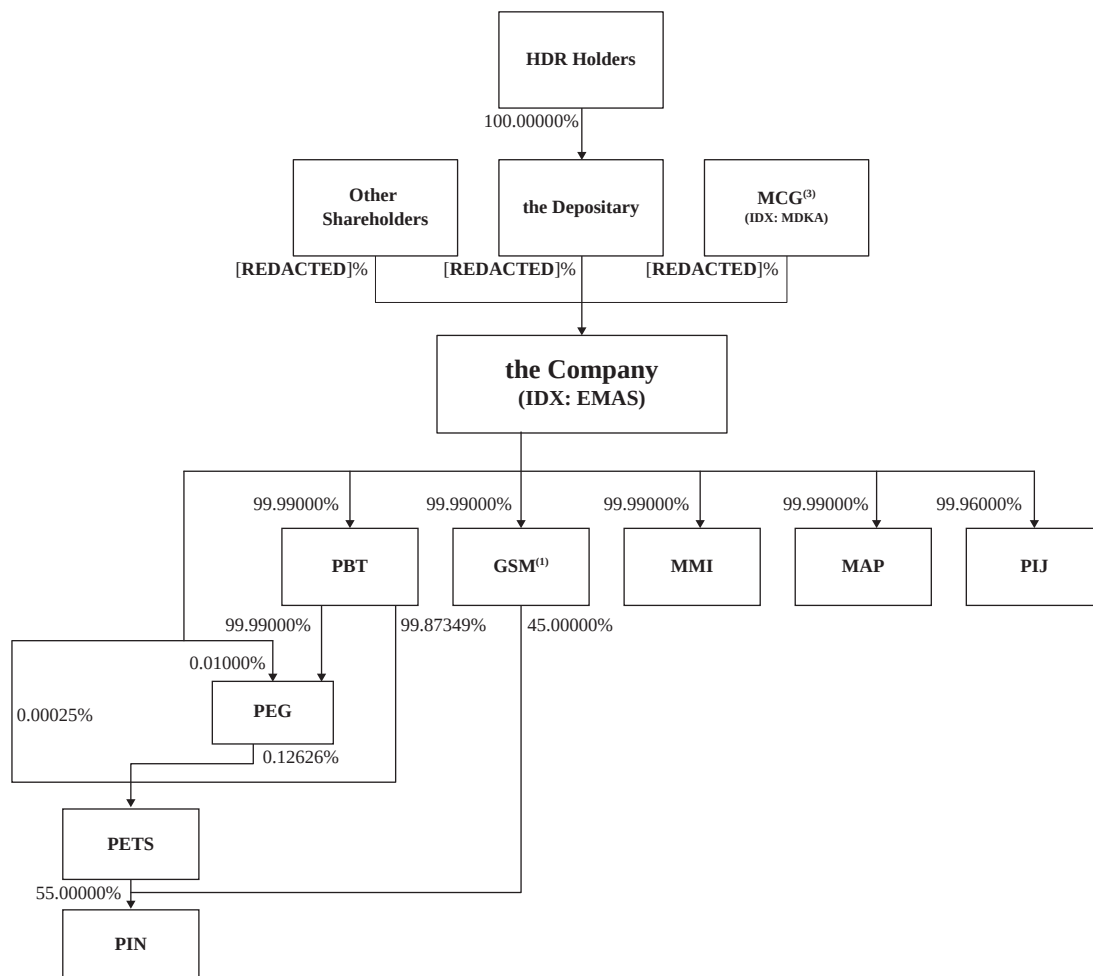
Note:

1. The remaining of 0.01% from GSM is owned by MCG;
2. Please refer to “History and Corporate Structure — Our Subsidiaries” for the ownership of PBT, MMI, MAP and PIJ.
3. MCG is a listed company on the IDX (ticker: MDKA) and it had no single shareholder holding 30% or more of its interest.
4. Other than MCG, there are no other Shareholders holding 5% or more of the Company’s issued shares.

HISTORY AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of [REDACTED] (assuming the [REDACTED] is not exercised):



Note:

1. The remaining of 0.01% from GSM is owned by MCG;
2. Please refer to “History and Corporate Structure — Our Subsidiaries” for the ownership of PBT, MMI, MAP and PIJ.
3. MCG is a listed company on the IDX (ticker: MDKA) and it had no single shareholder holding 30% or more of its interest.
4. Other than MCG, to the best of the Company’s knowledge, there are no other Shareholders holding 5% or more of the Company’s issued shares.

BUSINESS

OVERVIEW

Who We Are

MGR is an IDX-listed gold mining company positioned among the top pure-play gold producers in Asia. Anchored by the Pani Gold Mine, the largest primary gold mine in Indonesia on Resources and Reserves basis according to CRU, by 2030 we are expected to rank among the top two primary gold mines in Asia by production. MGR is uniquely positioned by virtue of our base of Reserves underpinning prospective resource potential, average strip ratio being among the lowest globally, and rapid ramp-up profile enabling peak production within a short timeframe. We have capitalised upon Indonesia’s superior natural endowment and the critical importance of the mining sector in the nation’s economic development. By leveraging our competitive advantages in mine scale, operational efficiency, technology, future growth opportunities and resource potential, we are emerging as a regionally significant gold producer.

We are a majority-owned subsidiary of MCG, a prominent Indonesian mining group that has been listed on the IDX since June 2015. MCG has a proven track record in developing and operating large-scale, low-cost mines, including the Tujuh Bukit Gold Mine in East Java.

Separately, MCG’s additional track record includes operational experience through Sulawesi Cahaya Mineral (“SCM”) mine, a controlled subsidiary of PT Merdeka Battery Materials Tbk (“MBM”) which is also a majority owned, indirect subsidiary of MCG. SCM successfully increased its production capacity during the 2024-2025 period, demonstrating MCG’s capability in executing large-scale mining projects across different minerals and managing operational ramp-ups.

Furthermore, MGR is indirectly supported, through MCG, by two of Indonesia’s most respected investment groups — PT Provident Capital Indonesia (“PCI”) and PT Saratoga Investama Sedaya Tbk (“SRTG”). Together, these groups bring decades of experience in building and scaling multi-billion-dollar public enterprises while ensuring superior corporate governance, disciplined capital allocation, long-term value creation and deep understanding of Indonesia’s regulatory, economic and operating landscape.

Matrix of core statistics of our Company:

 Ranked 5th largest primary gold mine in Asia with lowest average strip ratio of 0.7:1 Ranked 1st in Indonesia in terms of Mineral Resources and Ore Reserves Indonesia ranked 4th globally in gold Reserves, according to CRU	 US\$794/oz Projected AISC (excluding royalties) over LOM (lowest quartile globally)	 14,670 ha Tenement area of the Pani Gold Projects with full mining license 8,100 ha Pani Block 135 ha Pani Gold Mine
 291.5 Mt Total Mineral Resource* 7.0 Moz Total contained gold in Mineral Resources* 5.2 Moz Total contained gold in Ore Reserves*	 Up to approx. 545 koz/year Peak annual gold production post-CIL expansion	 2026(HL) 2028(CIL) HL plant to ramp-up from 8 to 10 Mtpa in 2026; CIL plant to be commissioned in 2028
 Potential High Exploration Upside: Pani Gold Mine’s mineralisation is open at depth Multiple undrilled and underexplored near-mine targets within tenement	 February 2026 First gold production	 February 2026 Signed 2-year domestic Gold Sales and Purchase Agreement with Antam with transaction volume of up to 3t (up to 100 koz of gold)
 Made first domestic sale of refined gold granules in March 2026	 Zero Accident Award from Gorontalo Provincial Government for 7,666,280 person-hours without lost time injury (“LTI”) achieved by GSM 2,166,209 person-hours without LTI achieved by PETS	 ESG Will maintain full compliance with Indonesian regulatory requirement as well as global standards

Note:

* As of 31 December 2025

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Indonesia is one of the world’s leading gold-producing nations and is ranked 4th globally in terms of gold Reserves, according to CRU. Indonesia is endowed with some of the world’s richest mineral deposits, supported by a long-standing mining tradition and an established regulatory framework that promotes responsible resource production. As Southeast Asia’s most populous country and largest economy, Indonesia has recently implemented reforms to enhance investment certainty while reinforcing environmental and social standards. Gold mining plays a significant role in the national economy, particularly in regions such as Central Sulawesi, an emerging gold district characterized by proven geological potential and supportive local governance. Within this strategic operating environment, we are advancing our development strategy with a disciplined, locally grounded approach that aligns with both Indonesian regulatory requirements and international best practices in sustainable mining.

Guided by our vision to become a world-class company that grows sustainability, upholds integrity, and creates long-term value for our stakeholders, our missions are (i) to manage and develop Indonesia’s Mineral Resources efficiently, safely, sustainably, and responsibly; (ii) implementing sustainability across all business activities, with a commitment to safety, environmental responsibility, and social contribution to our communities; (iii) carrying out sustainable mining practices and creating added value through continued exploration, asset potential development, and adaptive, long-term business strategies; and (iv) upholding corporate governance that is transparent, ethical, and accountable. Underpinning all of this is our core belief that sustainable growth and development must be rooted in strong corporate values and culture, specifically, that “Growth can only be achieved if we respect each other, work accountably and collaboratively, create excellence in performance, and always prioritise safety and sustainability.”

Currently our primary listing is on the IDX. Since our successful IPO in September 2025, we have demonstrated strong operational start-up, disciplined capital management, and a steadfast commitment to high standards of corporate governance. Our sustainable growth strategy and approach have earned us the trust of domestic and international investors alike.

Our proposed [REDACTED] on the Hong Kong Stock Exchange represents a strategic step to enhance our access to international capital markets, broaden our global investor base, and further elevate our profile among institutional investors. We believe that a Hong Kong [REDACTED] will also support our long-term development objectives by positioning MGR as a gateway platform for international investors seeking exposure to Indonesia’s gold sector, subject to applicable regulatory requirements and market conditions.

Our Controlling Shareholder and Key Sponsors

We are a majority-owned subsidiary of MCG, an Indonesian mining group listed on the IDX. MCG is the holding company of a diversified portfolio of mining and mineral processing subsidiaries across gold, copper, and battery materials, including the operator of the Tujuh Bukit Gold Mine in East Java and SCM Mine in Konawe (a controlled subsidiary of MBM). Through these subsidiaries, MCG has established a strong track record in developing and operating efficient, low-cost mines, reflecting its proven capabilities in mine development, operational optimization, technology and sustainable resource management.

While MGR maintains full financial independence, historically our Controlling Shareholder MCG has supported our development. MGR has learned from MCG’s high-value technical support and expertise, operational experience and best practices, mining technology and engineering, as well as ESG frameworks and governance standards. Any such support and services from MCG is supplementary in nature and provided on an arm’s-length basis.

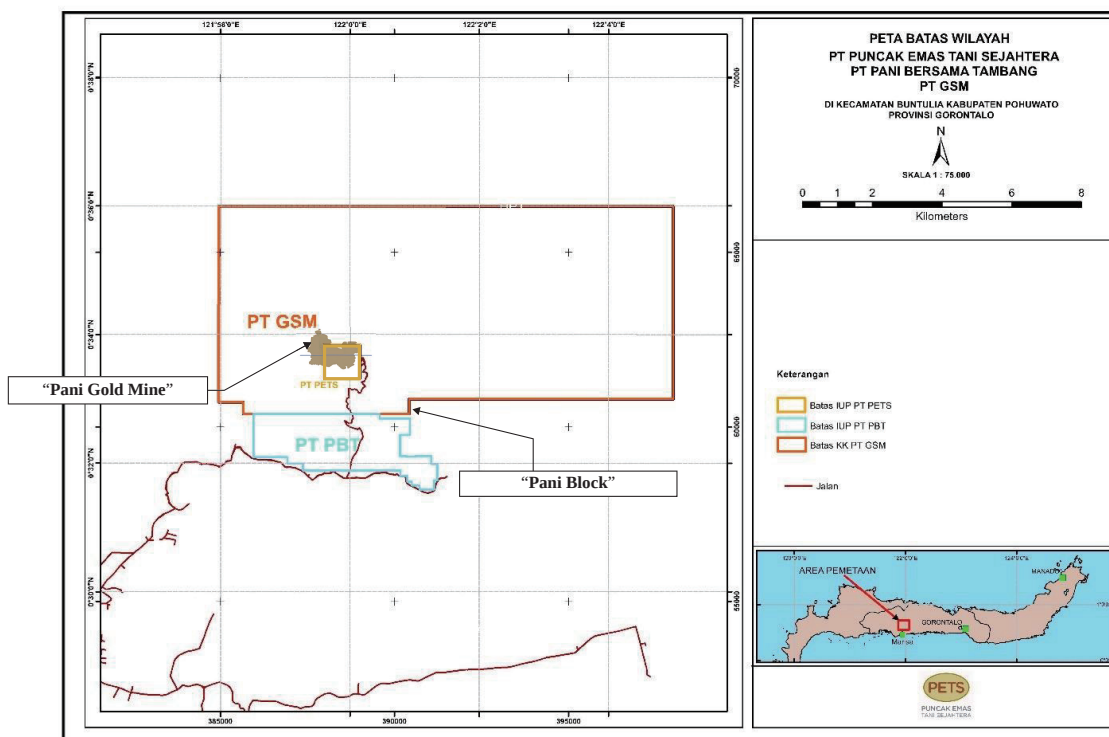
MGR, indirectly through MCG, is supported by two of Indonesia’s most respected investment institutions, namely PCI and SRTG. Both institutions bring decades of experience in building and scaling multi-billion-dollar public enterprises and are recognized for their emphasis on rigorous corporate governance, disciplined capital allocation, and long-term value creation. Their proven investment track records, individually or collectively, include prominent Indonesian companies, such as Tower Bersama Group, MBM, PT Alamtri Resources Indonesia Tbk (formerly Adaro Energy), and PT Gojek Tokopedia Tbk. Their involvement further reinforces MGR’s commitment to strong governance, accountability and alignment with international best practices.

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Our Flagship Asset: Pani Gold Mine

Located in Gorontalo, the Pani Gold Mine is our core asset at the heart of our value proposition which achieved its first gold production in February 2026 and completed its first gold sale in March 2026. The Pani Gold Mine covers a tenement area of 135 hectares out of the approximately 8,100 hectares of the Pani Block, which itself sits within the 14,670 hectare full tenement area of the Pani Gold Projects per our mining license. The Pani Gold Mine hosts Mineral Resources of 291.5 million tonnes grading 0.75 grams per tonne gold (“g/t Au”) containing 7.0 million ounces (“Moz”) (218.6 tonnes) of gold and an Ore Reserve of 203.1 million tonnes grading 0.79 g/t Au containing 5.2 Moz (160.5 tonnes) of gold. According to CRU, Pani Gold Mine is the largest primary gold mine in Indonesia on Resources basis, and ranks 5th/4th in Asia in terms of gold Resources and Reserves, respectively. Pani Gold Mine represents a rare combination of size, grade, mountain style and operational simplicity in today’s increasingly constrained gold supply landscape. Benefiting from its 0.7:1 average strip ratio, one of the lowest mining strip ratios globally, Pani Gold Mine will be developed in two value-accretive phases. We initially leverage a heap-leach operation to process oxide ore near the surface, targeting peak annual gold production of over 200 koz. In the subsequent expansion phase, we will use a carbon-in-leach (“CIL”) processing to process broader range of ore types, including oxide, transition, and fresh ore. This phased development strategy is expected to significantly expand throughput and recovery, positioning MGR for a peak annual gold production of up to approximately 545 koz over an estimated 15-year mine life.

Over the past five years, we have successfully obtained control of two mining licenses (IUP and CoW) formerly held by multiple parties to develop Pani as a single integrated asset. This enabled us to optimize the planning and development of the Pani Gold Mine, given the pit and supporting infrastructure stretch across the boundaries of these two mining permit areas. To support its optimal development, we established a dedicated holding and operating structure designed to enable the deposit to be developed as one cohesive unit, maximizing value, efficiency, and sustainability. The Pani Gold Mine has all key permits/approvals required for construction and mining operations in place which enabled production to commence. The permit framework includes valid mining licenses held by our subsidiaries, covering both the historic CoW and the IUP tenements, and satisfies all applicable regulatory requirements for construction, operation, and environmental compliance. The following map depicts the area and position of the Pani Gold Mine, relative to the larger Pani Block:

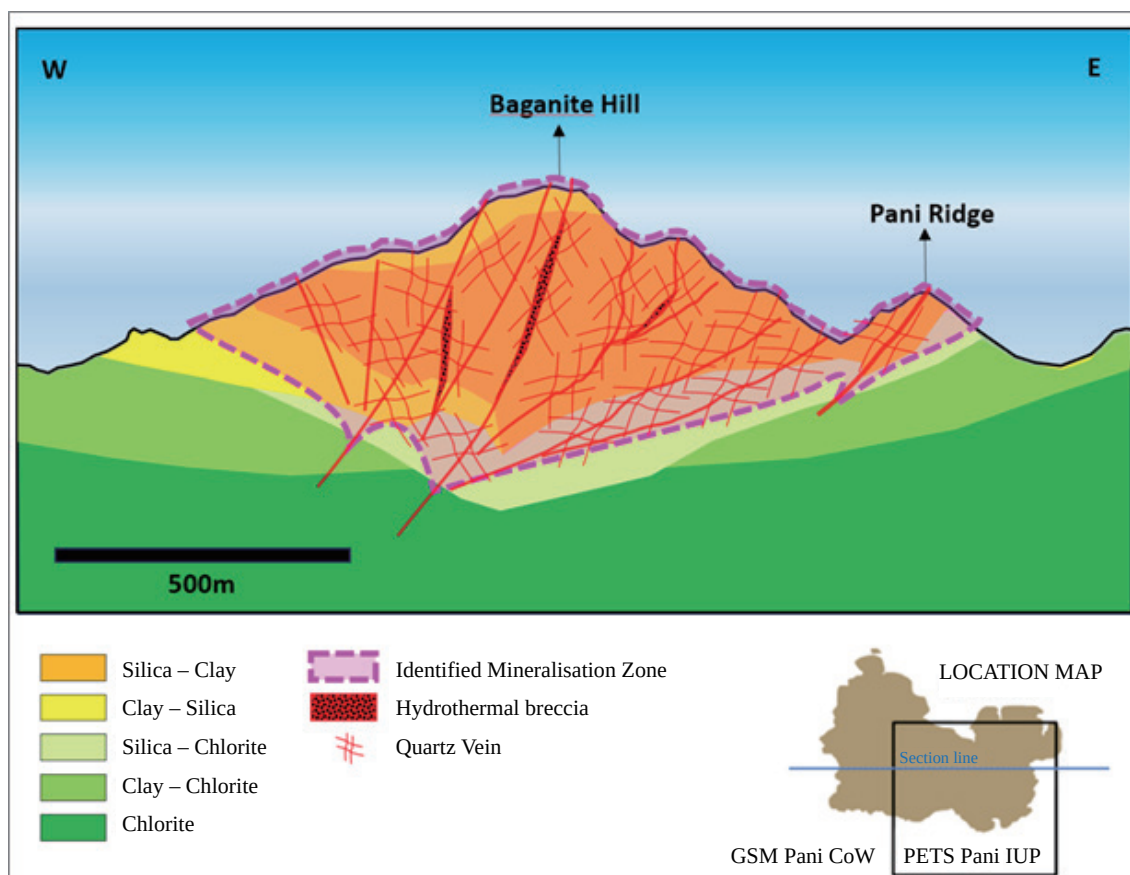


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Beyond the current Mineral Resources and Ore Reserves, the Pani Gold Mine holds significant upside potential for further expansion within the existing mining area. From the existing defined Resources base, ongoing progress in feasibility studies and infill drilling initiatives are expected to further increase gold resources and support additional reserve conversion.

From 2023 to 2025 alone, total Resources grew from 6.3 Moz to 7.0 Moz of gold, while from 2023 to 2025, Ore Reserves surged from 51.5 Mt with 1.2 Moz of contained gold (37.3 tonnes) to 203.1 Mt with 5.2 Moz (160.5 tonnes) of contained gold, driven by focused drilling campaigns, feasibility advancement, and a supportive gold price environment. Ongoing ore body drilling is expected to continue this trend, with further increases in the Mineral Resource and Ore Reserve anticipated.

From 2023 to 2025, our average exploration cost was US\$21 per ounce in terms of gold Resources, which was significantly lower than our Indonesian peers’ range of US\$27.9-US\$141.3 per ounce during the same period, according to CRU. Importantly, known mineralization currently occupies only a fraction of the Pani Block’s extensive ~7,400 hectare tenement exploration area, leaving vast underexplored ground with high discovery potential. Our Mineral Resources and Ore Reserves as at 31 December 2025 are based on drilling at depths as of that date, and such drilling has not yet identified the bottom of the orebody, according to the CPR. The mineralisation in the current deposit is open at depth and subject to further exploration and drilling. The following conceptual image depicts Pani’s geology and mineralisation:



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Among all of the gold mines that adopt open-pit production, Pani Gold Mine is estimated to have the lowest average strip ratio of 0.7:1 across the production period, according to CRU. Benefiting from the near surface nature, the Pani Gold Mine will adopt low cost open-pit mining operations developed in two value-accretive phases, prioritizing near-term cash generation followed by strategic capacity expansion to maximize long-term shareholder value.

During Phase One, we utilize heap-leach processing to process near-surface oxide ore located up to 200 meters below the surface. First gold production was achieved in February 2026. Phase One has started with processing capacity of 8.0 million tonnes per year with an expected subsequent increase to 10.0 million tonnes per year, producing an estimated 110 to 204 koz of recoverable gold annually over an estimated heap leach operation of seven years.

Phase Two will focus on scaling up production through the development of a CIL processing facility designed to treat a broader range of ore types, including oxide, transition, and fresh ore. Construction of the CIL facility is scheduled to commence in 2026, and is expected to be completed in 2028. The CIL facility is being designed with an initial processing capacity of 12 million tonnes per year, producing an estimated 260,000 to 340,000 ounces of gold annually for the first 11 years of CIL facility operations. Upon completion and ramp-up, Phase Two aims to significantly expand capacity, with peak annual gold production of up to approximately 545,000 ounces targeted by 2031. This staged approach allows the Pani Gold Mine to generate early revenue, reinvest cash flow into growth, and systematically de-risk execution while leveraging existing infrastructure and operational improvements.

Our Project Development and Operating Capabilities

Our Pani Gold Mine targets a competitive AISC of approximately US\$794/oz excluding royalties over its mine life, which falls in the lowest quartile globally, according to CRU. Supported by open-pit reserves suited to low-cost bulk mining, close proximity to infrastructure, and a dual-processing approach combining heap leach and CIL, the Pani Gold Mine is designed for rapid ramp-up to its full production profile.

Key infrastructure was substantially commissioned by late 2025, with the 150kV power connection to the state electricity grid (“PLN”) being energized in October 2025, followed by the commencement of crushing operations in November, and the commissioning of the ADR plant in December, enabling first gold production in February 2026. The site layout integrates water supply, tailings management, and processing facilities, with heap-leach and future CIL circuits co-located to maximize synergies and shared infrastructure. Year-round site access is ensured via all-weather haul roads managed and operated by PT Mentari Alam Persada (“MAP”). Gold doré is transported securely to an accredited domestic refinery in compliance with Indonesian regulatory protocols.

The Pani Gold Mine employs a proven heap-leach stacking methodology enhanced by targeted cyanide dosing. The design of the heap leach processing facilities incorporates operational and technical experience derived from the development and operation of the Tujuh Bukit Gold Mine which the MCG Group has been operating successfully since 2017. In addition, since 2018, the MCG Group has also operated a heap leach processing facility in the Wetar Copper Mine.

The Pani CIL circuit, designed for 12 Mtpa and >92% gold recovery, has been validated by metallurgical laboratory and pilot testing. Both processing facilities are engineered for both efficiency and scalability. Metallurgical performance has been optimized for robustness across variable ore types and throughput levels, with the objective of maintaining consistent recovery and operational reliability over the life of mine.

Operational excellence is embedded through an integrated system that combines real-time grade control, fleet dispatch optimization, standardized equipment fleets, and rigorous reconciliation between geological models and plant data — ensuring continuous alignment between plan and performance. This approach minimizes dilution, maximizes recovery, and reduces fuel and maintenance costs.

To date, the Pani Gold Mine has achieved 19.9 million man hours without a lost-time incident across all construction and commissioning activities, reflecting a proactive safety culture, disciplined on-site protocols, and direct oversight by our in-house team.

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Our Company is led by an experienced Board of Directors and supported by management and professional team with end-to-end expertise across project development, construction and sustained operations. Critically, core functions including engineering, mine development, and plant operations are executed internally, ensuring direct control over quality, scheduling, cost discipline and regulatory compliance. The Board of Directors is supported by the Board of Commissioners (including Independent Commissioners), whose members bring extensive experience across Indonesia’s natural resources sector and publicly listed companies, providing oversight and governance. Together, this leadership and operating structure establishes a robust governance framework well-positioned to deliver disciplined, resilient, and value-accretive execution.

Our Market Opportunities

The global gold market is supported by robust structural drivers, with central banks and institutional investors increasingly relying on gold as a pillar component of financial resilience. This trend reflects a strategic reallocation toward non-sovereign assets amid persistent geopolitical and macroeconomic uncertainties. Continued official-sector purchasing, together with sustained investment demand, supports a durable, elevated price environment that significantly enhances the economic viability of low-cost, high-quality gold development projects such as Pani.

Indonesia’s domestic gold market further strengthens this favourable backdrop. According to CRU, Indonesia recorded approximately 1.2 Moz of fabricated gold demand in 2025, representing around 1.8% of global fabrication demand, with consistent growth projected at approximately 1.2% CAGR through 2030, reaching 1.3 Moz by the end of the decade. Jewellery remains the dominant segment — historically accounting for over two-thirds of total consumption — and is expected to average 54% of total demand in the coming years. Notably, the electronics sector is emerging as a key growth driver, and is expected to surpass coins as the third-largest end-use category, fueled by Indonesia’s expanding consumer electronics market.

Pani benefits from both exceptional geological endowment and proximity to a stable, expanding domestic market. Against a backdrop of constrained global supply, declining discovery rates, and limited new production expected to come online by 2030, Pani’s scale, cost efficiency, and development timing align closely with the industry’s need for reliable and responsible gold supply. Its development not only addresses international demand but also reinforces Indonesia’s role as a key producer and consumer within the global gold ecosystem.

ESG

Our approach to ESG matters is integral to our long-term value creation strategy and is closely aligned with the broader ESG platform of the MCG Group. Leveraging MCG’s award-winning sustainability framework — recognized by multiple independent institutions as of December 2025 — we embed ESG principles across our core operations, risk management, and stakeholder engagement activities.

We have developed a comprehensive ESG strategy structured around six integrated sustainability pillars: environmental preservation; occupational health and safety; employee empowerment; community development and empowerment; respect for human rights; and good corporate governance. This strategy is guided by internationally recognized frameworks and standards, including the GRI Standards (2021), the UN Guiding Principles on Business and Human Rights, informed by GRI 14: Mining Sector Supplement (2024), the Ten Principles of the UN Global Compact, and the Sustainable Development Goals, as well as Indonesian regulatory requirements, notably POJK No. 51/POJK.03/2017 on the Implementation of Sustainable Finance issued by the Financial Services Authority. In addition, MGR considers key indicators used by leading independent ESG rating agencies, such as MSCI and Sustainalytics, to ensure our ESG approach addresses material issues from an investor perspective.

We have developed a suite of formal policies to operationalize these pillars, all of which are publicly available. In line with our Climate Policy, MGR supports the objectives of the Paris Agreement to limit global warming to well below 2°C and is implementing a decarbonization pathway aligned with that of our parent company, MCG.

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Water stewardship is a core component of MGR’s environmental management. Under our Water Management Policy, we commit to responsible water use by minimizing freshwater consumption, reducing wastewater discharges, and engaging relevant stakeholders, including local communities and other water users, to ensure sustainable allocation and protection of shared water resources across the water use lifecycle. We are also committed to biodiversity conservation through systematic baseline assessments, identification of protected species and critical habitats, and implementation of a Biodiversity Management Plan (“BMP”) designed to avoid, minimize and mitigate impacts on ecosystems, while promoting the sustainable management of natural resources throughout the mine life cycle.

Through a dedicated compliance function, we maintain proactive relationships with local communities surrounding our operations. Community programs are developed through participatory processes and focus on co-created development programs that prioritize local employment, vocational skills training, and community-led social investment initiatives. These programs are intended to generate shared value and strengthen community partnerships, while also mitigating social risks and fostering stable, long-term operating conditions aligned with national development priorities and international best practices.

Oversight of ESG implementation is embedded within our governance structure. The General Manager of Operations at the mining site is responsible for the day-to-day execution of ESG policies at the site, monitoring progress against defined targets, and reporting regularly to the Environmental Committee, the Sustainability Committee, and the Board of Directors. Strategic direction and accountability are further reinforced by our Sustainability Committee, which convenes quarterly and comprises members of the Board of Directors, senior management, and the Head of ESG. As at the Latest Practicable Date, a majority of the members of these committees are employees of our controlling shareholder, who oversee and supervise the Group’s operations at the parent company level. Such individuals serve on the relevant committees within the Group’s integrated sustainability governance framework. The Board retains ultimate responsibility for the Group’s sustainability governance, and the Company has dedicated operational personnel responsible for implementing sustainability initiatives on a day-to-day basis. Post-[REDACTED], we will further align our ESG disclosures in accordance with HKEX ESG Reporting Guide requirements and will proactively engage with ESG rating providers to ensure accurate representation of our performance and continuous improvement in sustainability practices.

STRENGTHS

One of the largest gold mines in Asia with significant Resources and Reserves expansion potential driven by exploration at industry-leading cost efficiency

The Pani Gold Mine stands out as a large-scale gold asset in the region, underlined by substantial Mineral Resources and Ore Reserves, strong production potential and a long mine life. As of 31 December 2025, we hold Ore Reserves of 203.1 million tonnes ores with contained gold of 5.2 million ounces (160.5 tonnes), ranking 1st in Indonesia and 4th in Asia, and Mineral Resources of 291.5 million tonnes ores with contained gold of 7.0 million ounces (218.6 tonnes), ranking 1st in Indonesia and 5th in Asia, according to CRU. Upon reaching CIL full nameplate production in 2029, Pani is expected to achieve a processing capacity of 10 Mtpa for heap-leach and 12 Mtpa for carbon-in-leach, supporting peak annual gold production of up to approximately 545,000 ounces (17.1 tonnes) and positioning it as the largest primary gold mine in Indonesia, according to CRU. With an estimated 15-year mine life, ranking 1st in Indonesia and 4th in Asia, Pani also offers mine life extension potential through continuous efforts in exploration.

We have established a strong and consistent track record of Mineral Resources expansion and Ore Reserves conversion. Between 2023 and 2025, our total Mineral Resources increased from 6.3 million ounces (195.9 tonnes) of contained gold to 7.0 million ounces (218.6 tonnes) of contained gold, representing a 3.6% CAGR, while between 2023 and 2025 total Ore Reserves increased from 51.5 million tonnes ores with 1.2 million ounces (37.3 tonnes) contained gold to 203.1 million tonnes ores with 5.2 million ounces (160.5 tonnes) contained gold, representing a 108.1% CAGR over the same period. These achievements were driven by systematic drilling, feasibility study advancement and a supportive gold price environment.

Our exploration strategy delivers strong cost efficiency by leveraging our disciplined targeting of high-priority zones, the inherently low strip ratio of our deposits, and shared infrastructure. From 2023 to 2025, our average exploration cost was US\$21/oz in terms of

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gold discovery, which is even below the lowest end of our Indonesian peers' range of US\$27.9/oz — US\$141.3/oz, according to CRU. We are confident that such structural cost advantages will be sustained in future exploration and drilling campaigns. We believe the tenement continues to offer meaningful organic growth potential, with ongoing resource growth and reserve conversion opportunities across both explored and underexplored areas. Currently, substantial upside in Resources remains within the unexplored tenement area, given our defined Resources and Reserves are delineated over 135 Ha out of the ~7,400 Ha Pani Block, which is in turn a subset of the total concession area of 14,670 Ha of the Pani Gold Projects. Within the Pani Block area, multiple exploration prospects supported by historical surface sampling and scout drilling have been identified, such as the Kolokoa and Lone Pine Prospects, indicating meaningful potential for future resources expansion, subject to further drilling and technical evaluation. For Reserves from current defined Resources base, continuous feasibility study advancement, infill drilling campaigns and expected expansion of the Resources base are anticipated to drive further reserve conversion. The mineralisation in the current deposit is open at depth and subject to further exploration and drilling. Additionally, under the prevailing gold price environment, an assumed gold price that is higher over the long term could expand our Resources and Reserves base relative to the current estimate, which is based on a gold price of US\$2,300/oz.

Low-cost open-pit operation sustained by continuous efficiency optimization

The Pani Gold Mine benefits from a highly competitive cost structure. In 2026, Pani is expected to achieve an average AISC (including royalties) of US\$2,080/oz, while extending to average AISC (including royalties) of US\$1,516/oz in 2030.

According to CRU, Indonesia's gold royalties account for around 50% of our AISC base and is fixed by its nature. To further enhance our cost advantages, we have made significant efforts in cost optimization. Excluding the impact of royalties, our structural cost advantage becomes even more pronounced, with average estimated AISC (excluding royalties) of US\$1,295/oz in 2026 and US\$695/oz in 2030, positioning Pani firmly within the first quartile of the AISC cost curve.

Pani's low-cost position is driven by multiple inherent advantages of the deposit and mine design. The near-surface nature of the ore body enables a low-cost open-pit mining method. The large and continuous nature of Pani's ore body is a key advantage is that it enables bulk open-pit mining with large-scale mining fleets, driving higher productivity, lower unit mining costs and reduced reliance on selective mining relative to narrower-vein deposits. The use of large-scale mining fleets coordinated under a centralized dispatch system will further generate economies of scale that support low unit mining costs and maximize reserves recognition from available resources through improved economy. Also, our industry leading strip ratio of 0.7, which is among the lowest globally according to CRU, would significantly enhance mining efficiency and reduce costs related to waste movement, related site logistics and waste storage facilities. In addition to the inherent advantages, Pani will also deploy selective and procurement of key consumables, such as explosives, cyanide and other reagents to enhance productivity and reinforce sustained cost optimization.

Looking ahead, Pani's operating cost structure is expected to be further improved through systematic, continuous optimization initiatives, which will be implemented through various programs including a fuel management system, fleet management system, and continuous improvement and evaluation through cost monitoring. These initiatives aim to refine operational parameters, strengthen mine planning accuracy and further drive down unit costs over time.

De-risked operation with first gold production achieved in February 2026 and clear accelerated path to capacity expansion

The Pani Gold Mine has successfully transitioned from development to production with first gold production achieved in February 2026, underscoring the project's derisked operational profile and strong execution capability. To achieve the milestone of first gold production, we have successfully completed the construction and commissioning of key facilities, including the ore processing plant, ADR plant, and heap-leach processing infrastructure. Essential infrastructure, including port facilities, fuel storage systems and explosive magazines are all operational, with key equipment delivered to site as well. Our execution capability is further evidenced by the fact that critical milestones were achieved including commissioning of heap-leach mining commencing in October 2025 and first crushing activity at ore processing plant being completed in November 2025.

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Following first gold production, Pani offers clear visibility toward run-rate production driven by a well-defined capacity expansion and ramp-up schedule. Phase One of ore processing plant using heap-leach method will start with processing capacity of 8.0 million tonnes per year, enhanced from 7.0 million tonnes per year in the original plan, with subsequent increases to 10.0 million tonnes per year. Phase Two of the ore processing facilities will be developed using the carbon-in-leach processing method with a first stage capacity of 12.0 million tonnes per year, increased from the initial staged approach of 7.5 million tonnes per year to 12.0 million tonnes per year and a significantly reduced ramp-up time by 3 years. The upgraded capacity expansion schedule supports a higher run-rate gold production of up to approximately 545,000 ounces. Following the strategic optimization of the development plan, the commercial operation date (COD) for the CIL facility has been advanced from 2029 to 2028, and the nameplate production year has likewise been brought forward from 2032 to 2029.

The accelerated ramp-up schedule of the Pani Gold Mine is supported by robust financing arrangement and stringent construction cost control. Historically, project development has been financed through a combination of shareholder loans from MCG and external project loans from banks, reflecting trust from both internal and external stakeholders in the prospects and economic feasibility of the project. In December 2025, the project secured US\$350 million in bank financing, enabling full repayment of shareholder loans and providing sufficient funding for heap leach capital expenditures and working capital requirements. The future development of Phase Two is expected to be funded primarily through debt financing, including bank loan facilities and/or public bond issuances, supplemented by operating cash flow. The total estimated capital requirement for the development of the CIL project is approximately US\$1,314 million, including US\$935 million in real terms to commission the CIL project, and the remaining US\$379 million in real terms to support the business operation.

Commitment to excellence in ESG

Our parent company, MCG, is widely recognized as one of Indonesia’s leading mining groups and a top performer in global ESG ratings recognized by leading international rating agencies such as MSCI, Sustainalytics and CDP. MCG held an A rating in MSCI’s ESG Rating as of 31 December 2025, ranked No.1 among its peers (with market capitalization of US\$3.2 billion-US\$3.3 billion) in the Sustainalytics ESG Risk Rating with a score of 27.8, and received a “B-” score in CDP’s 2024 Climate Change reporting. These achievements underscore MCG’s industry-leading ESG framework, strong accountability structures and long-standing commitment to sustainable development, forming the foundation upon which we build our ESG strategy for the Pani Gold Projects.

As a subsidiary of MCG, MGR and our Pani Block adheres closely to MCG’s ESG framework, benefiting from its established leadership and governance discipline to ensure alignment with international best practices.

We maintain full compliance with Indonesian regulatory requirements, as well as using global standards including ISO 14001:2015 Environmental Management Systems. We have implemented concrete onsite measures at the Pani Block to align operations with these environmental guidelines. To reduce carbon emissions, Pani uses B40 biodiesel in mobile equipment and generators for Scope 1 reduction and purchases Renewable Energy Certificates (RECs) from PT Energy Management Indonesia to ensure PLN-supplied electricity is sourced from renewable energy for Scope 2 reduction. During the Track Record Period, the Pani Block recorded no major environmental incidents and was not subject to any significant administrative penalties, lawsuits or disputes from the government or local community due to any environmental controversies.

We emphasize the importance of contributing to sustainable community development around the Pani Block, supported by a dedicated Community Relations team that works closely with local government, community leaders and other stakeholders to deliver programs that address community priorities. In addition, we actively involve local residents in selected project activities, enabling them to benefit from new business opportunities.

In addition, we are committed to fostering a skilled, diverse and empowered workforce by prioritizing employment opportunities for local residents and equipping them with the capabilities needed to succeed. During the Track Record Period, we provided 802, 771 and 1,252 positions to local residents, representing 63%, 48% and 53% of our total workforce

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(including direct employees and contractors), respectively. During the Track Record Period, we also provided five positions to expatriates, representing only 1% of our 448 direct employees. We emphasize the value of gender equality in workplace as well, actively engaging female employees in decision-making and production process. Our strong focus on workforce wellbeing is further reinforced by our ISO 45001:2018 certified Occupational Health and Safety Management System, which we have maintained since 2022. We deliver comprehensive safety training tailored to specific roles and risk profiles, requiring all new employees to complete mandatory OHS Induction Training before commencing work. These initiatives collectively ensure a safe, supportive and development focused work environment that enables our employees to thrive.

Powered by MCG’s proven expertise for accelerated growth, operational excellence and a seasoned management team

MCG is one of Indonesia’s leading mining groups, distinguished by a robust development and operation track record. Its flagship Tujuh Bukit Gold Mine can serve as a direct and clear illustration of operational excellence and experience in running an open-pit, heap-leach gold mine, which has reliably met and aligned with production guidance from 2023 to 2025 and successfully extended its mine life to 2029 in the second quarter of 2024, followed shortly by a further extension to 2030 in the first quarter of 2025, under the MCG Group’s disciplined management approach.

The MCG Group through its subsidiary (MBM) has experience in development of greenfield project demonstrated by its rapid ramp-up of the SCM mine, which was acquired as an undeveloped asset in 2022 and advanced to first production of 6.4 million wet metric tonnes of nickel ore and commercial sales in 2023. Meanwhile at the Tujuh Bukit Copper Project, there is a track record of resources upgrade (indicated resources increased from 443 million tonnes in 2022 MRE to 755 million tonnes in 2023 MRE), reserve conversion of 289 million tonnes in 2023 MRE and continued exploration success of new prospects at Tujuh Bukit Copper Project manifests the effectiveness of MCG’s geological exploration and drilling program.

Across its asset base (through MBM), MCG has also built a strong framework of collaboration with leading Chinese partners, including Tsingshan and GEM, spanning co-development of mining assets and industrial infrastructure. Such extensive partnership networks can bring in financial as well as technical support. These partnerships enhance MCG’s access to both capital and cutting-edge technical capabilities, reinforcing its ability to execute large-scale projects effectively. In addition, MCG has a strong capital-market reputation, sustained investor confidence and longstanding relationships with regulators and stakeholders, which facilitate smoother permits processes and strategic partnerships.

MCG’s development and operational track record, reputation in the capital markets and excellent relationships with regulators collectively strengthen our position as an emerging gold producer and enhance our ability to deliver high quality, sustainable project execution aligned with global industry standards.

Our growth is further supported by a seasoned management team with an average of over 25 years of experience in the mining and processing industries. The management team comprises senior executives who have played key roles in developing and operating other MCG major projects, bringing in extensive, full lifecycle experience across permitting, regulation, exploration, development, and operations. Leveraging their deep expertise in project development and operation, our leadership is well positioned to drive operational excellence, enhance profitability and unlock long-term value for the Pani Gold Projects.

Blue-chip sponsors with a track record in value creation

We are supported by sponsors, namely PCI and SRTG, with strong track records in value creation, regulatory compliance, access to capital, international network and local connection.

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PCI and SRTG are among Indonesia’s most reputable blue-chip sponsors, with a long history of investing together and a distinguished track record in building multibillion-dollar businesses. They have founded, developed and scaled market-leading companies across various industries, consistently transforming early-stage ventures into highly valued public companies, as exemplified by MCG whose market capitalization grew from US\$519 million at IPO to approximately US\$4.7 billion as of the Latest Practicable Date.

A key factor marking our sponsors’ strong track record of value creation in the Indonesian market is their decades of experience navigating the country’s regulatory landscape, reinforced by deep-rooted relationships with government bodies, regional authorities, and local stakeholders. Their proven ability to secure permits across multiple industries, resolve community matters and work constructively with government institutions has been instrumental in the successful development of numerous complex projects nationwide. These longstanding ties significantly mitigate execution risk and reinforce the long-term viability of sponsored projects.

In addition, our sponsors have established a strong reputation for upholding the highest standards of corporate governance, regulatory compliance, and transparency. The robust reporting protocols, disciplined governance frameworks, and best-in-class investor communication practices applied across the listed companies within their portfolio have been central to reinforcing confidence and trust among regulators, partners, and capital markets.

Building on these strengths, the sponsors have established broad and reliable access to capital in both domestic and international markets. Their portfolio companies have become major issuers in the Indonesian capital markets, including serving as prominent issuers of Rupiah-denominated bonds. In addition, the sponsors’ extensive relationships with local and international banks, together with their strong connectivity to global capital markets, provide a robust and diversified foundation of financing support.

In international market, our sponsors’ strong credibility and consistent delivery of value have attracted a broad base of reputable international investors and investors focusing on long-term value creation, strengthening their global network and enhancing access to strategic partners. Their established relationships with top-tier global institutions, further support future capital-raising efforts, cross-border collaboration opportunities and the continued growth of portfolio companies on an international scale.

Well-positioned to benefit from favourable tailwinds in the gold sector

Gold prices are expected to remain well supported in the coming years, anchored by multiple catalysts including a declining interest rate environment that lowers the holding cost of gold, rising central bank buying particularly from emerging markets diversifying away from the U.S. dollar, geopolitical uncertainties that reinforce gold’s safe haven appeal, the still low but rising share of gold in global investment portfolios, rising expectation for sustained rising inflation resulting in increasing demand for gold as inflation hedge, and inelastic gold supply given ore-grade declines in existing mines and the long lead times required to bring new mines into production. These structural drivers are projected to support a steady rise in gold prices to US\$5,566 per ounce by 2030 (nominal term), underpinning a sustained gold price environment.

The Pani Gold Mine is well-positioned to capitalize on this constructive backdrop. With a large-scale Resources and Reserves base, derisked operation, and a clear path to capacity expansion (with designed capacity of Phase One heap-leach operation finished upgrading from 7.0 million tonnes per year to 8.0 million tonnes per year from the first production year, to further expand to 10.0 million tonnes per year), Pani offers strong visibility on production growth. Combined with our senior management’s proven operational expertise, we are well positioned to deliver stable, scalable output following first gold production in February 2026 and translate favourable market conditions into sustained value creation.

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BUSINESS STRATEGIES

Deliver Timely and Safe Commercial Production at the Pani Gold Mine

Our primary growth strategy is to achieve safe, on-schedule commercial production at the Pani Gold Mine. Construction of the heap-leach processing facility has already supported the commencement of commercial operations in the first quarter of 2026. This phase is designed to generate positive cash flow in the short to medium term by processing near-surface oxide and transitional ores. Over its planned life from 2026 to 2032, the heap-leach operation is projected to produce approximately 1.0 Moz of gold.

We will execute a staged expansion by developing CIL processing facility, along with associated tailings storage and mining support infrastructure. Targeted for commissioning in 2028, this expansion will increase total ore processing capacity at Pani to 22 Mtpa including heap-leach operation, enabling the achievement of a combined peak production target of approximately up to 545,000 oz/year. The CIL operation alone is projected to produce approximately 3.5 Moz of gold between 2028 and 2040. The Company is also studying the potential to expand the CIL processing facility.

Apply Proven Operational Systems to Ensure Execution Discipline

We will implement a disciplined operational execution framework anchored in MCG’s standardized systems, which have been rigorously tested and refined across multiple mining operations in Indonesia. This approach is designed to ensure consistent, safe, and efficient project delivery at the Pani Gold Mine from construction through to steady-state production. Central to this strategy is the adoption of MCG’s integrated K3 (Occupational Health, Safety, and Security) management system, which is certified to ISO 45001 standards and has delivered a strong safety track record across MCG’s portfolio. We will enforce mandatory training, certification, and procedural compliance for all personnel operating specialized equipment in strict alignment with both Indonesian regulatory requirements and international best practices.

Complementing this safety foundation, we will deploy real-time digital monitoring and data analytics platforms to enhance production control, ore tracking, and grade reconciliation throughout the mining and processing chain. These systems enable dynamic adjustment of mine plans based on actual geological conditions and metallurgical performance, minimizing dilution and maximizing recovery, which is critical for maintaining predictable mill feed quality and throughput. Recognizing the operational challenges posed by Gorontalo’s high-rainfall tropical climate and steep terrain, we have embedded climate-responsive scheduling protocols into our mine plan. Specifically, the dry season will be strategically leveraged to accelerate the mining and stockpiling of high-grade oxide and transitional ores, creating a weather-resilient inventory buffer that ensures uninterrupted, high-quality feed to the heap-leach facility during periods of heavy rainfall when pit access or haul road conditions may be constrained. This proactive adaptation — supported by site-specific hydrological modelling and sediment/erosion controls detailed in the Environmental and Social Management Plan — directly mitigates weather-related production volatility and safeguards near-term cash flow generation.

By utilizing these proven, standardized, and digitally enabled operational systems, we aim not only to de-risk execution and accelerate ramp-up but also to establish a scalable, repeatable operating model that can support future growth while upholding the highest standards of safety, efficiency, and environmental stewardship.

Expand Resource Base Through Focused, Near-Mine Exploration

We intend to systematically expand our Mineral Resource and Ore Reserves base through a disciplined, near-mine exploration strategy focused on high-potential targets within our extensive and underexplored tenement of the Pani Block. Building on the current Pani Block resource, we have identified multiple priority exploration areas, including Kolokoa (to the south of the main deposit) and Lone Pine.

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To advance this strategy, we will maintain an active drilling program supported by a dedicated annual exploration budget. The program is designed to achieve two key objectives: (i) upgrade confidence in the existing Resource through infill drilling to support mine planning and Reserve conversion; and (ii) discover new, higher-grade ore bodies in close proximity to the current open pit to enable near-term production upside and extend mine life.

Historically, we have achieved proven low-cost exploration activities with US\$21 per ounce of gold resource discovered. Consistent with our commitment to financial discipline going forward, our strategy is focused around efficient and low-cost exploration of the most promising targets across our concession area. By prioritizing targets that offer logistical synergies and a rapid path-to-production, we aim to de-risk exploration success and create long-term tangible value for shareholders through high-potential resource growth.

While we remain primarily focused on organic growth through internal expansion and development of our existing portfolio, we maintain an open-minded approach to strategic opportunities that could enhance long-term value. In the event that a highly attractive gold asset becomes available, we would consider evaluating such opportunities. Any potential transaction would be assessed based on alignment with our core competencies, operational synergies, financial discipline, and clear path to production.

Maintain Financial Discipline and Balance Sheet Strength

We are committed to maintaining rigorous financial discipline and a strong balance sheet as foundational pillars of our long-term value creation strategy. We intend to prioritize capital efficiency, disciplined phased investment, and strong internal cash generation to preserve financial flexibility, minimize shareholder dilution, and deliver sustainable returns through all phases of the business cycle.

Our capital allocation framework is both conservative and growth-oriented, ensuring that every investment, whether in project development, exploration, or operational enhancement, is subject to rigorous evaluation against clear criteria: strategic alignment, risk-adjusted return potential, payback horizon, and consistency with core operational objectives. This disciplined approach prevents over-extension during volatile markets while enabling the timely deployment of capital when high-quality opportunities arise.

By targeting prudent leverage levels and maintaining ample liquidity, we aim to build a resilient financial position capable of withstanding commodity price fluctuations, geopolitical shifts, and macroeconomic uncertainty. A robust balance sheet not only supports operational continuity but also enhances our credibility with lenders, suppliers, and host communities.

This financial discipline empowers us to fund organic growth initiatives from operating cash flow, selectively pursue high-impact strategic opportunities, and respond swiftly to evolving market dynamics without compromising long-term stability. Ultimately, it ensures that the interests of all stakeholders — including shareholders, employees, partners, and local communities — are safeguarded through transparent, responsible, and forward-looking stewardship of capital.

We intend to implement a dividend policy under which the recommendation, determination, and distribution of dividends will be proposed by the Board of Directors and approved by the Board of Commissioners at their discretion, taking into account various factors, many of which may be beyond the Company’s control. These factors include, among others, the Company’s and its subsidiaries’ net profit, operating results, cash flow, capital position, capital expenditure requirements, financial condition, reserve requirements, other financial obligations, dividend distributions from subsidiaries, business development plans, implementation of business strategies, competitive conditions, general economic circumstances, and other factors relevant to the MGR Group and its industry. The Company currently intends to commence dividend distributions when appropriate, subject to the availability of distributable profits and compliance with applicable laws and regulations.

Roadmap of our future Industry-Leading ESG Across Operations

Building upon the foundation of MCG’s award-winning sustainability platform, we are committed to implementing a forward-looking ESG roadmap that systematically integrates environmental, social, and governance excellence into our long-term business strategy and

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operational life cycle. This roadmap is designed not only to meet evolving regulatory and investor expectations but also to proactively position us as a leader in responsible resource development in Indonesia and across Southeast Asia. Central to this approach is the recognition that sustainable performance is a strategic driver of operational resilience, stakeholder trust, and long-term value creation.

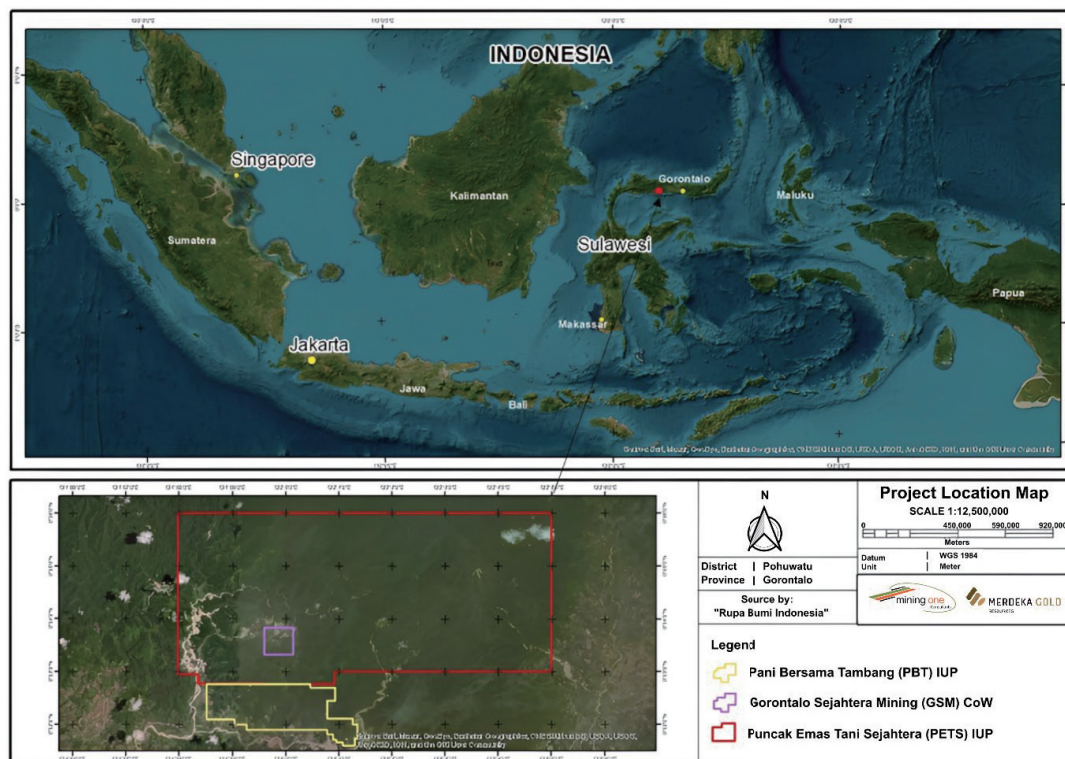
Our future ESG efforts will prioritize environmental stewardship by continuing to adopt responsible mining practices, enhancing biodiversity conservation measures, and integrating low-carbon technologies across our operations. This includes advancing energy efficiency initiatives, developing site-specific biodiversity action plans aligned with international best practices, and strengthening water and waste management systems to minimize ecological impacts over the mine life and beyond. Concurrently, we intend to deepen our community partnerships by co-creating long-term local development programs focused on education, skills training, and livelihood enhancement, with an emphasis on increasing local employment and ensuring that social investments are responsive to community-identified needs. Respect for human rights will remain a fundamental principle guiding our interactions with employees, contractors and their workers, and local communities. Transparent engagement mechanisms and structured dialogue channels will be maintained to uphold social license and foster mutual accountability.

On the governance front, we will reinforce our commitment to integrity, transparency, and human rights by implementing robust anti-corruption protocols, embedding environmental, social, and governance criteria into procurement and contractor management, and ensuring board-level oversight of material ESG risks. By embedding ESG as a core component of our growth trajectory — not as an add-on but as a strategic enabler — we aim to set a new benchmark for sustainable, future-ready mining in emerging markets.

OUR BUSINESS MODEL AND OPERATIONS

Our Pani Gold Mine

The Pani Gold Projects cover a 100 Ha PETS Operation Production Mining Business License (“**PETS IUP OP**”) area in Hulawa Village, Buntulia District, Pohuwato Regency, Gorontalo Province and a 14,570 Ha GSM Contract of Work (“**GSM CoW**”) area in Buol Regency, Central Sulawesi Province, Pohuwato Regency and Gorontalo Regency, Gorontalo Province, and North Bolaang Mongondow Regency, North Sulawesi Province.



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We plan to develop the potential of the 100 Ha PETS IUP-OP area together with the 14,570 hectare GSM CoW area, both of which have obtained all key permits for such development. By developing the PETS and GSM areas together, we expect to benefit from larger-scale gold mining operations, optimization of reserve extraction, and significant cost savings in terms of facilities, capital and other resources. Processing activities are planned to be carried out by (i) PBT for heap-leach processing; and (ii) PIN for CIL processing. PBT has obtained an Environmental Permit and Industrial Business License (“IUI”), which is a conversion of the Operation Production Mining Business License Specifically for Processing and/or Refining as required by applicable laws and regulations in the mining sector. PIN was established in early 2025 and is still in the process of obtaining the required licenses and permits.

Mineral Resources and Ore Reserves

Independent Report

We engaged Mining One Consultants, an Independent Third Party and an international consulting company that offers advice and solutions to resource industries for mining projects, to prepare the CPR in Appendix III to this Document, which is an independent assessment and evaluation of our Mineral Resources and Ore Reserves as of 31 December 2025.

The information set forth below relating to our Mineral Resources and Ore Reserves constitutes forward looking information, which is subject to certain risks and uncertainties. Please refer to “Risk Factors” and “Forward-Looking Statements” for details.

According to Mining One, there was no material change in the CPR, or our Mineral Resources and Ore Reserves estimate, since 31 December 2025, being the effective date of the CPR, and up to the date of this Document.

Mineral Resources

Based on the CPR, the following estimated gold Mineral Resource is reported in accordance with the JORC Code for the Pani Gold Mine at a cut-off grade of 0.20 grams/tonne Au and assumed gold price of US\$2,300 per ounce as of 31 December 2025:

MRE	Classification	Tonnes	Au	Ag	Au	Ag
		<i>(Mt)</i>	<i>(g/t)</i>	<i>(g/t)</i>	<i>(Moz)</i>	<i>(Moz)</i>
Dec-25	Measured	7.7	0.87	1.66	0.2	0.4
	Indicated	235.6	0.77	0.73	5.9	5.6
	Inferred	48.2	0.59	0.37	0.9	0.6
	Total	291.5	0.75	0.71	7.0	6.6

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Ore Reserves

Based on the CPR, the following gold Ore Reserves estimate is reported in accordance with the JORC Code based on the processing stream, e.g. Heap Leach and CIL, in the Pani Gold Mine at a cut-off grade ranging from 0.20 g/t to 0.40 g/t Au estimated at assumed gold price of US\$2,300 per ounce as of 31 December 2025, and consists of 203.1 Mt of ore at an average gold grade of 0.79 g/t for 5.2 Moz of contained gold and an average silver grade of 0.84 g/t for 5.5 Moz of contained silver:

	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes	Au Grade	Tonnes	Au Grade	Tonnes	Au Grade	Contained Au
	(Mt)	(g/t)	(Mt)	(g/t)	(Mt)	(g/t)	(Moz)
Gold Ore Reserves							
Stockpiles (HL)	0.9	0.50	–	–	0.9	0.50	0.0
Heap Leach (HL)	3.9	0.84	58.1	0.62	62.1	0.64	1.3
Carbon-in-Leach (CIL) . .	2.9	1.07	137.2	0.86	140.1	0.86	3.9
Total Gold Ore Reserves . . .	7.7	0.89	195.4	0.79	203.1	0.79	5.2

	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes	Ag Grade	Tonnes	Ag Grade	Tonnes	Ag Grade	Contained Ag
	(Mt)	(g/t)	(Mt)	(g/t)	(Mt)	(g/t)	(Moz)
Silver Ore Reserves							
Stockpiles (HL)	0.9	3.86	–	–	0.9	3.86	0.1
Heap Leach (HL)	3.9	1.58	58.1	0.90	62.1	0.94	1.9
Carbon-in-Leach (CIL) . .	2.9	1.03	137.2	0.77	140.1	0.77	3.5
Total Silver Ore Reserves . .	7.7	1.64	195.4	0.81	203.1	0.84	5.5

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Our Mining Licenses and Permits

The following table presents the licenses and permits that have been obtained by our subsidiaries. In addition to this, PIN was established in early-2025 for the purposes of operating the CIL. The application for certain construction and operation permits is ongoing.

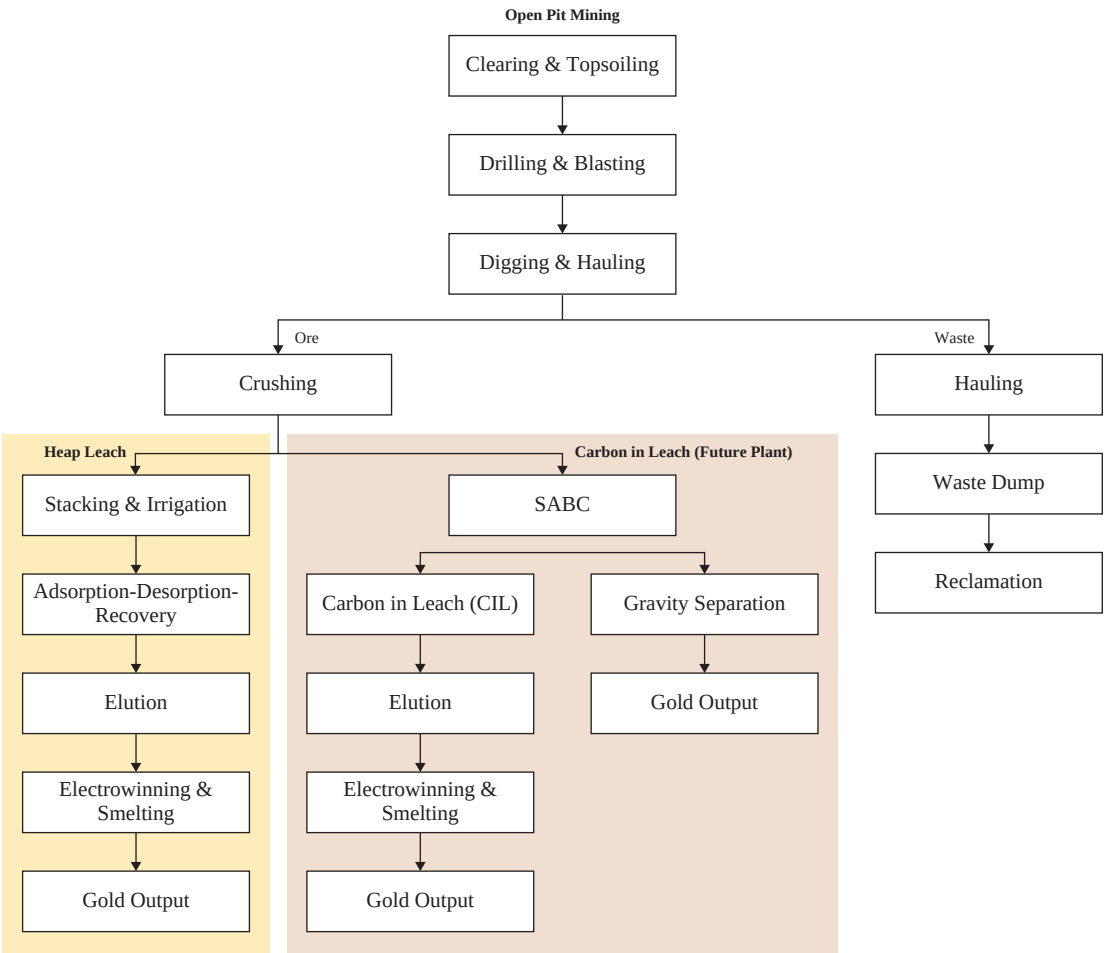
Subsidiary	Business permit	Valid until	Location	Area
PETS	IUP-OP based on Decree no. 351/17/IX/2015 dated 4 September 2015, issued by the Governor of Gorontalo as amended by Decree No. 30/DPM-ESDM-TRANS/PER-IUP-OP/IV/ 2020 dated 20 April 2020, issued by the Head of the Investment, Energy and Mineral Resources, and Transmigration of Office Gorontalo Province.	23 November 2032	Hulawa Village, Buntulia District, Pohuwato Regency, Gorontalo Province.	100 Ha
GSM	CoW between the Government and PT Newcrest Nusa Sulawesi (now called GSM) based on Letter No. B-188/Pres/7/1994 dated 20 July 1994 and signed on 15 August 1994 regarding Approval for 5 (five) Contracts of Work in the framework of PMA in the General Mining Sector, issued by the President of the Republic of Indonesia, as last amended by the Amendment to the Contract of Work dated 23 December 2015. The activity stage of this Contract of Work has been adjusted to the production operation activity stage based on the Decree of the Minister of Energy and Mineral Resources No. 457.K/30/DJB/2017 dated 13 December 2017.	1 December 2049	Buol Regency, Central Sulawesi Province, Pohuwato Regency and Gorontalo Regency, Gorontalo Province, and North Bolaang Mongondow Regency, North Sulawesi Province.	14,570 Ha
PBT	Production Operation IUP Specifically for Processing and/or Refining based on the Decree of the Head of the Investment Energy and Mineral Resources and Transmigration Office of Gorontalo Province No. 10/DPMESDM-TRANS/IUP-OP-OLAH/III/2019 dated 14 March 2019, which is valid for 16 years and has been converted into Industrial Business License dated 8 October 2021.	14 March 2035	Hulawa Village, Buntulia District, Pohuwato Regency, Gorontalo Province.	720.71 Ha

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Operating Process

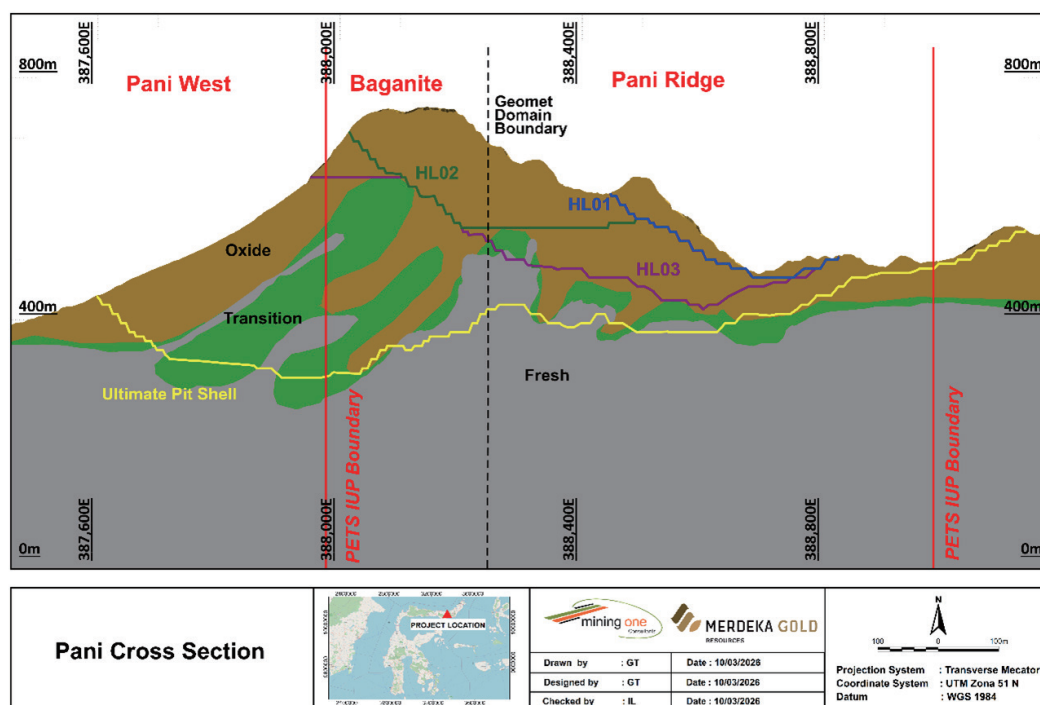
Overview

The following diagram sets forth the general workflow of the operation process for mining and processing of Pani Gold Mine:



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Mining



Baganite and Pani Ridge deposits at the Pani Gold Mine are mined using conventional open-pit mining, commencing with topsoil stripping and overburden removal, followed by drill-and-blast operations and conventional load-and-haul ore extraction. The deposits are located on separate mining tenements held by different entities, namely PETS and GSM, both operating under the Company’s corporate structure.

Mining activities in both zones will be phased according to ore supply requirements for the operation of the heap leach and carbon-in-leach processing facilities. For heap-leach processing, mining areas are divided between Pani Ridge within PETS IUP-OP area and Baganite which spans portions of both PETS IUP-OP and GSM CoW. For CIL processing, ore supply is determined based on processing requirements and is not restricted by zone-specific allocation. Mining activities to supply oxide ore to the heap-leach facility has commenced in 2026 in the Pani Ridge, while mining to supply ore to the CIL processing facility is scheduled to commence in 2028. The project value is expected to be optimized through a sequenced mining strategy that prioritizes areas with lower cost-per-ounce profiles before progressing to higher-cost zones.

Based on metallurgical test work completed as part of the Definitive Feasibility Study concluded in 2024, it is confirmed that ore from the Pani Ridge is more suitable for heap leaching, and ore from both deposits will perform equally well under the CIL process. Therefore, mined ore is segregated into two components: ore suitable for immediate heap leaching and ore to be stockpiled for later processing through the planned CIL processing facility. The mine plan will target the Pani Ridge ore for heap-leach processing due to its higher recovery. The LOM schedule has been developed to prioritise ore from the heap leach pit to be sent to the heap leach processing facility and ore from the CIL pit to be sent to the CIL processing facility. However, the schedule was set up to recognize the higher profitability of sending some ore types from the heap leach pit to the CIL processing facility and vice versa. Consequently, the set priorities are not always followed in order to achieve higher economics of the project. Waste material will be placed in valley-fill waste dumps designed with sufficient capacity to accommodate waste movement over the LOM period.

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Heap leach pit

The heap leach pit, consisting of three staging cutbacks, namely Pit HL01, HL02 and HL03, is designed to supply ore for heap-leach processing. Pit HL01 serves as the starter pit and is mined initially to open up the area, which will establish access to the Pani Ridge and subsequently the Baganite. Both HL01 and HL02 pits can be mined simultaneously, providing flexibility in the mining schedule. Mining at Pit HL03 will commence once Pits HL01 and HL02 reach certain depth. Pits HL01, HL02, and HL03 are collectively expected to deliver 62 million tonnes of ore.

CIL Pit

The CIL pit comprises five staging cutbacks, namely CIL01 to CIL05, with CIL05 serving as the final cutback. Pit CIL01 is designed below the Pit HL01 Baganite platform to continue staged mining of Baganite area. Pits CIL02 and CIL03 will expand the mining footprint to include Baganite and Pani Ridge deposits, extending extraction to deeper elevation. These two pits will be combined into one large pit when mining Pit HL03 and Pit CIL03. Pit CIL04 is designed to reach the lowest level of the Baganite Zone, while Pit CIL05 represents the final design for life of mine.

Run-of-Mine (“ROM”) Embankment

Several ore stockpile areas have been identified within the mining area with the majority located within the GSM CoW area. The total stockpile capacity is approximately 5 million tonnes. Ore will be stockpiled and segregated by grade to support blending strategies and grade control management. Certain stockpiles will be strategically located in proximity to the heap-leach and CIL processing facilities.

Mining plan

We plan to conduct mining activities within the Pani Block for the full term of PETS’ and GSM’s respective mining licenses. Mining activities in both areas commenced in 2025. The total ore production during life of mine is estimated at 203.1 million tonnes of ore, with a production range of 3 to 25 million tonnes per year.

The annual mining plan is prepared based on the long-term production planning for the Pani Gold Mine’s open pit mining operation which is subject to change from time to time due to factors within or beyond our control. Factors that may affect future production plans include, among other things, fluctuations in gold prices, weather conditions, operational incidents, availability of mining equipment and machinery, performance of third-party contractors, and labour-related matters. To mitigate these risks, we intend to implement disciplined grade control, cost management, operational efficiency improvements and phased capacity expansion, which we expect to support long-term profitability.

Mining operations follow a conventional drill-blast-load-haul sequence. Grade control and production drilling are conducted using drill rigs with specified patterns and hole spacing. Hard material is fragmented through controlled blasting prior to excavation. Following blasting, material is excavated and loaded into haul trucks for transportation to designated stockpiles or waste facilities. Drill cuttings are sampled and analysed at the on-site laboratory for grade control and material classification.

Processing

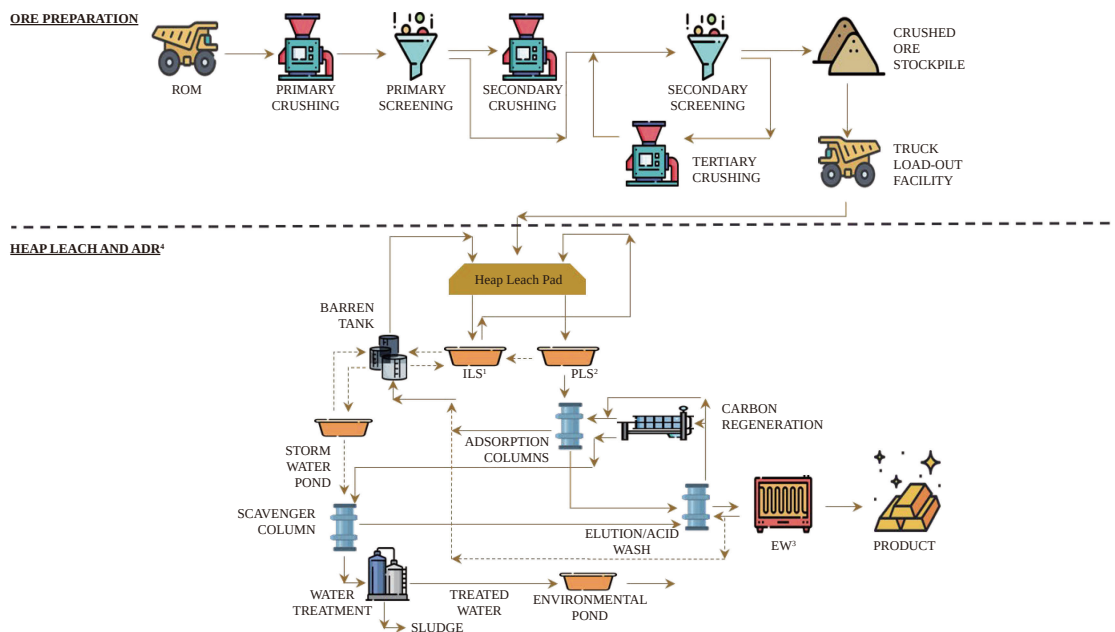
Ore processing activities to produce gold dore bars will be carried out at the heap-leach processing facility and the CIL processing facility, operated by PBT and PIN, respectively. The heap-leach processing facility was originally designed with an installed capacity of 7.0 million tonnes per year, which has since been expanded to 8.0 million tonnes per year from 2026 as a function of higher crushing plant utilisation and ramping up to 10.0 million tonnes per year in 2028. The CIL processing facility is designed with an initial installed capacity of 12 million tonnes per year, with operation scheduled to commence in the first half of 2028.

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The heap-leach processing facility is designed to treat oxide ore type with an estimated average gold recovery rate of approximately 82%. The CIL processing facility is designed to treat transitional to fresh ore type, which typically exhibit higher grades than the heap-leach feed, thereby maximizing gold recovery and improving overall project economics. The CIL processing facility is expected to achieve an average recovery rate of approximately 92%.

Heap-leach processing facility

The diagram below depicts the simplified process flow of the heap-leach processing facility:



Mined ore is currently transported from the pit to the heap-leach processing facility using 60-tonne articulated dump trucks via a private haul road, with purchase of larger and more efficient 100-tonne rigid dump trucks being implemented in the second quarter of 2026. The ore is transported directly to the Ore Preparation Plant (“OPP”) where it is crushed to 100% passing less than 19mm, before being stacked onto the heap-leach pads. The crushing and screening circuit comprises three crushing stages, primary, secondary, and tertiary crushing, and two screening stages, primary and secondary, to produce a material with a nominal particle size of less than 19mm. Lime is added to the final product prior to discharge into the load-out bins to control pH. The crushed ore is then loaded into dump trucks and transported to the heap-leach pads for stacking.

After the crushing and screening, the ore is stacked on heap-leach pads and irrigated with a cyanide solution. The leachate solution that percolates into the ore stack will carry the dissolved valuable minerals out of the stack. The leachate is collected and directed to the PLS Pond or ILS Pond. Leachate with a high gold content will be directed to the PLS Pond, while those with a low gold content will be directed to the ILS Pond and subsequently pumped back into the stack for further leaching.

Solution collected from the PLS Pond will be pumped to the ADR facility, where it passes through a carbon -in-column (“CIC”) circuit, in which gold and silver are adsorbed from the PLS solution onto the activated carbon. The remaining solution becomes a barren leach solution (“BLS”) to be reused in the ore leaching process. The gold-laden carbon is transferred to a loaded carbon screen, washed by clean water (filtered water), and conveyed to the elution circuit, where gold and silver are stripped from the carbon using a pressure zadra stripping circuit to produce a gold-rich solution. The solution is subsequently directed to the electrowinning cells located in the gold room for metal recovery.

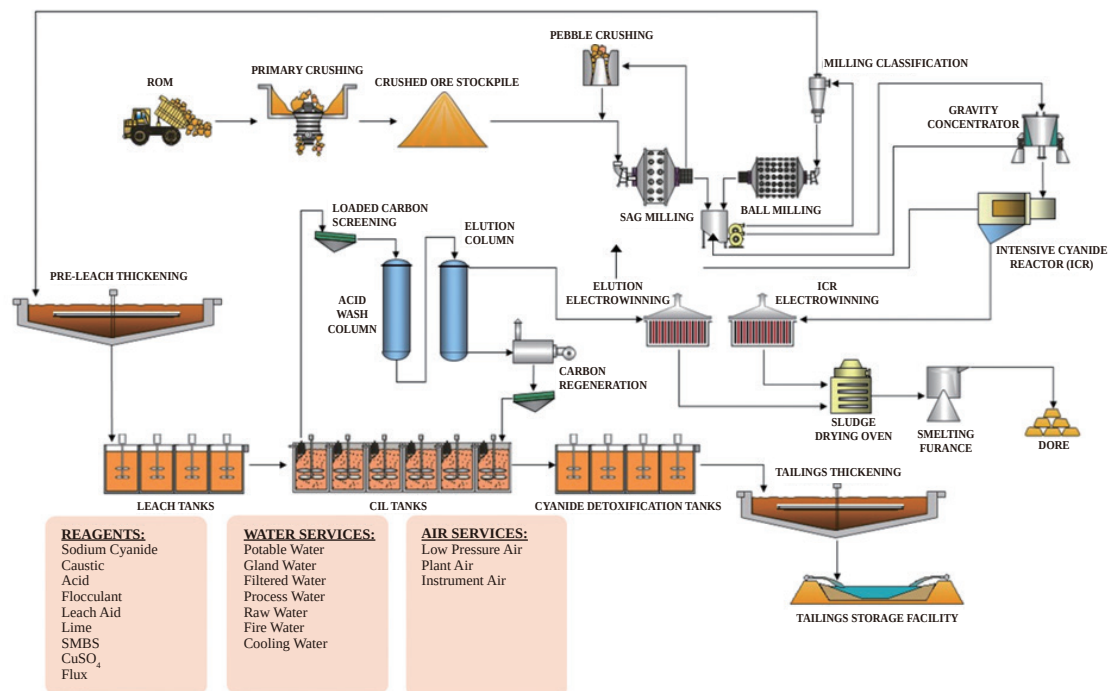
BUSINESS

In the electrowinning process, dissolved gold in the electrolyte is deposited onto the cathodes through an electrochemical process. The recovered gold collected at the cathodes is then dried and ready to be smelted into ingots. During this smelting process, fluxes are added to capture impurities and lower the melting temperature of gold and other metals.

Heap leaching is a cost-effective gold recovery method characterized by relatively low pre-production capital expenditure and operating costs. Our senior management has extensive experience operating in heap-leach facility through their prior role in operating subsidiaries of MCG, including the operators of the Tujuh Bukit Gold Mine and the Wetar Copper Mine.

CIL processing facility

The diagram below depicts the simplified process flow of the CIL processing facility:



Mined ore will be transported via haul road from the pit to the primary crushing facility using 100-tonne dump trucks. The ore will be dumped directly into a run-of-mine ore bin, which feeds a primary gyratory crusher that reduces the ore size to below 250 mm. The crushed ore is then conveyed to a stockpile before being reclaimed and conveyed to the grinding circuit. The crushed ore will then undergo further comminution in a traditional "SABC" circuit (semi-autogenous grinding ("SAG") mill, ball mill, and pebble crusher) for size reduction to 80% passing 150 µm.

Slurry is then pumped from the mill discharge hopper through a gravity concentrator circuit to produce gold concentrate. This concentrate will be subsequently treated through an intensive leaching reactor process using a concentrated sodium cyanide and sodium hydroxide solution, a batch process that takes up to 24 hours. This process will generate a gold-rich solution, which will then be collected in an eluate tank and pumped into electrowinning cells. Gold sludge is recovered from the electrowinning cell, press filtered, dried and then smelted into doré in the form of bars. The gravity circuit accounts for up to 50% of the total gold recovered from the process.

After the gold is dissolved and recovered from the concentrate via the reactor, the remaining slurry (residue) is discharged back into the main processing plant's grinding circuit. The material returned can still contain significant, unrecovered gold, as it is a byproduct of the initial leaching stage. This allows for further processing in the main circuit to maximize overall recovery.

Slurry is then pumped from the grinding circuit into a pre-leach thickener to control density before being transferred into the leaching tank circuit. The leaching/CIL circuit consists of four leaching tanks and six CIL adsorption tanks.

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Activated carbon will be introduced in the CIL tanks to adsorb the gold from the solution. The gold-laden carbon will be pumped from the adsorption tank to a loaded carbon screen and washed with filtered water before being transferred to the elution circuit. In the acid wash column, the carbon will be treated with hydrochloric acid to remove impurities, followed by elution, during which gold and silver will be stripped from the carbon into a gold-rich solution. The solution will be subsequently directed to the electrowinning cells located in the gold room for metal recovery. The stripped carbon will be fed to the carbon regeneration kiln for the carbon reactivation process before being reused for further gold adsorption processes. In the electrowinning process, dissolved gold in the electrolyte will be deposited onto the cathodes through an electrochemical process. The recovered gold collected at the cathodes will then be dried and ready to be smelted into ingots. During this smelting process, fluxes will be added to capture impurities and lower the melting temperature of gold and other metals.

The CIL circuit is designed for a slurry retention time of 24 hours, maximizing the gold recoveries. Spent ore slurry exiting the CIL circuit will pass across fine carbon screens, recovering attritted carbon for further processing, before entering a cyanide detoxification circuit to reduce residual cyanide concentrations to below applicable environmental discharge standards, before passing through a tailings thickener and being pumped to the tailings storage facility, or be filtered and stacked on the Filtered Tailing Facility.

Tailings storage facility ("TSF")

The tailing stream from the processing facility will be split into two parts (i) approximately 8 Mtpa will be directly pumped to the slurry Tailing Storage Facility Hulawa ("TSF01"), and (ii) approximately 4 Mtpa will be directed to a filter plant to produce filtered tailings cake for disposal at a Filtered Tailing Facility ("FTF"). Both tailing storage facilities will be constructed and commissioned before the commencement of the processing facility.

TSF01 is designed as a cross-valley embankment constructed in two stages. The first stage serves as a starter dam at elevation RL300 to support CIL operations in 2028, followed by a downstream raise to the final elevation of RL356 to maximise tailings storage in this location. The storage capacity of the starter dam at elevation RL300 is estimated at 10 million tonnes, sufficient for first year operations. Upon completion of the downstream raise to RL356, total storage capacity is expected to increase to approximately 89 million tonnes, based on assumed dry density of 1.5 t/m³.

FTF will consist of a filter-press plant building designed to dewater tailings and maximize process water recovery for recycling to the plant. The resulting filtered tailings cake will be transported by truck to the FTF for placement and storage. The FTF will have a maximum storage capacity of 54 million tonnes of tailings solids, based on an assumed dry density of 1.5 t/m³, generated over the life of mine.

Quality Control

PBT currently has an onsite metallurgical laboratory that will be operated independently by PT Intertek Utama Services (an independent third-party operator), who will be responsible for monitoring, inspecting, and quality control of the dore bullion produced prior to dispatch to a third-party refining facility. Testing will be conducted on a continuous basis to verify the grade and metal content of the dore bullion. Upon delivery to the refining facility, the dore bars will be independently re-assayed to confirm metal content at a certain purity level, namely 95%. The refining service provider will then process the dore bullion into gold granules with a purity level of 99%, in accordance with international export standards.

Transportation and Logistics

Transportation activities begin at the pit and extend to the ore stockpile in the processing area, and also include the transport of dore bullion to the refining facility. Access roads, haul roads, and other mining infrastructure are constructed in accordance with our designs and specifications to ensure safety and efficiency. All mine haul roads are engineered and constructed to accommodate regular dump trucks and articulated trucks in all weather conditions.

The nearest port to the mine is MAP-owned Bumbulan Port, located approximately 19 km away. Bumbulan Port plays a key role in the project development and operations for the delivery of large equipment, reagents, and bulk fuel supplies.

We currently utilize the Trans-Sulawesi toll road and a nine-kilometre access road to transport goods to and from the mine site.

BUSINESS

For the transportation of gold and silver dore bullion, we will engage a leading logistics provider with experience in handling high-value commodities. Dore bullions will be transported from the PBT and PIN facilities to Djalaluddin Gorontalo Airport via land routes of approximately 145 km. From there, the bullion will be flown to Soekarno Hatta Airport and subsequently delivered to a third-party refining facility.

The map below shows the location of the Pani Block and Pani Gold Mine and their proximity to infrastructure. Other GSM CoW areas are in Central Sulawesi and North Sulawesi:



Latest Developments

CIL processing facility development

CIL earthworks construction commenced in January 2026. Detailed engineering for the TSF starter dam was released in the first quarter of 2026. The TSF construction works commenced in the first quarter of 2026. An optimised mine plan has been prepared to support ore feed to the CIL processing facility starting in 2028. An updated definitive feasibility study (“DFS”) is currently in progress to evaluate potential increases in life of mine processing throughput, identify value engineering opportunities, and establish a final capital estimate and baseline schedule.

An additional program of metallurgical confirmatory test work has commenced, based on ore from the early mining years, to reconfirm key design parameters in advance of the detailed engineering design phase.

Construction activities are targeting completion of accommodation facilities, infrastructure expansions, and site access roads by the third quarter of 2026 to support mobilization of the CIL processing plant scheduled to start in the late third quarter of 2026.

We are also actively assessing opportunities to redirect, recycle and repurpose tailings generated from the CIL process. Potential applications under evaluation include co-disposal with mine waste, development of additional TSFs, landfill use and incorporation into construction materials. Composed primarily of high-silica and non-toxic sand, these tailings may present opportunities to transform waste into commercially viable products.

Permitting for the development of the CIL facility is progressing as planned. Pohuwato Regency has submitted a National Strategic Project (“PSN”) proposal for the Pani Gold Mine. Once obtained, PSN status will expedite the permitting process for future projects.

Supporting facilities

Our mining and production activities are supported by waste dumps, explosives magazines for storing emulsion and explosives, and backup diesel generators for emergency power supply. These facilities are designed and constructed to support operational reliability, cost efficiency and risk management. In addition, we have developed a mining, processing and administration offices, mobile and fixed plant maintenance workshops, a training centre, employee accommodation camp, mosque, clinic, security post at the mine entrance, and a plant nursery facility to support rehabilitation and revegetation activities in mined-out areas. The perimeter of the property has sediment control facilities installed to treat all surface water prior to environment release. Our core shed is a core processing facility with sample

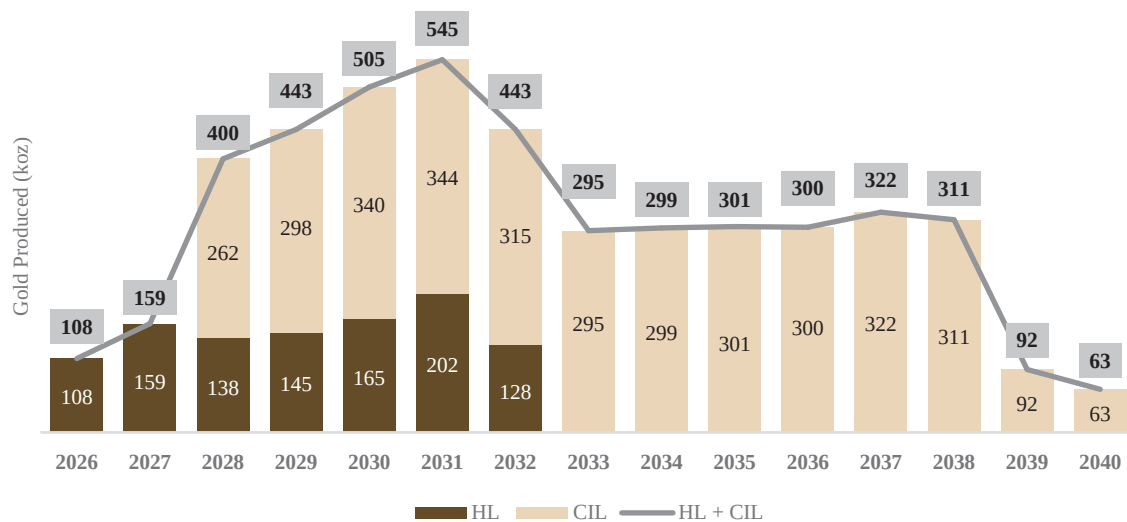
BUSINESS

prep and fire assays, and we have commissioned a full scale metallurgical laboratory operated by an independent third-party lab specialist. On-site emergency response and firefighting facility have been constructed to support the processing facilities, including the existing heap leach facility and the planned CIL facility.

Planned Production Schedule

Production plan of processing facility using heap-leach and CIL methods

The Pani Gold Mine achieved production operations with first gold pour in February 2026. Production at the Pani Gold Mine is expected to ramp up significantly in 2028 following the operation of the CIL facility. Peak gold production is estimated up to approximately 545 koz in 2031.



**Note:* In developing the above production projections, we developed various assumptions based on the mining plan for the Pani Gold Mine. We also assumed that PETS would be able to extend its IUP-OP beyond 2032. Volatility in the price for gold could impact the unit economics of the Pani Gold Mine.

The table below sets forth the key production metrics for the period from 2026 to 2034:

	Unit	LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034
Pani Gold Mine											
Mined Tonnes	kt	344,278	20,426	15,330	34,594	36,079	36,533	33,949	23,598	28,333	21,854
Milled Tonnes	kt	200,290	8,001	9,000	19,854	22,009	22,009	22,009	17,911	12,001	12,001
Gold Produced	koz	4,585	108	159	400	443	505	545	443	295	299

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For more details, see Table 15-3 and Table 15-4 in the CPR in Appendix III to this document, as well as the following Table 15-5 from the CPR as to the detailed cash flow projection and analysis of the Pani Gold Mine:

Table 15-5 Pani Gold Project Key Economic Outputs — Detailed Cash Flow Projection

Detailed Cash Flow Analysis	Unit	LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Metal Price Assumptions																	
Gold Price	US\$/oz	5,251	4,900	5,550	5,830	5,500	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150
Gold Payable Price	US\$/oz	5,222	4,876	5,522	5,801	5,473	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124
Silver Price	US\$/oz	72	83	76	70	74	71	71	71	71	71	71	71	71	71	71	71
Silver Payable Price	US\$/oz	68	82	75	69	73	70	70	70	70	70	70	70	70	70	70	70
Revenue																	
Gold Revenue	US\$M	23,943.1	528.6	877.0	2,319.5	2,421.4	2,585.9	2,793.9	2,268.3	1,511.6	1,531.0	1,540.0	1,536.8	1,647.6	1,590.9	469.6	321.0
Silver Revenue	US\$M	203.6	11.5	10.9	35.5	29.8	16.9	16.6	15.7	11.8	9.5	11.0	8.8	11.5	9.6	2.7	1.9
Total Revenue	US\$M	24,146.7	540.1	887.9	2,355.0	2,451.2	2,602.8	2,810.5	2,284.1	1,523.4	1,540.5	1,551.0	1,545.5	1,659.1	1,600.5	472.2	322.9
Royalties																	
Gold royalty	US\$M	3,830.9	84.57	140.33	371.12	387.43	413.74	447.02	362.93	241.85	244.97	246.41	245.88	263.61	254.55	75.13	51.36
Silver royalty	US\$M	10.2	0.58	0.54	1.77	1.49	0.85	0.83	0.79	0.59	0.47	0.55	0.44	0.57	0.48	0.13	0.10
Total royalty	US\$M	3,841.1	85.15	140.87	372.89	388.92	414.58	447.85	363.72	242.44	245.44	246.95	246.32	264.19	255.03	75.27	51.46
Operating Costs (Opex)																	
Opex for Mining	US\$M	1,027.8	74.6	53.8	108.6	105.3	103.3	98.0	73.9	78.1	65.2	65.3	57.8	52.0	47.3	22.3	22.2
Opex for Processing HL	US\$M	380.8	47.8	53.4	58.4	58.4	58.4	58.4	45.9	—	—	—	—	—	—	—	—
Opex for Processing CL	US\$M	1,278.6	—	—	92.7	108.9	108.9	109.3	109.3	109.4	109.4	109.4	109.6	109.4	109.4	48.8	44.8
Opex for Tailings	US\$M	183.8	—	—	8.3	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	13.4	11.6
Opex for G&A	US\$M	637.9	26.0	32.0	55.4	56.7	59.2	62.7	54.6	39.8	40.3	40.5	40.5	42.4	41.5	24.3	22.0
Total Operating Costs	US\$M	3,508.9	148.5	139.2	323.4	344.3	344.8	343.0	298.7	242.4	229.9	230.2	223.0	218.9	213.3	108.8	100.6
Earnings before Depreciation/Amortisation	US\$M	16,796.7	306.5	607.8	1,658.7	1,718.0	1,843.4	2,019.6	1,621.7	1,038.5	1,065.2	1,073.8	1,076.2	1,176.0	1,132.2	288.1	170.9
Depreciation and Amortization (D/A)	US\$M	1,948.3	53.8	106.2	169.2	162.9	159.3	160.9	146.3	103.8	93.3	84.1	78.6	71.2	64.8	59.2	434.8
Taxable Income	US\$M	14,848.4	252.7	501.7	1,489.5	1,555.1	1,684.1	1,858.7	1,475.4	934.8	972.0	989.8	997.7	1,104.8	1,067.3	228.9	263.8
Income tax rate	%	22%	22%	22%	25%	26%	26%	26%	30%	27%	29%	28%	28%	26%	28%	29%	25%
Income tax payable	US\$M	4,061.0	55.6	111.2	369.2	410.6	442.0	480.9	446.1	253.4	283.8	277.3	276.6	290.1	298.3	66.0	—
Profit after tax	US\$M	10,787.4	197.1	390.4	1,120.3	1,144.5	1,242.1	1,377.8	1,029.3	681.4	688.1	712.4	721.1	814.7	769.0	162.9	263.8
Net Profit after adding back D/A	US\$M	12,735.7	250.9	496.6	1,289.4	1,307.4	1,401.4	1,538.8	1,175.6	785.2	781.4	796.5	799.6	886.0	833.9	222.1	170.9
Unken Capital	US\$M	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Expansion Capital	US\$M	1,414.6	296.0	721.7	144.0	55.5	45.5	42.6	89.4	—	—	—	20.1	—	—	—	—
Sustaining Capital	US\$M	273.6	3.2	3.5	20.0	20.8	21.5	22.2	23.2	19.6	19.6	19.6	20.0	20.0	20.0	20.0	20.0
Working Capital	US\$M	0.0	—23.2	75.7	17.1	22.5	3.9	0.6	0.1	6.1	8.5	0.7	0.4	0.1	1.5	3.1	23.0
Mine Closure	US\$M	50.0	—	—	—	—	—	—	—	—	—	—	—	—	—	33.00	17.00
Residual Value	US\$M	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cash flow																	
Accumulated cash flow	US\$M	10,997.4	25.1	304.2	1,108.3	1,253.6	1,338.3	1,474.6	1,063.2	771.6	770.3	777.5	759.2	865.8	815.3	172.1	156.9
Unit AISC (including Royalties)	US\$/oz	1,632	2,080	1,719	1,704	1,639	1,516	1,463	1,515	1,672	1,627	1,618	1,604	1,531	1,544	2,360	2,988
Unit AISC (Excluding Royalties)	US\$/oz	794	1,295	832	772	760	695	642	694	850	805	797	783	710	723	1,739	2,167

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Based on the CPR, our Company is expected to achieve profitability in 2026, and positive accumulated cash flow in 2028. According to the CPR, the Pani Block's estimated payback period (which is the amount of time required to recoup the initial development capital) is approximately 1.3 years.

Exploration Activities

Exploration activities will include regional exploration and infill drilling to enhance geological confidence and upgrade resource classification, and additional drilling to support the continued development and viability of the Pani Gold Mine. Exploration activities will be conducted by PETS and GSM, with support from drilling contractors and other support providers.

The drilling programs will be aligned with the conceptual production plan and long-term mining sequence of the Pani Gold Mine. As additional drilling data is collected, the geological model will be updated, followed by revised resource estimates, which will serve as the basis for updated mine plans.

In 2025, exploration activities concentrated on exploration drilling, geological mapping, surface sampling and desktop studies, resulting in the development of a more comprehensive geological model. Recent drilling at Kolokoa area, located to the south of the Pani Gold Mine area, utilised two rigs and completed 12 holes for a total of 2,199 meters. The drilling results identified new zones of mineralisation, while assay results from geotechnical drill holes in the pit were consistent with the result from previous drilling campaigns. Specifically, historical drill results at the Kolokoa area returned 32m @ 1.1g/t Au and 8m @ 1.9g/t Au from 41m and 142m downhole respectively.

In 2026, the exploration drilling program will continue at the Kolokoa Prospect, together with detailed geological mapping and channel sampling. Drilling at a second prospect, Lone Pine, is planned. Historical drill results at a second prospect, Lone Pine, include 10m @ 1.7g/t Au and 8m @ 1.5g/t Au from 52m and 186m downhole, respectively. The Company has allocated a budget of approximately US\$6.4 million for the exploration activities in 2026.

SALES AND MARKETING

During the Track Record Period, the sole service we provided was the rental of MMI's heavy equipment to PETS, which has been one of our subsidiaries since June 2024, and/or our related entities, namely, PT Bumi Suksesindo ("BSI") and PT Merdeka Mining Servis ("MMS"), to support construction and mining preparation activities at the PETS mine and BSI's mine operations. Such rental activities are being gradually reduced in 2025 and 2026 and MMI's resources will be focused to supporting the Pani Gold Mine.

Future Sales and Marketing Efforts

The market for gold and silver products consists of demand from the jewellery, medical, chemical, and electronics sectors, with the majority of consumption coming from India, China, North America, Western Europe and Turkey. In addition, gold bars are widely traded as investment products and can be bought and sold through financial institutions and traders. Central banks also represent an important source of demand for gold, as part of their reserve diversification strategies. Growing demand from these sectors support the long-term market outlook for our products.

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We have established a marketing team that manages our gold sales and offtake arrangements. Gold and silver will be sold at prices referenced to prevailing spot prices in domestic and international markets, based on benchmark prices published by the LBMA, with applicable commercial adjustments determined through negotiation. Where appropriate, we may also consider factors such as settlement terms and the ability to bundle gold and silver offtake, and may enter into forward sales contract to manage price exposure. We plan to sell gold domestically and silver products internationally in granular form. Gold products refined from our dore bullion will be collected by the buyer at the third-party refining facility, with shipment arranged by the buyer. Before gold and silver products are sold to the domestic market or exported, PETS and GSM as mining permit holders are obliged to pay royalties to the Government in accordance with Government Regulation No. 19/2025. In the attachment to Government Regulation No. 19/2025, the gold royalty rate is set progressively between 7.00%-16.00% of the price per troy ounce based on the Reference Mineral Price (“HMA”) set by the Minister of Energy and Mineral Resources (“ESDM”) each period.

For silver, a royalty rate of 5.00% of the price per troy ounce is imposed.

In February 2026, we, through PETS, signed a Gold Sales and Purchase Agreement (“GSPA”) with PT Aneka Tambang (Persero) Tbk (“ANTAM”). The GSPA is valid for two years with a total transaction volume of up to 3 metric tonnes (up to 100,000 ounces of gold). Under this partnership, PETS will sell refined gold granules to ANTAM domestically. The first sale of refined gold under the GSPA took place in March 2026.

CUSTOMERS

Top customers during the track record period

During the Track Record Period, we only had two customers. For each year of the Track Record Period, rental revenue from our customers amounted to US\$1.4 million, US\$1.7 million and US\$0.1 million, respectively, accounting for 100% of our revenue during the Track Record Periods. Sales to our largest customer for each year of the Track Record Period amounted to US\$1.4 million, US\$1.7 million, US\$0.1 million, accounting for 97.45%, 100% and 100% of our revenue for the same periods, respectively.

The following table sets forth our customers for each year during the Track Record Period. We are listed on the IDX.

Customer	Year established relationship	Place of incorporation	Currency	Payment terms	Current Relationship	Total in USD			Percentage to total sales		
						31 December 2023	31 December 2024	31 December 2025	31 December 2023	31 December 2024	31 December 2025
PT Puncak Emas Tani Sejahtera (“PETS”)*	2023	Indonesia	IDR	30 Days	Subsidiary Shareholder of the Company	35,447	1,749,657	–	2.54%	100.0%	0.00%
MCG	2022	Indonesia	IDR	30 Days		1,358,851	–	131,964	97.46%	0.00%	100.0%

*Note: The Company acquired control of and began consolidating PETS from June 2024.

BUSINESS

PROCUREMENT AND SUPPLIERS

We have a dedicated procurement team focused on supply chain management.

Our Supply Chain Management (“SCM”) consists of three core departments, each of which that play strategic roles in meeting the goods and services requirements of our Group:

Strategic Sourcing Department: Responsible for identifying and selecting the most suitable suppliers or partners to meet our operational requirements. This department manages the procurement of goods and services, ensuring cost efficiency, adherence to quality standards, and effective supplier selection and control.

Contract Management Department: Responsible for structuring, negotiating and administering contractual arrangements, and defining the respective rights and obligations of the Group and counterparties. This department oversees contract drafting, review, and administration to mitigate commercial and legal risks and to safeguard our interests.

Logistics & Warehouse Management Department: Responsible for controlling logistics activities to ensure timely delivery of goods. The warehouse function manages inventory through structured planning and inventory control, balancing stock availability with lead times to support operational continuity.

Collectively, these departments support effective supply chain governance, cost control and operational reliability across the Group.

Key materials and services

During the Track Record Period, the key materials and services procured by the Group included fuel, cyanide, explosives, processing reagents, drilling services, camp and site services, logistics and transportation services, security services, EPC contractor services, heavy equipment, engineering consultancy services, mining contractor services and laboratory services.

Top 5 suppliers during the track record period

During the Track Record Period, all of our top five suppliers in each respective year were primarily comprised service providers, such as heavy equipment rental/supply, fuel supply, Management consulting services, share service, construction service, technical consulting services, equipment rental, mining equipment supply, spare parts supply, consultancy services, drilling services and freight forwarding services. For each year of the Track Record Period, purchases from our top five suppliers amounted to US\$38.2 million, US\$49.6 million and US\$59.3 million, accounting for 44%, 39% and 37% of our purchases for the same periods, respectively.

The following tables set forth our top five suppliers for each year during the Track Record Period:

Top 5 suppliers for the year ended 31 December 2025

No	Suppliers	Amount Procurement (USD, millions)	% of total procurement	Type Product/Services	Related Party (Y/N)	Date Cooperation Begin	Date Cooperation End	Place of incorporation	Payment term	Payment method (E.g. Wire Transfers)
1.	MCG	24.5	15%	Management consulting services, shared service, construction service, technical consulting services and equipment rental	Y	2022	2032, Some of agreement will take effect since effective date up to 2 (two) year and will be automatically extended over the same period continuously.	INDONESIA	30 Days	Wire transfers
2.	Supplier A	15.5	10%	Fuel Supply	N	2022	2032	INDONESIA	30 Days	Wire transfers
3.	Supplier B	8.6	5%	Heavy Equipment Rental	N	2024	2027	INDONESIA	30 Days	Wire transfers
4.	Supplier C	5.7	4%	Freight Forwarding Services	N	2022	2028	INDONESIA	30 Days	Wire transfers
5.	Supplier D	5.0	3%	Consultant Services	N	2022	2028	INDONESIA	30 Days	Wire transfers

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Top 5 suppliers for the year ended 31 December 2024

No	Supplier	Amount Procurement (USD, millions)	% of total procurement	Type Product/Services	Related Party (Y/N)	Date Cooperation Begin	Date Cooperation End	Place of incorporation	Payment term	Payment method (E.g. Wire Transfers)
1.	Supplier E	20.8	16%	Heavy Equipment Supply	N	2024	2025	INDONESIA	30 Days	Wire transfers
2.	MCG	10.4	8%	Management consulting services, share service, Construction service, Technical consulting services and equipment rental.	Y	2022	2032, Some of agreement will take effect since effective date up to 2 (two) year and will be automatically extended over the same period continuously.	INDONESIA	30 Days	Wire transfers
3.	Supplier F	7.7	6%	Mining Equipment & Spareparts Supply	N	2024	2025	INDONESIA	14-30 Days	Wire transfers
4.	Supplier G	5.8	5%	Mining Equipment Supply	N	2024	2025	AUSTRALIA	30 Days	Wire transfers
5.	Supplier A	4.9	4%	Fuel Supply	N	2022	2032	INDONESIA	30 Days	Wire transfers

Top 5 suppliers for the year ended 31 December 2023

No	Supplier	Amount Procurement (USD, millions)	% of total procurement	Type Product/Services	Related Party (Y/N)	Date Cooperation Begin	Date Cooperation End	Place of incorporation	Payment term	Payment method (E.g. Wire Transfers)
1.	MCG	12.0	14%	Management consulting services, share service, Construction service, Technical consulting services and equipment rental.	Y	2022	2032, Some of agreement will take effect since effective date up to 2 (two) year and will be automatically extended over the same period continuously.	INDONESIA	30 Days	Wire transfers
2.	Supplier D	8.4	10%	Consultant Services	N	2022	2028	INDONESIA	30 Days	Wire transfers
3.	Supplier H	7.0	8%	Heavy Equipment Supply	N	2023	2028	INDONESIA	30 Days	Wire transfers
4.	Supplier I	5.8	7%	Drilling Services	N	2022	2025	INDONESIA	30 Days	Wire transfers
5.	Supplier J	5.0	6%	Heavy Equipment Rental	N	2022	2026	INDONESIA	30 Days	Wire transfers

Key terms with suppliers

The salient terms of standard third-party suppliers’ agreements are set out as below:

Term. We and our suppliers typically have framework agreements with a term of one year. We also have agreements with a term of two or three years with some of our suppliers.

Pricing. We employ various pricing mechanisms for different types of bulk materials, including annual fixed prices established in framework agreements, floating prices determined by formulas linked to publicly available indices, and prices negotiated and determined monthly by both parties.

Payment. Our suppliers usually grant us a credit term of 10 to 30 days from our receipt of the invoice for payment settlement.

Qualification. We require our suppliers to possess a business license and other necessary permits. For certain types of supplies, we require our suppliers to possess specialized certifications or qualifications for the materials or goods they provide.

Quality control. Our agreements with suppliers typically include warranty and return clauses to address any potential defects or non-conformities of the supplies.

BUSINESS

Delivery. Our suppliers are generally responsible for delivering purchased materials or goods to locations designated by us.

Renewal or termination: Our agreements with suppliers typically grant both parties rights to renew or terminate the agreement with notice in writing.

Minimum purchase commitment: Subject to case-by-case negotiation, our agreements with suppliers may include the minimum purchase commitment of certain amount. We generally do not agree to penalty in case of shortfall of minimum purchase commitment.

During the Track Record Period and up to the Latest Practicable Date, there had been no material breaches of our agreements with suppliers. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material impact on our operation or financial condition due to any significant fluctuation in prices set by our suppliers or any material breach of contract on the part of our suppliers.

During the Track Record Period and as of the Latest Practicable Date, except for (i) MMI and (ii) MCG, none of our Directors, Commissioners, or any of our shareholders (who or which to the knowledge of the Directors and Commissioners owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers, in each year of the Track Record Period and the top five suppliers are all independent third parties.

Customers who are also our suppliers

During the Track Record Period and as of the Latest Practicable Date, except for MCG, none of our customers were also our suppliers.

CONTRACTORS

We engage third-party contractors and service providers for certain activities. Contractors are required to comply with all prevailing laws and regulations, including compliance with applicable labour regulations. While we do not maintain a standalone formal audit procedure specifically dedicated to contractor workforce compliance, compliance is monitored through contractual review prior to engagement and periodic administrative checks during the course of cooperation. These reviews may include verification of invoices, supporting documentation, and, where relevant, employment-related information provided by contractors. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our contractors that would have material adverse impact on our operation. Due to the intensive competition in the relevant contracting service market, we do not expect significant difficulty in identifying alternative contractors to provide similar services on terms comparable to those offered by our existing contractors.

As of the Latest Practicable Date, none of our Directors, Commissioners, or any of our shareholders (who or which to the knowledge of the Directors and Commissioners owned more than 5% of our issued share capital) had any interest in any of our contractors.

We typically select contractors through a competitive bidding process. Prior to engagement, we will assess each contractor based on qualification, competence and relevant experience. Candidates are required to provide copies of their qualifications, licenses, certificates and permits for review and verification. An evaluation committee and supervision committee is formed to conduct the selection procedure according with prescribed procedures, following which shortlisted candidates may proceed to commercial negotiations before a final appointment is made.

We require our contractors to comply with all applicable laws and regulations in respect of safety and environmental protection. We also require our contractors to abide by our safety management system and internal control policies. The relevant departments within our Company undertake periodic inspections and performance reviews to confirm that contractors are operating in accordance with the technical specifications of our project and industry standards. In the event we discover significant non-compliance or other issues in the implementation of our project, we are entitled to suspend such contractor's work and require them to take correctional actions. In addition, we require our contractors to purchase insurance for their employees and properties.

BUSINESS

UTILITIES

Electricity

The Pani Block receives electricity through a 150 kV switchyard and 20 kV main switch room, that are operated and maintained by PT PLN Nusantara Power Construction (PLN), a state-owned electricity utility company that supplies electricity to the mine. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant interruptions in our operations due to power shortages or outages.

On 1 October 2025, GSM and PBT purchased Renewable Energy Certificates (“RECs”) from PT Energy Management Indonesia (“EMI”), a subsidiary of PLN. As a result of this purchase, effective 1 January 2026, the electricity supply consumed at the Pani Gold Mine is originated from clean energy generated by the Bakaru Hydropower Plant and/or other power plants provided by PLN.

Water

The Pani Block sources water from the Botudulanga River. The mine’s water intake facility draws water from the river for use in the processing plant, pursuant to a permit allowing withdrawal of up to 250 litres per second. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant interruptions in operations due to water supply issues.

We are committed to using water responsibly through effective water management practices across its operations. This includes managing and reducing wastewater (effluent) discharges, incorporating a life-cycle perspective in supply chain management to reduce water consumption and wastewater generation, and engaging with relevant stakeholders to identify water users and address potential impacts on other water uses, with objective of promoting sustainable water use.

INVENTORY

During the Track Record Period, our inventories primarily consisted of ore inventories, spare parts and supplies. Inventory management is overseen by dedicated personnel responsible for implementation of our inventory policies. The inventory function is segregated into (i) a warehousing team, responsible for physical handling activities, such as receiving, storing and issuing supplies; and (ii) an inventory team, responsible for maintaining our inventory management system and monitoring inventory data, including stock levels for individual items. Inventory levels are managed based on historical consumption patterns and supplies lead times. All inventory information is recorded in our inventory management system and categorized to facilitate monitoring and data analysis. We set the minimum and maximum inventory levels in our inventory system to support timely procurement planning. We undertake routine and periodic inventory review to ensure accuracy and adequacy of stock levels. Inventories may be increased prior to certain predictable events, such as periods of heavy rainstorms to mitigate potential supply chain disruptions.

COMPETITION

We face competition from gold and silver producers in both domestic and global markets. Gold producers do not compete on quality, brand, or product marketing. Gold prices are also entirely determined by market supply and demand. Competition with other gold producers is primarily based on cost structure and ore quality.

We implement various cost management strategies aimed at maintaining operational resilience and cost discipline across commodity price cycles.

SEASONALITY

Our Directors and Commissioners considered that, and as confirmed by CRU, our operational and development activities may also be impacted to some extent by unusual or adverse weather conditions, particularly during the rainy season when heavy rainfall can create challenging working conditions. To mitigate this risk, construction and production activities are scheduled with reference to weather forecasts, demand for goods, and inventory levels, with the objective of maintaining cost discipline and operational continuity during periods of heavy rainfall.

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INTELLECTUAL PROPERTY

During the Track Record Period, we did not possess intellectual property rights which are material to our business operations.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material dispute or litigation relating to infringement of trademarks and patents nor, to the best of our knowledge, did we infringe any trademarks and patents belonging to other parties.

The trademarks used by the Company have been filed for registration by MCG, with the Directorate General of Intellectual Property of the Ministry of Law of the Republic of Indonesia. As of the date hereof, the relevant trademark certificates have not yet been issued, as the applications are still undergoing substantive examination by the Directorate General of Intellectual Property. A formal trademark license agreement will be prepared and executed once MCG has completed the registration of all logos used by its subsidiaries that contain the “Merdeka” element.

We have also filed applications to register trademarks with the Directorate General of Intellectual Property of the Ministry of Law of the Republic of Indonesia. As of the date hereof, the relevant trademark certificates have not yet been issued, as the applications are still undergoing substantive examination by the Directorate General of Intellectual Property.

EMPLOYEES

As of 31 December 2025, the MGR Group had a total of 448 direct employees, consisting of 268 permanent employees and 180 employees with fixed-term work agreements, all of whom are employees of MGR Group (including PETS, GSM, MMI and PBT) and are located in Indonesia.

The Subsidiaries, namely PEG, MAP, PIJ and PIN, currently have no employees because their operational activities are limited to administrative functions, so that all operational activities of these Subsidiaries are currently carried out by employees of other Subsidiaries.

Function	Permanent	Fixed-term	Total
Production	133	138	271
Exploration	36	11	47
Support	99	31	130
Total	268	180	448

Learning and Development Programs

We are committed to providing employment opportunities to the communities surrounding our operations. Recognising that certain local communities may lack the technical knowledge and skills required for construction or mining activities, we implement structured Human Resources (“HR”) training and development programs to support workforce capacity building. From the point of hire, we provide trainings designed to equip employees with the knowledge and skills required to consistently meet our standards. Training programmes are tailored accordingly to specific job requirements, such as occupational safety or emergency response training, heavy equipment technical training, environmental management and conservation, and community relations training. Environmental risk management training is also provided to ensure that potential environmental hazards at the mine site and surrounding areas are continuously identified, monitored and controlled.

We believe that these training programs enhance employee competencies, skills, and knowledge, enabling performance aligned with industry standards. In addition, our HR development programs aim to strengthen career development and organisational capability across the Group. We have also established a competency improvement program aligned with the governance and compliance standards applicable to companies listed on the IDX. We have developed an employee information system that records personnel data, payroll calculations, overtime calculations, and training activities.

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Employee Compensation, Benefits and Welfare Programs

We structure our compensation, benefits, and welfare programs in alignment with our financial capability and in compliance with applicable laws and regulations. Our overall framework is designed to attract, retain and motivate employees while supporting productivity and operational sustainability.

Employee compensation primarily consists of base salary and fixed allowances. Permanent employees are eligible for long-service award benefits, as well as telecommunication and communication equipment. Contract employees receive termination compensation payments in accordance with applicable laws.

In addition to base salary, both permanent employees and contract employees receive statutory and supplementary benefits, including Holiday Allowance (THR), participation in BPJS Kesehatan and BPJS Ketenagakerjaan (covering work accident insurance, pension benefits, death benefits and health coverage), maternity leave, annual leave, other paid leave, maternity assistance, eyeglass assistance, menstrual leave, field break allowance, and provision of personal protective equipment.

We believe that fostering a comfortable and supportive work environment is a key driver of productivity. We periodically evaluate employees' support facilities and provide channels for employees to share feedback and suggestions to enhance productivity. The outcomes of these assessments, together with employee input, are considered in developing and improving facilities such as accommodation, sports and recreational amenities, and employee shuttle services.

As of the Latest Practicable Date, we do not have agreements in place to involve employees or management in share ownership, including employee share ownership program or share ownership arrangements for members of the Board of Directors or the Board of Commissioners.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE AND SUSTAINABILITY

Sustainability is a core pillar of our Group's strategy as part of the MCG Group. MCG, the Company's parent company, held an A rating from MSCI as of 31 December 2025. Moreover, MCG maintained its Sustainability ESG Risk Rating at Medium, with a score of 27.8 based on the latest full update as of 31 December 2025. This positions MCG as the leading company among their peers (with market capitalization of US\$3.2 billion - US\$3.3 billion) within the Sustainability ESG Risk Rating comprehensive assessment category.

The MGR Group intends to align with the MCG Group's commitment to strong ESG and sustainability principles and practices by conducting all business activities in a sustainable and responsible manner, with the aim of creating value for stakeholders and having a positive impact on the economy, the environment, employees and the communities around the areas of operation. The MGR Group will leverage ESG and sustainability initiatives already implemented at MCG, the Company's parent company, tailored to the needs of the MGR Group.

The MGR Group's sustainability goals and commitments are outlined in a sustainability policy. This policy sets out the foundation for how the MGR Group conducts its operations in a sustainable and responsible manner, creating value for stakeholders and generating positive impacts on the economy, the environment, society and the communities in which it operates.

MGR Group's commitment to ESG and sustainability has six core pillars, each of which covers the following key focus areas: (i) Preserving the Environment; (ii) Ensuring Occupational Health and Safety (K3); (iii) Empowering Workers; (iv) Caring for the Community; (v) Respecting Human Rights; and (vi) Adopting Good Corporate Governance.

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Six Sustainability Strategy Pillars



Alignment with SDGs



To turn this commitment into action, MGR has established Six Sustainability Strategy Pillars that outline its key focus areas. These pillars are aligned with the United Nations Sustainable Development Goals (“SDGs”), ensuring that the company’s sustainability efforts contribute meaningfully to global priorities while reinforcing its long-term vision, mission, and values.

Environmental Protection

The MGR Group conducts environmental management using the principle of continuous improvement based on applicable environmental regulations in Indonesia and the Environmental Management System Standard in accordance with ISO 14001:2015 concerning Environmental Management Systems (“ISO 14001:2015”). As of February 2025, the Company’s subsidiaries, PETS and GSM, have obtained ISO 14001:2015 certification, which is valid through March 2028.

The MGR Group has established an Environmental Policy that reflects the commitment of its highest leadership to environmental stewardship and protection. This Environmental Policy applies to all subsidiaries under the MGR Group’s control, including the Company, as well as to relevant business partners operating within the MGR Group’s value chain. The MGR Group Environmental Policy includes commitments to solutions for climate change and greenhouse gas emissions, water conservation, waste management, tailings management, management of toxic and hazardous waste (“B3”), and management of land reclamation and biodiversity. To monitor environmental management performance, the MGR Group periodically conducts internal and external audits which will then be used as material for discussion in management review meetings.

MGR assigns a General Manager of Environment at headquarters and or General Manager Subsidiaries to ensure the effective implementation of environmental policies, objectives, targets, and programs. Periodically, the General Manager of Environment at the head office and the KTT or General Manager of each Subsidiary report the results of the implementation of environmental policies, objectives, targets, and programs to the MGR Board of Directors, which will then serve as material for evaluation and the development of environmental strategies.

Waste and wastewater management

As stated in MGR’s Water Management Policy, the MGR Group is committed to the responsible use of water resources through effective water management practices and strives to reduce wastewater discharges (“effluent”). The MGR Group also encourages the implementation of a *life cycle perspective* among suppliers to reduce water use and wastewater generation. The MGR Group collaborates with relevant stakeholders to identify water users and others who may be affected by the company’s operations, with the goal of achieving responsible and sustainable water use. The MGR Group also adopts a mitigation hierarchy that includes preventing and minimizing the impacts of water use and wastewater generation

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on workers, affected communities, and the surrounding environment. If prevention is not possible, the MGR Group will minimize the impact and provide compensation.

The MGR Group consistently complies with the Decree of the State Minister of Environment of the Republic of Indonesia No. 202 of 2004 on Wastewater Quality Standards for Gold and/or Copper Ore Mining Businesses and/or Activities in managing the quality of wastewater or discharge from mining activities. Each mining operation has a compliance point where the quality of wastewater is measured regularly in accordance with the AMDAL document of each operation, taking into account the conservation of water resources so as not to impact water sources shared by the community.

To meet operational needs, the MGR Group uses water sources from surface water, groundwater, and third-party sources.

Waste management

As a company engaged in gold and silver mining and processing, the MGR Group is committed to meeting all relevant Indonesian regulatory requirements and adhering to best-practice standards in waste management as stated in the MGR’s Waste Management Policy. The MGR Group consistently documents and implements waste transportation, handling, storage, and disposal in accordance with established procedures. The MGR Group follows a mitigation hierarchy that prioritizes avoiding and minimizing the impacts of hazardous and toxic, non-hazardous, and domestic waste on workers, surrounding communities, and the environment. When preventative measures are not possible, the MGR Group is committed to minimizing impacts and providing compensation.

Hazardous and toxic waste processing mechanism (“B3”)

In compliance with Regulation of the Minister of Environment and Forestry of the Republic of Indonesia No. 6 of 2021 on the Procedures and Requirements on Management of Toxic and Hazardous Waste, the MGR Group has adopted a comprehensive B3 Waste Management Procedure. The procedure includes rules on waste sorting, packaging, labelling with special symbols, storage, internal delivery, inspection, recording, and return of B3 to the producer, inspection, cleaning, maintenance of B3 waste satellites, and B3 Waste Temporary Storage Sites (TPS LB3). In addition, this procedure also regulates the delivery of B3 waste to licensed third parties, reporting to the government, as well as emergency response procedures and handling of B3 waste spills. This procedure is designed to ensure that B3 waste management is carried out safely, responsibly, and in accordance with applicable regulations, in order to minimize impacts on the environment and health. Throughout 2025, B3 waste management in the MGR Group was carried out through internal mechanisms and in collaboration with third parties licensed by the Ministry of Environment and Forestry (“KLHK”). The selected licensed third parties have safe transportation and storage facilities to ensure waste handling meets safety standards.

The MGR Group has established complaint mechanisms, procedures, and infrastructure to handle hazardous waste leaks, as well as an Emergency Response Team (“ERT”) tasked with mitigating any hazardous waste spills. Throughout 2025, there were no large-scale hazardous waste spills within the MGR Group’s operational areas that caused disruption to the environment or surrounding communities.

Non-B3 waste processing mechanism

As a form of compliance with Law No. 18 of 2008 concerning Waste Management, the MGR Group adopted the Non-B3 Waste Management Procedures established by the MCG Group, covering the collection, delivery, and transportation of domestic waste. The procedure also covers waste management at the Temporary Storage Site (TPS) for domestic waste and waste utilization by third parties. For the management of non-biodegradable inorganic waste, the MGR Group applies the Reduce, Reuse, Recycle (“3R”) principle, while organic waste is used for composting, recycling and reuse.

Tailings management

The MGR Group plans to adopt the Tailings Policy established by the MCG Group to ensure the safe and responsible generation, management, and disposal of future tailings. The MCG Group Tailings Policy encompasses the development and implementation of best practices,

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with a primary focus on minimizing adverse impacts on workers, communities, and the environment throughout the tailings management process.

The approach will encompass the entire tailings processing cycle, from design and construction to management and monitoring of the tailings storage facility. This approach emphasizes risk identification and mitigation, reducing potential long-term impacts on humans and the environment, and considering climate change implications. The MGR Group also considers the implications of climate change in every aspect of tailings management to ensure sustainable solutions.

The MGR Group will actively engage stakeholders throughout the tailings lifecycle by promoting open communication, knowledge sharing, and educational initiatives on effective tailings management. A key aspect of the MGR Group’s commitment will involve independent reviews conducted at various stages, including the design, construction, operation, and closure of tailings management facilities. This is to ensure that the MGR Group conducts rigorous and objective assessments of tailings management practices to maintain the highest standards and ensure sustainability and compliance with applicable regulations.

Air quality management

The MGR Group is committed to protecting human health and the environment from the adverse effects of air emissions in accordance with applicable regulations, by adopting the Air Emissions Policy established by the MCG Group. Air emissions include, but are not limited to, PM2.5, PM10, TSP, SOx, NOx, CO, Hg, and ozone-depleting gases (“**ODS**”).

The MGR Group periodically monitors, manages, and reports air emissions to authorized government agencies, and adopts technology and implements preventative measures to minimize the impacts of air emissions. The MGR Group is committed to assessing the potential impacts of air emissions on human health, safety, and the environment and continuously implementing corrective actions. In line with this commitment, the MGR Group promotes a lifecycle perspective to its suppliers through training to encourage the supply chain to reduce air emissions.

Climate change

The MGR Group is committed to complying with all applicable laws and regulatory requirements in Indonesia and aligning with international instruments related to climate change, as stated in the MGR Group Climate Policy. To guide its climate change governance, strategy, and reporting processes, the MGR Group uses a comprehensive approach aligned with global best practices, including the Task Force on Climate-related Financial Disclosures (“**TCFD**”) to integrate climate risks and opportunities into business strategy, the Carbon Disclosure Project (“**CDP**”) for disclosure of climate risk and emissions data, the Greenhouse Gas Protocol (“**GHG Protocol**”) for measurement and reporting of greenhouse gas emissions, the Intergovernmental Panel on Climate Change (“**IPCC**”) for projections and analysis of climate change impacts, as well as the Global Reporting Initiative (“**GRI**”) for transparent and accountable environmental impact reporting.

The MGR Group supports the Paris Agreement’s goal of limiting global temperature rise to below 2°C and contributing to reducing Greenhouse Gas emissions through research, innovation and energy efficiency implementation, and participation in carbon offset programs. Governance practices, stakeholder engagement, and disclosure of climate change-related information have been integrated into our business decision-making process. Risks and opportunities related to climate change, including physical and transition risks, are regularly evaluated to ensure long-term business sustainability. Furthermore, the MGR Group promotes a lifecycle approach throughout the supply chain to reduce its carbon footprint, while contributing to the global effort towards net-zero GHG emissions.

The MGR Group continues to strengthen its climate management framework through the establishment of a GHG inventory, enhancement of emissions data quality, and implementation of early decarbonization actions. In 2025, the MGR Group completed the calculation of its Scope 1 and Scope 2 emissions consistent with the principles of the GHG Protocol. As part of ongoing efforts to reduce emissions, GSM and PBT purchased RECs from EMI, a subsidiary of PLN on 1 October 2025. As a result of this purchase, effective 1 January 2026, the electricity consumed at the Pani Gold Mine is originated from clean energy generated by the Bakaru Hydropower Plant and/or other power plants provided by PLN.

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Energy

MGR is committed to complying with all applicable laws and regulations related to energy efficiency, utilization, and consumption; to continuously establishing and implementing energy efficiency objectives, targets, and programs aligned with MGR’s Climate Change Policy.

In line with the Decree of the Minister of Energy and Mineral Resources No. 341.K/EK.01/MEM.E/2024, since January 2025, all MGR Group operational areas have used B40 Biodiesel, a 40% biofuel blend.

In 2025, the MGR Group’s total energy consumption was 605,256 gigajoules (“GJ”). Of this total energy consumption, 237,288 GJ (39%) came from renewable energy sources and 367,968 GJ (61%) from non-renewable energy sources.

Emissions

The Company is using the TruCount emissions accounting platform to measure, monitor, manage, and report GHG emissions. The TruCount platform is based on two globally recognized international standards: the GHG Protocol and ISO 14064-1:2018 Greenhouse Gases, ensuring calculation accuracy and compliance with international standards.

Until 2025, the MGR Group has calculated GHG emissions for scope 1 and scope 2. The calculation of scope 1 GHG comes from the use of B40 Biodiesel for operational vehicles and mining equipment across all Subsidiaries. The use of generators as power plants is also a source of scope 1 emissions. Meanwhile, the calculation of scope 2 GHG emissions is generated from the use of electrical energy supplied by PLN.

In 2025, MGR Group’s total GHG emissions reached 84,131 tonnes CO₂ (e), with 81,524 tonnes CO₂ (e) coming from scope 1 and 2,608 tonnes CO₂ (e) coming from scope 2.

Reclamation and biodiversity

The MGR Group is a gold mining company committed to complying with all applicable government regulations, including the Minister of Energy and Mineral Resources Regulation No. 26 of 2018 concerning the Implementation of Good Mining Principles and Supervision of Mineral and Coal Mining. As a form of compliance, all MGR Group operational areas have obtained Operation Production Mining Business Licenses issued by the Indonesian Government. Furthermore, the MGR Group has adopted the MCG Group Biodiversity Management Policy, which aligns with International Finance Corporation Standards (“IFC”) and International Council on Mining and Metals Principles (“ICMM”), which states a commitment to protecting and conserving biodiversity, maintaining the benefits of ecosystem services, and promoting sustainable management of natural resources.

In carrying out exploration activities and eventually production operations, the Pani Gold Mine has developed a mine closure plan involving the community through public consultations and a reclamation plan that has received government approval. This plan not only serves as a formal document but also serves as the main guideline to ensure that mining operations are carried out in accordance with the principles of environmental sustainability. In addition, the MGR Group periodically prepares reclamation implementation reports as part of the company’s responsibility to the environment and the community. As mining permit holders, PETS and GSM will ensure that before commencing the exploration and production process, the companies have placed a reclamation guarantee in accordance with the provisions of Government Regulation No. 78/2010, which requires mining permit holders to provide funds as collateral for reclamation implementation.

In managing biodiversity, the MGR Group is committed to protecting and preserving biodiversity, maintaining ecosystems, and supporting sustainable natural resource management as stated in MGR’s Biodiversity Management Policy. In developing and implementing biodiversity management plans, the MGR Group actively engages in dialogue with local communities, biodiversity experts, and relevant external parties, particularly in areas that constitute natural habitats. The MGR Group is also committed to adopting a mitigation hierarchy, which includes anticipatory measures and avoidance of environmental impacts. Where avoidance is not possible, the MGR Group strives to minimize these impacts and compensate for or restore any residual impacts that occur throughout the company’s operations.

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The MGR Group ensures that all stages of biodiversity management activities involve the authorities, namely the Natural Resources Conservation and Agency (BKSDA) and the Environmental Service.

The MGR Group has developed a Biodiversity Management Plan (“**BMP**”) for the Pani Gold Mine. This BMP outlines the mitigation measures to be implemented to avoid, minimize, and reverse impacts during the construction and operations phases, and establishes a governance structure for BMP implementation.

The preparation of BMPs refers to national and international regulations, including IFC Performance Standard (“**PS**”), ICM Principles on Biodiversity Conservation, environmental responsibility requirements from the Initiative for Responsible Mining Assurance (“**IRMA**”), and the Red List of the International Union for Conservation of Nature and Natural Resources (“**IUCN**”).

The Company conducted environmental training covering Scope 3 GHG calculation, life cycle assessment, and Ministry of Environment Regulation (PERMENLH) No. 11 of 2025 concerning Wastewater Quality Standards and Domestic Wastewater Treatment Technology Standards (ALD), with a total duration of 24 hours.

As of the date of this Document, there are no environmental issues that have a material impact on the use of MGR Group’s assets. In 2025, MGR Group recorded environmental management and environmental monitoring costs of approximately US\$337,000 and US\$131,000, respectively.

Corporate Social Responsibility

The sustainability of mining companies depends heavily on harmonious relationships with surrounding communities. Community support and participation not only minimize social risks but also increase operational acceptance and create shared benefits. Therefore, the MGR Group, as part of the MCG Group, is committed to involving the community in every stage of its operations, in accordance with applicable government regulations and international standards.

All MCG Group Subsidiaries, including the MGR Group, are committed to implementing sustainable Community Development and Empowerment (“**CDE**”) programs. These programs are implemented according to CDE standards, which emphasize compliance with applicable Indonesian laws, respect for local cultural wisdom, and the application of the principles of transparency and fairness. In preparing the CDE plan, the Company refers to the Community Development and Empowerment Master Plan, which is prepared based on information from baseline studies, social impact analysis, and input from various stakeholders.

The MGR Group is committed to implementing an integrated Community Empowerment Program (“**CEP**”) in eight main areas, namely education, health, real income/employment levels, economic independence, socio-cultural and religious, community participation in environmental management, community institutions in supporting CEP independence and infrastructure development, for communities around mining areas.

Education

The CEP in education seeks to improve the quality of education through various capacity-building activities, including training, vocational training, and incentives for teachers. It also includes increasing access to education through scholarships and non-formal learning programs, as well as providing supporting educational facilities such as mobile libraries, reading gardens, school buses, and school building renovations. As part of its efforts to expand access to education, enhance the competencies of educators and students, and develop a competitive and high-quality local workforce in Pohuwato Regency, we implemented various programs and collaborations reaching more than 450 beneficiaries in 2025. These initiatives included support for nutritional programs for students and teachers at SMAN 01 Buntulia, a public primary school; and the renovation of primary schools in the Pani Gold Projects Areas, including SDN 09 Buntulia, SDN 05 Buntulia, and SDN 02 Buntulia, thereby enhancing the learning environment for both teachers and students.

Health

The CEP in the health sector seeks to improve the quality of public health through training and incentives for health workers, the provision of medicines and health facilities such as

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social service vehicles, and support for healthy lifestyle campaigns. In 2025, we implemented a range of health-focused programs and partnerships aimed at improving nutrition, strengthening maternal and child health, and promoting healthy lifestyles. These initiatives benefited pregnant women, children, teachers, and students in Hulawa and Buntulia Villages. Key activities included the establishment of a community health centre in Hulawa Village, the provision of health services and nutritional monitoring for children affected by stunting and undernutrition as well as for pregnant women, and the implementation of the “Healthy Eating” awareness campaign.

Real income/employment levels

The CEP aims to increase the income of communities around the mine through mentoring groups of farmers, livestock breeders, fishermen, and home industry players. This program focuses on providing assistance, support, and business development such as freshwater fish farming and goat farming, as well as businesses in similar sectors. This includes promotional support for tourist destinations and special recruitment for communities around the mine. In 2025, we implemented programs aimed at increasing real income and expanding employment opportunities, with a focus on empowering local service providers and strengthening the motivation of community health workers. This support contributed to enhanced work motivation, improved household economic stability.

Economic independence

The CEP aims to increase the economic independence of the community by developing businesses and the potential of natural resources, which involves the development of an integrated agricultural system, as well as support for MSMEs and Village-Owned Enterprises (BUMDes). In 2025, we implemented various community empowerment programs and local economic collaborations focused on strengthening community enterprises, supporting micro, small, and medium enterprises (“MSMEs”), and increasing village-level economic participation.

Socio-cultural and religious

The CEP in the socio-cultural and religious sector aims to help preserve and develop socio-cultural and religious activities through financial support and facilities for the preservation and development of social, cultural, and religious activities, including the rehabilitation of places of worship damaged by natural disasters. In 2025, we carried out a range of social and religious programs focused on strengthening social solidarity, community care, and the preservation of local traditions. These initiatives reached 4,698 individuals and 2,400 families, including low-income communities, local journalists, and residents across nine villages surrounding the mining area and throughout Pohuwato Regency.

Key activities included the implementation of Safari Ramadan and Tumbilotohe programs in nine surrounding villages, as well as the organization of a subsidized community market, which supported low-income families in accessing essential goods at affordable prices. We also distributed sacrificial animals and implemented the Tebar Hewan Kurban 1446 H program for beneficiaries in the Buntulia and Marisa areas.

Community participation in environmental management

The CEP for environmental management is carried out through collaboration with various stakeholders in the form of equipment support and coastal tourism development, environmental cleanup, waste processing, and organic fertilizer production. In 2025, our environmental Community Empowerment Program (CEP) initiatives focused on water resource management, the enhancement of agricultural infrastructure, and environmental conservation.

Key activities included sediment dredging of irrigation channels in Duhiadaa Sub-district to optimize water flow to community rice fields. This initiative provided farmers with more stable and reliable water access, supporting increased agricultural productivity while mitigating flood risks in surrounding farmland. Overall, the program contributed to improved water-use efficiency, strengthened local food security, and the advancement of sustainable environmental management practices in Pohuwato Regency.

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Community institutions in supporting the independence of CEP

Under the community institutional pillar, we implemented programs aimed at advancing social development, promoting sports activities, and strengthening village- and government-level institutional facilities. These initiatives reached communities in Buntulia Sub-district, Marisa Sub-district, and Hulawa Village. Primary beneficiaries included young athletes, as well as pregnant women and children who indirectly benefited from enhanced health service facilities and improved community infrastructure.

Infrastructure development

The CEP program in the field of infrastructure development is carried out in the form of financial support and the construction of public infrastructure such as roads, bridges, public facilities, and pipe network systems and clean water reservoirs, especially for remote areas. Our infrastructure-focused CEP programs benefited 1,810 individuals across Bulangita, Siduwonge, and Hulawa Villages, as well as the wider Pohuwato Regency. Key initiatives included the Manunggal Air program, implemented in collaboration with KODIM 1313/Pohuwato, which expanded access to clean water for families in Bulangita and Siduwonge Villages. In addition, we supported the renovation of the Baiturrahim Grand Mosque in Pohuwato, enhancing comfort and facilities for worship.

Occupational Health and Safety

The MGR Group implements an Occupational Health and Safety Management System (“K3”) (“SMK3”) and a Mining Safety Management System (“SMKP”) based on applicable regulations, namely the Minister of Energy and Mineral Resources Regulation No. 26 of 2018 concerning the Implementation of Good Mining Principles and Supervision of Mineral and Coal Mining, Minister of Energy and Mineral Resources Decree No. 1827 K/30/MEM/2018 (as amended), Government Regulation No. 50 of 2012 concerning the Implementation of Occupational Health and Safety Management System (SMK3). The MGR Group’s Occupational Health and Safety Management System has been independently certified in accordance with the international standard ISO 45001:2018 concerning the Occupational Health and Safety Management System (“ISO 45001:2018”). To ensure the effectiveness of the implementation of SMKP, SMK3, and ISO 45001:2018, the three guidelines are integrated in the Environmental Occupational Health and Safety Management System (“SMK3L”) Manual document, which is prepared based on the Plan-Do-Check-Act (“PDCA”) management framework. This document serves as the main guideline in the implementation of SMK3L which must be applied by all Subsidiaries, employees, work partners, contractors, visitors, and related stakeholders. The PDCA concept, which is an interactive process, is applied by the company to achieve strategic goals in creating a safe and healthy work environment to prevent work accidents, diseases, or dangerous incidents, and encourage the responsibility of all parties towards K3 in order to achieve the MGR Group’s goal: Everyone Safe, Always.

The implementation of SMK3L covers all activities carried out by companies within the MGR Group, both primary mining activities and other supporting activities. SMK3L also covers all work areas, including mining areas and supporting areas used to support mining activities. In addition, policies related to K3 are stated in the Company Regulations (PP), which regulate safety protection for all workers (100%), consisting of MGR Group employees. No employee is missed or excluded from the implementation of the company’s SMK3, so that every individual involved in the MGR Group’s operations receives equal protection regarding Occupational Safety and Health.

In 2025, the MGR Group provided 4,085 hours of OHS training across 1,014 instances of individual employee participation, and 8,888 hours of training across 2,166 instances of individual contractor participation. The MGR Group also conducted a total of 850 annual and pre-employment medical check-ups for MGR Group employees and 2,223 medical check-ups for contractors with no record of any occupational diseases. The MGR Group successfully achieved its Total Recordable Injury Frequency Rate (“TRIFR”) target of below 0.91 with a 2025 end of year TRIFR result of 0.68, down from 0.7 in 2024.

As of the first quarter 2026, the Pani Gold Mine has achieved 19.9 million cumulative man-hours without a lost time injury (“LTI”). This performance demonstrated robust safety management practices and a deeply embedded safety culture across its operations.

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Potential ESG-Related Risks and Our Strategies

Our mining activities and production processes pose potential ESG-related risks such as gas emission, wastewater, noise, solid waste, tailings management, and land remediation and biodiversity risks. To mitigate the adverse impact of these risks, we have taken the following measures:

Energy Consumption and GHG. To address risks associated with high energy use, fuel dependency, and greenhouse gas emissions from mining and processing activities, the Company implements energy conservation measures through operational optimization, preventive maintenance, and energy performance monitoring. An Energy Manager has been appointed to oversee the implementation of an Energy Management System. As part of the Company’s roadmap, energy audits are planned within the next three years to establish baselines and identify efficiency improvement opportunities.

In addition, the Company utilizes B40 biodiesel to reduce the carbon intensity of fuel use (Scope 1). For Scope 2 GHG emissions, GSM and PBT purchased RECs from EMI, a subsidiary of PLN, the state-owned electricity utility, on 1 October 2025. As a result of this purchase, effective 1 January 2026, the electricity consumed at Pani Gold Mine is originated from clean energy generated by the Bakaru Hydropower Plant and/or other power plants provided by PLN.

Water Treatment. The MGR Group applies water management practices focused on efficient use and minimizing freshwater withdrawal. Wastewater generated from mining is treated in accordance with regulatory standards before discharge.

Environmental Monitoring and Regulatory Compliance Risks. The MGR Group conducts periodic environmental monitoring covering water quality, waste management, and emissions to ensure compliance with environmental regulations and internal environmental policies. Monitoring results are used to improve operational controls and support continuous improvement.

Governance, Policy, and Continuous Improvement. Environmental protection and energy conservation are governed under the MGR Group’s environmental policy framework, which covers climate change, emission management, water management, waste management, and biodiversity protection. These commitments are embedded into operational planning, employee awareness programs, and management review processes to ensure continuous improvement across mining and processing operations.

ESG 2025 Performance and 2026 Targets

The following table summarizes selected ESG performance indicators of the Company for the year ended 31 December 2025, together with the Company’s sustainability targets for 2026. These indicators reflect management’s commitment to continuous improvement across environmental, social, and governance aspects of operations.

ENVIRONMENT

Topic	2025 Performance	2026 Targets
Management System	100% of sites obtained ISO 14001:2015 certification - Environmental Policy developed	Maintain 100% ISO 14001:2015 certification across all sites

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Topic	2025 Performance	2026 Targets
Water, Wastewater & Waste	• Water Management Policy and Waste Management Policy developed • Waste reduction initiatives implemented • Water quality complied with applicable regulations	• Ensure water quality complies with applicable laws and regulations
Climate Change & Energy	• Climate Change Policy and Energy Policy developed • Entered REC agreement	• Implement and monitor energy management programs • Implement and monitor climate change programs
Biodiversity	• Biodiversity Management Policy developed	• Implement and monitor Biodiversity Management Plan • Establish permanent nursery station • Establish fauna shelters
Air Emissions	• Emissions Policy developed • Operations complied with air emission standards	• Ensure operations comply with applicable air emission standards

OCCUPATIONAL HEALTH & SAFETY (“OHS”)

Topic	2025 Performance	2026 Targets
Incident Prevention & Fatality Elimination	• Zero fatalities • Zero LTI • TRIFR: 0.68, achieved against the target of below 0.91 • Safety Management System Scorecard improved to 93%	• Zero fatalities • Zero LTI • TRIFR lower than 0.86 • Safety Scorecard ≥ 95%
Employee Wellness	• Medical check-ups provided to all employees	• MGR employees and contractors undergo annual medical check-ups • Monitor medical high-risk employees and contractors according to schedule and within 95% attendance.

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Topic	2025 Performance	2026 Targets
OHS Training	1,014 employees trained (4,085 hours) 2,166 contractors trained (8,888 hours)	Conduct OHS training per 2026 training plan
OHS Management Systems . .	- SMKP audit: PETS 88.16%, GSM 87.86% 100% ISO 45001:2018 certification across business units	- Conduct SMKP Audits and Safety audits as per schedule - Maintain ISO 45001:2018 certification - Senior Management Safety Inspections (“SMSI”) achieve target of 7 per month (84 per year). - Risk Reviews conducted as per schedule.

LABOR

Topic	2025 Performance	2026 Targets
Skills & Leadership Development	7,360 training hours delivered	- Conduct training needs analysis - Increase training hours per employee - Improve training facilities and instructor capability - Develop competency metrics for non-staff - Pre-retirement training - Leadership training for managers - Refresher training on Code of Conduct & Anti-bribery
Diversity, Equity & Inclusion (“DEI”)	- Female workforce: 15.4% of total workforce - Women Workers Protection Forum established 40 female heavy equipment operators (contractors)	- Increase female workforce participation - Increase local workforce participation - Expand female employee forum activities
Employee Engagement	- Employee Satisfaction Survey conducted - Engagement forums facilitated - Long-Service Awards provided	- Improve employee satisfaction - Increase engagement forum activities - Establish employee cooperative

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COMMUNITIES

Topic	2025 Performance	2026 Targets
Community Development & Empowerment	• US\$210,743 disbursed for programs • Programs implemented in line with approved plans	• Ensure effective implementation aligned with approved annual plans
Community Engagement . . .	• Regular meetings conducted	• Ensure regular meetings with communities

HUMAN RIGHTS

Topic	2025 Performance	2026 Targets
Human Rights Management System	• Human Rights Policy developed	• Implement and monitor Human Rights Policy
Security & Human Rights . . .	• Annual human rights training delivered to security personnel	• Provide human rights training to 100% of security personnel
Human Rights in Supply Chain		• Provide human rights training to employees and contractor representatives

GOOD GOVERNANCE

Topic	2025 Performance	2026 Targets
Regulatory Compliance	• No instances of non-compliance resulting in fines or sanctions from authorities or regulators	• Maintain zero non-compliance incidents from authorities and regulators
Code of Conduct		• Ensure 100% employees receive Code of Conduct training and communication
Responsible Supply Chain	• Zero contract terminations due to ESG impacts • 100% primary contractors assessed under CMS	• Increase CMS training participants • Maintain zero ESG-related contract terminations • Maintain 100% CMS assessment for primary contractors
Risk Management	• Risk & Opportunity Management Policy established • Risk and opportunity management committee regular meetings conducted on extreme and high risks	• Increase risk and opportunity management training participation throughout 2026 • Conduct regular risk and opportunity management committee meetings on extreme and high risks

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INSURANCE

As of the Latest Practicable Date, we had insurance policies covering construction, transportation of cargo, machinery, light and heavy equipment.

We believe that our insurance policies are adequate to replace the insured objects or cover the risks insured by us. We consider our insurance coverage to be in line with the industry norm and the relevant laws and regulations in Indonesia. However, the protection from such insurance may not be sufficient to cover actual losses because we have agreed to policy limits for certain coverage. For details, see “Risk Factors — Risks Related to Our Business and Industry — Our insurance coverage may be inadequate to cover potential claims.”

PROPERTIES

As of the Latest Practicable Date, we (i) owned land with a carrying amount of US\$51 thousand, (ii) owned buildings with a carrying amount of US\$16.4 million, and (iii) had the right-of-use to a building with a carrying amount of US\$41 thousand. All of these properties were used to support our business activities.

As at 31 December 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings.

ENVIRONMENTAL LICENSES AND PERMITS

We conduct environmental impact identification based on Environmental Impact Analysis (“AMDAL”) to ensure appropriate and effective responses to actual and potential environmental risks, in accordance with applicable regulations in Indonesia and international standards. The following is a list of AMDAL, UKL-UPL and/or Environmental Permit documents held by our subsidiaries:

PETS	Decree of the Head of the Pohuwato Regency Investment Office No. 205/07/IL/DPM/XI/2018 dated 23 November 2018 concerning Environmental Permit for the 131.46 Ha Gold Mining Activity Plan of PT Puncak Emas Tani Sejahtera in Hulawa Village, Buntulia District, Pohuwato Regency in conjunction with Decree of the Head of the Pohuwato Regency Environmental Office No. 800/PLH-PHWT/SKKL/01/XI/2018 dated 19 November 2018 concerning the Decision on Environmental Feasibility of the 136 Ha Gold Mining Activity Plan in Hulawa Village, Buntulia District, Pohuwato Regency in conjunction with Decree of the Minister of Environment and Forestry No. SK/1208/MENLHK/SETJEN/PLA.4/12/2022 dated 2 December 2022 concerning the Environmental Feasibility of Infill Drilling Mining Activities of DMP Gold Mining in Hulawa Village, Buntulia District, Pohuwato Regency, Gorontalo Province in conjunction with Decree of the Minister of Environment/Head of the Environmental Control Agency No.797 dated 9 May 2025 concerning the Environmental Feasibility of Infill Drilling Additional Activities of DMP Gold Mining of PT Puncak Emas Tani Sejahtera.
GSM	Decree of the Governor of Gorontalo No. 305/22/VII/2016 dated 15 July 2016 in conjunction with Decree of the Minister of Environment and Forestry No. 146 of 2024 dated 5 February 2024 concerning the Environmental Feasibility of the Gold and Associated Mineral Mining Development Activity Plan (DMP) in Hulawa Village, Buntulia District, Pohuwato Regency, Gorontalo Province by PT Gorontalo Sejahtera Mining.

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PBT	Environmental Permit based on the Decree of the Head of the Investment, Energy and Mineral Resources and Transmigration Office of Gorontalo Province No. 02/DPMESDM-TRANS/IL/I/2019 dated 31 January 2019 concerning the Environmental Permit for Gold Ore Processing and Refining Activities covering an area of 763.90 Ha in Hulawa Village, Buntulia District, Pohuwato Regency, Gorontalo Province by PT Pani Bersama Tambang in 2019, as amended by the Decree of the Head of the Investment and One-Stop Integrated Service Office of Gorontalo Province No. 01/DPMPTSP/SKKL/I/2025 dated 8 January 2025 concerning Approval of the Environmental Feasibility Letter Addendum to the ANDAL and RKL-RPL for the Gold Ore Processing and Refining Activity Plan of PT Pani Bersama Tambang.
MAP	Decree of the Head of Gorontalo Province Investment and One-Stop Service Office No. 500.16.7.2/DPMPTSP/02/III/2025 dated March 2025 on Approval of the Statement of Commitment to Environmental Management of the Planned Construction of Warehousing, Roads and Other Supporting Facilities in the Form of a Special Terminal in Bumbulan Village, Paguat District, Pohuwato Regency, Gorontalo Province by PT Mentari Alam Persada covering an area of 79,062.91 m ²

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to, and were not aware of any threat of, any material legal, arbitral or administrative proceeding which, in our opinion, would likely have a material and adverse effect on our business, financial condition or results of operations. We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business.

Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in (i) any material non-compliance incidents that have led to fines, enforcement actions or other penalties which could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations, and (ii) any legal claims or proceedings that may have an material influence on our rights to explore or mine.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance with environmental laws and regulations by the Group, any breach of anti-corruption, anti-bribery, anti-money laundering, sanctions, financial and export control regulations and similar laws and regulations by the MGR Group or its employees or any material incident of economic, political or social instability in the regions where the MGR Group operated that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. We had not experienced any material adverse impact from sanctions and export controls during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL MEASURES

Risk Management

We are subject to various risks relating to our operations. For details, see the "Risk Assessment" section in the CPR in Appendix III to this document. We have established risk management systems, further discussed below, to manage our risk exposures. Based on the CPR, we are subject to the risks of (i) failure of the heap leach stack, (ii) tailings filtration and filtered tailings facility underperformance, (iii) actual tailings dry density realised below target, (iv) underestimation of costs or cost inflation, and/or (v) seismic/earthquake activity causes damage to site infrastructure such as TSF, pit and plant. To mitigate these risks we adopt the following risk management policies or procedures: (i) build the dump to engineering specifications and monitor/survey the dump for movement/slumping; (ii) carry out

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comprehensive testing of the ore prior to engineering the tailings filter, and build soe redundancy into the filter press to ensure no shortfalls occur; (iii) validate that the higher density is a reasonable assumption to base the TSF design on, and incorporate some redundancy in the tailings design to incorporate additional capacity if required; (iv) incorporate higher levels of contingency on longstanding price estimates, and have large capital elements repriced; and (v) focus mitigation efforts on response capabilities rather than elimination, as it is difficult to avoid impacts from a large seismic event.

To manage the risk of illegal mining that may disrupt our operational activities, we implement comprehensive security measures in our concession area to protect the Pani Gold Mine from illegal mining. These measures include the deployment of security officers and coordination with the Indonesian National Police (Polri) to maintain security within the concession boundaries. In addition to security enforcement, we have implemented career transfer programs and provided compensation arrangements to facilitate the orderly removal of illegal miners from the concession area.

Risk management is a key pillar of our Corporate Governance strategy and plays a crucial role in business management. MGR has adopted the MCG Risk Management Software to record and monitor risks and track mitigation actions as necessary. We implement risk management to mitigate the above risk factors outlined in the CPR, and to address the key material risks outlined in "Risk Factors."

Internal Control

To ensure business continuity in line with objectives and programs, and to promote efficiency and compliance with management policies, our internal control system will include various processes designed to provide reasonable assurance that financial reporting is accurate and complete, and that corporate objectives are achieved. This assurance is primarily supported by the Internal Audit Unit, which conducts periodic audits of significant operational and financial activities. As part of the MCG Group, we have adopted the MCG Group's internal control system.

In general, internal control activities aim to assist the Board of Commissioners and Board of Directors in: (i) protecting our assets; (ii) ensuring the availability of reliable and trustworthy financial reports; (iii) enhancing the Company's compliance with laws and regulations; (iv) mitigating the risk of loss, deviation and violation of the principle of prudence; (v) increasing organizational effectiveness; and (vi) increasing cost efficiency.

We have implemented internal control functions in the financial and operational aspects as follows:

Financial control. To ensure the reliability of reporting and presentation of financial statements, we have implemented the following internal controls: (i) clear separation of functions; (ii) regular updates to all policies, procedures, operational systems and standards accountancy; (iii) maintain complete and accurate financial records which are checked through a multi-level review process; (iv) preparation of financial reports in a timely manner; and (v) physical asset control.

Operational control. To ensure the effectiveness of operational internal control, we conduct periodic evaluations through our Internal Audit Unit. These evaluations are designed to assess and verify that field activities are carried out in alignment with applicable internal policies, standard operating procedures, and established work standards.

Regulatory compliance. We ensure that our mining operations and other business activities are conducted in full compliance with applicable laws and regulations, as well as adhere to relevant international standards and the principles of Good Mining Practices.

Our Directors and Commissioners are of the view that we have taken all reasonable steps to establish a proper internal control system. As such, our Directors and Commissioners are of the view that our internal control measures are adequate and effective.

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You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements as at and for the years ended 31 December 2023, 2024 and 2025, and the accompanying notes included in the Accountant's Report in Appendix I to this Document. The Accountant's Report has been prepared in accordance with IFRS. Potential investors should read the Accountant's Report in Appendix I in its entirety and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, see "Risk Factors".

OVERVIEW

MGR is an IDX-listed gold mining company positioned among the top pure-play gold producers in Asia. Anchored by the Pani Gold Mine, the largest primary gold mine in Indonesia on a Resources and Reserves basis according to CRU, by 2030 we are expected to rank among the top two primary gold mines in Asia by production. MGR is uniquely positioned by virtue of its base of Reserves underpinning prospective resource potential, average strip ratio being among the lowest globally, and rapid ramp-up profile enabling peak production within a short timeframe. We have capitalised upon Indonesia's superior natural endowment and the critical importance of the mining sector in the nation's economic development. By leveraging our competitive advantages in mine scale, operational efficiency, future growth opportunities and resource potential, we are emerging as a regionally significant gold producer.

In 2023, 2024 and 2025, our revenue was US\$1.4 million, US\$1.8 million and US\$0.1 million, our loss for the year was US\$6.8 million, US\$12.7 million and US\$27.5 million, and our total comprehensive loss for the year was US\$6.9 million, US\$13.3 million and US\$27.3 million, respectively, after accounting for exchange difference on financial statements translation, actuarial gain/(loss) and related income tax.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Directors and Commissioners believe that the factors described below significantly affected our business activities, results of operations and financial condition during the Track Record Period and/or will have a significant impact on our business activities, results of operations and financial condition in the future.

Macroeconomic conditions and fluctuations in global commodity prices, supply and demand

The majority of the MGR Group's future revenue will be derived from the sale of gold and silver products. Gold and silver will be sold at prices referenced to prevailing spot prices in domestic and international markets, based on benchmark prices published by the London Bullion Metal Association ("LBMA"), with applicable commercial adjustments determined through negotiations. Therefore, the MGR Group's future operational performance and financial condition will be directly affected by global gold fluctuations. Gold prices have historically fluctuated, and are influenced by various factors beyond the MGR Group's control, such as global and regional supply and demand, global economic conditions, advance sales by producers, buying and selling of precious metals by various central banks and financial institutions, interest rates and interest rate expectations, exchange rates, inflation or deflation, fluctuations in the value of the United States Dollar and other foreign currencies, as well as geopolitical issues. The market for gold commodities is also influenced by demand from end users. For example, the price and demand for gold as a safe haven tend to increase in market environments filled with uncertainty, high inflation and a weak United States Dollar.

Production volume and production capacity expansion

The MGR Group's production volumes will be primarily influenced by the stages of mining, production and processing operations and variations in ore grade cycles.

The mining method used at the Pani Gold Mine is open-pit mining, which exploits mineral deposits near the surface. Generally, open-pit mining operations begin with drilling and blasting, followed by overburden excavation and ore extraction using a combination of

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excavators, shovels, hydraulics and rock transportation using dump trucks. Overburden and transported ore will be placed in locations appropriate to the material type. Due to the nature of the Pani Gold Mine, mining is being carried out in stages by deepening the pit floor to access the ore. MGR Group’s mining activities will strictly adhere to the established mine plan and mining sequence.

In addition to mining stages, production volume achievement can also be affected by planned and unforeseen events. Planned events include planned repair times for equipment and facilities and scheduled maintenance times. Operational activities can also be affected by unforeseen events such as difficulties encountered during drilling and blasting, unusual or severe weather events, particularly heavy rainfall patterns, or equipment failure. To minimize these risks, production activities will be scheduled based on weather forecasts, demand for goods, and inventory levels, with the objective of maintaining cost discipline and operational continuity during periods of heavy rainfall.

Production volume has the potential to increase along with the discovery of new Mineral Resources or the increase in Ore Reserves that have economic feasibility as a result of the MGR Group’s ongoing asset development activities.

Exploration load

One of the MGR Group’s primary strategies is to sustainably optimize its resource potential by increasing Mineral Resources and Ore Reserves, and extend the life of the Pani Gold Mine. Certain costs related to exploration activities can be capitalized, deferred, and amortized after mining operations commence.

As a result, the MGR Group’s operating results may be affected from time to time depending on the timing of capitalization, amortization or potential impairment of such costs. There can be no assurance that exploration activities will be successful and that mineral discoveries can be commercially developed, and therefore, exploration-related costs should be written off. Key factors that could impact further exploration activities include permitting, mineral distribution, topography, and infrastructure.

Capital expenditure

The MGR Group is further estimated to require additional funding of approximately US\$72 million in real terms between 2026 and 2029 to increase the capacity of the heap leach site, US\$935 million in real terms to commission the CIL project, and the remaining US\$379 million in real terms to support the business operation. These are major capital expenditures, which are planned to be financed through a combination of cash flows from operating and financing activities. The MGR Group’s ability to obtain the most efficient funding will impact the MGR Group’s revenue, costs and results of operations.

Changes in government policies and laws

The MGR Group’s business activities are subject to various laws, policies and regulations, particularly those governing production operations, contract work, exploration, development and mining activities, taxation and royalties, as well as import and export taxes. Increased regulations related to precious mineral mining business activities may result in additional time and costs in complying with all regulations and ultimately impact the economic feasibility of assets and projects in the MGR Group portfolio. In accordance with applicable laws and regulations, the Group’s business activities are subject to various obligations including: (i) land and building tax; (ii) income tax; (iii) Value Added Tax (“VAT”); (iv) royalties; (v) corporate social responsibility activities, the management of which is carried out jointly between the subsidiaries of the Company and the local government; (vi) borrow-to-use forest area permit; (vii) fixed fees (dead rent); (viii) reclamation and post-mining obligations; and (ix) export duties in the form of placement of Foreign Exchange Proceeds from Natural Resource Exports (Devisa Hasil Ekspor Sumber Daya Alam, or “DHE SDA”). Although the current policy of the Indonesian Government towards the domestic mineral mining industry is generally market-oriented, the Indonesian Government may, from time to time, promulgate new policies or laws that affect the Company’s mining and processing operations and sales of its mining products. See “— Export duties and regulation” below.

Fixed contribution

For each year during the term of the mining permit, the MGR Group must pay the Government a fixed annual fee calculated at Rp60,000 (US\$4) per hectare. The annual fixed fees for PETS and GSM are approximately Rp6,000,000 (US\$358) and Rp874,200,000 (US\$51 thousand), respectively.

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Government royalties

By engaging in sales activities, the MGR Group is required to pay royalty fees to the Government based on the type and quantity of minerals produced. These royalty fees must be deposited directly into the state treasury through e-PNBP, with the provision that they are fully paid in advance according to the sales plan in the form of provisional billing/invoices before the mineral mining commodities are on the mode of transportation for the purpose of mineral sales. On 11 April 2025, the Government issued Government Regulation No. 19/2025 which came into effect on 26 April 2025 and revoked the previous regulation, namely Government Regulation No. 26/2022. Through Government Regulation No. 19/2025, the Government set a higher gold royalty rate for the MGR Group’s main commodities, namely gold and silver. In addition, the subject gold royalty rate of price per troy ounce is determined progressively based on the Reference Mineral Price (“HMA”) set by the Ministry of Energy and Mineral Resources each period.

HMA price	Subject rate (of price per troy ounce)
HMA < US\$1,800	7%
US\$1,800 ≤ HMA < US\$2,000	10%
US\$2,000 ≤ HMA < US\$2,200	11%
US\$2,200 ≤ HMA < US\$2,500	12%
US\$2,500 ≤ HMA < US\$2,700	14%
US\$2,700 ≤ HMA < US\$3,000	15%
HMA ≥ US\$3,000	16%

For silver, a fixed rate of 5% of the price per troy ounce is charged.

Export duties and regulation

If and when we should elect to conduct export sales, based on Government Regulation No. 8/2025, the MGR Group is required to place all DHE SDA into the DHE SDA Special Account at 100% and at least 12 months from the placement in the DHE SDA Special Account. DHE SDA that has been placed into the DHE SDA Special Account can be used for several things as regulated in Government Regulation No. 8/2025.

On 17 November 2025, the Minister of Finance issued Minister of Finance Regulation No. 80 of 2025 concerning the Determination of Export Goods in the Form of Gold Subject to Export Duty and Export Duty Rates (“**MOF Reg No. 80/2025**”), which came into effect on 23 December 2025. MOF Reg No. 80/2025 stipulates that exported goods in the form of gold are subject to export duty. Export duty rates are applied progressively based on reference price levels as determined periodically by the Minister of Trade (in coordination with relevant agencies).

Accordingly, and partly in response to MOF Reg No. 80/2025, we intend to primarily sell our gold products domestically within Indonesia going forward; any silver by-products of our mining operations would be sold internationally and would not be subject to export duty.

Currency exchange rates

Fluctuations in foreign exchange rates, particularly fluctuations in the U.S. Dollar exchange rate against the Rupiah, may affect the MGR Group’s results of operations. The MGR Group’s revenues are substantially denominated in Rupiah, while its expenses are denominated in both U.S. Dollars and Rupiah. Therefore, an appreciation of the Rupiah against the U.S. Dollar could effectively increase the MGR Group’s expenses without increasing the MGR Group’s revenues and could result in a decrease in the MGR Group’s profit after tax in U.S. Dollars. The MGR Group does not currently have a hedging policy against foreign exchange risk.

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Mining and processing costs

As at 31 December 2025, the Company was in the process of preparing the Pani Gold Mine for commencement of operations in early 2026, with gold production achieved in the first quarter of 2026. While mining and processing costs are not yet reflected in the Company’s results of operations during the Track Record Period, such costs will be significant and will be reflected in the Company’s results of operations going forward and for future periods.

Mining and processing expenses are expected to constitute the largest portion of the MGR Group’s cost of sales. These expenses reflect direct production costs associated with overburden removal, ore mining, ore processing, as well as supporting costs directly attributable to these activities such as energy costs, costs of materials and equipment used, contractor fees, and shipping and handling services.

Based on the CPR, mining and processing expenses are expected to represent approximately 77% of total operating expenses over the life of mine for both HL and CIL, excluding royalties. Mining and processing costs are generally influenced by the production volumes and operational efficiency of the mining and processing facilities, as well as the availability and productivity of contractors and employees. Increased overburden removal activities and greater pit depths are expected to contribute to higher mining and processing costs. The MGR Group’s mining and processing costs are expected to continue to increase in line with the increase in production levels at the Pani Gold Mine. The MGR Group can leverage MCG’s proven expertise in mining and processing operations as operations at the Pani Block gradually increase.

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RESULTS OF OPERATIONS

The following table sets forth a summary, for the years indicated, of the Group’s consolidated results of operations in absolute amounts for the year. The Group’s historical results presented below are not indicative of the results that may be expected for any future period.

	31 December 2023	31 December 2024	31 December 2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	1,394	1,750	132
Cost of Revenue	(936)	(1,180)	(278)
Gross Profit/(Loss)	458	570	(146)
Operating Expense			
General and administrative expenses . . .	(2,170)	(1,019)	(9,486)
Loss from Operating	(1,712)	(449)	(9,632)
Finance income	188	688	1,209
Finance expenses	(8,994)	(20,673)	(14,724)
Other income/(expense) – net	387	5,500	(2,245)
Loss Before Income Tax	(10,131)	(14,934)	(25,392)
Income tax benefit/(expense)	3,294	2,234	(2,102)
Loss for the Year	(6,837)	(12,700)	(27,494)
Other comprehensive (loss)/income that will be reclassified to profit or loss:			
Exchange difference on financial statements translation	(25)	(680)	158
Other comprehensive (loss)/income that will not be reclassified to profit or loss:			
Actuarial (loss)/gain	(8)	81	4
Related income benefit/(tax)	2	(22)	–
Other comprehensive (loss)/income – net .	(31)	(621)	162
Total Comprehensive Loss for the Year . . .	(6,868)	(13,321)	(27,332)

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MAJOR COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

As at 31 December 2025, the MGR Group had not yet commenced gold production. The MGR Group has historically derived all of its revenue from the rental of MMI's heavy equipment to PETS and other subsidiaries of MGR, MCG's subsidiaries BSI and MMS, as well as MGR's related parties to support construction and mining preparation activities at the PETS mine and BSI's mine operations. MMI also rents heavy equipment to PBT, GSM and MAP, all of which are fully eliminated in the consolidated financial statements. In connection with the acquisition of additional shares in PETS in June 2024 which increased the Company's effective ownership in PETS from 48.99% to 99.99%, revenue from heavy equipment rentals to PETS since June 2024 has been fully eliminated in the consolidated financial statements. Such rental activities are expected to be gradually reduced from 2026 onwards as MMI focuses on providing operational support to the Pani Gold Mine. Accordingly, mining equipment rental is not expected to constitute a material portion of our revenue going forward.

The following table presents information regarding the details of revenue and its percentage of revenue for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Mining equipment rental	1,394	100	1,750	100	132	100
Total	1,394	100	1,750	100	132	100

Cost of revenue

Cost of revenue consists of depreciation and repair and maintenance and other expenses which arise from heavy equipment rental activities.

The following table presents details of the components of cost of revenue and their percentage of total cost of revenue for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Depreciation	336	35.9	206	17.5	27	9.7
Repair and maintenance and other expenses	600	64.1	974	82.5	251	90.3
Total	936	100	1,180	100	278	100

Depreciation. Depreciation expense arises from the depreciation of heavy equipment.

Repair and maintenance and other expenses. These costs arise from routine maintenance and repairs of heavy equipment and also include fuel costs (where rental agreement is inclusive of fuel) and related overhead costs.

Gross profit/(loss)

Gross profit/(loss) is calculated by subtracting cost of revenue from revenue.

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The table below presents gross (loss)/profit and its percentage of revenue for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Gross profit/(loss)	<u>458</u>	<u>32.9</u>	<u>570</u>	<u>32.6</u>	<u>(146)</u>	<u>(110.6)</u>

General and administrative expenses

General and administrative expenses consist primarily of fees and services community development, salaries and allowance.

The following table presents details of the components of general and administrative expenses, and their percentage of total general and administrative expenses for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Professional fees and community development program	1,525	70.3	656	64.4	8,586	90.5
Salaries and allowances	406	18.7	119	11.7	245	2.6
Others	239	11.0	244	23.9	655	6.9
Total	<u>2,170</u>	<u>100</u>	<u>1,019</u>	<u>100</u>	<u>9,486</u>	<u>100</u>

Professional fees and community development program. Professional fees and community development program were US\$8.6 million in 2025, due primarily to professional fees incurred in connection with our initial public offering of Shares and IDX listing completed in September 2025. Historically, professional fees have been paid to MCG for management consulting services. The community development program portion mainly represents a commitment by the MGR Group to implement social responsibility programs to support social and economic development in mining areas.

Salaries and allowances. Salaries and allowances include salaries, bonuses, and allowances for management and both permanent and temporary employees of the MGR Group.

Others. Other expenses primarily consist of various miscellaneous costs that are individually insignificant, including insurance costs, employee permit and license costs and costs of purchasing low-value assets.

Loss from Operating

Operating loss is calculated by subtracting operating expenses from gross profit.

The table below presents operating losses and their percentage of revenue for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Loss from Operating	<u>1,712</u>	<u>122.8</u>	<u>449</u>	<u>25.7</u>	<u>9,632</u>	<u>7,297.0</u>

Finance income

Finance income consists of interest received from cash balances maintained in current accounts.

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Finance expenses

Finance expenses primarily consist of interest on loans, sale and leaseback arrangements and finance leases.

The following table presents details of the components of finance expenses and their percentage of total finance expenses for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Interest on related party borrowings . .	8,520	94.7	18,791	90.9	22,618	153.6
Interest on bank borrowings	—	—	112	0.5	1,040	7.1
Interest on sale and leaseback arrangements	443	4.9	1,536	7.4	1,957	13.3
Interest on lease liabilities	31	0.4	5	0.1	9	0.1
Amortized borrowing cost	—	—	229	1.1	1,031	7.0
Accretion interest on mine rehabilitation provision	—	—	—	—	514	3.4
Less: Interest capitalized . .	—	—	—	—	(12,445)	(84.5)
Total	8,994	100	20,673	100	14,724	100

Interest on related party borrowings. Interest on related party borrowings consists of interest arising in connection with loans from MCG.

Interest on bank borrowings. Interest on bank borrowings consists of interest arising in connection with loans from bank loan facilities.

Interest on sale and leaseback arrangements. Interest on sale and leaseback arrangements consists of interest arising in connection with heavy equipment acquired under sale and leaseback arrangements.

Interest on lease liabilities. Interest on lease liabilities represents interest arising in connection with office lease contracts.

Amortized borrowing cost. Amortized borrowing cost is the amortization of transaction costs incurred in connection with bank loan facilities.

Accretion interest on mine rehabilitation provision. Accretion interest represents costs related to the increase in the carrying amount of the mine rehabilitation provision over time associated with the Asset Retirement Obligation (“ARO”), which is calculated using the inflation rate and the IBPA rate. ARO represents the obligation of the MGR Group to restore mining sites that have been completed and returned to their original condition.

Interest capitalized. Interest capitalized represents interest on loans that is capitalized to capital expenditures, because the loans are used for construction of plant activities.

Other income/(expenses)

Other income/(expenses) primarily arise from changes in the fair value of equity investments and gain/loss on foreign currency.

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The following table presents details of other income/(expense) components of total other income/(expense) – net for each year:

	Year ended 31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
(Gain)/loss on foreign currency – net . . .	(56)	(266)	1,971
Fair value changes on equity interest . . .	–	(4,950)	–
Excess value in acquisition of a subsidiary	–	(845)	–
Other (income)/expenses – net	(331)	561	274
	<u>(387)</u>	<u>(5,500)</u>	<u>2,245</u>

(Gain)/loss on foreign currency – net. Losses and gains on foreign currency are primarily driven by revaluations of cash and banks, receivables and payables denominated in currencies other than the functional currency of the Company or its subsidiaries. Loss on foreign currency – net was US\$2.0 million in 2025, due primarily to the net proceeds from our initial public offering of Shares in September 2025 being denominated in Rupiah, while our reporting currency is U.S. dollars.

Fair value changes on equity interest. Changes in fair value of equity interest represent the remeasurement fair value gain of PEG’s 49% ownership interest in PETS (a joint venture) of US\$4.9 million.

Excess value in acquisition of a subsidiary. Excess value in acquisition of a subsidiary represents the and excess value gain of US\$0.8 million in connection with the Company’s direct and indirect acquisition of the remaining 51% interest in PETS on 27 June 2024.

Other income/(expense) – net. Other income/(expense) mainly consist of various costs/other income not related to the MGR Group’s business activities, the amount of which is individually insignificant, including shipping costs and bank administration fees, as well as other income from third parties.

Loss before income tax

Loss before income tax is calculated by subtracting operating loss from the sum of financial income and finance expenses, plus Other income/(expense) – net.

The table below presents the loss before income tax and its percentage of revenue for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Loss before income tax	<u>10,131</u>	<u>726.8</u>	<u>14,934</u>	<u>853.4</u>	<u>25,392</u>	<u>19,236.4</u>

Income tax benefit/(expense)

The MGR Group’s operational activities are subject to income tax calculated at a tax rate of 22% of the estimated taxable profit for the current year in accordance with the prevailing corporate income tax rate in Indonesia. Specifically for GSM as the holder of the Contract of Work, the applicable income tax rate is 35% of the estimated taxable profit as stipulated in the terms of the contract.

The MGR Group also derives income tax benefits in the form of the recognition of deferred tax arising from temporary differences between commercial and fiscal reporting, as well as the

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accumulation of tax losses that can be carried forward for five years from the year of accumulation. These deferred tax assets provide future economic benefits because they can be used to reduce income tax expenses in subsequent years. Where the tax losses cannot be used before they expire or where it is considered they are unlikely to be utilized, such deferred tax assets are reversed.

Loss for the year

Loss for the year is calculated by subtracting income tax expense or adding income tax benefit from loss before income tax.

The table below presents the current year loss and its percentage of revenue for each year:

	Year ended 31 December					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Loss for the year	<u>6,837</u>	<u>490.5</u>	<u>12,700</u>	<u>725.7</u>	<u>27,494</u>	<u>20,828.8</u>

Exchange difference on financial statements translation

Exchange difference on financial statements translation recognized in other comprehensive income/(loss) relates to foreign exchange differences arising from the translation of financial statements of subsidiaries that use a functional currency other than U.S. dollars.

Actuarial (loss)/gain

Actuarial (loss)/gain recognized in other comprehensive (loss)/income relates to actuarial gains or losses arising from the remeasurement of defined benefit obligations under employee benefit plans as a result of experience adjustments and changes in actuarial assumptions.

OPERATING SEGMENTS

Based on the financial information reviewed by the chief operating decision maker, which we consider to be our Board of Directors, in evaluating the Group's performance and in allocating resources, management has determined that the Group operates in a single operating segment. Although the Group's operations include mining support services, mining, and processing activities, these are integrated and managed as one inseparable unit.

The Group operates in a single geographical area, Indonesia. During the years ended 31 December 2023, 2024 and 2025, the Group's revenue was generated substantially from mining equipment rental services to customers in Indonesia, and 100% of the Group's non-current assets are located in Indonesia.

Revenue from services is recognized using output method based on actual heavy equipment operating hours incurred during the reporting period. Revenue from services is recognised over time. Going forward, the Group expects a significant portion of its revenue to be derived from the sale of gold products.

YEAR-TO-YEAR COMPARISON OF RESULT OF OPERATIONS

Year Ended 31 December 2025 Compared to Year Ended 31 December 2024

Revenue. Revenue decreased by 94.4% to US\$0.1 million in 2025 from US\$1.8 million in 2024, because PETS became a subsidiary of the Group on 27 June 2024 and accordingly all of the rental income earned from PETS in 2025 is eliminated on consolidation.

Cost of revenue. Cost of revenue decreased by 75.0% to US\$0.3 million in 2025 from US\$1.2 million in 2024.

Depreciation. Depreciation included in cost of revenue decreased by 85.0% to US\$0.03 million in 2025 from US\$0.2 million in 2024 due to decrease in heavy equipment rental operating hours.

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Repair and maintenance and other expenses. Repair and maintenance and other costs decreased by 70.0% to US\$0.3 million in 2025 from US\$1.0 million in 2024 in line with the decrease in revenue from mining equipment rental for mining support services to PETS which has been fully eliminated since June 2024 in the consolidated financial statements.

Gross (loss)lprofit. As a result of the foregoing, the Group recorded gross loss of US\$0.1 million in 2025, compared to gross profit by US\$0.6 million in 2024. Gross profit margin decreased to (110.6%) in 2025 from 32.6% in 2024.

General and administrative expenses. General and administrative expenses increased by 850.0% to US\$9.5 million in 2025 from US\$1.0 million in 2024.

Professional fees and community development program. Professional fees and community development program increased by 1,128.6% to US\$8.6 million from 2024, due primarily to professional fees incurred in connection with our initial public offering completed in September 2025.

Salaries and allowances. Salaries and allowances increased by 100.0% to US\$0.2 million in 2025 from US\$0.1 million in 2024, primarily due to an increase in the number of employees.

Others. Others increased by 200% to US\$0.6 million in 2025 from US\$0.2 million in 2024.

Loss from operating. As a result of the foregoing, loss from operating increased by 2,300.0% to US\$9.6 million in 2025 from US\$0.4 million in 2024.

Finance income. Finance income increased by 71.4% to US\$1.2 million in 2025 from US\$0.7 million in 2024, primarily due to interest earned.

Finance expenses. Finance expenses decreased by 29.0% to US\$14.7 million in 2025 from US\$20.7 million in 2024 primarily due to interest capitalized of US\$12.4 million.

Other (expense)lincome – net. The Group recorded other expense – net of US\$2.2 million in 2025, compared to other income – net of US\$5.5 million in 2024, this was due mainly to the remeasurement fair value gain of PEG's 49% ownership in PETS (a joint venture) of US\$5.0 million and excess value gain of US\$0.8 million in connection with the Company's direct and indirect acquisition of the remaining 51% interest in PETS on 27 June 2024, and to a lesser extent, the loss on foreign currency net of US\$2.0 million in 2025 resulting from reporting in U.S. dollars the Rupiah-denominated net proceeds from our initial public offering in September 2025.

Loss before income tax. As a result of the foregoing, loss before income tax increased by 70.5% to US\$25.4 million in 2025 from US\$14.9 million in 2024.

Income tax expense. The Group recorded income tax expense of US\$2.1 million in 2025, compared to income tax benefit of US\$2.2 million in 2024. This was primarily due to the reversal of deferred tax assets brought forward arising from tax losses.

Loss for the year. As a result of the foregoing, loss for the year increased by 116.5% to US\$27.5 million in 2025 from US\$12.7 million in 2024.

Other comprehensive incomel(loss) – net. The Group recorded other comprehensive income – net of US\$0.2 million in 2025, compared to other comprehensive loss – net of US\$0.6 million in 2024.

Total comprehensive loss for the year. As a result of the foregoing, total comprehensive loss for the year increased by 105.3% to US\$27.3 million in 2025 from US\$13.3 million in 2024.

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

Revenue. Revenue increased by 28.6% to US\$1.8 million in 2024 from US\$1.4 million in 2023, due to an increase in revenue from heavy equipment rental to PETS, a joint venture in which the Group had a 49% interest. On 27 June 2024, the Group acquired the remaining 51% interest in PETS and accordingly income from rental of heavy equipment after that date has been eliminated on consolidation.

Cost of revenue. Cost of revenue increased by 33.3% to US\$1.2 million in 2024 from US\$0.9 million in 2023.

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Repair and maintenance and other expenses. Repair and maintenance and other costs increased by 66.7% to US\$1.0 million in 2024 from US\$0.6 million in 2023, primarily due to increased hours of mining equipment rental usage in line with increased construction activity on mining infrastructure and processing facilities.

Depreciation. Depreciation costs decreased by 33.3% to US\$0.2 million in 2024 from US\$0.3 million in 2023, primarily due to the elimination of depreciation expense on MMI's heavy equipment leased to PETS following the consolidation of PETS into the MGR Group in June 2024.

Gross profit. As a result of the foregoing, gross profit increased by 20.0% to US\$0.6 million in 2024 from US\$0.5 million in 2023. Gross profit margin decreased to 32.6% in 2024 from 32.9% in 2023.

General and administrative expenses. General and administrative expenses decreased by 54.5% to US\$1.0 million in 2024 from US\$2.2 million in 2023.

Professional fees and community development program. Professional fees and community development decreased by 53.3% to US\$0.7 million from US\$1.5 million in 2023.

Salaries and allowances. Salaries and allowances decreased by 75.0% to US\$0.1 million in 2024 from US\$0.4 million in 2023.

Others. Others increased by 2.1% to US\$244 thousand in 2024 from US\$239 thousand in 2023.

Loss from operating. As a result of the foregoing, loss from operating decreased by 76.5% to US\$0.4 million in 2024 from US\$1.7 million in 2023.

Finance income. Finance income increased by 250.0% to US\$0.7 million in 2024 from US\$0.2 million in 2023.

Finance expenses. Finance expenses increased by 130.0% to US\$20.7 million in 2024 from US\$9.0 million in 2023, primarily due to higher loan balances.

Other income – net. Other income – net increased by 1,275.0% to US\$5.5 million in 2024 from US\$0.4 million in 2023, primarily due to the remeasurement fair value gain of PEG's 49% ownership in PETS (a joint venture) of US\$5.0 million and excess value gain of US\$0.8 million in connection with the Company's acquisition of the remaining 51% interest in PETS on 27 June 2024.

Loss before income tax. As a result of the foregoing, loss before income tax increased by 47.5% to US\$14.9 million in 2024 from US\$10.1 million.

Income tax (expense)/benefit. Income tax benefit decreased by 33.3% to US\$2.2 million in 2024 from US\$3.3 million in 2023.

Loss for the year. As a result of the foregoing, loss for the year increased by 86.8% to US\$12.7 million in 2024 from US\$6.8 million in 2023.

Other comprehensive income/(loss) – net. Other comprehensive loss – net increased by 1,903.2% to US\$621 thousands in 2024 from US\$31 thousand in 2023.

Total comprehensive loss for the year. As a result of the foregoing, total comprehensive loss for the year increased by 92.8% to US\$13.3 million in 2024 from US\$6.9 million in 2023.

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DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets

The following table presents the details of our assets as at the dates indicated.

	31 December 2023	31 December 2024	31 December 2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	69,194	148,724	317,195
Exploration and evaluation assets	175,843	182,258	–
Mining properties	–	82,923	305,584
Advances and prepayments – non-current portion	2,956	13,667	10,628
Goodwill	122	122	–
Trade and other receivables – non-current portion	55,068	19,689	36,076
Deferred tax assets	4,385	8,622	7,402
Other non-current assets	1,399	2,271	2,522
Total non-current assets	308,967	458,276	679,407
CURRENT ASSETS			
Inventories	610	573	10,515
Trade and other receivables – current portion	5,128	–	428
Advances and prepayments – current portion	1,595	3,537	4,980
Cash and banks	12,351	67,335	45,308
Total current assets	19,684	71,445	61,231
TOTAL ASSETS	328,651	529,721	740,638

Position as at 31 December 2025 compared to position as at 31 December 2024

Total assets as at 31 December 2025, increased by 39.8% to US\$740.6 million, compared to US\$529.7 million as at 31 December 2024. This increase was primarily attributable to additions of property, plant and equipment and mining properties in line with the increased construction activities by PETS, PBT and GSM for mining infrastructure and development of the processing facility by PBT, to prepare for first gold production in the first quarter of 2026.

Position as at 31 December 2024 compared to position as at 31 December 2023

Total assets as at 31 December 2024, increased by 61.1% to US\$529.7 million, compared to US\$328.7 million as at 31 December 2023. This increase was primarily due to the addition of mining properties following the consolidation of PETS into the MGR Group in June 2024, an increase in cash and cash equivalents from loans from MCG, as well as an increase in property, plant and equipment.

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Liabilities

The following table presents the details of our liabilities as at the dates indicated.

	31 December 2023	31 December 2024	31 December 2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
LIABILITIES			
CURRENT LIABILITIES			
Trade payables, other payable and accruals	25,586	49,289	57,248
Sale and leaseback arrangement – current portion	3,339	6,732	9,835
Lease liabilities – current portion	17	19	620
Provision for mining rehabilitation – current portion	–	–	26
Total current liabilities	28,942	56,040	67,729
Total assets less current liabilities	299,709	473,681	672,909
NON-CURRENT LIABILITIES			
Borrowings	133,700	177,946	260,404
Sale and leaseback arrangement – non-current portion	10,663	15,609	16,081
Lease liabilities – non-current portion	52	39	2,657
Deferred tax liabilities	–	6,404	6,705
Employment benefits liability	98	645	1,222
Provision for mining rehabilitation – non current portion	–	–	4,901
Total non-current liabilities	144,513	200,643	291,970
TOTAL LIABILITIES	173,455	256,683	359,699

Position as at 31 December 2025 compared to position as at 31 December 2024

Total liabilities as at 31 December 2025, increased by 40.2% to US\$360.0 million, compared to US\$256.7 million as at 31 December 2024. This increase was primarily due to increase bank loan used by the MGR Group to repay loans to MCG.

Position as at 31 December 2024 compared to position as at 31 December 2023

Total liabilities as at 31 December 2024, increased by 48.0% to US\$256.7 million, compared to US\$173.5 million as at 31 December 2023. This increase was primarily due to higher accrued expenses and borrowings from MCG.

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Equity

The following table presents the details of our equity as at the dates indicated.

	31 December 2023	31 December 2024	31 December 2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
EQUITY			
Equity attributable to owners of the parent entity			
Share capital	6,996	138,115	152,891
Additional paid-in capital – net	168,264	168,264	302,463
Treasury stock	–	–	(13,742)
Translation reserve	1,255	575	733
Employment benefits reserve	(11)	47	51
Accumulated losses	(21,307)	(34,007)	(61,499)
Total equity attributable to owners of the parent entity	155,197	272,994	380,897
Non-controlling interest	(1)	44	42
TOTAL EQUITY	155,196	273,038	380,939

Position as at 31 December 2025 compared to position as at 31 December 2024

Total equity as at 31 December 2025, increased by 39.5% to US\$380.9 million compared to total equity as at 31 December 2024, which amounted to US\$273.0 million. This increase was primarily due to the increase in the Company’s share capital in relation to its [REDACTED] in September 2025. This increase was partially offset by treasury buyback shares and an increase in accumulated losses. As at 31 December 2025, most of our subsidiaries have not yet commenced commercial operations, so their activities still generate additional operational costs without a commensurate contribution to revenue.

Position as at 31 December 2024 compared to position as at 31 December 2023

Total equity as at 31 December 2024, increased by 75.9% to US\$273.0 million compared to total equity as at 31 December 2023, which amounted to US\$155.2 million. This increase was primarily due to the increase in the Company’s share capital made in September 2024. This increase was partially offset by an increase in accumulated losses, reflecting the MGR Group’s ongoing business development phase. As at 31 December 2023 and 2024, most of our subsidiaries had not yet commenced commercial operations. Accordingly, while certain expenditures and cash outflows were capitalized to the capital expenditure, the Group continued to incur operating and administrative expenses without generating significant operating revenue.

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LIQUIDITY AND CAPITAL RESOURCES

The MGR Group's primary liquidity needs are to finance exploration activities, develop mining infrastructure and processing facilities, fund working capital, and maintain cash reserves. The MGR Group's primary sources of liquidity have historically come from capital injections and borrowings. As at 31 December 2025, the MGR Group had internal liquidity sources in the form of cash and cash equivalents of US\$45.3 million.

If, in the future, the MGR Group's liquidity is insufficient to meet its working capital and capital expenditure requirements, the MGR Group will seek to obtain additional borrowings and/or new credit facilities or funding through the capital markets. The MGR Group's ability to obtain adequate funding to meet its capital expenditure requirements, contractual obligations, and to repay principal and interest may be constrained by the MGR Group's financial condition and operating results, as well as domestic financial market and operating liquidity conditions. The Company cannot guarantee that the MGR Group will be successful in obtaining funding on acceptable terms.

As the MGR Group is currently in its development phase, it has negative operating and investing cash flows, while financing cash flows are positive. This is due to the limited revenue generated by the MGR Group from mining equipment rentals and the high capital expenditure required to complete the construction of mining infrastructure and processing facilities. To finance these operating and investment activities, the MGR Group primarily uses funding from new share issuances, related party loans, and bank loans.

The MGR Group's liquidity could be materially impaired if third-party processing and refining activities are disrupted. The MGR Group will collaborate with third parties to perform processing and refining activities, but there is no guarantee that doré bullion processing will always be completed within the agreed timeframe.

As at the Latest Practicable Date, there are no restrictions on the ability of the Company's subsidiaries to transfer funds to the Company that could impact the Company's ability to meet its cash payment obligations.

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The following table presents a summary of our cash flows for the years indicated.

	Year ended 31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(10,131)	(14,934)	(25,392)
Adjustments for:			
Depreciation of property, plant and equipment	352	235	56
(Gain)/loss on foreign currency	(56)	(266)	1,971
Fair value change on equity interest	–	(4,950)	–
Excess value in acquisition of subsidiaries	–	(845)	–
Employee benefit expense	3	4	6
Impairment of goodwill	–	–	122
Finance income	(188)	(688)	(1,209)
Finance expense	8,994	20,673	14,724
Operating cash flow before working capital change	(1,026)	(771)	(9,722)
(Increase)/decrease in inventories	(496)	46	(8,508)
Increase in trade and other receivables	(6,849)	(1,096)	(18,127)
Increase in advances and prepayments	(1,464)	(1,942)	(1,442)
Decrease/(increase) in other non-current assets	5	(872)	(251)
(Decrease)/increase in trade payables, other payable and accruals	(6,911)	(2,334)	15,279
Increase in employee benefit liabilities	64	262	575
Cash used in operations	(16,677)	(6,707)	(22,196)
Finance income	188	688	1,209
Income taxes paid	–	(262)	(727)
Net cash flows used in operating activities	(16,489)	(6,281)	(21,714)
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition of exploration and evaluation assets	(18,011)	(3,576)	(4,850)
Addition of mining properties	–	(3,474)	(25,590)
Acquisition of property, plant and equipment	(39,402)	(90,928)	(152,121)
Consideration paid for acquisition of a subsidiary	–	(8,061)	–
Borrowing to a related party	(27,284)	–	–
Net cash flows used in investing activities	(84,697)	(106,039)	(182,561)

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	Year ended 31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing from a related party	100,200	140,656	261,250
Repayment of borrowing from a related party	–	(100,606)	(435,000)
Proceeds from issuance of shares	–	131,119	283,691
Share issuance cost	–	–	(7,058)
Consideration paid for treasury stock	–	–	(141,400)
Proceeds from sale and leaseback arrangement	9,541	12,989	12,174
Payment of sale and leaseback arrangement	(653)	(4,713)	(8,599)
Payment of interest for sale and leaseback arrangement	(443)	(1,536)	(1,957)
Payment of principal portion lease liabilities	(498)	(11)	(15)
Payment of interest portion of lease liabilities	(31)	(5)	(9)
Proceeds from bank borrowing	–	5,000	310,000
Payment of bank borrowing	–	–	(50,000)
Payment of borrowing cost	–	(804)	(4,823)
Payment of interest on a related party borrowing	(135)	(13,994)	(35,126)
Payment of interest on bank borrowing	–	(112)	(1,038)
Net cash flows from financing activities	107,981	167,983	182,090
NET INCREASE/(DECREASE) IN CASH AND BANKS	6,795	55,663	(22,185)
CASH AND BANKS AT BEGINNING OF THE YEAR	5,582	12,351	67,335
Effect of foreign exchange translation on cash and banks	(26)	(679)	158
CASH AND BANKS AT END OF THE YEAR	12,351	67,335	45,308

Cash flow from operating activities

In 2025, MGR Group's net cash flow used in operating activities increased by 244.4% to US\$21.7 million from US\$6.3 million in 2024. The increase was primarily due to an increase in operational costs related to exploration activities as well as the development of mining infrastructure and processing facilities.

In 2024, MGR Group's net cash flow used in operating activities decreased by 61.8% to US\$6.3 million from US\$16.5 million in 2023. The decrease was primarily due to an increase operational costs related to PETS and GSM exploration activities during 2024.

Net cash flow used for investing activities

In 2025, the MGR Group's net cash flow used in investing activities increased by 72.2% to US\$182.6 million from US\$106.0 million, primarily due to higher additions of property, plant and equipment at PBT, MAP, GSM, and PETS.

In 2024, the MGR Group's net cash flow used in investing activities increased by 25.1% to US\$106.0 million from US\$84.7 million, primarily due to increased acquisitions of property, plant and equipment at PBT and GSM. The Company, through PEG, also provided a loan to PETS in 2023 to fund PETS' capital expenditure and working capital needs during the period prior to PETS's consolidation into the MGR Group in June 2024.

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Net cash flow from financing activities

In 2025, MGR Group’s net cash flow provided by financing activities increased by 8.4% to US\$182.1 million from US\$168.0 million in 2024, primarily due to proceeds from the [REDACTED] and bank borrowings, partially offset by repayments of loans to related parties and treasury share buyback.

In 2024, MGR Group’s net cash flow provided by financing activities increased by 55.6% to US\$168.0 million from US\$108.0 million in 2023, primarily due to proceeds from the issuance of common shares and loans to related parties, partially offset by payments on loans to related parties.

Working Capital Sufficiency

The Directors and Commissioners are of the opinion that, taking into consideration the financial resources presently available to us, including cash generated from operating activities and available undrawn loan facilities, we have sufficient working capital required for 125% of our present requirements for at least the next 12 months from the date of this Document.

CAPITAL EXPENDITURES

The MGR Group continues to develop and construct mining infrastructure around the Pani Gold Mine. The development plan includes the construction of mining infrastructure such as mining roads and their supporting facilities, mine water treatment, waste dump facilities, land clearing, processing infrastructure such as processing facilities, construction of heap-leach pads and heap-leach ponds, and the construction of supporting facilities in other mining areas such as warehouses, laboratories, security offices, and operational offices. All such costs are capitalized and recorded as construction in progress, exploration and evaluation, and mining properties.

The following table presents details of historical capital expenditures for each period:

	Year ended 31 December		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Construction in progress	33,964	66,798	163,157
Exploration and evaluation assets ⁽¹⁾	21,440	6,415	8,218
Mining properties ⁽²⁾	–	82,923	32,990
Others ⁽³⁾	15,749	16,189	11,976
Total	71,153	172,325	216,341

Notes:

- (1) Exploration and evaluation assets are capitalized costs consisting of compensation land costs, consultant fees, drilling, salaries and benefits, permits and licenses and other costs related to the MGR Group’s mineral resource mining activities. When technical and commercial feasibility of mining of Mineral Resources are demonstrable, exploration and evaluation assets are reclassified as “mining under development” at “mining properties” account.
- (2) Mining properties are capitalized costs consisting of compensation land costs, consultant fees, drilling, salaries and benefits, permits and licenses and other costs related to the MGR Group’s mineral resource mining activities before the production stage, including the results of the acquisition of subsidiaries.
- (3) Others include land, buildings, office equipment, factories, machinery, equipment, vehicles and heavy equipment.

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Mining properties increased from nil in 2023 to US\$82.9 million in 2024, due primarily to the fair value of mining properties of US\$79.0 million that we acquired as part of our acquisition of PETS.

Capital expenditure plan

The MGR Group expects capital expenditure of approximately US\$306 million for 2026, the majority of which will be used on the construction of CIL facilities.

Actual capital expenditures may vary from the planned amounts due to various factors, including, among other things, changes in contractor fees, evolving project requirements, and the Company and/or its Subsidiaries’ ability to secure external funding to support the planned capital expenditures.

INTEREST RATES ON LOANS

Interest rate fluctuations

MGR Group’s interest rate risk arises primarily from borrowings. Loans issued at floating interest rates expose MGR Group to cash flow interest rate risk.

The Company’s policy is to manage cash flow risk from interest rates by financing loans at lower interest rates.

On 31 December 2025, if interest rate on borrowing had been 10 basis points higher/lower with all other variables held constant, loss for the year would have been higher/lower US\$0.3 million (31 December 2024 and 2023: US\$0.2 million and US\$0.1 million).

INDEBTEDNESS

As at 31 January 2026, being the indebtedness date for the purpose of the indebtedness statement, our indebtedness included: (i) borrowings of US\$300.5 million; (ii) sale and leaseback arrangement of US\$26.1 million and (iii) lease liabilities of US\$3.0 million.

Borrowings

We had borrowings of US\$133.7 million as at 31 December 2023, US\$177.9 million as at 31 December 2024, US\$260.4 million as at 31 December 2025, and US\$300.5 million as at 31 January 2026, being the indebtedness date for the purpose of the indebtedness statement.

	31 December 2023	31 December 2024	31 December 2025	31 January 2026
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Borrowings				
Loans payable to MCG	133,700	173,750	–	–
Bank loan	–	4,196	260,404	300,459
	<u>133,700</u>	<u>177,946</u>	<u>260,404</u>	<u>300,459</u>

Loans payable to MCG refers to unsecured loans from MCG that were repayable on 8 April 2027 and 20 December 2028 (or such later date as may be determined in accordance with the senior facility agreement), and bearing interest at a rate of 3-month London Interbank Offered Rate (“LIBOR”) plus 5.50% margin per annum, as subsequently amended to 3-month Term SOFR plus a 5.76% margin per annum. The Company fully repaid such loans payable to MCG using proceeds from the Company’s IPO in September 2025.

Bank loans refer to (i) a secured syndicated loan pursuant to a syndicated revolving credit facility entered into by the Company on 13 September 2024, maturing on 13 March 2026, and (ii) a syndicated revolving facility entered into by PBT, GSM and PETS on 4 December 2025, maturing on 5 December 2030.

On 13 September 2024, the Company entered into a syndicated revolving credit facility, with a facility limit of US\$50 million. The final maturity date of this facility agreement is 13 March

FINANCIAL INFORMATION

2026. This facility bears interest at a compounded cumulative reference rate based on the Secured Overnight Financing Rate (“SOFR”) plus a 3% margin per annum, with an interest period of one month, three months, or any other period as agreed between the agent of the borrowers, the facility agent, and all lenders. This facility is secured by pledges over certain shares in the Company and its subsidiaries, as well as pledges over bank accounts, including certain of such shares held by MCG. The facility was drawn down in the amount of US\$50 million in 2025 and also fully repaid in 2025.

On 4 December 2025, PBT, GSM, and PETS entered into a syndicated revolving credit facility, with a facility limit of US\$350 million. The final maturity date of this facility agreement is 5 December 2030. This facility bears interest at a compounded cumulative reference rate based on the SOFR plus a 3.00%-3.20% margin per annum, with an interest period of one month, three months, or any other period as agreed between the agent of the borrowers, the facility agent, and all lenders. This facility is secured by pledges over certain shares in the Company’s subsidiaries, as well as pledges over the bank accounts of the subsidiaries.

We had unutilised banking facilities of US\$45 million as at 31 January 2026.

The following table sets forth the maturity analysis of our borrowings as at the dates indicated:

	31 December			31 January
	2023	2024	2025	2026
	USD’000	USD’000	USD’000	USD’000
Bank borrowings repayable:				
On demand or within one year	–	–	–	–
More than one year, but not exceeding two years	–	4,196	–	–
More than two years, but not exceeding five years	–	–	260,404	300,459
	–	4,196	260,404	300,459
Other borrowings repayable:				
On demand or within one year	–	–	–	–
More than one year, but not exceeding two years	–	–	–	–
More than two years, but not exceeding five years	133,700	173,750	–	–
	133,700	177,946	260,404	300,459

Our borrowings increased from US\$260.4 million as at 31 December 2025 to US\$300.5 million as at 31 January 2026.

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Sale and leaseback arrangement

	31 December 2023	31 December 2024	31 December 2025	31 January 2026
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Sale and leaseback arrangement				
Current portion	3,339	6,732	9,835	10,143
Non-current portion	10,663	15,609	16,081	15,969
	<u>14,002</u>	<u>22,341</u>	<u>25,916</u>	<u>26,112</u>

Our sale and leaseback arrangement (current and non-current portions) increased by 59.3% to US\$22.3 million as at 31 December 2024 from US\$14.0 million as at 31 December 2023. This increase was primarily due to MMI’s sale and leaseback arrangements for the acquisition of heavy equipment, which were entered into to support construction and operational activities at the Pani Gold Mine, enabling the Company to efficiently develop mining infrastructure and processing facilities. Our sale and leaseback liabilities were US\$25.9 million as at 31 December 2025. Our sale and leaseback liabilities were US\$26.1 million as at 31 January 2026.

The maturity analysis of the amount due under sale and leaseback arrangement are as follows:

	31 December			
	2023	2024	2025	31 January 2026
	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
Within one year	3,339	6,732	9,835	10,143
More than one year, but not exceeding two years	4,317	8,044	9,773	9,876
More than two years, but not exceeding five years	6,346	7,565	6,308	6,093
Total	<u>14,002</u>	<u>22,341</u>	<u>25,916</u>	<u>26,112</u>

Lease liabilities

The following table sets forth the maturity analysis of our lease liabilities as at the dates indicated:

	31 December 2023	31 December 2024	31 December 2025	31 January 2026
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Within one year	23	22	919	709
More than one year, but not exceeding two years	22	23	919	752
More than two years, but not exceeding five years	42	19	1,841	1,551
Total	<u>87</u>	<u>64</u>	<u>3,679</u>	<u>3,012</u>

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Contingent Liabilities

As at 31 December 2023, 2024 and 2025 and 31 January 2026, we did not have any material contingent liabilities.

Indebtedness Statement

As at 31 January 2026, being the latest practicable date for the purpose of the indebtedness statement, except as otherwise disclosed in “— Borrowings” and “— Contingent Liabilities”, we did not have any outstanding mortgages, charges, debentures, other issued debt capital and debt securities, bank overdrafts, borrowings, hire purchase commitments, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities.

Our Directors and Commissioners do not foresee any potential difficulty in obtaining bank facilities should the need arise. If the MGR Group’s liquidity is insufficient to meet its working capital and capital expenditure needs, the MGR Group intends to seek additional funding through new loans and/or credit facilities or financing through the capital markets. However, the MGR Group’s ability to obtain such funding, including new loan facilities, to meet its capital expenditure needs, contractual obligations, and repay debt and interest may be affected by its financial condition and results of operations, as well as prevailing conditions in the domestic financial markets.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as at and for the years indicated:

	As at and for the year ended 31 December		
	2023	2024	2025
Rates of return			
Return on assets ⁽¹⁾ (%)	(2.1)	(3.0)	(4.3)
Return on equity ⁽²⁾ (%)	(4.3)	(5.9)	(8.4)
Liquidity ratios			
Current ratio ⁽³⁾ (times)	0.68	1.27	0.90
Quick ratio ⁽⁴⁾ (times)	0.66	1.26	0.75
Gearing ratio ⁽⁵⁾ (times)	0.95	0.73	0.76
Profit/(loss) margin			
Gross (loss)/profit margin ⁽⁶⁾ (%)	32.9	32.6	(110.6)
Net loss margin ⁽⁷⁾ (%)	(490.5)	(725.7)	(20,828.8)

Notes:

- (1) Return on assets ratio is calculated using the net profit for the year divided by the average of total assets at the end of the year, multiplied by 100%.
- (2) Return on equity ratio is calculated using the net profit attributable to owners of the parent entity for the year divided by the average of total equity attributable to owners of the parent entity at the end of the year, multiplied by 100%.
- (3) Current ratio is calculated using total current assets divided by total current liabilities.
- (4) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
- (5) Gearing ratio is calculated by dividing total debt (which includes current and non-current portions of interest-bearing bank and other borrowings, sale and leaseback arrangement and lease liabilities) by total equity.
- (6) Gross (loss)/profit margin is calculated based on the gross (loss)/profit for the year divided by the total revenue for the respective year and multiplied by 100%.
- (7) Net profit/(loss) margin is calculated based on the profit/(loss) for the year divided by the total revenue for the respective year and multiplied by 100%.

NO MATERIAL OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period, we did not have any material off-balance sheet arrangements.

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RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of conducting its business, the Group has entered into certain business and financial transactions with its related parties. Our Directors and Commissioners are of the view that the related party transactions set out in Note 32 to the Accountant’s Report in Appendix I to this Document, were conducted in the ordinary course of our business, on an arm’s length basis and with normal commercial terms between the relevant parties.

Name of related parties	Relationship
1. PETS	Joint venture/subsidiary after 27 June 2024.
2. MCG	Shareholder of the Company
3. MMS	Fellow subsidiary
4. PT Merdeka Indonesia Mandiri (“MIM”)	Fellow subsidiary
5. PT Bumi Suksesindo (“BSI”)	Fellow subsidiary
6. PT Merdeka Teknik Servis (“MTS”)	Fellow subsidiary
7. Key management personnel	Board of Commissioners and Directors

Balances with related parties during the Track Record Period were as follows:

Name of related party	Account	Total		
		31 December 2023	31 December 2024	31 December 2025
		<i>US\$’000</i>	<i>US\$’000</i>	<i>US\$’000</i>
1. PETS	Revenue	35	1,750	–
	Borrowings	45,482	–	–
	Trade and other receivables	38	–	–
2. MCG	Borrowings	133,700	173,750	–
	Trade and other receivables	–	–	25
	Service cost	1,783	3,661	6,445
	Interest expense	8,520	18,791	22,618
	Trade payables, other payable and accruals	8,729	16,109	3,656
3. MMS	Revenue	–	–	132
	Service cost	10,185	6,763	17,715
	Trade and other receivable	–	–	52
	Trade payables, other payable and accruals	1,752	1,540	8,997
4. MIM	Rental expense	61	6	60
	Lease liabilities	69	58	43
5. BSI	Revenue	1,359	–	–
	Trade and other receivable	392	–	21
6. MTS	Service cost	–	–	270
	Trade payables, other payable and accruals	–	–	574

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The summary of information about our material accounting and financial reporting policies are set forth in Note 4 to the Accountant’s Report in Appendix I to this Document. Significant accounting judgements, estimates and assumptions are set forth in Note 5 to the Accountant’s Report in Appendix I. Significant accounting judgements, estimates and assumptions are those that require the management of the Company and its subsidiaries to exercise judgement in applying Group’s accounting policies that would yield materially different results if our management applied different assumptions or made different estimates. Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. We make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The

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estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income taxes

Group has exposure to income taxes. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognizes liabilities for expected tax issues, if any, based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact in the period in which such determination is made.

Useful lives of property, plant and equipment

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets.

Management estimates the useful lives of property, plant and equipment to be between 4 to 20 years. These are common life expectancies applied in the industry. However, for heavy equipment, useful lives are estimated based on total estimated operating life (hour meter basis). Therefore, future depreciation charges could be revised.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which such losses can be utilised. Tax losses in Indonesia may be carried forward for a maximum of five years.

Management judgement is required in determining the amount of deferred tax assets that can be recognised, based on the expected timing and level of future taxable profits, together with future tax planning strategies.

Employment benefits

The costs, assets and liabilities of the Group's defined benefit plans are determined using actuarial valuation methods that involve significant estimates and assumptions.

The Group engages independent actuaries to provide advice on the appropriateness of these assumptions. Changes in the actuarial assumptions may have a material impact on the Group's consolidated statements of profit or loss and other comprehensive income, and the consolidated statements of financial position.

Provision for mining rehabilitation

The Government Regulation No. 78/2010 deals with reclamation and post-mining activities for both Mining License Permit (IUP) — Exploration and Contract of Work and Production and the Ministerial Decree of ESDM No. 26/2018 deals with reclamation and post-mining activities in the mineral and coal mining business.

Restoration, rehabilitation and environmental expenditure to be incurred related to the remediation of disturbed areas during the production phase are charged to cost of sales when the obligation arising from the disturbance occurs as extraction progress.

The reclamation of disturbed areas and decommissioning of mining assets and other long lived assets will be undertaken during several years in the future and precise requirements are constantly changing to satisfy political, environmental, safety and public expectations. As such, the timing and amounts of future cash flows required to settle the obligation at each of the statement of financial position dates are subject to significant uncertainty. Changes in the expected future costs could have an impact on the Company's financial statements.

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Ore Reserves

Proven and probable Reserves are estimates of the amount of ore that can be economically and legally exploited from the Group's mining properties. The Group determines and reports its Ore Reserves under the principles incorporated in the Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code") of the Australasian JORC.

In order to estimate Ore Reserves, assumptions are required about a range of geological, technical and economic factors, including production quantities, production techniques, strip ratio, production costs, transportation costs, demand and prices of gold and exchange rates. Estimating the quantity and/or gold content of Ore Reserves requires the size, shape and depth of orebodies to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements to interpret the data.

Because the economic assumptions used to estimate Reserves change from period to period and because additional geological data is generated during the course of operations, estimates of Reserves may change from period to period. Changes in the reported Reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- a. Assets carrying values may be affected due to changes in the estimated future cash flows.
- b. Depreciation, depletion and amortisation charged to profit or loss may change where such charges are determined on the units-of-production basis, or where the useful economic lives of assets change.
- c. Decommissioning, site restoration and environmental provisions may change where changes in estimated Reserves affect expectations about the timing or cost of these activities.

The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of financial risks including credit risk, liquidity risk, currency risk and interest rate risk.

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to cash and bank, trade and other receivables and other non-current assets.

Since counterparties of cash and bank balances are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

The Group's other financial assets comprise trade and other receivables, as well as the non-current assets. The credit risk associated with amounts due from related parties within trade receivables is considered immaterial, given the positive repayment history. Restricted time deposits included in other non-current assets are placed with reputable banks with high credit ratings, credit risk arising from these financial instruments is insignificant.

For other receivables and security deposit in non-current assets, the credit risk arises from potential defaults by counterparties, with the maximum exposure being equal to the carrying amounts of these financial instruments. The Group continue to minimize the credit risk by monitoring on an ongoing basis with the objective that the Group's exposure to expect credit loss is not significant.

Group is confident in its ability to control and sustain minimal exposure of credit risk. The maximum credit risk exposure as at 31 December 2025 is US\$48.3 million (31 December 2024: US\$69.6 million and 31 December 2023: US\$64.4 million).

Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting financial obligations due to shortage of funds.

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The Group monitors its liquidity needs by closely monitoring debt servicing payment schedule for financial liabilities, particularly its cash outflows due to day-to-day operations. Management also continuously assesses conditions in the financial markets for opportunities to obtain optimal funding sources.

The maturity profile of the Group’s financial liabilities as at the end of each year is as follows:

31 December 2023					
	<i>Carrying amount US\$'000</i>	<i>Within one year US\$'000</i>	<i>One to two years US\$'000</i>	<i>Two to five years US\$'000</i>	<i>Contractual cash flows US\$'000</i>
Liabilities					
Trade payables, other payable and accruals . . .	25,586	25,586	–	–	25,586
Borrowings	133,700	8,639	–	133,700	142,539
Sale and leaseback arrangement	14,002	4,423	4,342	7,735	16,500
Lease liabilities	69	23	22	42	87
Total liabilities	173,357	38,671	4,364	141,477	184,512
31 December 2024					
	<i>Carrying amount US\$'000</i>	<i>Within one year US\$'000</i>	<i>One to two years US\$'000</i>	<i>Two to five years US\$'000</i>	<i>Contractual cash flows US\$'000</i>
Trade payables, other payable and accruals . . .	49,289	49,289	–	–	49,289
Borrowings	177,946	13,430	–	178,750	192,180
Sale and leaseback arrangement	22,341	8,295	8,025	9,048	25,368
Lease liabilities	58	22	23	19	64
Total liabilities	249,634	71,036	8,084	187,817	266,901
31 December 2025					
	<i>Carrying amount US\$'000</i>	<i>Within one year US\$'000</i>	<i>One to two years US\$'000</i>	<i>Two to five years US\$'000</i>	<i>Contractual cash flows US\$'000</i>
Trade payables, other payable and accruals . . .	57,248	57,248	–	–	57,248
Borrowings	260,404	1,325	–	265,000	266,325
Sale and leaseback arrangement	25,916	11,435	10,414	6,715	28,564
Lease liabilities	3,277	919	919	1,841	3,679
Total liabilities	346,845	70,927	11,333	273,556	355,816

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates.

FINANCIAL INFORMATION

The Group manages the currency risk by matching receipts and payments in the same currency and through regular monitoring related to the exchange rate fluctuation.

		31 December 2023	31 December 2024	31 December 2025
	Increase/ (decrease) in percentage	Effect on profit before tax <i>US\$'000</i>	Effect on profit before tax <i>US\$'000</i>	Effect on profit before tax <i>US\$'000</i>
United States Dollar:				
Indonesian Rupiah	(5%)	1,465	2,447	3,102
	5%	(1,465)	(2,447)	(3,102)
Australian Dollar	5%	2	4	5
	(5%)	(2)	(4)	(5)

The impact of the above change in exchange rate of U.S. Dollar to other currencies is mainly the result of change in the value of foreign currencies denominated monetary assets and liabilities.

Interest rate risk

The Group’s interest rate risk mostly arises from borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk.

The Group’s policy is to manage its cash flows interest rate risk by refinancing borrowings at a lower interest rate.

On 31 December 2025, if interest rate on borrowing were 10 basis points higher/lower with all other variables held constant, loss for the year would have been higher/lower by US\$254 thousand (31 December 2024 and 2023: US\$156 thousand and US\$101 thousand).

DIVIDEND POLICY

In accordance with applicable laws and regulations in Indonesia, particularly the Indonesian Companies Law, dividend payment decisions are subject to the provisions of the Company’s articles of association and shareholder approval through a GMS based on the recommendation of the Company’s Board of Directors. Dividend payments may only be made if the Company has a positive retained earnings balance. The Company’s articles of association permit the distribution of interim dividends, provided that such distribution does not result in the Company’s net assets being less than the issued and paid-up capital plus statutory reserve. The distribution of interim dividends must not interfere with or cause the Company to be unable to fulfil its obligations to creditors or disrupt the Company’s business activities. The distribution of interim dividends is determined based on a decision of the Company’s Board of Directors after obtaining approval from the Company’s Board of Commissioners. If at the end of the financial year the Company experiences a loss, the interim dividends that have been distributed must be returned by the shareholders to the Company. If the shareholders are unable to return the interim dividends, the Company’s Board of Directors and Board of Commissioners will be jointly and severally liable for the Company’s losses.

The recommendation, determination of the amount and distribution of dividends will be proposed by the Board of Directors and approved by the Board of Commissioners at their discretion and will depend on a number of factors (many of which are beyond the control of the Company) including but not limited to (i) net profit, results of operations, cash flow, capital adequacy, capital expenditure requirements and financial condition of the Company and its Subsidiaries; (ii) the obligation to fulfil the establishment of reserve funds; (iii) the fulfilment of other financial obligations of the Company and its Subsidiaries; (iv) the payment of cash dividends by the Subsidiaries; (v) other factors deemed relevant by the Company, including but not limited to (i) the business development plans of the Company and/or its Subsidiaries; (ii) the success in implementing business strategies, finances, business competition and general economic conditions; and (iii) other factors specific to the MGR group and the MGR Group’s industry.

If a definitive decision has been made to pay a dividend, the dividend will be paid in Rupiah. Shareholders of the Company will be entitled to receive the full agreed cash dividend on a specified date, subject to income tax deductions in accordance with applicable regulations.

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The Company’s dividend policy is a statement of its current intentions and is not legally binding as it is subject to changes in the Board of Directors’ policy with the approval of shareholders at the time of the GMS.

There are no negative covenants that could prevent the Company from distributing dividends to shareholders.

[REDACTED]

[REDACTED]

The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors and Commissioners confirm that, up to the date of this Document, there has not been any material adverse change in our financial or trading position or prospects since 31 December 2025, and there is no event since 31 December 2025 which would materially affect the information shown in the Accountant’s Report in Appendix I to this Document.

[REDACTED]

For details, see “[REDACTED]” in Appendix II to this Document.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

Immediately following the [REDACTED] and without taking into account any Shares that may be issued or repurchased by the Company from time to time, MCG will hold [REDACTED] Shares, representing approximately [REDACTED]% of the issued and paid-up capital of the Company. Hence, upon the [REDACTED], we will remain a majority-owned subsidiary of MCG and MCG will be our Controlling Shareholder for the purposes of the Listing Rules. Please refer to “History and Corporate Structure” for the simplified corporate structure of the Group.

MCG is a prominent Indonesian mining group founded in 2012 that has been listed on the IDX (ticker: MDKA) since June 2015. MCG is engaged in gold, silver, copper, and nickel mining, as well as other related minerals, industrial, and ancillary businesses. Together with the Company and PT Merdeka Battery Materials Tbk (“MBM”), another subsidiary of MCG listed on the IDX (ticker: MBMA), MCG maintains a track record in developing and operating large-scale, low-cost mines in Indonesia, including:

- the Tujuh Bukit Mining Site in Banyuwangi, East Java
- the Wetar Copper Mine on Wetar Island, Southwest Maluku
- the Sulawesi Cahaya Mineral (“SCM”) Nickel Mine, in Konawe, Southeast Sulawesi (managed and operated by MBM); and
- the Pani Gold Mine, managed and operated by the Group.

For the year ended 31 December 2025, MCG realized an operating profit of US\$143 million (unaudited and based on management account) and profits before tax of US\$29 million (unaudited). As at 31 December 2025, MCG’s total assets amounted to US\$5.7 billion (unaudited and based on management account).

INDEPENDENCE OF OUR GROUP FROM OUR CONTROLLING SHAREHOLDERS

Our Directors and Commissioners are of the view that our Group is able to carry out its business independently from our Controlling Shareholders and their close associates following the completion of the [REDACTED] for the following reasons.

Clear Delineation of Business

As described above, MCG is a mining conglomerate that consists of group of entities that engages in various types of minerals, including gold, silver, copper, and nickel. Among which the operation, administration and management of the various entities are independently organized and are categorized by each of the relevant mine, given that under Indonesian laws, the mining rights and licenses are granted on an area-based basis determined by the relevant government authority in such area.

The Tujuh Bukit Mining Site

Among its widespread investment in the mining industry, MCG owns and operates the Tujuh Bukit mining site, which comprises the Tujuh Bukit Copper Project and the Tujuh Bukit Gold Mine (the “**Tujuh Bukit Mining Site**”). The Tujuh Bukit Copper Project is one of the world’s largest pre-production copper projects. The Tujuh Bukit Gold Mine, on the other hand, is located above the Tujuh Bukit Copper Project. The Tujuh Bukit Gold Mine specializes in gold and silver production through its wholly-owned subsidiaries PT Bumi Suksesindo (“BSI”).

BSI obtained the IUP to operate the Tujuh Bukit Gold Mine in 2012 with mining activities beginning in 2016 and first gold pour in early 2017. For the year ended 31 December 2025, the Tujuh Bukit Gold Mine produced approximately 103,156 ounces of gold and 818,196 ounces of silver and BSI (being the entity that engages in sales) recorded a net revenue (after realised hedge) of US\$327 million and net profit (before tax) of US\$65 million.

Notwithstanding the similar nature of the Tujuh Bukit Mining Site and the Pani Gold Mine, the Company is of the view that the two mines can be delineated on the basis that: (i) the Tujuh Bukit Mining Site will focus on the Tujuh Bukit Copper Project and the Pani Gold Mine is a pure-play gold producer; (ii) the gold mine portion of the Tujuh Bukit Mining Site and the

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Pani Gold Mine are at different stages of their lifespan; and (iii) they are located in different geographical location and are subject to different regulations.

Different Focus

While the Tujuh Bukit Mining Site comprises the Tujuh Bukit Copper Project and the Tujuh Bukit Gold Mine, MCG will focus in developing in the Tujuh Bukit Copper Project with respect to the Tujuh Bukit Mining Site. The Tujuh Bukit Copper Project is one of the world’s largest pre-production copper projects. Since 2018, MCG has invested significantly in assessing the feasibility to advance the project, including a 1,990-metre exploration decline, resource definition drilling, geological modeling, technical studies, a pre-feasibility study completed in May 2023 and a Mineral Resource estimate conducted in March 2024. This is contrasted to the Company’s positioning, which is to be among the top pure-play gold producers in Asia. This is also reflected in the Mineral Resources in the Tujuh Bukit Mining Site and the Pani Gold Mine, as despite having significant potential as a copper project, the Tujuh Bukit Gold Mine currently has Mineral Resources of 1.31 Moz and ore reserve of 0.53 Moz, which is insignificant to the Pani Gold Mine, which has Mineral Resources of 7.00 Moz and ore reserve of 5.20 Moz. Therefore, while certain parts of the Tujuh Bukit Mining Site operates as the Tujuh Bukit Gold Mine, its focus and development strategy is different from the Pani Gold Mine and is therefore delineated from the Company’s business.

Different lifespan

The Tujuh Bukit Gold Mine and the Pani Gold Mine were acquired and developed at different timeframes with different lifespan, where the Tujuh Bukit Gold Mine was first acquired by MCG in 2012 with the IUP to operate obtained in 2012 and mining activities began in 2016, whereas the Company was first acquired by MCG in November 2018 with the first mining activities beginning in 2025 and the first gold production started in 2026. Therefore, the two mines have different remaining lifespan as a gold mine. As of January 2026, the Pani Gold Mine has an estimated life-of-mine of 15 years based on current mine plans and reserve estimates, while the Tujuh Bukit Gold Mine has a remaining life-of-mine of 4 years and is expected to cease gold production by 2030. Therefore, the Pani Gold Mine is at its early development stage with a substantially longer remaining lifespan than the Tujuh Bukit Gold Mine.

Different Geographical Location and Different Regulations

Under Indonesian laws, the mining rights and licenses are granted on an area-based basis determined by the relevant government authority in such area, and therefore each mine will be established and operated independently with its own key operating entities that hold the relevant IUP and/or CoW with other subsidiaries established to conduct the ancillary services such as equipment leasing and rental services, that complete an “eco-system” that surrounds and serves primarily such mine, each located in different geographical areas with different designated lifespan. The Tujuh Bukit Mining Site and the Pani Gold Mine are no exception. The Tujuh Bukit Mining Site is located in Banyuwangi, East Java Province and the Pani Gold Mine is located in Gorontalo Province, Sulawesi Island, which are in different islands that are far apart with distinctive administrative and provincial regions within Indonesia and therefore the two mines require different regulatory licenses, approvals and are subject to different compliance obligations and operational scopes. While both mining sites are within the MCG Group, each of the Tujuh Bukit Mining Site and the Pani Gold Mine is held by different entities that are independently managed and operated in response to the different regulatory requirements.

Based on the foregoing, the Company believes that (i) there is clear delineation between our business and MCG’s business; and (ii) notwithstanding MCG’s interests in the Tujuh Bukit Mining Site, there will not be material competition between our Group and MCG Group. Moreover, the Company is of the view that given the significant market size and the standardized pricing mechanism for gold and silver in the global and regional market, there is no material competition between our Group and MCG.

Operational Independence

As our controlling shareholder and particularly at the earlier stage of the Company’s development, MCG provides strategic direction, oversight and long-term commitment to our development and growth.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Group is currently not operationally dependent on our controlling shareholders. Our Group (through our subsidiaries) holds all material licenses, qualifications and permits necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently of our controlling shareholders. Our access to, and relationship with, our customers and suppliers are independent of our controlling shareholders, and we have an independent team that manages and operates our business as well as independent sales channel.

We have certain ongoing transactions with MCG Group, including certain technical support and equipment sharing. For details, see “Accountant Report” in Appendix I to this document.

Management Independence

Our business is managed and conducted by our Board of Directors (who are also our senior management) and is supervised by our Board of Commissioners. Upon the [REDACTED], our Board of Directors and Board of Commissioners will consist of four Directors and seven Commissioners, of whom four are Independent Commissioners. For more information, please see the section headed “Directors, Senior Management and Commissioners.”

Specifically, two of our Directors, Mr. Boyke Poerbaya Abidin and Mr. Suryadinata Tanu, will continue to hold certain roles within the MCG Group. Mr. Boyke Poerbaya Abidin, our President Director, is responsible for the formulation and provision of guidance and development strategies for the overall development of our Group. He also serves as director and/or commissioner in certain MCG’s subsidiaries, given his prominence and extensive experience in the mining industry. Mr. Suryadinata Tanu is responsible for overseeing financial and tax management and risk control of our Group. While he has been historically devoting majority of his time to the operation and management of the Group, he will also maintain certain role in the finance function of the MCG Group. Both of Mr. Boyke Poerbaya Abidin and Mr. Suryadinata Tanu are expected to devote majority of their time to the operation and management of our Group upon the [REDACTED].

Our Directors and Commissioners consider that our Board of Directors and Board of Commissioners will function independently of our controlling shareholders because:

- (a) a large majority of the members of the Board of Directors and Board of Commissioners (collectively 11 Directors and Commissioners) do not have any directorship and/or other roles with, the Controlling Shareholders and/or their respective close associates;
- (b) each of our Directors and Commissioners is aware of his/her fiduciary duties owed to the Company, which require, among other things, that he/she acts for the benefit, and in the interests, of our Company and does not allow any conflict between his/her duties as a director or commissioner and his/her personal interests;
- (c) our daily management and operations are carried out independently by professionals that have substantial experience in our Group’s business and/or the industry in which we operate, and will be able to make decisions that are in our best interest;
- (d) we have four independent commissioners and certain matters of our Company will always be referred to them for review and/or approval;
- (e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our directors, commissioners or their respective associates, the interested director(s) or commissioner(s) is required to declare the nature of his/her interest and abstain from voting at the relevant meeting(s) in respect of that transaction; and
- (f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our controlling shareholders that would support our independent management; see “— Corporate Governance Measures”.

Financial Independence

While MCG has offered support during early-stage development, including funding for exploration, permitting, and foundational infrastructure which was provided on an

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

arm's-length basis and in accordance with applicable regulatory and corporate governance requirements, we maintain full financial independence with our own capital structure, funding arrangements, and financial management, and are capable of obtaining financing from third parties, if necessary, without reliance on MCG. We also have independent internal control and accounting systems with an independent finance department responsible for discharging the treasury function.

The Company does not currently rely, or expect to rely in the future, on funding from MCG to (including by way of shareholder loan) to finance its business activities going forward. In the earlier stage of the Company's development, the Company had not shareholder loans from MCG in the total amount of US\$174 million during the Track Record Period, but such amount had been fully repaid in December 2025. As of the Latest Practicable Date, there was no outstanding shareholders' loan due to MCG.

While MCG has provided flexibility to our Group by providing a shareholder's loan facility (of up to US\$510 million) to supplement any third-party financing on an arm's length basis comparable to market rates, such shareholder's loan facility has not been drawn as the Group is able to obtain external financing with independent third parties. The Company is also able to obtain such external financing without relying on MCG to act as guarantor or to provide any form of financial assistance. Most recently, in December 2025, the Company (through its subsidiaries) obtained external financing from a number of financial institutions by way of a revolving credit facility agreement in aggregate principal amount of up to US\$350 million.

Based on the above, our Directors believe that our Board of Directors and Board of Commissioners as a whole are able to manage, operate and carry on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

DISCLOSURE UNDER RULE 8.10 OF THE HONG KONG LISTING RULES

Our controlling shareholders and/or our directors and Commissioners may, save as disclosed in the foregoing and from time to time, make minority investments or hold non-executive board positions in entities that operate in, or have subsidiaries that operate in, the broader industries in which our business also operates. As our Controlling Shareholders and/or directors and Commissioners have no executive or shareholding control over any of these entities, and these entities have separate businesses with separate management and shareholder bases that control their entities, our controlling shareholders will not inject any of their interested entities into our Group; and to the extent our Directors or Commissioners hold non-executive board positions or make minority investments in these entities, we believe that this strengthens the experience and diversity of our Directors and Commissioners, as a group, and signifies their passion for the industries in which we operate.

Our controlling shareholders, Directors and Commissioners confirm that as of the Latest Practicable Date and save as otherwise disclosed, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

CORPORATE GOVERNANCE

We recognize the importance of good corporate governance in protecting our shareholders' interests. We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our controlling shareholders:

- (a) where our Directors and Commissioners reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense;
- (b) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable Laws, as well as the Listing Rules, including various requirements relating to corporate governance;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors, Commissioners or their respective associates, the Company is required to comply with the applicable conflict of interest transaction requirements under OJK Regulation No. 42/2020, including, where applicable, making the necessary disclosures and obtaining prior approval from independent shareholders through an independent GMS; and
- (d) we have established our Audit Committee and Nomination and Remuneration Committee with Written Charters in compliance with the rules of the OJK. All of the members of our audit committee, including the chairman, are independent commissioners or external independent professionals.

Based on the above, our Directors and Commissioners are satisfied that we have sufficient corporate governance measures in place to manage conflicts of interest that may arise between our Group and our controlling shareholders, and to protect our minority shareholders' interests after the [REDACTED].

SHARE CAPITAL

AUTHORIZED, ISSUED AND FULLY PAID-UP CAPITAL

The following is a description of the authorized, issued and fully paid-up capital of our Company immediately prior to and upon the completion of the [REDACTED], assuming that the [REDACTED] becomes unconditional.

Authorized, Issued and Fully Paid-Up Capital as at the Latest Practicable Date and immediately following the completion of the [REDACTED]

(i) Authorized share capital

Number of shares	Description of Shares	Nominal Value per share	Approximate aggregate Nominal Value
20,005,839,840	Ordinary shares	Rp150	Rp3,000,875,976,000

(ii) Issued and fully paid-up capital

Number of shares	Description of Shares	Nominal Value per share	Approximate aggregate Nominal Value
14,731,366,060	Ordinary shares ⁽¹⁾	Rp150	Rp2,209,704,909,000

Notes:

(1) [REDACTED]

RANKING

The Shares represented by the HDS(s) will rank pari passu with all existing Shares currently in issue by the Company, in particular, such Shares represented by the HDS(s) will rank in full for all dividends and/or other distributions declared and/or other rights declared, made or paid on the Shares in respect of a record date which falls after the date of this Document, subject to applicable laws and regulations.

SUBSTANTIAL SHAREHOLDERS

Except as otherwise noted, the following table sets forth information with respect to the ownership of our ordinary shares as of 28 February 2026 and immediately after the [REDACTED] by each person known to us to hold more than 5% of our total issued Shares as disclosed under the rules of the OJK and IDX:

Name of shareholder	Number of Shares as of 28 February 2026	Approximate percentage of shareholding as of 28 February 2026	Number of Shares immediately after the [REDACTED]	Approximate percentage of shareholding immediately after the [REDACTED]
MCG	9,329,376,465	63.33%	[REDACTED]	[REDACTED]%

Save as disclosed above, our Directors and Commissioners are not aware of any person who will, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, hold more than 5% of our total issued Shares (including such Shares represented by HDRs).

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

INTRODUCTION

Pursuant to the Indonesian Companies Law, it is mandatory for companies incorporated in Indonesia to adopt a two-tier board structure comprising the Board of Directors and the Board of Commissioners. The Board of Directors and the Board of Commissioners have distinctive and separate roles in managing and supervising the Company’s operations, see “— Duties and Responsibilities of Directors and Commissioners”.

BOARD OF DIRECTORS

Upon the [REDACTED], the Board of Directors will consist of 4 Directors. The table below set out certain information about our Directors upon the [REDACTED]:

Name ⁽¹⁾	Age	Time of joining our business	Date of appointment as Director	Position	Roles and responsibilities
<i>Directors</i>					
Mr. Boyke Poerbaya Abidin	61	December 2017	July 2020	President Director	Responsible for overseeing all Company activities relating to internal audit, external affairs, and risk management, as well as formulating and providing strategic guidance and development direction for the overall growth and development of the Group
Mr. Nicholas John Green ⁽²⁾ . . .	49	May 2022	●	Director	Responsible for overseeing all Company activities relating to construction activities, developing new growth projects, expanding existing operating facilities, and providing strategic guidance across the Company’s subsidiaries to support the Group’s long-term growth and operational enhancement
Mr. Barend Johannes Nicolaas Knoetze ⁽²⁾	55	November 2023	●	Director	Responsible for overseeing the all Company activities relating to the Group’s overall operations activities, including mining and processing activities, operation planning, and key operational decisions to support effective execution and business performance
Mr. Suryadinata Tanu ⁽²⁾	43	November 2017	●	Director	Responsible for overseeing all Company activities relating to finance, accounting, and tax, as well as formulating strategies to support the financial matters of the Group

Notes:

- (1) As of the Latest Practicable Date, Mr. Albert Saputro, Mr. David Thomas Fowler, and Mr. Adi Adriansyah Sjoekri were our Directors, and they have confirmed to the Company that they will resign from their directorship, taking effect upon the completion of the General Meeting of Shareholders to be held on ●, 2026.
- (2) The appointments of Mr. Nicholas John Green, Mr. Barend Johannes Nicolaas Knoetze, and Mr. Suryadinata Tanu as our Directors are subject to the results of the General Meeting of Shareholders to be held on ●, 2026 and their appointments, if approved, will take effect on the date of the General Meeting of Shareholders.

Set forth below are the biographies of the Directors upon the [REDACTED]:

Mr. Boyke Poerbaya Abidin, aged 61, was appointed as a Director of the Company in July 2020 and has been the President Director of the Company since June 2025.

Mr. Abidin has a wealth of experience in management consulting, external affairs, and corporate governance with over a decade’s experience in management in the mining industry.

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

He currently holds several positions within the Group, including as a Commissioner and/or Director in a number of the Company's subsidiaries, including as a Director of PEG since December 2017, President Director of PETS since January 2018, President Director of GSM since March 2022, President Director of MMI since May 2022, President Director of MAP since December 2019, Director of PIJ since August 2024, and Director of PIN since January 2025. He is also a Director and/or Commissioner of certain subsidiaries of MCG.

Mr. Abidin obtained a Bachelor of Science in Business Administration degree from the United States International University School of Business and Management, San Diego, in June 1985.

Mr. Nicholas John Green, aged 49, was appointed as a Director in [●]. His responsibilities include developing new growth projects, expanding existing operating facilities, and providing strategic guidance across the Company's subsidiaries. Mr. Green joined the Group in May 2022 and has been the Company's General Manager since then. He was also the General Manager Pani Project of MMS between May 2022 to May 2024 and has been the General Manager of GSM since May 2024.

Mr. Green has accumulated key experience in mining project management and operations. Prior to joining the Company, Mr. Green held senior project leadership roles in the mining industry. He served as Group Head of Projects at PT Meares Soputan Mining, a subsidiary of PT Archi Indonesia (IDX: ARCI), an Indonesian-based company principally engaged in gold mining and listed on the Indonesia Stock Exchange, from April 2021 to April 2023, and at PT Maruwai Coal, a subsidiary of PT Alamtri Resources Indonesia Tbk (formerly PT Adaro Energy Tbk) (IDX: AADI), a subsidiary of a holding company principally engaged in coal mining and power generation and listed on the Indonesia Stock Exchange, from January 2018 to January 2021. He was a construction engineer of the Martabe Mine, owned by PT Agincourt Resources from July 2015 to October 2015, and a Construction Manager at Nui Phao Mining Co. Ltd., a subsidiary of Masan High-Tech Materials (UPCoM: MSR), a company principally engaged in operating a large-scale open-pit polymetallic mine in Vietnam and listed on the UPCoM exchange in Vietnam, from March 2011 to June 2015. Earlier, he worked as a Project Manager at Ausenco Minerals Pty. Ltd., an Australian company offering engineering, construction, and project management services for industrial and mineral sectors, from October 2006 to January 2011.

Mr. Green graduated with a Bachelor of Engineering with Honours from the University of Tasmania, Australia, in December 1997. He also holds a Certificate of Competence in Mineral and Coal Mining as a First-Level Operations Supervisor issued by the Indonesian Professional Certification Authority in July 2023.

Mr. Barend Johannes Nicolaas Knoetze, aged 55, was appointed as a Director of the Company in [●]. Mr. Knoetze joined the MCG Group in November 2023 and served as the General Manager of the Wetar Copper Mine. Since November 2025, Mr. Knoetze serves as the General Manager of the Pani Gold Mine, overseeing day-to-day operations, planning, budgeting, and alignment with long term strategic plans.

Mr. Knoetze has accumulated significant international experience in mining operations and metallurgical processing with senior technical, operational, and advisory roles in publicly listed and multinational mining companies engaged in mining operations. Prior to joining us, he served as Process Manager at Novo Resources Corp. (TSX: NVO), a Canadian mining company engaged in gold and copper exploration and listed on the Toronto Stock Exchange. Prior to that, Mr. Knoetze also held the position of a Mill Manager at Minjar Gold Pty Ltd from April 2013 to February 2018.

Mr. Knoetze graduated with a National Diploma in Extraction Metallurgy in July 1992 and a National Higher Diploma in Extraction Metallurgy in January 1993 from Technicon Witwatersrand (now University of Johannesburg), South Africa.

Mr. Suryadinata Tanu, aged 43, was appointed as a Director in [●]. Mr. Tanu joined our business in November 2017 and has since served as the General Manager of Finance, Accounting, and Tax at the MCG Group, with significant devotion in managing our business and has gained significant experience in managing a mining company.

Mr. Tanu has extensive professional experience in finance, accounting, and tax, including in the mining and resources sector. Prior to joining us, he served as a Senior Manager at PricewaterhouseCoopers from July 2005 to October 2017.

Mr. Tanu received his Bachelor of Economics degree from Tarumanagara University, Jakarta, in August 2005, majoring in accounting and economics. Mr. Tanu's extensive technical

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

expertise, professional qualifications, and long tenure in finance leadership roles provide the Company with robust capability in financial oversight, reporting integrity, and compliance.

Mr. Tanu holds the following qualifications: (i) he is a Certified Public Accountant accredited by the Indonesian Institute of Certified Public Accountants, obtained in July 2013, (ii) he is a Chartered Accountant accredited by the Indonesian Institute of Accountants, obtained in December 2014, (iii) he received professional accounting certification from Secretariat General of the Center for Accountant and Appraiser Development, Ministry of Finance of the Republic of Indonesia in June 2008, and (iv) he is also an Accountant by the University of Indonesia in February 2008.

Each of Mr. Abidin, Mr. Green, Mr. Knoetze and Mr. Tanu has more than five years experience in managing a mineral company, including the experience obtained in managing the Company’s business, and have therefore obtained sufficient and relevant experience in the exploration and/or extraction activity relevant to the Pani Gold Mine. The Company is of the view that its directors (being its senior management), taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Company is pursuing.

SENIOR MANAGEMENT

In accordance with Indonesian laws and regulations, our Directors are responsible for the day-to-day operations and management of the business of our Group. Therefore, each of our Directors are members of our senior management team. For their biographical details, please refer to “Board of Directors” in this section.

BOARD OF COMMISSIONERS

Upon the [REDACTED], the Board of Commissioners will comprise of 7 Commissioners, among which 4 are independent commissioners. The table below sets out certain information about our Commissioners upon the [REDACTED].

Name	Age	Time of joining our business	Date of appointment as Commissioners	Position(s)	Roles and responsibilities
<i>Commissioners</i>					
Mr. Santoso Kartono ⁽¹⁾	52	December 2025	December 2025	President Commissioner	Provide strategic advise and objective supervision, opinions, and judgment to the Company, the Board of Commissioners, and the Board of Directors to support good governance and sound decision-making
Mr. Winato Kartono ⁽¹⁾ (2)	55	●	●	Commissioner	Provide strategic advise and objective supervision, opinions, and judgment to the Company, the Board of Commissioners, and the Board of Directors to support good governance and sound decision-making
Mr. Xinyu Wang ⁽²⁾ . . .	55	July 2025	●	Commissioner	Provide strategic advise and objective supervision, opinions, and judgment to the Company, the Board of Commissioners, and the Board of Directors to support good governance and sound decision-making
<i>Independent Commissioners⁽³⁾</i>					
Mr. Heri Sunaryadi ⁽²⁾ . .	60	June 2025	June 2025	Independent Commissioner	Provide independent and objective supervision, opinions, and judgment to the Company, the Board of Commissioners, and the Board of Directors to support good governance and sound decision-making

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

Name	Age	Time of joining our business	Date of appointment as Commissioners	Position(s)	Roles and responsibilities
Dr. Jona Widhagdo Putri ⁽²⁾	44	[●]	[●]	Independent Commissioner	Provide independent and objective supervision, opinions, and judgment to the Company, the Board of Commissioners, and the Board of Directors to support good governance and sound decision-making
Mr. Yu Gao ⁽²⁾	52	[●]	[●]	Independent Commissioner	Provide independent and objective supervision, opinions, and judgment to the Company, the Board of Commissioners, and the Board of Directors to support good governance and sound decision-making
Mr. John Mackay McCulloch Williamson ⁽²⁾	67	[●]	[●]	Independent Commissioner	Provide independent and objective supervision, opinions, and judgment to the Company, the Board of Commissioners, and the Board of Directors to support good governance and sound decision-making

Notes:

- (1) Mr. Santoso Kartono is the brother of Mr. Winato Kartono, both are proposed Commissioners of the Company.
- (2) The appointments of Mr. Winato Kartono and Mr. Xinyu Wang as our Commissioners and Mr. Heri Sunaryadi, Dr. Jona Widhagdo Putri, Mr. Yu Gao, and Mr. John Mackay McCulloch Williamson as our Independent Commissioners are subject to the results of the General Meeting of Shareholders to be held on [●] 2026 and their appointments, if approved, will take effect on the date of the General Meeting of Shareholders.
- (3) Our Independent Commissioners appointed under applicable Indonesian laws and regulations are also considered as our independent non-executive Directors for the purposes of the Hong Kong Listing Rules. We have determined that Mr. Heri Sunaryadi and Mr. John Mackay McCulloch Williamson have the appropriate accounting or financial management expertise under the Hong Kong Listing Rules.

Set forth below are the biographies of the Commissioners upon the [REDACTED]:

Commissioners

Mr. Santoso Kartono, aged 52, has been the President Commissioner of our Company since December 2025.

Mr. Santoso Kartono has served as the President Commissioner for key mineral entities. He currently holds multiple senior oversight roles within MCG and the Group, including serving as the President Commissioner of PT ESG Industri Energi Baru since March 2024, PT Sulawesi Nickel Cobalt since December 2024, and PT ESG New Energy Material since November 2023. Additionally, he has served as a Commissioner of PT GoTo Gojek Tokopedia Tbk since December 2025, PT Sulawesi Cahaya Mineral since November 2024, and PT Merdeka Industri Anantha since July 2024. Prior to these appointments, Mr. Kartono served as the Director of Retail at PT Jingdong Indonesia Pertama (JD.ID), an Indonesian e-commerce platform, from October 2015 to February 2023.

Mr. Santoso Kartono is the brother of Mr. Winato Kartono.

Mr. Winato Kartono, aged 55, has been a Commissioner of our Company since [●].

Mr. Kartono has extensive experience in investment and banking. He served as a Director at PT Provident Investasi Bersama Tbk (formerly PT Provident Agro Tbk) (IDX: PALM), an investment firm listed on the Indonesia Stock Exchange, from May 2007 to June 2012 and later as a Commissioner from June 2012 to March 2022. Additionally, he was a Commissioner at PT Tower Bersama Infrastructure Tbk (IDX: TBIG) from March 2010 to May 2022 and

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

Commissioner at PT GoTo Gojek Tokopedia Tbk (IDX: GOTO) from March 2023 to December 2025. Currently, Mr. Kartono serves as a Commissioner at PT Provident Capital Partners since March 2005 and PT Provident Capital Indonesia since February 2006. He also serves as the President Commissioner of PT Merdeka Battery Materials Tbk (IDX: MBMA) since January 2023.

He received his Bachelor of Economics degree from the Trisakti University in Indonesia in January 1994.

Mr. Winato Kartono is the brother of Mr. Santoso Kartono. Please refer to the section headed "Substantial Shareholders" in this document for information on the Mr. Winato Kartono's shareholding interests in the Company.

Mr. Xinyu Wang (王心宇), aged 55, has been a Commissioner of our Company since [●]. Mr. Wang has also been appointed as a consultant at MCG since June 2025.

Mr. Wang is a seasoned mining executive with years of global leadership experience in mine development, construction, and smelting complexes. He served as the Vice Chairman at JCHX Mining Management Co., Ltd.* (金誠信礦業管理股份有限公司) (SSE: 603979), a company principally engaged in construction of metal mines and listed on the Shanghai Stock Exchange, from May 2023 to December 2024 and as its President and Chief Executive Officer from May 2020 to May 2023, where he spearheaded large-scale mining and infrastructure projects. Previously from July 1994 to December 2019, he worked at China Non-Ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd.* (中國有色金屬建設股份有限公司) (SZSE:000758), a company principally engaged in non-ferrous metal projects and listed on the Shenzhen Stock Exchange, serving in roles including Superintendent, Deputy Project Manager, Project Manager, Assistant Vice President, and Vice President, overseeing global project development and execution.

Mr. Wang received a Master of Science in automation control degree from Harbin Engineering University (哈爾濱工程大學) in April 1995.

Independent Commissioners

Mr. Heri Sunaryadi, aged 60, was appointed as an independent Commissioner of our Company in June 2025. He also had been an independent Commissioner of MCG from May 2018 to January 2022.

Mr. Sunaryadi has held various commissioner positions at several financial institutions and listed issuers in Indonesia. Since May 2022, he has served as an Independent Commissioner at PT Tower Bersama Infrastructure Tbk (IDX: TBIG), a telecommunications tower operator listed on the Indonesia Stock Exchange. From October 2021 to March 2025, he was an Independent Commissioner at PT Bank Rakyat Indonesia (Persero) Tbk (IDX: BBRI), a Indonesian state-owned bank listed on the Indonesia Stock Exchange. From July 2020 to February 2022, he was an Independent Commissioner at PT Solusi Sinergi Digital Tbk (IDX: WIFI), a company principally engaged in fiber optic and digital products and listed on the Indonesia Stock Exchange. From 2016 to 2022, he was a Commissioner at PT Integra Indocabinet Tbk (IDX: WOOD), a furniture manufacturer listed on the Indonesia Stock Exchange.

From January 2015 to August 2016, he was a Commissioner of PT Telekomunikasi Selular, a telecommunications operator. From December 2014 to April 2016, he was a Finance Director of PT Telekomunikasi Indonesia Tbk (IDX: TLKM), a telecommunications company listed on the Indonesia Stock Exchange.

Mr. Sunaryadi also held various positions in PT Kustodian Sentral Efek Indonesia ("KSEI"), Indonesia's central securities depository, including between 2009 and 2012 as well as between June 2015 and 2018 where he was a Commissioner, and between 2013 and March 2015 where he was the President Director.

Mr. Sunaryadi earned a Master of Management from Universitas Bina Nusantara in April 2011 and a Bachelor of Agricultural Engineering from the Institut Pertanian Bogor in August 1987. He also holds a professional qualification in bank risk management issued in February 2025 by the Banking Professional Certification Body.

Dr. Jona Widhagdo Putri, aged 44, has been appointed as an independent Commissioner of our Company since [●].

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

Dr. Putri has significant experience in international relations, diplomacy, and cross-border investment cooperation. Since November 2024, she has served as Special Advisor to the Chairman of the National Economic Council of the Republic of Indonesia (印尼國家經濟委員會), where she provides advisory support on international economics relations, geoeconomic analysis and cross-border investment considerations. Her role is advisory and non-executive in nature.

From September 2022 to October 2024, Dr. Putri served as Special Advisor for Infrastructure and Technology to the Coordinating Minister for Maritime Affairs and Investment of the Republic of Indonesia (印尼海事與投資統籌部). Between April 2018 and August 2022, she served as Special Advisor for Indonesia-China Cooperation at the Cooperation Ministry for Maritime Affairs of the Republic of Indonesia, supporting bilateral economic and investment initiatives.

Between November 2021 and 2024, Dr. Putri served as Vice Secretary General of the China-Indonesia High-Level Dialogue Mechanism, where she coordinated strategic programmes across economic, maritime, investment, political-security, and human development pillars. In addition to her government and academic roles, Dr. Putri has held cross-sectoral leadership roles. Since July 2022, she has served as Vice Chairwoman of the Indonesia Chamber of Commerce and Industry Bilateral Committee for China (印尼工商會館中國委員會), coordinating bilateral trade and investment initiatives. She has served as Chairwoman for International Affairs of the Indonesian Athletics Association (印尼田徑協會) since February 2021.

Dr. Putri has received several recognitions, including the Presidential Medal of Honor (Satyalancana Wira Karya) in October 2024. She has been appointed as a members of the Strategic Advisory Committee of the BRICS PartNIR Innovation Center (April 2025 – April 2028), and as a member of the Expert Committee of the China-ASEAN Business and Investment Summit and Business Council (July 2024 – July 2026). In June 2024, she was awarded the Outstanding Academic Performance Certificate by Fudan University.

Dr. Putri received her Doctor of Law in International Relations from Fudan University (復旦大學) in June 2024. She obtained a Diploma in Economics from the London School of Economics and Political Science in August 2005.

Mr. Yu Gao, aged 52, has been appointed as an independent Commissioner of our Company since [●].

Mr. Gao has significant experience in private equity and investment banking across Asia. He previously worked as an analyst in the debt capital markets division at Donaldson Lufkin & Jenrette, an investment banking firm. From December 2000 to August 2005, he worked in Citigroup Global Markets Asia, where his last position served was an investment banking associate. Mr. Gao then spent 17 years at Morgan Stanley Asia Limited from August 2005 to July 2022, covering various roles, including as managing director, co-chief investment officer of Morgan Stanley Private Equity Asia, chairman of the investment committee of Morgan Stanley’s RMB Fund, and member of Morgan Stanley’s China management committee.

Mr. Gao also has some directorship experience in Hong Kong listed companies. He has served as a non-executive director since April 2017, and is now also an audit committee member of China Feihe Limited* (中國飛鶴有限公司) (HKEX: 6186). In addition, Mr. Gao has joined the board since July 2007 as a Non-Executive Director and as of today, Mr. Gao is an Independent Non-Executive Director and a member of the Audit and Nomination Committee of China Dongxiang (Group) Co., Ltd.* (中國動向(集團)有限公司) (HKEX: 3818).

Mr. Gao has been recognized as one of the “Top 100 Investors” by PE Daily in China in 2020.

Mr. Gao received a Master of Science in engineering-economic systems & operations research from Stanford University in September 1999 in the U.S. and dual bachelor’s degrees in Engineering and Economics from Tsinghua University (清華大學) in July 1997 in the PRC.

Mr. John Mackay McCulloch Williamson, aged 67, has been appointed as an independent Commissioner of our Company since [●].

Mr. Williamson has decades of experience in global financial markets, investment management, and corporate governance. He began his career in Edinburgh in 1980 where he

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

trained and qualified in 1984 as a Chartered Accountant. He worked at NatWest Markets (both in UK and Hong Kong) in senior operational and management roles before being seconded and subsequently appointed as Chief Operating Officer of Wheelock NatWest, a joint venture set up between NatWest and Wheelock in Hong Kong, in January 1996.

In September 1998, Mr. Williamson joined Morgan Stanley Asia Limited as Executive Director, Infrastructure and Risk Manager. He was promoted to a senior regional role as Managing Director of Morgan Stanley Asia Pacific (Holdings) Limited in December 1999. In August 2007, Mr. Williamson joined Search Group, where he held multiple senior executive positions in Hong Kong, including Senior Managing Director at Search Investment Group until he left in February 2018.

In addition to the above, Mr. Williamson has held significant non-executive and board appointments. Since April 2023, he has been chairman of the London Metal Exchange where he had served as a non-executive director from September 2021 to April 2023. He also served as independent non-executive director of Hong Kong Exchanges and Clearing Limited (“**HKEX**”) (HKEX: 0388) from June 2008 to April 2021, and as senior advisor to the board of HKEX from April 2021 to April 2022.

During his tenure at HKEX, Mr. Williamson had held positions in various committees, including as the chairman of the risk committee and statutory risk management committee, and as a member of the executive committee, ESG committee, remuneration committee, and audit committee.

Since September 2025, he has been a board director of Commodity Pricing and Analysis Limited (CPAL), a subsidiary of HKEX incorporated in Dubai and principally engaged in commodity benchmark pricing and administration. He was appointed as Chairman of CPAL’s board of directors in December 2025. He is also the non-executive chairman of UK Tote Group Limited and an independent non-executive Director of Pacific Basin Shipping Limited* (太平洋航運集團有限公司) (HKEX: 2343), positions he has held since September 2020 and November 2020 respectively. From 2021 to 2022, he was an independent non-executive director of Provident Acquisition Corp. (NASDAQ: PAQC), a special purpose acquisition company with focus on consumption-focused companies with disruptive growth potential and listed on NASDAQ.

Mr. Williamson has also contributed to public service and professional bodies, including serving on the Advisory Board of MIND HK since 2022 and as a board member of the Hong Kong Securities and Investment Institute (香港證券學會)* from December 2006 to December 2009.

Mr. Williamson graduated from Heriot-Watt University, Edinburgh, in 1980 with a Bachelor of Arts in accountancy and computer science. He qualified as a Chartered Accountant and became a Member of the Institute of Chartered Accountants of Scotland in 1984.

Mr Williamson was awarded an Honorary Fellow of the Chartered Institute for Securities & Investment (UK) in February 2025 for his outstanding positive contribution to the financial services profession and to the CISI. He is also a Senior Fellow of the Hong Kong Securities and Investment Institute.

PRACTICES OF THE BOARDS

Duties and Responsibilities of Directors and Commissioners

It is mandatory under the Indonesian Companies Law for companies incorporated in Indonesia to adopt a two-tier board structure comprising the Board of Directors and Board of Commissioners with distinctive and separate roles in managing and supervising the Company’s operation. The Board of Directors is the executive body of the Company and is responsible for the full management of the Company in accordance with its purposes and objectives. The Board of Directors represents the Company both inside and outside the court and has authority over all operational and strategic decisions relating to the day-to-day management of the Company. The Board of Commissioners is a non-executive supervisory body whose role is supervisory and advisory in nature. The Board of Commissioners oversees the policies of management and the general course of the Company’s operations and provides advice to the Board of Directors. While the Board of Commissioners exercises oversight and ensures accountability and alignment with shareholders’ interests, it does not participate in or manage the day-to-day operations of the Company.

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

According to the Indonesian Companies Law, both Directors and Commissioners owe fiduciary duties to the Company. These duties include the obligation to act in good faith, with full responsibility, and in the best interest of the Company. Members of the Board of Directors are responsible for the proper management of the Company. Each Director may be held personally liable for losses incurred by the Company if such losses arise from fault, negligence, or breach of fiduciary duty in the performance of his or her responsibilities. Members of the Board of Commissioners, similarly, in exercising their supervisory function, are required to act in good faith, with due care and in the best interest of the Company, also responsibility in supervising and advising the Board of Directors. The Board of Commissioners exercises their supervisory authority collectively. The Board of Commissioner may also be held personally liable for losses suffered by the Company resulting from a failure to properly supervise, unless they can demonstrate that: (i) they have performed their duties in good faith and with due care, (ii) they had no direct or indirect personal interest in the management actions that caused the loss, and (iii) they have provided advice or taken actions intended to prevent or mitigate such loss. This statutory separation of executive management and supervisory oversight forms a core element of the Company's corporate governance framework and ensures clear accountability, checks and balances, and alignment with Indonesian legal requirements.

The Board of Directors is responsible for the full and effective management of the Company and for executing the Company's strategy in accordance with its purposes and objectives. In performing its duties, the Board of Directors handles day-to-day operational and business matters, including entering into transactions, managing assets, representing the company in legal and business matters as well as overseeing the financial reporting obligations, and ensuring compliance with the applicable laws and regulations. The Board of Directors represents the Company both inside and outside the court and is responsible for ensuring the integrity of the Company's financial reporting, internal control systems, and statutory reporting obligations.

Pursuant to the Company's Articles of Association, members of the Board of Directors are appointed by the general meetings of shareholders, each for a term commencing from their appointment until the closing of the fifth annual general meeting of shareholders thereafter, without prejudice to the right of the general meeting of shareholders to dismiss them at any time in accordance with applicable laws and the Articles of Association. Upon the expiration of their term, such members may be reappointed by the general meeting of shareholders.

The Board of Commissioners performs supervisory and advisory functions and oversees the management policies, the general course of management, both concerning the Company and its business. The Board of Commissioners provides advice to the Board of Directors and ensures the management actions are carried out in accordance with applicable laws, the Company's Articles of Association and the Company's best interests. In exercising its supervisory authority, the Board of Commissioners acts collectively. Under the Indonesian Companies Law, the Board of Commissioners is empowered to temporarily suspend one or more members of the Board of Directors, provided that clear and specific reasons for the suspension are stated. During the suspension period, the suspended Director is not permitted to perform any managerial functions.

As the authority to dismiss and appoint Directors ultimately resides with the general meeting of shareholders, the Board of Commissioners shall subsequently convene a general meeting of shareholders to determine whether such suspension should be upheld as a permanent dismissal or revoked. Such general meeting of shareholders should be held no later than 90 days from the date of the temporary dismissal. The suspended Director must be afforded the opportunity to present his or her defense, consistent with the director's right to be heard before a final dismissal decision is adopted by the shareholders in the general meeting of shareholders under the Indonesian Laws. At the same general meeting of shareholders, the shareholders may resolve to appoint any new Director to fill any vacancy arising from such dismissal.

Members of the Board of Commissioners are appointed by the general meeting of shareholders for a term commencing from their appointment until the closing of the fifth annual general meeting of shareholders thereafter, without prejudice to the right of the general meeting of shareholders to dismiss them at any time in accordance with applicable laws and the Articles of Association. Upon the expiration of their term, such members may be reappointed by the general meeting of shareholders.

Independent Commissioners

Under the Indonesian Companies Law, companies incorporated in Indonesia adopt a two-tier board structure comprising a Board of Directors and a Board of Commissioners. In this

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

structure, members of the Board of Directors perform executive management functions and are considered senior management of the Company. Accordingly, Indonesian companies do not appoint independent non-executive directors in the same manner as companies incorporated in jurisdictions with a single-board structure.

Instead, Indonesian law and applicable capital market regulations require certain members of the Board of Commissioners to qualify as Independent Commissioners. Independent Commissioners must satisfy statutory independence requirements and must not have affiliations with the controlling shareholders, members of the Board of Directors, other members of the Board of Commissioners, or the Company that could affect their ability to exercise independent judgment.

The roles and responsibilities of the Independent Commissioners are substantially equivalent to those required of independent non-executive directors under the Listing Rules. In particular, Independent Commissioners are expected to: (i) remain informed of the Company’s business, financial performance, and corporate affairs and monitor the Company’s performance in achieving agreed corporate goals and objectives, (ii) provide independent judgment on matters of strategy, policy, performance, accountability, risk management, internal controls, resources, key executive appointments, and standards of conduct, (iii) oversee financial reporting and ensure the integrity of performance reporting, (iv) review and assess major transactions and significant corporate actions, and (v) take the lead in addressing and managing potential conflicts of interest.

To align with the requirements of the Listing Rules, the Company has applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirement under Rules 3.10 and 3.10A of the Listing Rules, which require the appointment of at least three independent non-executive directors representing at least one-third of the issuer’s Board of Directors. The waiver is granted on condition that the Independent Commissioners will assume and perform all the duties and obligations required to be performed by independent non-executive directors under the Listing Rules. For further details, please refer to the section in this Document headed “Waivers — Appointment of independent non-executive directors”.

BOARD COMMITTEES

In accordance with applicable Indonesian regulations and to further strengthen its corporate governance framework, the Company has established two committees under the Board of Commissioners: (i) the Audit Committee, and (ii) the Nomination and Remuneration Committee. Each committee operates pursuant to a written charter that clearly defines its authority, composition and responsibilities, consistent with applicable Indonesian regulations. The composition and principal duties of each committee are described below.

Audit Committee

In accordance with OJK Regulation, the Company has established an Audit Committee with Mr. Heri Sunaryadi, Mr. Aria Kanaka and Mr. Atik Wijaksono Susanto being the current members. Mr. Heri Sunaryadi is the chairman of the Audit Committee. The Audit Committee convenes meetings at least once every three months, with additional meetings held as necessary.

Under the charter of the Audit Committee, the Audit Committee is responsible for, among other things:

- reviewing financial information to be disclosed by the Company to the public and/or regulatory authorities, including financial statements, projections and other financial reports;
- reviewing compliance with laws and regulations relevant to the Company’s activities;
- providing independent opinions in the event of differences of opinion between management and the public accountant;
- providing recommendations to the Board of Commissioners regarding the appointment, dismissal or replacement of the public accountant and/or public accounting firm based on independence, scope of engagement and audit fees;
- reviewing the implementation of internal audit examinations and oversees follow-up actions taken by the Board of Directors;

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

- reviewing the implementation of risk management activities;
- evaluating complaints relating to the Company's accounting processes and financial reporting;
- reviewing the independence and objectivity of the public accountant;
- evaluating the implementation of audit services for the Company's annual historical financial information, provides advice to the Board of Commissioners regarding potential conflicts of interest involving the Company; and
- maintaining the confidentiality of the Company's documents, data and information.

Members of the Audit Committee also include two external independent professionals as appointed to maintain the independence of the committee. Set forth below are the biographies of such members:

Mr. Aria Kanaka, aged 51, was appointed as a member of the Audit Committee in June 2025.

He has been holding positions of independent commissioner of PT Gihon Telekomunikasi Indonesia Tbk since December 2017 and has also been a member of the audit committee of PT Merdeka Battery Materials Tbk since January 2023.

He received a Bachelor's degree in Economics, majoring in Accounting, in August 1997 and a Master's degree in Accounting in August 2010 from Universitas Indonesia, and he is a registered accountant in Indonesia.

Mr. Atik Wijaksono Susanto, aged 53, was appointed as a member of the audit committee in June 2025.

He has served as a member of the audit committee of MCG since January 2025, PT Intiland Development Tbk since May 2021, and PT Menteng Heritage Realty Tbk since 2023.

He has been a member of the Indonesian Advocates Association (Perhimpunan Advokat Indonesia) and the Association of Financial Sector Legal Consultants (Himpunan Konsultan Hukum Sektor Keuangan, HKHSK).

He received a Bachelor of Science degree major in management info systems in June 1993 and a Master of Business Administration degree in June 1994 from the University of South Alabama, United States of America, and a Bachelor of Laws degree from Universitas Katolik Atma Jaya in 2003.

Nomination and Remuneration Committee

In accordance with OJK Regulation, the Company has established a Nomination and Remuneration committee with Mr. Heri Sunaryadi, Mr. Santoso Kartono and Ms. Lilis Halim being the current members of the committee. Mr. Heri Sunaryadi is the chairman of the remuneration committee. The Nomination and Remuneration committee convenes meetings at least once every four months, with additional meetings held as necessary.

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

Under the charter of the Nomination and Remuneration committee, the Nomination and Remuneration committee is responsible for, among other things:

- providing recommendations to the Board of Commissioners regarding the composition of the Board of Directors and the Board of Commissioners, the policies and criteria required in the nomination process, and the performance evaluation policies for members of the Board of Directors and the Board of Commissioners;
- assisting the Board of Commissioners in conducting performance assessments based on predetermined benchmarks;
- providing recommendations regarding capacity building programs for members of the Board of Directors and the Board of Commissioners;
- proposing qualified candidates for membership in the Board of Directors and the Board of Commissioners for submission to the general meeting of shareholders;
- providing recommendations to the Board of Commissioners regarding the remuneration structure, remuneration policies and the amount of remuneration; and
- assisting the Board of Commissioners in assessing the appropriateness of remuneration received by each member of the Board of Directors and the Board of Commissioners.

Members of the nomination and remuneration committee also include one external independent professional as appointed to maintain the independence of the committee. Set forth below are the biography of such member.

Ms. Lilis Halim, aged 65 was appointed as a member of the Nomination and Remuneration Committee in June 2025.

Ms. Halim has more than 25 years of experience at Willis Towers Watson since October 1988, a global advisory firm specialising in work & rewards, financial and brokerage services, and is recognised as an expert in rewards.

She previously served as independent commissioner and chair of the nomination and remuneration committee of PT Kalbe Farma Tbk from May 2019 until May 2025. The positions she currently hold include member in the nomination and remuneration committee of MCG since April 2023, as an independent commissioner and chair of the nomination and remuneration committee of PT IMC Pelita Logistik Tbk since 2019, and an independent commissioner and chair of the audit committee of PT Asuransi Allianz Life Indonesia since July 2023. After her retirement, Lilis remains with Willis Towers Watson as the President Commissioner.

Ms. Lilis Halim obtained a Bachelor of Science degree from the University of New South Wales in Sydney, Australia in October 1985.

DIVERSITY, EQUALITY, AND INCLUSIVITY POLICY

To foster a diverse, equitable, and inclusive corporate culture and to maintain the high standard of corporate governance, the Company has adopted a formal diversity, equality, and inclusivity policy which sets out the objectives, principles, and framework for promoting diversity at the Board of Directors and Board of Commissioners ("**Board**") and senior management levels, as well as throughout the Company's Group. The Company recognizes that diversity contributes to effective oversight, balanced decision-making, and long-term sustainable growth. In pursuing the Board diversity, the Company considers a broad range of factors, including but not limited to: (i) professional experience and industry exposure, (ii) technical expertise, skills, and knowledge, (iii) gender, (iv) age, (v) cultural and education background, (vi) ethnicity and (vii) length of service with our Company.

The Company's Directors and Commissioners collectively bring a balanced mix of knowledge, skills and experience, including the areas of business management, engineering, extraction metallurgy, finance and accounting, economics, automation and international relations. They obtained academic qualifications in various disciplines, including engineering, business and international relations. Furthermore, our Board also has a wide age range, ranging from 43 years old to 67 years old. The Company has taken, and will continue to take, active steps to

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

promote gender diversity at all levels of our Company's Group, including but not limited to the Board also the senior management levels. The Company remains committed to improving gender representation over time, taking into account its business development needs and talent pipeline.

Going forward, the Company will continue to assess its Board composition in light of its evolving business strategy and operational requirements, with a view to maintaining an appropriate balance of skills, experience, independence, and diversity. All Board appointments will be made on the basis of merit, having due regard to the benefits of diversity and the overall effectiveness of the Board.

The nomination and remuneration committee is responsible for ensuring the structure, size, and composition of the diversity of our Board members. The committee periodically reviews the Company's diversity profile (including gender balance) from time to time with reference to our diversity, equality, and inclusive policy to ensure its continued effectiveness.

CONFIRMATION FROM OUR DIRECTORS AND COMMISSIONERS

Save as disclosed above, none of the Directors and Commissioners of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

Save as disclosed above, none of the Directors and Commissioners of our Company is related to any other Directors or Commissioners of our Company.

Save as disclosed above, to the best knowledge, information and belief of our Directors and Commissioners having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors and Commissioners that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

Each of our Directors and Commissioners confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in February 2026, and (ii) understands his or her obligations as a director or commissioner of a [REDACTED] issuer under the Listing Rules.

Each of the independent Commissioner has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

Save as otherwise disclosed in this Document, each of our Directors and Commissioners confirms that, as of the Latest Practicable Date, he or she does not have any interest in any business which competes or is likely to compete, whether directly or indirectly, with the Company's business, and which would require disclosure pursuant to Rule 8.10 of the Listing Rules.

COMPENSATION OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

Our Directors and Commissioners receive remuneration in the form of fees, salaries, allowances, discretionary bonuses, contributions to statutory retirement and other benefit scheme contributions and other benefits in kind, as determined in accordance with the Company's remuneration policies and subject to approval by the general meeting of shareholders where required under applicable Indonesian laws and regulations.

For each of the three years in the period ended 31 December 2025, the Company paid an aggregate cash compensation of approximately US\$166,068, US\$159,581 and US\$154,420 respectively, to our Directors and Commissioners. The Company has not set aside or accrued any amount to provide pension, retirement or other similar benefits to our Commissioners and directors. In accordance with Indonesian laws and regulations, our Indonesian subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her health insurance and work accident insurance.

DIRECTORS, SENIOR MANAGEMENT AND COMMISSIONERS

During the Track Record Period, no remuneration was paid by the Company to, or receivable by, our Directors, Commissioners or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Track Record Period, none of our Directors or Commissioners waived any remuneration. Save as disclosed above, no other payments were paid, or are payable, by the Company or any of its subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

COMPLIANCE ADVISER

The Company has appointed Somerley Capital Limited as its compliance adviser (the “**Compliance Adviser**”), upon [REDACTED] of our HDRs on the Hong Kong Stock Exchange in compliance with Rule 3A.19 of the Hong Kong Listing Rules. Pursuant to Rule 3A.23 of the Hong Kong Listing Rules, the Compliance Adviser will provide advice to us when consulted by us in the following circumstances: during the period of appointment, our Company must consult with, and if necessary, seek advice from the compliance adviser on a timely basis in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;
- where the Company’s business activities, developments or financial results materially deviate from any forecast, estimate or other information in this document; and
- where the Hong Kong Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or [REDACTED] of our [REDACTED] under Rule 13.10 of the Listing Rules.

The term of the Compliance Adviser’s appointment shall commence on the [REDACTED] and shall end on the date on which the Company distributes its annual report in respect of its financial results for the first full financial year commencing after the [REDACTED], unless terminated earlier in accordance with the terms of the compliance adviser agreement and the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business — Business Strategies” for a detailed description of our future plans.

REASONS FOR THE [REDACTED]

Our proposed [REDACTED] on the Hong Kong Stock Exchange represents a strategic initiative to strengthen the Company’s capital market platform and enhance its international profile. We believe that [REDACTED] on the Hong Kong Stock Exchange would diversify and broaden our shareholder base by attracting international institutional investors, improve [REDACTED] liquidity through access to deeper global capital markets, strengthen corporate governance and reporting standards through compliance with international regulatory frameworks, and funding flexibility for project development and growth initiatives. We believe that a Hong Kong [REDACTED] will further support our longterm development objectives by enhancing our accessibility to international investors seeking exposure to Indonesia’s gold sector, subject to applicable regulatory requirements and market conditions.

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APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF PT MERDEKA GOLD RESOURCES Tbk, UBS SECURITIES HONG KONG LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of PT Merdeka Gold Resources Tbk (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-1 to I-63, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-1 to I-63 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “**Document**”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

DIRECTORS’ RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX I

ACCOUNTANTS’ REPORT

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Track Record Period in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE [REDACTED] OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

BDO Limited

Certified Public Accountants
Hong Kong

[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

i. Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report. The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in United States Dollar (“**USD**”), and all values are rounded to the nearest thousand (USD’000) except when otherwise indicated.

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ACCOUNTANTS' REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
REVENUE	6	1,394	1,750	132
COST OF REVENUE	9	(936)	(1,180)	(278)
GROSS PROFIT/(LOSS)		458	570	(146)
OPERATING EXPENSE				
General and administrative expenses	9	(2,170)	(1,019)	(9,486)
LOSS FROM OPERATING		(1,712)	(449)	(9,632)
Finance income		188	688	1,209
Finance expenses	7	(8,994)	(20,673)	(14,724)
Other income/(expense) – net	8	387	5,500	(2,245)
LOSS BEFORE INCOME TAX ..		(10,131)	(14,934)	(25,392)
Income tax benefit/(expense)	10a	3,294	2,234	(2,102)
LOSS FOR THE YEAR		(6,837)	(12,700)	(27,494)
OTHER COMPREHENSIVE (LOSS)/INCOME THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS:				
Exchange difference on financial statements translation		(25)	(680)	158
OTHER COMPREHENSIVE (LOSS)/INCOME THAT NOT WILL BE RECLASSIFIED TO PROFIT OR LOSS:				
Actuarial (loss)/gain	29	(8)	81	4
Related income benefit/(tax)	18	2	(22)	–
Other comprehensive (loss)/income – net		(31)	(621)	162
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(6,868)	(13,321)	(27,332)

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ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>USD’000</i>	<i>USD’000</i>	<i>USD’000</i>
LOSS FOR THE YEAR				
ATTRIBUTABLE TO:				
Owners of the parent entity		(6,836)	(12,700)	(27,492)
Non-controlling interest		(1)	–	(2)
TOTAL		(6,837)	(12,700)	(27,494)
TOTAL COMPREHENSIVE				
LOSS FOR THE YEAR				
ATTRIBUTABLE TO:				
Owners of the parent entity		(6,867)	(13,322)	(27,330)
Non-controlling interest		(1)	–	(2)
TOTAL		(6,868)	(13,322)	(27,332)
LOSS PER SHARE				
ATTRIBUTABLE TO				
ORDINARY EQUITY				
HOLDERS OF THE PARENT				
Basic (USD)	12	(0.0005)	(0.0009)	(0.0019)

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December		
	Notes	2023	2024	2025
		USD'000	USD'000	USD'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	14	69,194	148,724	317,195
Exploration and evaluation assets .	15	175,843	182,258	
Mining properties	16	–	82,923	305,584
Advances and prepayments – non-current portion	17	2,956	13,667	10,628
Goodwill	37	122	122	–
Trade and other receivables – non-current portion	21	55,068	19,689	36,076
Deferred tax assets	18a	4,385	8,622	7,402
Other non-current assets	19	1,399	2,271	2,522
Total non-current assets		308,967	458,276	679,407
CURRENT ASSETS				
Inventories	20	610	573	10,515
Trade and other receivables – current portion	21	5,128	–	428
Advances and prepayments – current portion	17	1,595	3,537	4,980
Cash and banks	22	12,351	67,335	45,308
Total current assets		19,684	71,445	61,231
TOTAL ASSETS		328,651	529,721	740,638
LIABILITIES				
CURRENT LIABILITIES				
Trade payables, other payable and accruals	24	25,586	49,289	57,248
Sale and leaseback arrangement – current portion	25	3,339	6,732	9,835
Lease liabilities – current portion . .	26	17	19	620
Provision for mining rehabilitation – current portion	27	–	–	26
Total current liabilities		28,942	56,040	67,729
Total assets less current liabilities . .		299,709	473,681	672,909

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		31 December		
	Notes	2023	2024	2025
		USD'000	USD'000	USD'000
NON-CURRENT LIABILITIES				
Borrowings	28	133,700	177,946	260,404
Sale and leaseback arrangement – non-current portion	25	10,663	15,609	16,081
Lease liabilities – non-current portion	26	52	39	2,657
Deferred tax liabilities	18b	–	6,404	6,705
Employment benefits liability	29	98	645	1,222
Provision for mining rehabilitation – non current portion	27	–	–	4,901
Total non-current liabilities		144,513	200,643	291,970
TOTAL LIABILITIES		173,455	256,683	359,699
NET ASSETS		155,196	273,038	380,939
EQUITY				
Equity attributable to owners of the parent entity				
Share capital	30	6,996	138,115	152,891
Additional paid-in capital – net . . .	31	168,264	168,264	302,463
Treasury stock		–	–	(13,742)
Translation reserve		1,255	575	733
Employment benefits reserve.		(11)	47	51
Accumulated losses		(21,307)	(34,007)	(61,499)
Total equity attributable to owners of the parent entity		155,197	272,994	380,897
Non-controlling interest		(1)	44	42
TOTAL EQUITY		155,196	273,038	380,939
TOTAL LIABILITIES AND EQUITY		328,651	529,721	740,638

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Notes	Equity attributable to parent entity							Non-controlling interest	Total equity
		Share capital	Additional paid-in capital – net	Translation Reserve	Employment Benefits Reserve	Treasury Stock	Accumulated losses	Owners of the parent entity		
		USD '000	USD '000	USD '000 (Note a)	USD '000 (Note b)	USD '000 (Note c)	USD '000	USD '000	USD '000	USD '000
Balance as of 1 January 2023	30, 31	6,996	172,532	1,280	(5)	–	(14,471)	166,332	–	166,332
Transaction with controlling entities		–	(417)	–	–	–	–	(417)	–	(417)
Adjustment in relation to restructuring of an entity under common control (note d)		–	(3,851)	–	–	–	–	(3,851)	–	(3,851)
Loss for the year		–	–	–	–	–	(6,836)	(6,836)	(1)	(6,837)
Other comprehensive loss for the year		–	–	(25)	(6)	–	–	(31)	–	(31)
Balance as of 31 December 2023	30, 31	6,996	168,264	1,255	(11)	–	(21,307)	155,197	(1)	155,196
Issuance of shares		131,119	–	–	–	–	–	131,119	–	131,119
Loss for the year		–	–	–	–	–	(12,700)	(12,700)	–	(12,700)
Other comprehensive loss for the year		–	–	(680)	58	–	–	(622)	–	(622)
Acquisition of a subsidiary		–	–	–	–	–	–	–	45	45
Balance as of 31 December 2024	30, 31	138,115	168,264	575	47	–	(34,007)	272,994	44	273,038
Treasury buyback shares		–	(127,658)	–	–	(13,742)	–	(141,400)	–	(141,400)
Share capital issuance from Initial Public Offering (note 31)		14,776	268,915	–	–	–	–	283,691	–	283,691
Share issuance cost		–	(7,058)	–	–	–	–	(7,058)	–	(7,058)
Loss for the year		–	–	–	–	–	(27,492)	(27,492)	(2)	(27,494)
Other comprehensive income for the year		–	–	158	4	–	–	162	–	162
Balance as of 31 December 2025	30, 31	152,891	302,463	733	51	(13,742)	(61,499)	380,897	42	380,939

Notes:

- Translation reserve represents foreign exchange differences arising from the translation of the financial statements of the subsidiaries with functional currency other than USD.
- Employment benefits reserve of the Group represents actuarial gains or losses arising from the remeasurement of defined benefit obligations under employee benefit plans.
- Treasury stock represents the buyback of all shares previously held by PT Permata Alam Kapital, comprising 1,448,866,615 shares, for a consideration of USD141,400,000; although the repurchase amount was USD141,400,000, the original share value at the time PT Permata Alam Kapital entered the Company was USD125,000,000, which was subsequently adjusted to USD13,742,000 at a nominal price of Rp150 (equivalent to USD0.01) following a stock split and harmonization of share classes prior to the transaction and balance of USD127,658,000 was adjusted to additional paid-in capital.
- The adjustment represents the difference between the cash consideration paid for the acquisition of shares and the net book value of MAP and MMI on the acquisition date. As this transaction involves entities under common control, the excess of the purchase price over the net book value is recognized in additional paid-in capital.

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ACCOUNTANTS' REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		USD'000	USD'000	USD'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(10,131)	(14,934)	(25,392)
Adjustments for:				
Depreciation of property, plant and equipment	14	352	235	56
(Gain)/loss on foreign currency . .		(56)	(266)	1,971
Fair value change on equity interest	8	–	(4,950)	–
Excess value in acquisition of subsidiaries	8	–	(845)	–
Employee benefit expense	9	3	4	6
Impairment of goodwill	37	–	–	122
Finance income		(188)	(688)	(1,209)
Finance expense	7	8,994	20,673	14,724
Operating cash flow before working capital change		(1,026)	(771)	(9,722)
(Increase)/decrease in inventories	20	(496)	46	(8,508)
Increase in trade and other receivables	21	(6,849)	(1,096)	(18,127)
Increase in advances and prepayments	17	(1,464)	(1,942)	(1,442)
Decrease/(increase) in other non-current assets	19	5	(872)	(251)
Decrease in trade payables, other payable and accruals	24	(6,911)	(2,334)	15,279
Increase in employee benefit liabilities	29	64	262	575
Cash used in operations		(16,677)	(6,707)	(22,196)
Finance income.		188	688	1,209
Income taxes paid		–	(262)	(727)
Net cash flows used in operating activities		(16,489)	(6,281)	(21,714)
CASH FLOWS FROM INVESTING ACTIVITIES				
Addition of exploration and evaluation assets	15	(18,011)	(3,576)	(4,850)
Addition of mining properties	16	–	(3,474)	(25,590)
Acquisition of property, plant and equipment	14	(39,402)	(90,928)	(152,121)
Consideration paid for acquisition of a subsidiary.	35	–	(8,061)	–
Borrowing to a related party		(27,284)	–	–
Net cash flows used in investing activities		(84,697)	(106,039)	(182,561)

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ACCOUNTANTS’ REPORT

		Year ended 31 December		
		2023	2024	2025
Notes		USD'000	USD'000	USD'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowing from a related party		100,200	140,656	261,250
Repayment of borrowing from a related party		—	(100,606)	(435,000)
Proceeds from issuance of shares . .		—	131,119	283,691
Share issuance cost		—	—	(7,058)
Consideration paid for treasury stock		—	—	(141,400)
Proceeds from sale and leaseback arrangement		9,541	12,989	12,174
Payment of sale and leaseback arrangement		25 (653)	(4,713)	(8,599)
Payment of interest for sale and leaseback arrangement.		(443)	(1,536)	(1,957)
Payment of principal portion lease liabilities		26 (498)	(11)	(15)
Payment of interest portion of lease liabilities		(31)	(5)	(9)
Proceeds from bank borrowing		—	5,000	310,000
Payment of bank borrowing		—	—	(50,000)
Payment of borrowing cost		—	(804)	(4,823)
Payment of interest on a related party borrowing		(135)	(13,994)	(35,126)
Payment of interest on bank borrowing		7 —	(112)	(1,038)
Net cash flows from financing activities		107,981	167,983	182,090
NET INCREASE/(DECREASE) IN CASH AND BANKS				
		6,795	55,663	(22,185)
CASH AND BANKS AT BEGINNING OF THE YEAR . .		22 5,582	12,351	67,335
Effect of foreign exchange translation on cash and banks . .		(26)	(679)	158
CASH AND BANKS AT END OF THE YEAR		22 12,351	67,335	45,308

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ACCOUNTANTS’ REPORT

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		31 December		
	Notes	2023	2024	2025
		USD'000	USD'000	USD'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	14	–	–	40
Other receivables	21	78,969	217,155	157,005
Investment in subsidiaries	23	224,108	209,056	249,742
Deferred tax assets	18a	745	2,299	–
Other non-current assets	19	3	3	12
Total non-current assets		303,825	428,513	406,799
CURRENT ASSETS				
Cash and banks	22	1,390	53,503	19,120
Prepayments	17	25	21	125
Total current assets		1,415	53,524	19,245
TOTAL ASSETS		305,240	482,037	426,044
LIABILITIES				
CURRENT LIABILITIES				
Trade payables, other payable and accruals	24	8,723	13,704	1,054
Lease liabilities	26	–	–	20
Total current liabilities		8,723	13,704	1,074
Total assets less current liabilities . .		296,517	468,333	424,970
NON-CURRENT LIABILITIES				
Borrowings	28	133,700	177,946	–
Lease liabilities	26	–	–	23
Employment benefits liability	29	6	–	1
Total non-current liabilities		133,706	177,946	24
TOTAL LIABILITIES		142,429	191,650	1,098
NET ASSETS		162,811	290,387	424,946
EQUITY				
Equity attributable to owners of the parent entity				
Share capital	30	6,996	138,115	152,891
Additional paid-in capital – net . . .	38	168,681	168,681	302,880
Treasury stock	38	–	–	(13,742)
Employment benefits reserve.	38	1,125	1,125	1,125
Accumulated losses		(13,991)	(17,534)	(18,208)
TOTAL EQUITY		162,811	290,387	424,946
TOTAL LIABILITIES AND EQUITY		305,240	482,037	426,044

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NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

a. Establishment and general information

PT Merdeka Gold Resources Tbk (formerly PT Pani Bersama Jaya) (the “**Company**”), was established in the Republic of Indonesia based on Deed of Establishment No. 87 dated 20 November 2015 made before Humberg Lie, S.H., S.E., M.Kn., Notary in North Jakarta. The Company’s Deed of Establishment was ratified by the Minister of Law (formerly Minister of Law and Human Rights of Republic of Indonesia) (“**MOL**”) under its Decree No. AHU-2467705.AH.01.01.TAHUN 2015 dated 20 November 2015.

The most recent amendment to the Company’s Articles of Association was based on Deed of Statement of Shareholders’ Resolutions No. 49 dated 7 October 2025, made before Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta Administrative City (“**Deed 49/2025**”), regarding the change of issued and paid-up capital resulting from the implementation of initial [REDACTED] of shares of the Company. Such deed has been notified to the MOL based on Receipt of Notification on the Amendment of the Company’s Articles of Association No. AHU-AH.01.03-0241346 dated 7 October 2025.

In accordance with Article 3 of the Company’s Articles of Association, the scope of its activities is holding companies and other management consulting activities. Currently, the business activity carried out by the Company is as a holding company of a business group engaged in gold mining and its associated minerals, processing and other related business activities that are vertically integrated.

In the last quarter of 2025, the Group has commenced certain per-production mining activities but has not commenced commercial operations.

The Company is domiciled in Treasury Tower 67th floor, District 8 SCBD Lot 28, Jl. Jenderal Sudirman Kav. 52-53, Subregency Senayan, Regency Kebayoran Baru, South Jakarta 12190, Province of DKI Jakarta, Indonesia.

The ultimate parent entity of the Company is PT Merdeka Copper Gold Tbk (“**MCG**”), which is incorporated in Indonesia and list on the Indonesia Stock Exchange (“**IDX**”).

As of the date of this report, the statutory financial statements of the Company for the years ended 31 December 2023, 2024 and 2025 have been prepared and audited by BDO Indonesia. The Company had direct and indirect interests in its subsidiaries, the particulars of which are set out below:

Subsidiaries	Domicile	Nature of business	Effective percentage of ownership			Issued and fully paid share capital (in USD’000)		
			31 December 2023	31 December 2024	31 December 2025	31 December 2023	31 December 2024	31 December 2025
PT Gorontalo Sejahtera Mining (“GSM”) ^(a)	Indonesia	Mineral mining	99.99%	99.99%	99.99%	150,931	150,931	270,333
PT Pani Bersama Tambang (“PBT”) ^(a)	Indonesia	Manufacture of precious basic metals industry	99.99%	99.99%	99.99%	58,043	27,313	322,199
PT Merdeka Mining Indonesia (“MMI”) ^{(a)(c)}	Indonesia	Mining and other quarrying supporting activities, leasing activities for construction equipment with operators and leasing and operating leasing activities for mining and energy machinery and its equipment	99.99%	99.99%	99.99%	326	11,326	61,778
PT Mentari Alam Persada (“MAP”) ^{(a)(d)}	Indonesia	Wholesale trading on a fee or contract basis, other transportation support service activities, other business support services activities, owned or leased real estate activities, and road civil building construction	99.99%	99.99%	99.99%	14,699	19,282	21,990
PT Pani Industri Jaya (“PIJ”) ^(b)	Indonesia	Industrial Area	–	99.96%	99.96%	–	163	154
PT Puncak Emas Tani Sejahtera (“PETS”) ^{(a)(c)} through PT Puncak Emas Gorontalo and PBT	Indonesia	Ore mining	–	99.99%	99.99%	–	–	179,671

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Subsidiaries	Domicile	Nature of business	Effective percentage of ownership			Issued and fully paid share capital (in USD’000)		
			31 December 2023	31 December 2024	31 December 2025	31 December 2023	31 December 2024	31 December 2025
PT Puncak Emas Gorontalo (“PEG”) through PBT ^(a)	Indonesia	Holding company	99.99%	99.99%	99.99%	–	–	10,728
PT Pani Industri Nusantara (“PIN”) through PETS and GSM ^(b)	Indonesia	Manufacture of nonferrous basic metals	–	–	99.99%	–	–	659

Notes:

- (a) As of the date of this report, the statutory financial statements of these companies for the years ended 31 December 2023 and 2024 have been prepared and audited by BDO Indonesia. The statutory financial statements for the year ended 31 December 2025 have also been audited by BDO Indonesia but not yet issued.
- (b) The statutory financial statements for the years ended 31 December 2023, 2024 and 2025 have not been audited as the companies had total assets of less than IDR 50 billion and, pursuant to Law No. 40 of 2007 on Limited Liability Companies in Indonesia, are not required to have their financial statements audited.
- (c) Based on the Deed of Statement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders of MMI No. 43 dated 20 September 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, as approved by and notified to the MOLHR based on (i) MOLHR Decree No. AHU-0056558.AH.01.02.TAHUN 2023, and (ii) Receipt of Notification of Amendment of Articles of Association No. AHU-AH.01.03-0119645, all of them dated 20 September 2023, the shareholders of MMI consented to the increase of the authorized capital. For those purposes, MMI issued new shares totaling 990,000 shares, with a nominal value of Rp4,950,000,000 (equivalent to USD322,308). The Company subscribed for all of such new shares issued by MMI, which is sufficient to provide the Company with 99% ownership of the issued and paid-up capital of MMI. Therefore, the Company effectively controls and consolidates MMI in the Group’s consolidated financial statements.

Based on the Deed of Statement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders of MMI No. 44 dated 20 September 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, as notified to and received by the MOLHR based on Receipt of Notification of Change of Company’s Data No. AHU-AH.01.09-0165221 dated 20 September 2023, the shareholders of MMI consent to the transfer of shares owned by MCG, the former owner of MMI and ultimate parent entity of the Company totaling 9,999 shares, with a nominal value of Rp49,995,000 (equivalent to USD3,252) to the Company. Therefore the Company’s shares ownership in MMI becomes 99.99% of the issued and paid-up capital of MMI.

The acquisition of MMI constituted a business combination under common control. The consolidated financial statements have been prepared whereby MMI is consolidated since the beginning of the period in which the combined entities were under common control. The fair value of the consideration paid which was settled in cash amounted to USD326,000. The total net identified net assets acquired amounted to USD438,000 with the excess of the consideration over the identifiable net assets was recognized as additional paid in capital of USD112,000.

- (d) Based on the Deed of Statement of Circular Resolution in Lieu of Extraordinary General Meeting of Shareholders of MAP No. 53 dated 18 December 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, as approved by and notified to the MOLHR based on (i) MOLHR Decree No. AHU-0079049.AH.01.02.TAHUN 2023, and (ii) Receipt of Notification of Amendment of Articles of Association No. AHU-AH.01.03-0157460, all of them dated 18 December 2023 (“**MAP Deed No. 53/2023**”), the shareholders of MAP consented to the increase of the authorized capital. For those purposes, MAP issued new shares totaling 668,000 shares, with a nominal value of IDR167,000,000,000 (equivalent to USD10,855,000). The Company subscribed for all of such new shares issued by MAP, which is sufficient to provide the Company with 73.55% ownership of the issued and paid-up capital of MAP. Therefore, the Company effectively controls and consolidates MAP in the Group’s consolidated financial statements since that date.

MAP No. 54 dated 18 December 2023, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, as notified to and received by the MOLHR based on Receipt of Notification of Change of Company Data No. AHU-AH.01.09-0197083 dated 18 December 2023, the shareholders of MAP consented to the transfer of shares owned by MCG, the former owner of MAP and ultimate parent entity of the Company totaling 240,199 shares, with a nominal value of Rp60,049,750,000 (equivalent to USD3,843,573) to the Company. Therefore the Company’s shares ownership in MAP becomes 99.99% of the issued and paid-up capital of MAP.

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The acquisition of MAP constituted a business combination under common control. The consolidated financial statements have been prepared whereby MAP is consolidated since the beginning of the period in which the combined entities were under common control. The fair value of the consideration paid which was settled in cash amounted to USD14,905,000. The total net identified net assets acquired amounted to USD14,375,000 with the excess of the consideration over the identifiable net assets was recognized as additional paid in capital of USD530,000.

(e) Under control since year 2024.

b. Company’s public offering in Indonesia in September 2025

On 15 September 2025, the Company has obtained its effective statement from Financial Services Authority (“OJK”) in its letter No. S-99/D.04/2025 to conduct the initial public offering (“IPO”) in Indonesia for issuance of 1,618,023,300 ordinary shares at the nominal price of Rp150 equivalent to USD0.01 per share and offered to the public at the price of Rp2,880 (equivalent to USD0.18) per share. The company raised gross proceeds of approximately US\$283,691,000 (before deduction of expenses) under the Indonesian IPO. Accordingly, as of 23 September 2025, the Company’s shares have been officially traded on the IDX.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the [REDACTED] of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance. The Historical Financial Information has been prepared on the historical cost convention, except as discussed in the accounting policies and the notes to the Historical Financial Information.

As at 31 December 2023 and 2025, the Group had net current liabilities of approximately USD9,258,000 and USD6,498,000. In the opinion of the directors of the Company, the Historical Financial Information has been prepared on a going concern basis because the Group will be able to meet in full its financial obligations as and when they fall due for the next twelve months from the date of this report, taking into account of the expected cash inflows from operations, utilisation of undrawn facilities currently available to the Group and the availability of internal funding resources within the Group.

3. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective:

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective date to be determined

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application.

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. The new requirements are expected to impact the Group’s presentation of the statement of profit or loss and disclosures of the Group’s financial performance.

So far, the Group considers that these new and amended IFRS Accounting Standards are unlikely to have a significant impact on the Group’s results of operation and financial position.

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4. MATERIAL ACCOUNTING POLICIES

The presentation and preparation of financial statements include the accounts of the Company and its subsidiaries mentioned in note 1(a), in which the Company maintains (directly or indirectly) equity ownership of more than 50% and is controlled by the Company.

All material intercompany transactions and account balances (including the related significant unrealised gains or losses) have been eliminated.

Subsidiaries are fully consolidated from the date of acquisitions, being the date on which the Company obtains control, and continue to be consolidated until the date such control ceases.

Losses of a non-wholly owned subsidiary are attributed to the Non-Controlling Interest ("NCI") even if that results in a deficit balance. In case of loss of control over a subsidiary, the Company:

- Derecognises the assets (including goodwill) and liabilities of the subsidiaries;
- Derecognises the carrying amount of any NCI;
- Derecognises the cumulative translation differences, recorded in equity, if any;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NCI represent the portion of the profit or loss and net assets of the subsidiaries not attributable, directly or indirectly, to the Company, which are presented in the consolidated statement of profit or loss and other comprehensive income and under the equity section of the consolidated statement of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent entity.

Changes in the Company ownership interest in a Subsidiary that do not result in loss of control are accounted for as equity transactions. The carrying amounts of the Company and non-controlling interest are adjusted to reflect the changes in their relative interests in the Subsidiary. Any differences between the amount by which the NCI are adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners of the parent entity.

Subsidiaries

The consolidated financial statements present the results of the Group as if they formed a single entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Non-controlling interests is presented in the consolidated statements of financial position within equity, separately from the equity of the owners of the parent.

Upon the loss of control, the Group derecognise the assets and liabilities of the subsidiaries, any non-controlling interests and the other components of equity related to the subsidiaries. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiaries, then such interest is measured at fair value at the date that control is lost.

Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiaries.

Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealised income and expenses arising from intercompany transactions, are eliminated in preparing and presenting the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries or associated companies over the fair value at the date of acquisition of the Group’s share of their identifiable net assets, including contingent liabilities, at the date of acquisition. Acquisition cost are measured as assets acquired, equity instruments issued or liabilities incurred or assumed at acquisition date, plus direct attributable cost related to the acquisition.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the profit or loss on the acquisition date.

Gain or losses on disposal of subsidiaries and associates include the carrying amount of capitalized goodwill relating to the entity sold.

Goodwill is tested for impairment annually, or more frequently if there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of Group’ cash-generating-units (“CGU”) expected to benefit from synergies of the business combination.

An impairment loss is recognised in the profit or loss when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of the CGU’s fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro-rated on the basis of the carrying amount of each asset in the CGU.

Impairment loss on goodwill is non-reversible in the subsequent period.

Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, the Group takes into consideration of potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that occur in connection with Group’s business combination are expensed as incurred. Any contingent consideration is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Restructuring Transactions of Entities under Common Control

Restructuring transactions of entities under common control represent transfer of assets, liabilities, shares or other ownership instruments to reorganize entities within the Group, therefore resulting in no changes of ownership in terms of economic substance. Such transactions should not result in any gain or loss, either at the consolidated level or at the level of the individual entities within the Company and its subsidiaries.

Since restructuring transactions of entities under common control do not result in changes in economic substance of ownership in transferred assets, shares, liabilities or other ownership instruments, the transferred assets or liabilities (in legal form) should be recorded at book value in a manner similar to business combination transactions using the pooling-of-interest method.

In applying the pooling of interest method, the financial statement elements of the combining entities, for the period in which the business combination of entities under common control occurs and for the comparative presentation period, are presented as if the combination had occurred since the beginning of the period in which the combining entities were under common control.

The difference between transfer price and book value for each restructuring transaction of entities under common control is recorded in an account entitled “Additional paid-in capital”.

Foreign currencies transactions and balances

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the relevant entity operates (the “functional currency”). The consolidated financial statements are presented in United States Dollars (“USD” or “US Dollars”), which is the Company’s functional currency and the Group’s presentation currency.

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Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as of the date of the transactions. As of the reporting date, monetary assets and liabilities denominated in foreign currency are adjusted to reflect the prevailing exchange rates at such date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Transaction with related parties

Related party represents a person or an entity who is related to the reporting entity:

- (1) A person or a close member of the person’s family is related to a reporting entity if that person:
 - (a) Has control or joint control over the reporting entity;
 - (b) Has significant influence over the reporting entity; or
 - (c) Is member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (2) An entity is related to a reporting entity if any of the following conditions applies:
 - (a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (c) Both entities are joint ventures of the same third party;
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) The entity is a employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (f) The entity is controlled or jointly controlled by a person identified in (1); or
 - (g) A person identified in (1)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) The entity, or any member of a group of which it is a part, provides key management personal services to the reporting entity or to the parent of the reporting entity.

Financial instruments

The Group classifies its financial assets and financial liabilities in the following categories:

1. Amortised cost;
2. Fair value through profit and loss (“FVTPL”);
3. Fair value through other comprehensive income (“FVOCI”).

The classification depends on the purpose for which the financial assets and financial liabilities are acquired and is determined at initial recognition.

1) *Financial assets*

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The Group’s financial assets consist of cash and banks, trade and other receivables, and other non-current assets and are measured at amortised cost.

i. Amortised cost

A financial assets is measured at amortised cost if it meets both of the following conditions:

- Financial assets is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

At initial recognition, financial assets that are classified as amortised cost are measured at fair value, plus directly attributable transaction costs. Interest income is calculated using the effective interest rate method and recognised in profit or loss.

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ii. *FVTPL*

Financial assets measured at FVTPL are debt instruments which do not meet the criteria of amortised cost or FVOCI, equity investments which are held for trading or where the FVOCI election has not been applied, derivatives which are not designated as a hedging instrument. Fair value gains or losses from this financial assets are recorded in profit or loss.

iii. *FVOCI*

Financial assets measured at FVOCI are equity investments, that is not held for trading and the Group has irrevocably elected to present fair value of equity investment in other comprehensive income; debt instruments that are held to get contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payment of principal and interest. Dividend from equity investments are recognised in profit or loss while the Group's right to received payment is established.

2) *Financial liabilities*

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. As at the reporting dates, the Group's has no other financial liabilities other than those classified as amortised cost. The Group's determines the classification of its financial liabilities at initial recognition.

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method. Gains and losses are recognised in profit and loss when the liabilities are derecognised, and through the amortisation process.

The Group's financial liabilities consist of trade payables, other payable and accruals, lease liabilities, and borrowings.

3) *Derecognition*

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

4) *Offsetting financial instruments*

Financial assets and liabilities are set-off and the net amount is presented in the consolidated statements of financial position when, and only when, the Group has the legal right to set off the amounts and intends either to settle on a net basis or realise the asset and settle the liabilities simultaneously.

Income and expenses are presented net only when permitted by accounting standards.

5) *Impairment of financial assets*

Impairment loss provision of financial assets measured at expected credit losses model ("ECLs") and applied for financial assets which measured at amortized cost. The impairment method applied depends on whether there has been a significant increase in credit risk.

General Approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the reporting period, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of ECL. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the end of each of the reporting period with the risk of a default occurring on the financial instrument as of the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs;

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs;

Stage 3 — Financial assets that are credit-impaired at the end of each of the reporting period (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified Approach

The Group applies the “simplified approach” to measuring ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets without significant financing components. To measure the ECL, trade receivables have been grouped based on similar credit risk characteristics and the days past due. The Group establishes a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the Group and the economic environment.

Cash and banks

Cash and bank consist of cash on hand and in banks that not used as collateral and not restricted in the usage.

Trade and other receivables

Trade receivables is amount due from customers for goods sold or services performed in the ordinary course of business.

Other receivables are amounts due from third parties or related parties for transactions outside of the ordinary course of business.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. A provision account is used when there is objective evidence that the Group will not be able to collect all or a portion of amounts due according to the original terms of the receivables.

The amount of the impairment loss recognized in profit or loss within “others - net” for trade receivables and for other receivables. When a trade and other receivable for which an impairment provision had been recognized becomes uncollectible in a subsequent year, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against “others - net” in profit or loss.

Inventory

Inventories which consist of ore in stockpiles, goods in process, spare parts and supplies are valued at the lower of cost or net realizable value.

Cost is determined based on the weighted average method which includes mining costs, direct labor costs, other direct costs and an appropriate portion of fixed and variable overheads related to mining operations. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are valued at cost less a provision for obsolete and slow moving inventory. Cost is determined based on the weighted average method. A provision for obsolete and slow moving inventory is determined on the basis of estimated future usage or sale of individual inventory items. Supplies of maintenance materials are charged to production costs in the period in which they are used.

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Investment in a joint venture

The results and assets and liabilities of a joint venture are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted there after to recognise the Group’s share of the profit or loss and other comprehensive income of the joint venture. When the Group’s share of losses of a joint venture exceeds the Group’s interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Property, plant and equipments

Components of property, plant and equipments are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Property, plant and equipments, other than land are recognised at cost less accumulated depreciation and accumulated impairment losses.

The depreciation of property, plant and equipments is computed using straight-line method based on the estimated useful lives of the assets, as follows:

	Year
Vehicles	4-8
Office equipment	4
Machine and equipment	4
Building	10-20

Mining infrastructure and plant in mining area are depreciated using the unit-of production method.

Heavy equipment are depreciated using hourly utilization basis over their estimated operating life.

Depreciation expenses are taken to profit or loss during the financial year in which they are incurred.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains or losses on disposal of property, plant and equipments are determined by comparing proceeds with the carrying amount and are included in profit or loss from operations.

Construction in progress

Construction in progress represents property, plant and equipments under construction which is stated at cost and is not depreciated. The accumulated costs are reclassified to the respective property, plant and equipments account and are depreciated when the construction is substantially complete and the asset is ready for its intended use.

Exploration and evaluation assets

Exploration and evaluation activity involves the search for Mineral Resources after the Group has obtained legal rights to explore in a specific area, determination of the technical feasibility and assessment of the commercial viability of an identified resource.

Exploration and evaluation activity includes among others:

- Obtaining right to explore;
- Topography, geology, geochemical and geophysical studies;
- Exploratory drilling;
- Trenching;
- Sampling;
- Technical and commercial feasibility on mining of Mineral Resources.

Exploration and evaluation expenditure related to an area of interest is written off as incurred, unless it is capitalised and carried forward, on an area of interest basis, provided one of the following conditions is met:

1. The rights of tenure of an area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
2. Exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area of interest are continuing.

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Exploration and evaluation assets are subsequently measured using the full costing method.

Identifiable exploration and evaluation assets acquired in a business combination are recognised initially as assets at fair value on acquisition and subsequently at cost less impairment charges. Exploration and evaluation expenditure incurred subsequent to the acquisition of an exploration asset in a business combination is accounted for in accordance with the policy outlined above.

When technical and commercial feasibility of mining of Mineral Resources are demonstrable, exploration and evaluation assets are reclassified as “mining under development” at “mining properties” account.

Expenditure incurred before the entity has obtained the legal right to explore a specific area is expensed as incurred.

Exploration and evaluation assets are assessed for impairment when facts and conditions indicate that the carrying amounts exceed recoverable amounts.

Mining properties

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and the related infrastructure and excludes physical assets and land rights (i.e. right to build, right to cultivate and right to use), which are recorded as property, plant and equipment.

No depreciation is recognized for “mining under development” until they are reclassified to “mining in production” as mining properties.

Mining properties are depreciated using the unit of production method.

Identifiable mining properties acquired in a business combination are initially recognized as assets at their fair value. Development expenses incurred subsequent to the acquisition of the mining properties are accounted for in accordance with the policy outlined above.

“Mining under development” and “mining in production” are tested for impairment in accordance with the Group policy.

Reclamation and mine closure

Group recognizes the present value of estimated costs of legal and constructive obligations required to restore the condition of mining area caused by mining operations in the period in which the obligation is incurred. The reclamation and mine closure activities include dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste site, and restoration, reclamation and revegetation of affected areas.

The obligation normally arises when the asset is installed or the ground/environment is disturbed in mining operations area. At the initial recognition of the liability, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction activities in the exploration and development mining areas.

Any reclamation and mine closure obligations that arise through the production phase are expensed as incurred. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risk specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of comprehensive income as a finance cost.

Additional disturbances or changes in reclamation and mine closure costs are recognized as additions or changes to the corresponding assets and reclamation and mine closure liability when they occur.

Changes to estimated future costs are recognized in the consolidated statement of financial position by either increasing or decreasing the reclamation and mine closure liability and the related asset if the estimated costs of reclamation and mine closure were originally recognized as part of an asset measured. Any reduction in the reclamation and mine closure liability and deduction from the related asset may not exceed the carrying amount of that asset. If it does exceed the carrying value of the related asset, such excess is immediately recognized in the consolidated statement of profit or loss and other comprehensive income.

If the change in estimates results in an increase in the reclamation and mine closure liability and, an addition to the carrying value of the related asset, Group assesses the impairment, if there is indication of impairment of such assets.

Impairment of non-financial assets (excluding deferred tax assets)

IAS 36 prescribes the procedures to be employed by an entity to ensure that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and IAS 36 requires the entity to recognise an impairment loss. This IFRS also specifies when an entity should reverse an impairment loss and prescribes disclosures.

The adoption of IAS 36 requires the impairment test of goodwill at least once a year and more frequently when indications for impairment exist.

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset’s recoverable amount.

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An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value less costs to sell, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Taxation

Current tax

Current income tax assets and or liabilities comprise those obligations to, or claims from Tax Authorities relating to the current or prior reporting period, that are unpaid at the consolidated statements of financial position date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

All changes to current tax assets or liabilities are recognised as a component of income tax expense in the consolidated statements of profit or loss and other comprehensive income.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences between the financial and the tax bases of assets and liabilities at each of the reporting date.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences. Future tax benefits, such as the carry-forward of unused tax losses, are also recognised to the extent that realisation of such benefits is probable.

The carrying amount of deferred tax assets is reviewed at each consolidated statements of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each consolidated statements of financial position date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

The amount of the asset or liability is determined using tax rates that have been enacted, or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when Group has a legally enforceable right to offset current tax assets and liabilities.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less after the reporting date. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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Costs incurred to obtain loan facilities are recognized as transaction costs of the borrowing to the extent that it is probable that some or all of the facility will be drawdown. In this case, the costs of obtaining the borrowing are deferred until the loan is drawn. To the extent that there is no evidence that it is probable that some or all of the facility will be drawdown, the costs of obtaining the borrowing are capitalized as a prepayment for liquidity services and amortized over the related facility period.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in profit or loss.

Borrowings are classified as current liabilities unless The Group has a right to defer the settlement of the liability for at least twelve months after the reporting date.

Employment benefits liability

The Group provides post-employment defined benefit to its employees in accordance with prevailing Labor Law.

No funding has been made to this defined benefit plan.

The actuarial valuation method used to determine the present value of the defined benefit liability, related current service cost and past service costs is the Projected Unit Credit.

Current service costs, interest costs, vested past service costs, and effect of curtailment or settlement (if any) are charged directly to consolidated statements of profit or loss.

Past service costs which are not yet vested and actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Actuarial gains and losses and adjustments arising which are recognised in other comprehensive income will be immediately recognised in retained earnings. Actuarial gains/(losses) are not reclassified to profit or loss in subsequent periods.

Other long-term employee benefits

Other long-term employee benefits, which consist of long service rewards and long leave benefits, are recognised in the consolidated statements of financial position at the present value of the defined benefit obligation. The actuarial gains and losses and past service costs which are not yet vested and actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Actuarial gains/(losses) are not reclassified to profit or loss in subsequent periods.

Provision, contingent liabilities and contingent asset

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits to the Company is probable.

Provisions are recognized when Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate, where appropriate, to reflect the risk specific to the liability.

The increase in the provision due to the passage of time is recognized as a finance cost, when discounting is used.

Stock issuance costs

Stock issuance costs are deducted from the additional paid-in capital portion of the related proceeds from issuance of shares and are not amortized.

Lease

At the inception of a contract, the Group assesses whether the contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset — this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has the substantive substitution right, then the asset is not identified;

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- The Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the identified asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In certain circumstances where all the decisions about how and for what purpose the asset is used are predetermined the Group has the right to direct the use of the asset if either:
 - The Group has the right to operate the asset; and
 - The Group has designed the asset in a way that predetermined how and for what purpose it will be used.

At inception or on re-assessment of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group as a lessee

At initial recognition, the Group recorded the right-of-use asset and lease liability.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liability remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases of property, plant and equipment

The Group leases certain property, plant and equipment that is classified as lease assets under property, plant and equipment.

The amount of lease that is initially recognized as a property, plant and equipment is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analyzed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability.

Lease assets under property, plant and equipment are depreciated using hourly utilization basis over their estimated operating life.

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Sale and leaseback transactions

Under IFRS 16 Leases, a sales and leaseback transaction is recognized as a sale if the transfer of the asset satisfies the control criteria set out under IFRS 15 Revenue from contract with customers. The seller-lessee derecognizes the underlying asset, recognizes a right-of-use (ROU) asset, and a lease liability. The ROU asset is measured at the proportion of the previous carrying amount that relates to the rights retained. If the transfer does not qualify as a sale, the transaction is accounted for as a financing arrangement.

Revenue and expense

Revenue recognition

The Group has performed the following 5 (five) steps of assessment to recognize its revenue:

- Identify contracts with customers;
- Identify performance obligations in contract in relation to the transfer distinctive goods or services;
- Determine the consideration amount for the Group which expected to be entitled in exchange for transferring goods or services to customer;
- Allocate the transaction or consideration prices to each performance obligation on the basis of the relative selling prices from each goods or services in the contract;
- Recognize revenue when the performance obligation is satisfied either at a point in time or over time.

Expense recognition

Expenses are recognised when incurred (accrual basis).

Operating segment

An operating segment is a component of an entity:

- a. That engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses related to transactions between different components within the same entity).
- b. Whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance, and
- c. For which discrete financial information is available.

The Group segments its financial reporting based on the financial information used by the chief operating decision-maker in evaluating the performance of segments and in the allocation of resources. The operating segments are determined based on the nature of the Group's integrated operating activities, rather than on individual legal entities.

Earnings per share

a. Basic earnings per share

Basic earnings per share is computed by dividing the profit for the year attributable to owners of the parent of the Company by the weighted-average number of ordinary shares outstanding during the year.

b. Diluted earnings per share

Diluted earnings per share is computed by dividing the profit for the year attributable to owners of the Company by the weighted average number of outstanding as adjusted for the effect of all dilutive potential ordinary shares.

Treasury stock

When the Company purchases its share capital (treasury stock), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to owners of the parent entity until the shares are canceled or reissued. When the treasury stock is reissued, the consideration received, net of related attributable incremental costs, is included in the equity attributable to the owners of the parent entity.

Events after the Track Record Period

Events after the Track Record Period that provide evidence of conditions that existed at the end of the Track Record Period (adjusting events) are reflected in the consolidated financial statements. Events after the Track Record Period that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

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5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the end of each of the Track Record Period. Uncertainty about these estimates and assumptions could result in a material adjustment to the carrying amount of the assets or liabilities affected within the next financial year.

In the process of applying Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Historical Financial Information:

1) Income taxes

Group has exposure to income taxes. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognizes liabilities for expected tax issues, if any, based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact in the period in which such determination is made.

2) Useful lives of property, plant and equipment

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets.

Management estimates the useful lives of these property, plant and equipment to be between 4 to 20 years. These are common life expectancies applied in the industry. However, for heavy equipment, useful lives are estimated based on total estimated operating life (hour meter basis).

Therefore, future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipments at the end of the reporting period is disclosed in note 14 to the Historical Financial Information.

3) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Tax losses in Indonesia may be carried forward for a maximum of five years.

Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4) Employment benefits

The costs, assets and liabilities of the defined benefit schemes operated by the Group are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are set out in note 29.

The Group engages independent actuaries to provide advice on the appropriateness of these assumptions. Changes in the actuarial assumptions may have a material impact on the Group's consolidated statements of profit or loss and other comprehensive income, and the consolidated statements of financial position.

5) Provision for mining rehabilitation

The Government Regulation No. 78/2010 deals with reclamation and post-mining activities for both Mining License Permit (IUP) — Exploration, and Contract of Work and Production and the Ministerial Decree of ESDM No. 26/2018 deals with reclamation and post-mining activities in the mineral and coal mining business.

Restoration, rehabilitation and environmental expenditure to be incurred related to the remediation of disturbed areas during the production phase are charged to cost of sales when the obligation arising from the disturbance occurs as extraction progress.

The reclamation of disturbed areas and decommissioning of mining assets and other long lived assets will be undertaken during several years in the future and precise requirements are constantly changing to satisfy political, environmental, safety and public expectations. As such, the timing and amounts of future cash flows required to settle the obligation at each of the statement of financial position dates are subject to significant uncertainty. Changes in the expected future costs could have an impact on the Company's financial statements.

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6) Ore reserves

Proven and probable reserves are estimates of the amount of ore that can be economically and legally exploited from the Group’s mining properties (“**Ore Reserves**”). The Group determines and reports its Ore Reserves under the principles incorporated in the Code for Reporting of Mineral Resources and Ore Reserves (the “**JORC Code**”) of the Australasian JORC.

In order to estimate Ore Reserves, assumptions are required about a range of geological, technical and economic factors, including production quantities, production techniques, strip ratio, production costs, transportation costs, demand and prices of gold and exchange rates. Estimating the quantity and/or gold content of Ore Reserves requires the size, shape and depth of orebodies to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements to interpret the data.

Because the economic assumptions used to estimate Ore Reserves change from period to period and because additional geological data is generated during the course of operations, estimates of Ore Reserves may change from period to period. Changes in the reported Ore Reserves may affect the Group’s financial results and financial position in a number of ways, including the following:

- Assets carrying values may be affected due to changes in the estimated future cash flows.
- Depreciation, depletion and amortisation charged to profit or loss may change where such charges are determined on the units-of-production basis, or where the useful economic lives of assets change.
- Decommissioning, site restoration and environmental provisions may change where changes in estimated Ore Reserves affect expectations about the timing or cost of these activities.
- The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.

6. REVENUE AND SEGMENT INFORMATION

Segment Information

Based on the financial information reviewed by the chief operating decision maker in evaluating the Group’s performance and in allocating resources, management has determined that the Group operates in a single operating segment. Although the Group’s operations include mining support services, mining, and processing activities, these are integrated and managed as one inseparable unit.

Revenue

The Group operates in a single geographical area, Indonesia. During the years ended 31 December 2023, 2024 and 2025, the Group’s revenue was generated entirely from mining equipment rental services to customers in Indonesia, and 100% of the Group’s non-current assets are located in Indonesia.

Revenue from services is recognized using input method based on actual heavy equipment operating hours provided to customer during the reporting period. Revenue from services is recognised overtime.

Going forward, the Group expects a significant portion of its revenue to be derived from the sale of gold products.

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Mining equipment rental	1,394	1,750	132

Detail of revenue transactions to major customers which greater than 10% of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Customer A	–	–	132
Customer B	–*	1,750	–
Customer C	1,359	–	–
	1,359	1,750	132

* less than 10% of the revenue.

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7. FINANCE EXPENSES

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Interest on related party borrowings (<i>note 32</i>)	8,520	18,791	22,618
Interest on bank borrowings	–	112	1,040
Interest on sale and leaseback arrangement (<i>note 25</i>) . .	443	1,536	1,957
Interest on lease liabilities (<i>note 26</i>)	31	5	9
Amortized borrowing cost	–	229	1,031
Accretion expense of mine closure provision (<i>note 27</i>) .	–	–	514
	8,994	20,673	27,169
Less: Interest capitalized	–	–	(12,445)
	8,994	20,673	14,724

8. OTHER EXPENSE/(INCOME) — NET

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
(Gain)/loss on foreign currency – net	(56)	(266)	1,971
Fair value changes on equity interest (<i>note 35</i>)	–	(4,950)	–
Excess value in acquisition of a subsidiary (<i>note 35</i>)	–	(845)	–
Other (income)/expenses – net	(331)	561	274
	(387)	(5,500)	2,245

9. LOSS BEFORE INCOME TAX

The Group’s loss before tax is arrived at after charging/(crediting):

	31 December 2023	31 December 2024	31 December 2025
	USD’000	USD’000	USD’000
Operating and production cost:			
Depreciation of property, plant and equipment (<i>note 14</i>)	336	206	27
Repair and maintenance and other expenses	600	974	251
Total cost of Revenue	936	1,180	278
Depreciation of property, plant and equipment (<i>note 14</i>)	16	29	29
Professional fee and community development program (<i>note a</i>)	1,525	656	8,586
Salaries and allowances	406	119	245
Auditor’s remuneration			
– Assurance	30	19	58
– Non-assurance	–	2	–
Employee benefit expense (<i>note 29</i>)	3	4	6
Pension and other social insurance	33	14	37
Others	157	176	525
Total general and administrative expenses	2,170	1,019	9,486
Total	3,106	2,199	9,764

- a. Professional fees include management consulting fees paid to MCG, while community development program mainly represent a commitment by the Group to implement social responsibility programs to support social and economic development in mining areas.

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10. INCOME TAX EXPENSE

a. Income tax (benefit)/expense

Income tax is calculated based on tax rates prevailing under the Indonesian tax laws and regulations. For the Group, except GSM, in accordance with Article 17 paragraph (1) letter b of Law No. 7 of 2021 concerning the Harmonization of Tax Regulations, the applicable Corporate Income Tax rate is 22%.

Based on Agreement Letter with Government of the Republic of Indonesia (Government) No. B-188/Pres/7/1994 regarding Agreement for 5 (five) Contract of Works in order of Penanaman Modal Asing (“PMA”) in the General Mining sector as last amended based on the Work Contract Amendment dated 23 December 2015, GSM is obliged to pay income tax by 35%.

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Current income tax	212	1,558	581
Under provision in prior years	2	—	—
Deferred tax (<i>note 18</i>)	(3,508)	(3,792)	1,521
	(3,294)	(2,234)	2,102

The taxation for the Track Record Period can be reconciled to the loss before income tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Loss before income tax	(10,131)	(14,934)	(25,392)
Income tax at prevailing rates	(2,229)	(3,565)	(6,310)
Income tax effects of:			
Non-deductible expenses	1,266	3,116	5,368
Non-taxable income	(43)	(162)	(277)
Recognition of previously unrecognised deferred tax assets	(2,288)	(1,734)	—
Tax loss not recognised	—	111	3,321
Income tax (benefit)/expense	(3,294)	(2,234)	2,102

b. Tax status

On June 2025, the Company received Overpaid Tax Assessment Letter for Corporate Income Tax for year 2022 and 2023 of USD27,000 and USD591,000, respectively.

As of the completion date of these consolidated financial statements, the Company is in the process of Tax Audit on Corporate Income Tax for the 2024 fiscal year.

c. Tax administration

The taxation laws in Indonesia require that each company in the Group calculate, pay and report the income tax on individual basis under self-assessment principle. Under the prevailing obligations, the Directorate General of Taxation may issue underpayment tax assessment (that is normally done through tax audit process) within five years of the time the tax becomes due, which may be extended to ten years in cases involving tax fraud or tax crimes.

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11. DIRECTORS’ AND CHIEF EXECUTIVE’S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

a. Directors’ and chief executive’s emoluments

Directors’ and chief executive’s remuneration for the Track Record Period are as follows:

For the year ended 31 December 2023

	Fee	Salaries and Benefits	Retirement Benefits Contributions	Total
	USD’000	USD’000	USD’000	USD’000
Board of Commissioners and Directors				
President Commissioner				
– Albert Saputro (<i>note i</i>)	–	–	–	–
Commissioner				
– Januarius Felix Lumban Gaol (<i>note ii</i>)	–	–	–	–
President Director				
– Syamsul Bahri Ilyas (<i>note iii</i>) . . .	–	65	4	69
Director				
– Cahyono Seto (<i>note vi</i>)	–	–	–	–
– David Thomas Fowler (<i>note iv</i>) . .	–	–	–	–
– Boyke Poerbaya Abidin (<i>note v</i>) .	–	92	5	97
	–	157	9	166

For the year ended 31 December 2024

	Fee	Salaries and Benefits	Retirement Benefits Contributions	Total
	USD’000	USD’000	USD’000	USD’000
Board of Commissioners and Directors				
President Commissioner				
– Albert Saputro (<i>note i</i>)	–	–	–	–
Commissioner				
– Januarius Felix Lumban Gaol (<i>note ii</i>)	–	–	–	–
President Director				
– Syamsul Bahri Ilyas (<i>note iii</i>) . . .	–	63	3	66
Director				
– Cahyono Seto (<i>note vi</i>)	–	–	–	–
– David Thomas Fowler (<i>note iv</i>) . .	–	–	–	–
– Boyke Poerbaya Abidin (<i>note v</i>) .	–	89	5	94
	–	152	8	160

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For the year ended 31 December 2025

	Fee	Salaries and Benefits	Retirement Benefits Contributions	Total
	USD’000	USD’000	USD’000	USD’000
Board of Commissioners and Directors				
President Commissioner				
– Santoso Kartono (<i>note vii</i>)	–	–	–	–
– Hardi Wijaya Liong (<i>note viii</i>)	–	–	–	–
– Albert Saputro (<i>note i</i>)	–	–	–	–
Independent Commissioner				
– Heri Sunaryadi (<i>note ix</i>)	–	28	–	28
Commissioner				
– Januarius Felix Lumban Gaol (<i>note ii</i>)	–	–	–	–
President Director				
– Boyke Poerbaya Abidin (<i>note x</i>)	–	87	5	92
– Syamsul Bahri Ilyas (<i>note iii</i>)	–	33	2	35
Director				
– Albert Saputro (<i>note i</i>)	–	–	–	–
– David Thomas Fowler (<i>note iv</i>)	–	–	–	–
– Adi Adriansyah Sjoekri (<i>note xi</i>)	–	–	–	–
– Cahyono Seto (<i>note vi</i>)	–	–	–	–
	–	148	7	155

Note i: Albert Saputro was appointed as president commissioner on 28 April 2023 and his tenure concluded on 12 June 2025 and he was appointed as a director on 12 June 2025.

Note ii: Januarius Felix Lumban Gaol was appointed as commissioner on 2 November 2018 and his tenure concluded on 12 June 2025.

Note iii: Syamsul Bahri Ilyas was appointed as president director on 20 November 2015 and his tenure concluded on 12 June 2025.

Note iv: David Thomas Fowler was appointed as director on 2 November 2018.

Note v: Boyke Poerbaya Abidin was appointed as director on 1 July 2020 and his tenure concluded on 12 June 2025.

Note vi: Cahyono Seto was appointed as director on 5 December 2016 and his tenure concluded on 12 June 2025.

Note vii: Santoso Kartono was appointed as president commissioner on 10 December 2025.

Note viii: Hardi Wijaya Liong was appointed as president commissioner on 12 June 2025 and dismissed on 10 December 2025.

Note ix: Heri Sunaryadi was appointed as independent commissioner on 12 June 2025.

Note x: Boyke Poerbaya Abidin was appointed as president director on 12 June 2025.

Note xi: Adi Adriansyah Sjoekri was appointed as director on 12 June 2025.

Several directors and chief executives were also the employees of MCG and PT Bumi Suksesindo (“BSI”) and their remuneration were paid and borne by these entities and there is no reasonable basis to allocate the emoluments relating to services provided to the Group during the Track Record Period.

No emoluments were paid by the Group to any directors and chief executives as an inducement to join or upon joining the Group or as compensation for loss or termination of their office during the Track Record Period.

There were no arrangements under which a director or a chief executive waived or agreed to waive any emolument during the Track Record Period.

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b. The highest paid individuals

During the years ended 31 December 2023, 2024 and 2025, the five individuals with the highest emoluments in the Group include 2, 2 and 1 directors of the Company, details of whose remunerations are set out in note 11(a) above.

	Year ended 31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
Salaries, allowance and benefit	317	366	392
Performance related bonuses	10	35	36
Pension scheme contributions	18	18	21
	<u>345</u>	<u>419</u>	<u>449</u>

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands of the Company for the years ended 31 December 2023, 2024, and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to USD128,000	<u>3</u>	<u>3</u>	<u>4</u>

12. LOSS PER SHARE

Data used in determining loss per share are presented below:

	Year ended 31 December		
	2023	2024	2025
Loss for the year			
Loss for the year attributable to the owners – of the parent entity (USD'000)	<u>(6,836)</u>	<u>(12,700)</u>	<u>(27,492)</u>
Number of shares			
Weighted average number of ordinary shares excluding treasury shares from buyback shares for the purposes of calculating basic loss per share ('000)	<u>13,040,320</u>	<u>13,447,821</u>	<u>14,314,811</u>

- (a) Based on Deed of Statement of Shareholders’ Resolution on Amendment to the Articles of Association No. 58 dated 10 July 2025, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in the Administrative City of South Jakarta, which has obtained approval and/or acknowledgment from the Minister of Law and Human Rights of the Republic of Indonesia, the Company changed the classification of its shares into a single class of ordinary shares and amended the par value of its shares to Rp150 per share (equivalent to USD0.01). In connection with these changes each shareholder of each class of share (company class A, B and C shares) was given 130,165 ordinary shares for each share held, and the number of issued and fully paid shares increased to 14,562,209,375 shares.

In accordance with IAS 33 Earnings per Share, changes in the number of ordinary shares resulting from a stock split are applied retrospectively in the calculation of earnings per share. Accordingly, the basic earnings per share for all periods presented have been adjusted as if the stock split had occurred at the beginning of the earliest period presented.

- (b) No diluted loss per share during the Track Record Period were presented as there were no potential ordinary shares in issue for the periods.

13. DIVIDEND

No dividends were declared or distributed by the Company in the Track Record Period.

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14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Direct acquisition								Right-of-use			
			Office	Machinery			Heavy	Mining		Heavy		
	Land	Building	Equipment	and Equipment	Plant	Vehicles	Equipment	Infra-structure	CIP	Equipment	Building	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost												
At 1 January, 2023	51	30	208	70	–	237	–	–	20,276	–	–	20,872
Additions	–	–	–	–	–	–	15,749	–	33,964	–	102	49,815
At 31 December, 2023	51	30	208	70	–	237	15,749	–	54,240	–	102	70,687
Additions	–	–	–	–	–	–	16,189	–	62,348	–	–	78,537
Reclassification	–	3,984	–	–	–	–	–	–	(3,984)	–	–	–
Acquisition of subsidiary (note 35).	–	–	31	34	–	–	–	–	4,450	–	–	4,515
At 31 December, 2024	51	4,014	239	104	–	237	31,938	–	117,054	–	102	153,739
Additions	–	–	–	–	–	–	11,976	–	163,157	3,403	53	178,589
Disposal	–	(30)	(146)	(34)	–	–	–	–	–	–	(102)	(312)
Reclassification	–	15,906	–	–	32,015	–	–	76,865	(124,786)	–	–	–
At 31 December, 2025	51	19,890	93	70	32,015	237	43,914	76,865	155,425	3,403	53	332,016
Accumulated depreciation												
At 1 January, 2023	–	(30)	(204)	(70)	–	(237)	–	–	–	–	–	(541)
Provided for the year	–	–	(2)	–	–	–	(934)	–	–	–	(16)	(952)
At 31 December, 2023	–	(30)	(206)	(70)	–	(237)	(934)	–	–	–	(16)	(1,493)
Provided for the year	–	(996)	(12)	(15)	–	–	(2,471)	–	–	–	(28)	(3,522)
At 31 December, 2024	–	(1,026)	(218)	(85)	–	(237)	(3,405)	–	–	–	(44)	(5,015)
Provided for the year	–	(2,511)	(21)	(19)	(23)	–	(6,806)	(667)	–	–	(27)	(10,074)
Disposal	–	30	146	34	–	–	–	–	–	–	58	268
Reclassification	–	–	–	–	–	–	–	–	–	–	–	–
At 31 December, 2025	–	(3,507)	(93)	(70)	(23)	(237)	(10,211)	(667)	–	–	(13)	(14,821)
Carrying amounts												
At 31 December 2023	51	–	2	–	–	–	14,815	–	54,240	–	86	69,194
At 31 December 2024	51	2,988	21	19	–	–	28,533	–	117,054	–	58	148,724
At 31 December 2025	51	16,383	–	–	31,992	–	33,703	76,198	155,425	3,403	40	317,195

The depreciation expenses for the years ended have been allocated as at 31 December 2023, 2024 and 2025 as follow:

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Charged/capitalized to:			
Exploration and evaluation assets	600	3,287	5,912
Ore inventories	–	–	630
Mining properties	–	–	3,476
Cost of revenue	336	206	27
General and administrative expense	16	29	29
Total	952	3,522	10,074

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The Company

	Right-of-use Building
	<i>USD’000</i>
Cost	
At 1 January 2025	–
Additions	53
At 31 December 2025.	53
Accumulated depreciation	
At 1 January 2025	–
Charge for the year.	(13)
At 31 December 2025.	(13)
Carrying amounts	
At 31 December 2025.	40

Construction in progress

Construction in progress represents property, plant and equipment that are still under construction or installation and have not yet reached the condition necessary for them to be capable of operating. The Group is under construction of a heap-leach processing facility and other construction projects during the Track Record Period. As at 31 December 2025, the Group’s construction in progress mainly comprised the heap leach and processing plant, as well as infrastructure, building and other equipment for its mining operations. Details of the major construction projects are set out below:

– ***Heap leach and processing plant***

As at 31 December 2025, the heap leach and processing plant was approximately 93.6% complete, with accumulated cost of approximately USD138,833,000. The project is expected to be completed by 2026.

– ***Infrastructure, building and other equipment***

As at 31 December 2025, the infrastructure, building and equipment were at various stage of completion, range from approximately 1% to 99%, with accumulated cost of approximately USD16,592,000. The project is expected to be completed by 2026.

The Group has no obstacles in the continuation of construction in progress completion.

Right-of-Use Assets

For the years ended 31 December 2023, 2024 and 2025, the Group leases building for its operations. Lease contracts are entered into for fixed term of two to four years.

Property, Plant and Equipment

For the years ended 31 December 2023, 2024 and 2025, the Group entered into several sale and leaseback arrangements in respect of heavy equipments of USD15,749,000, USD16,189,000 and USD11,976,000, respectively, further details of which are set out in note 25. The heavy equipment acquired included excavators, trucks, lighting plant, telehandler and dozers, all of which will be used in the Group’s mining operations.

As of 31 December 2023, 2024 and 2025, the Group’s property, plant and equipment were insured against all risks of damage, with total coverage of approximately USD17,430,000, USD318,253,000 and USD318,769,000. The Group’s management believes that the property, plant and equipment were adequately insured.

Management has reviewed the estimated economic life, depreciation methods and residual values at the end of each of the Track Record Period and has opinion that there was no change from the previous year.

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15. EXPLORATION AND EVALUATION ASSETS

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Cost			
At 1 January	154,403	175,843	182,258
Addition	21,440	6,415	8,218
Reclassification	–	–	(190,476)
At 31 December	175,843	182,258	–

The Group’s exploration and evaluation assets represent cost incurred to acquire exploration license and expenditures incurred during topographical and geological surveys, exploratory drilling, sampling and trenching and construction and other costs incurred for commercial and technical feasibility studies in that area. During the year ended 31 December 2025, exploration and evaluation assets amounting to USD190,476,000 was reclassified to mining properties when the project reached its technical and commercial feasibility for development.

During the years ended 31 December 2023, 2024 and 2025, the Group capitalised depreciation of property, plant and equipment to exploration and evaporation assets amounting to USD600,000, USD3,287,000 and USD5,912,000, respectively.

16. MINING PROPERTIES

	Mining under Development	Mining in Production	Total
	USD’000	USD’000	USD’000
Costs			
At 1 January, 2024	–	–	–
Acquisition of a subsidiary (<i>note 35</i>)	79,000	–	79,000
Addition	3,923	–	3,923
At 31 December, 2024	82,923	–	82,923
Reclassification from exploration and evaluation assets	190,476	–	190,476
Reclassification from mining under development	(82,923)	82,923	–
Addition	6,141	26,849	32,990
At 31 December, 2025	196,617	109,772	306,389
Accumulated amortisation			
At 1 January, 2024	–	–	–
Charge for the year	–	–	–
At 31 December, 2024	–	–	–
Charge for the year	–	(805)	(805)
At 31 December, 2025	–	(805)	(805)
Carrying Amounts			
At 31 December 2024	–	82,923	82,923
At 31 December 2025	196,617	108,967	305,584

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Mining under development represents mining properties for which mining operations have not yet commenced. Mining in production represents mining properties where mining operations have started and the operations have entered the production phase.

During the year ended 31 December 2025, exploration and evaluation assets amounting to USD190,476,000 has been reclassified from exploration and evaluation assets when the project reach its commercial and technical feasibility of development.

For the year ended 31 December 2025, the Group capitalised depreciation of property, plant and equipment to mining properties amounting to USD3,476,000.

17. ADVANCES AND PREPAYMENTS

The Group

	31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
Advances for property, plant, and equipment purchase (<i>note a</i>)	2,956	13,667	10,628
Advances for operational purchase (<i>note b</i>)	843	2,996	3,824
Prepayments	752	541	1,156
Total	4,551	17,204	15,608
Less: Non-current portion	(2,956)	(13,667)	(10,628)
Current portion	1,595	3,537	4,980

- a. Advance for purchase of property, plant and equipment mainly relate to advances paid by PBT to domestic and overseas suppliers for acquisition of property, plant and equipment used in the Group’s heap leach and processing operations.
- b. Advance for operational purchase represents payments made to supplier for purchase of inventory and consumables which are expected to be realised within three months.

The Company

	31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
Advances for operational purchase	1	–	73
Prepayments	24	21	52
	25	21	125

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18. DEFERRED TAXATION

The movements in deferred tax assets and liabilities during the Track Record Period are as follows:

a. Deferred tax assets

The Group

	Employment Benefits Liability	Sale and Leaseback Arrangement	Depreciation of PPE	Fiscal Losses	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January, 2023	12	–	–	863	875
Credited/(charged) to consolidated statement of profit or loss (<i>note 10</i>) . .	7	(125)	207	3,419	3,508
Other comprehensive income	2	–	–	–	2
At 31 December, 2023	21	(125)	207	4,282	4,385
Credited/(charged) to consolidated statement of profit or loss (<i>note 10</i>) . .	73	125	(201)	4,140	4,137
Other comprehensive income	(21)	–	–	–	(21)
Acquisition of subsidiary (<i>note 35</i>)	79	–	(14)	56	121
At 31 December, 2024	152	–	(8)	8,478	8,622
Credited/(charged) to consolidated statement of profit or loss (<i>note 10</i>) . .	130	–	9	(1,359)	(1,220)
At 31 December, 2025	282	–	1	7,119	7,402

The Company

	Employment Benefits Liability	Fiscal Losses	Total
	USD'000	USD'000	USD'000
At 1 January, 2023	3	–	3
Credited/(charged) to profit or loss	(1)	743	742
At 31 December, 2023	2	743	745
Credited/(charged) to profit or loss	(2)	1,556	1,554
At 31 December, 2024	–	2,299	2,299
Credited/(charged) to profit or loss	–	(2,299)	(2,299)
At 31 December, 2025	–	–	–

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b. Deferred tax liabilities

The Group

	Employment Benefits Liability	Mining Properties	Sale and Leaseback Arrangement	Depreciation of PPE	Fiscal Losses	Total
	USD’000	USD’000	USD’000	USD’000	USD’000	
At 1 January, 2024	–	–	–	–	–	–
Credited/(charged) to consolidated statement of profit or loss (<i>note 10</i>)	10	–	(1,144)	737	52	(345)
Other comprehensive income	(1)	–	–	–	–	(1)
Acquisition of a subsidiary (<i>note 35</i>)	–	(6,058)	–	–	–	(6,058)
At 31 December, 2024	9	(6,058)	(1,144)	737	52	(6,404)
Credited/(charged) to consolidated statement of profit or loss (<i>note 10</i>)	12	46	(1,727)	1,420	(52)	(301)
At 31 December, 2025	21	(6,012)	(2,871)	2,157	–	(6,705)

19. OTHER NON-CURRENT ASSETS

The Group

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Restricted time deposit	1,396	1,396	1,670
Security deposit	3	875	852
	1,399	2,271	2,522

For the years ended 31 December 2023, 2024 and 2025, restricted time deposit consists of collateral in relation to bank guarantee issuance for the Group’s reclamation and post-mine guarantee (*note 27*) amounting to USD1,396,000, USD1,396,000 and USD1,670,000 and security deposits to supplier amounting to USD3,000, USD875,000 and USD852,000.

Average interest rate during the Track Record Period is around 0.15% - 5.00%.

The Company

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Security deposit	3	3	12

20. INVENTORIES

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Ore in stockpiles	–	–	4,633
Goods in process	–	–	968
Spareparts and supplies	610	573	4,914
	610	573	10,515

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Ore in stockpiles and goods in process represent gold and silver inventories arising from the Group’s mining and processing activities. These balances comprise accumulated mining and processing costs, including direct production costs and attributable overheads, incurred to bring the inventories to their current condition.

As of 31 December 2025, these inventories have not yet reached the final stage of production, and accordingly, the related costs have not been recognised as cost of revenue. The Group is expected to commence gold sales in 2026 and the ore stockpiles and goods in process are expected to be included in cost of revenue within the next twelve month.

21. TRADE AND OTHER RECEIVABLES

The Group

	Notes	31 December		
		2023	2024	2025
		USD’000	USD’000	USD’000
Trade receivables (<i>note a</i>)				
– Related parties	32	430	–	9
Other receivables – current portion				
Amounts due from related parties	32	–	–	89
Claims for tax refund				330
Loan to a third party (<i>note b</i>)		4,698	–	–
Sub-total		5,128	–	428
Other receivables – non-current portion				
Loan to a related party (<i>note c</i>)	32	45,482	–	–
Prepaid taxes (<i>note d</i>)		9,586	19,689	36,076
Sub-total		55,068	19,689	36,076
Total		60,196	19,689	36,504

Notes:

- (a) An aging analysis of trade receivables at the end of each Track Record Period based on invoice dates were as follows:

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
1 – 30 days	430	–	9

No ECL allowance was recognised as the trade receivables due from related parties were immaterial. The trade receivables from related parties are unsecured and interest free.

- (b) Loan to a third party as of 31 December 2023 represent loan agreement between the Group and KUD Dharma Tani (“KUD”) related to mining services activities in tenement areas held under PETS have been fully repaid on 27 June 2024 as explained in note 35.

The credit risk of the loan to a third party has not increased significantly since initial recognition. Taking into account the counterparty’s historical repayment record, the low risk of default and the absence of past-due amounts; the expected credit loss is considered insignificant. Accordingly, no ECL allowance has been recognised.

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- (c) On 29 February 2016, PEG, PETS and KUD (the “Parties”) entered into the Agreement and Acknowledgement of Loan which has been amended several times, most recently based on the Second Amendment on the Agreement and Acknowledgement of Loan dated 20 July 2023, whereby PEG will provide the loan gradually for PETS’s operational activities.

The Group effectively controlled and consolidated PETS since June 2024 (note 35).

Repayment of all outstanding amount will be made no later than three years since PETS commences its commercial operations or other maturity date approved by all Parties. The interest rate of this loan lastly changed to become 3-month Term Secured Overnight Financing Rate (“SOFR”) plus certain margin per annum, for the interest period after 30 June 2023. The interest under this loan will be payable at one year after PETS commenced its commercial operations.

The credit risk of the loan to a related party has not increased significantly since initial recognition. Taking into account the counterparty’s historical repayment record, the low risk of default and the absence of past-due amounts; the expected credit loss is considered insignificant. Accordingly, no ECL allowance has been recognised.

On August 2024, PETS has fully repaid all the outstanding principal of this facility.

- (d) Prepaid taxes consist of Value Added Tax (VAT), prepaid tax article 23, and prepaid tax article 28a, which will be credited, offset, or refunded in accordance with prevailing tax regulations.

The Company

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Other receivables – non-current portion			
Loan to subsidiaries (note a)	78,293	216,481	156,321
Prepaid taxes (note b)	676	674	684
	<u>78,969</u>	<u>217,155</u>	<u>157,005</u>

Notes:

- a. During the Track Record Period, the Company entered into a number of loan agreements with its subsidiaries. The loans carry interest at a rate equal to three-month Term SOFR plus 6.26% per annum, or three-month Term LIBOR plus 6.26% per annum.
- b. Prepaid taxes consist of Value Added Tax (VAT), prepaid tax article 23, and prepaid tax article 28a, which will be credited, offset, or refunded in accordance with prevailing tax regulations.

22. CASH AND BANKS

The Group

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Cash on hand	262	5	7
Cash in banks	12,089	67,330	45,301
	<u>12,351</u>	<u>67,335</u>	<u>45,308</u>

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
United States Dollar	2,517	62,875	39,507
Indonesian Rupiah	9,754	4,338	5,661
Australian Dollar	80	122	140
	<u>12,351</u>	<u>67,335</u>	<u>45,308</u>

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The carrying amount of the Group’s cash and bank approximate to its fair value as at 31 December 2023, 2024 and 2025. Cash at bank earns interest at floating rates based on daily bank deposit rates. The average interest rate of cash and banks for the years ended 31 December 2023, 2024 and 2025 is 0.15% – 6.10%, 0.10% – 6.50% and 0.10% – 5.00%, respectively.

The Company

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Cash in banks	1,390	53,503	19,120

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
United States Dollar	851	53,192	17,703
Indonesian Rupiah	519	273	1,376
Australian Dollar	20	38	41
	1,390	53,503	19,120

The carrying amount of the Company’s cash and bank approximate to its fair value as at 31 December 2023, 2024 and 2025. Cash at bank earns interest at floating rates based on daily bank deposit rates. The average interest rate of cash and banks for the years ended 31 December 2023, 2024 and 2025 is 1.25% – 6.10%, 0.35% – 4.00% and 0.15% – 5.00%, respectively.

23. INVESTMENT IN SUBSIDIARIES

The Company

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Investment costs	224,108	209,056	249,742
Less: provision for impairment	—	—	—
	224,108	209,056	249,742

Particulars of the subsidiaries during the Track Record Period are asset out in Note 1(a).

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24. TRADE PAYABLES, OTHER PAYABLE AND ACCRUALS

The Group

	31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
Trade payable			
– Third parties	142	1,747	860
– Related parties (<i>note 32</i>)	–	–	489
Sub-total	142	1,747	1,349
Payable for purchases of property, plant and equipment and mining properties			
– Third parties	14,053	14,848	13,657
– Related parties (<i>note 32</i>)	1,842	4,219	12,738
Operation and construction accrual	324	13,407	25,108
Borrowings interest			
– Third parties	–	–	1,325
– Related parties (<i>note 32</i>)	8,639	13,430	–
Tax payables	321	892	1,404
Employee allowances	250	724	1,617
Consultant services accrual	15	22	50
Sub-total	25,444	47,542	55,899
Total	25,586	49,289	57,248

Aging analysis of trade payables at the end of each of the Track Record Period based on invoice dates were as follows:

	31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
1 – 30 days	43	530	383
31 – 60 days	99	1,217	477
61 – 90 days	–	–	–
More than 90 days ^(a)	–	–	489
	142	1,747	1,349

^(a) Aging over than 90 days mostly represent payables from related parties that will be repaid gradually.

The Company

	31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
Trade payable			
– Third parties	4	6	29
Operation and construction accrual	12	8	496
Borrowing interest	8,639	13,430	–
Tax payables	–	250	480
Employee allowances	68	10	49
	8,723	13,704	1,054

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25. SALE AND LEASEBACK ARRANGEMENT

(a) Amount due under sales and leaseback arrangement

The movement and amount due under sale and leaseback arrangement are as follows:

	<i>USD’000</i>
At 1 January 2023	–
New arrangement	14,655
Interest accrued during the year	443
Repayment	(1,096)
31 December 2023	14,002
New arrangement	13,052
Interest accrued during the year	1,536
Repayment	(6,249)
31 December 2024	22,341
New arrangement	12,174
Interest accrued during the year	1,957
Repayment	(10,556)
31 December 2025	25,916

	31 December		
	2023	2024	2025
	<i>USD’000</i>	<i>USD’000</i>	<i>USD’000</i>
Analysed into:			
Current portion	3,339	6,732	9,835
Non-current portion	10,663	15,609	16,081

For the years ended 31 December 2023, 2024 and 2025, the Group entered into sales and leaseback arrangements in respect of certain heavy equipment in the amounts of USD15,749,000, USD16,189,000 and USD11,976,000 respectively. All of the sales and leaseback arrangements give the Group the right to purchase the asset at a predetermined price at the end of the arrangement.

(b) The maturity analysis of the amount due under sale and leaseback arrangement are as follows:

	31 December		
	2023	2024	2025
	<i>USD’000</i>	<i>USD’000</i>	<i>USD’000</i>
Within one year	3,339	6,732	9,835
More than one year, but not exceeding two years	4,317	8,044	9,773
More than two years, but not exceeding five years	6,346	7,565	6,308
Total	14,002	22,341	25,916

As of 31 December 2023, 2024 and 2025, the average rate of interest on sales and leaseback arrangements for the years ended 31 December 2023, 2024 and 2025 are 8.6% per annum, 7.21% – 8.83% per annum and 6.75% – 7.52% per annum, respectively.

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The Company

(a) Lease liabilities

	Building
	<i>USD’000</i>
At 1 January 2025	–
Additions	58
Accretion of interest recognised during the year	9
Lease payments	(24)
31 December 2025	43
Analysed into:	
Current portion	20
Non-current portion	23

(b) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December 2025
	<i>USD’000</i>
Interest on lease liabilities	9
Depreciation charge of right-of-use assets	13
Analysed into:	
	31 December 2025
	<i>USD’000</i>
Lease liabilities payable:	
Within one year	20
More than one year, but not exceeding two years	23
Total	43

For the year ended 31 December 2025, the incremental borrowing rate of 9.82% are used for lease agreements that doesn’t have implicit interest rate.

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27. PROVISION FOR MINING REHABILITATION

The provision for mining rehabilitation consists of reclamation provision and mine closure provision. Movement in the reclamation and mine closure reserve as follows:

	31 December 2025
	<i>USD’000</i>
At 1 January	–
Addition	4,413
Accretion of expense recognised during the year (<i>note 7</i>)	514
At 31 December	4,927
Analysis into:	
Current portion	26
Non-current portion	4,901

On 20 December 2010, the Government of Indonesia released an implementing regulation for Law No. 4 of 2009 regarding Mineral and Coal Mining as amended by Law No. 3 of 2020 and Law No. 11 of 2020, i.e Government Regulation No. 78 of 2010 regarding Reclamation and Post-Mining that deals with reclamations and post-mining activities for both IUP-Exploration and IUP-Production Operation holders.

An IUP-Exploration holder, among other requirements, must include a reclamation plan in its exploration work plan and budget and provide a reclamation guarantee in the form of a time deposit placed at a state-owned bank.

An IUP-Production Operation holder, among other requirements, must (1) prepare a five-year reclamation plan; (2) prepare a post-mining plan; (3) provide a reclamation guarantee which may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or an accounting provision; and (4) provide a post-mine guarantee in the form of a time deposit at a state-owned bank.

The requirement to provide reclamation and post-mine guarantees does not release the IUP holder from the requirement to perform reclamation and post-mine activities.

On 7 May 2018, the Ministry of Energy and Mineral Resources released the Minister’s Decree No. 1827K/30/MEM/2018 on the Guidance for the Implementation of Good Mining Technic Methods which further regulates the reclamation plan, consideration of future value from the post-mining costs and accounting reserve determination.

The Group’s mine reclamation and closure plan was approved in 2025 by the Indonesian Government. Accordingly, the recognition of the related provision commenced in 2025.

For the years ended 31 December 2023, 2024 and 2025, GSM and PETS have placed bank guarantees and deposit in relation to the reclamation and post-mine activities amounting to USD1,396,000, USD1,396,000 and USD1,670,000 (*note 19*).

28. BORROWINGS

The Group

	<i>Note</i>	31 December 2023			31 December 2024			31 December 2025		
		Effective interest rate	Maturity	Balance	Effective interest rate	Maturity	Balance	Effective interest rate	Maturity	Balance
				<i>USD’000</i>			<i>USD’000</i>			<i>USD’000</i>
Non-current										
Bank borrowings	(3)	–	–	–	–	–	–	SOFR + 3.00%	2030	260,404
– secured								for Offshore, SOFR + 3.20% for Onshore		
Interest-bearing	(1)	–	–	–	SOFR + 3%	2026	4,196	–	–	–
borrowings from a related	(2)	SOFR + 5.76%	2027	133,700	SOFR + 5.76%	2027	173,750	–	–	–
party										
Total				133,700			177,946			260,404

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At the end of each of the Track Record Period, the borrowings are scheduled to repay as follows:

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Bank borrowings repayable:			
On demand or within one year	–	–	–
More than one year, but not exceeding two years	–	4,196	–
More than two years, but not exceeding five years	–	–	260,404
	–	4,196	260,404
Other borrowings repayable:			
On demand or within one year	–	–	–
More than one year, but not exceeding two years	–	–	–
More than two years, but not exceeding five years	133,700	173,750	–
	133,700	177,946	–

Analysed as:

	Notes	31 December		
		2023	2024	2025
		USD’000	USD’000	USD’000
Secured syndicated loan	(3)	–	–	260,404
	(1)	–	4,196	–
Unsecured loans payable to MCG	(2)	133,700	173,750	–
		133,700	177,946	260,404

Notes:

- (1) On 13 September 2024, the Company entered into a Syndicated Revolving Credit Facility, with a facility limit of USD50,000,000. The Final Maturity Date of this Facility Agreement is 13 March 2026. This facility bear interest at a compounded cumulative reference rate based on the SOFR plus a 3% margin per annum, with an interest period of one month, three months, or any other period as agreed between the borrower, the facility agent, and all lenders. This financing facility is secured by pledges over MCG’s shares in the Company and GSM, pledges over Company’s shares in GSM, PBT, and PETS, pledges over shares owned by PEG and PBT in PETS, as well as pledges over the bank accounts of the Company, GSM and PETS.

The outstanding principle of this facility as of 31 December 2023, 2024 and 2025 amounting to nil, USD4,196,000, and nil, respectively.

The security granted under this facility was released on 14 July 2025, and the facility was terminated on 15 July 2025.

- (2) On 8 April 2022, 8 April 2022, 20 December 2023, and 1 December 2025 the Company and MCG entered into Loan Agreement, with a facility limit of USD25,000,000, USD260,000,000, USD175,000,000 and USD50,000,000, respectively. The USD25,000,000 facility is repayable on 8 April 2027, and bearing interest at a rate of 3-month LIBOR plus 5.50% margin per annum. The USD260,000,000 facility is repayable on 8 April 2027, and bearing interest at a rate of 3-month LIBOR plus 5.50% margin per annum, as subsequently amended on 30 June 2023 to 3-month Term SOFR plus a 5.76% margin per annum.

The USD175,000,000 facility is repayable on 20 December 2028 (or such later date as may be agreed by MCG and the Company) and the USD50,000,000 facility is repayable on 31 December 2026 (or any other date as agreed in writing by the Company and MCG). Both facilities bears interest at a rate of 3-month Term SOFR plus a 5.67% margin per annum.

In 2025, the Company made an early repayment of its outstanding loan to MCG in accordance with the terms of the loan agreement.

The outstanding principle of this facility as of 31 December 2023, 2024 and 2025 amounting to USD133,700,000, USD173,750,000, and nil, respectively.

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- (3) On 4 December 2025, PBT, GSM, and PETS entered into a Syndicated Revolving Credit Facility, with a facility limit of USD350,000,000. The Final Maturity Date of this Facility Agreement is 5 December 2030. This facility bear interest at a compounded cumulative reference rate based on the SOFR plus a 3.00% - 3.20% margin per annum, with an interest period of one month, three months, or any other period as agreed between the borrowers, the facility agent, and all lenders. This financing facility is secured by pledges over Company’s shares in PBT, GSM and PETS, pledges over shares owned by PBT in PETS, as well as pledges over the bank accounts of PBT, GSM and PETS.

The outstanding principle of this facility as of 31 December 2023, 2024 and 2025 amounting to nil, nil, and USD265,000,000, respectively.

The Company

	Note	31 December 2023			31 December 2024			31 December 2025		
		Effective interest rate	Maturity	Balance	Effective interest rate	Maturity	Balance	Effective interest rate	Maturity	Balance
				USD’000			USD’000			USD’000
Non-current										
Bank borrowing										
– secured	(1)	–	–	–	SOFR+ 3%	2026	4,196	–	–	–
Interest-bearing borrowing from a related party	(2)	SOFR+5.76%	2027	133,700	SOFR+5.76%	2027	173,750	–	–	–
Total				133,700			177,946			–

At the end of the reporting period, the borrowings are scheduled to repay as follows:

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Bank borrowings repayable:			
On demand or within one year	–	–	–
More than one year, but not exceeding two years	–	4,196	–
	–	4,196	–
Other borrowings repayable:			
On demand or within one year	–	–	–
More than one year, but not exceeding two years	–	–	–
More than two years, but not exceeding five years	133,700	173,750	–
	133,700	177,946	–

29. EMPLOYMENT BENEFITS LIABILITY

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Post-employment benefit plan	98	645	1,222

The Group

The Group provides post-employment benefit plan for the employees in Indonesia as required under Indonesian Labor Law. In addition, the Group also provides certain other long-term employee benefits comprising long service awards and long service leave awards.

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These plans exposes the Group to the following actuarial risks:

Interest rate risk	A decrease in the bond interest rate will increase the present value of the defined benefit obligation.
Longevity risk	The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the present value of the defined benefit obligation.
Salary risk	The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The employee benefit liabilities and employee benefit expenses are based on the calculations made by KKA Riana & Rekan, independent actuaries for 31 December 2023, 2024 and 2025 respectively, carried at USD98,000, USD645,000, USD1,222,000 and USD65,000, USD267,000 and USD520,000, respectively.

(a) Actuarial assumptions

The principal actuarial assumptions used in determination of employee benefits are as follows:

	31 December		
	2023	2024	2025
Discount rate:	6.50%-6.75%	7.25%	6.25%
Salary increment:	7.50%	6.00%	6.00%
Mortality rate:	100% TM14	100% TM14	100% TM14
Disability rate:	5% TM14	5% TM14	5% TM14
Normal retirement age:	56	56	56

(b) Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below:

31 December 2023			
	Reasonably possible change	Defined benefit obligation	
		Increase in assumptions	Decrease in assumptions
		USD'000	USD'000
Discount rate	1%	(88)	102
Salary increment	1%	103	(88)
31 December 2024			
	Reasonably possible change	Defined benefit obligation	
		Increase in assumptions	Decrease in assumptions
		USD'000	USD'000
Discount rate	1%	(390)	454
Salary increment	1%	440	(404)
31 December 2025			
	Reasonably possible change	Defined benefit obligation	
		Increase in assumptions	Decrease in assumptions
		USD'000	USD'000
Discount rate	1%	(1,132)	1,313
Salary increment	1%	1,318	(1,126)

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(c) *Reconciliation of defined benefit obligation and fair value of scheme*

	Net defined scheme liability		
	2023	2024	2025
	USD’000	USD’000	USD’000
At 1 January	24	98	645
Service cost – current	60	206	505
Service cost – past	4	(26)	10
Mutation	–	71	–
Interest cost	1	29	52
Effects of movements in exchange rates	–	(13)	(47)
Included in profit or loss	65	267	520
Loss/(gain) from change in financial assumption and adjustments	8	(81)	(4)
Included in other comprehensive income	8	(81)	(4)
Acquisition of a subsidiary (<i>note 35</i>)	–	361	–
Mutation	–	–	95
Benefits paid	–	–	(34)
Other movements	1	361	61
At 31 December	98	645	1,222
Charged/capitalized to:			
Property, plant and equipment	–	84	144
Exploration and evaluation assets	62	83	–
Mining properties	–	96	370
General and administrative expense	3	4	6
	65	267	520

The Company

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Post-employment Benefit plan	6	–	1

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Reconciliation of defined benefit obligation and fair value of scheme

	Net defined scheme liability		
	2023	2024	2025
	USD’000	USD’000	USD’000
At 1 January	3	6	–
Service cost – current	3	–	1
Service cost – past	–	(6)	–
Mutation	–	–	–
Interest cost	–	–	–
Included in profit or loss	6	–	1
(Gain)/Loss from change in financial assumption and adjustments	–	–	–
Included in other comprehensive income	–	–	–
Effects of movements in exchange rates	–	–	–
Mutation	–	–	–
Benefits paid	–	–	–
Other movements	–	–	–
At 31 December	6	–	1

30. SHARE CAPITAL

Issued and fully paid:	Number of shares	Amount
		USD’000
At 1 January 2023 and 31 December 2023		
Series A	100,183	6,996
Issue of new shares ^(a) :		
Series B	561	6,119
Series C	11,131	125,000
At 31 December 2024	111,875	138,115
Share split ^(b)	14,562,097,500	–
Issue of new shares in connection with the IPO ^(c)	1,618,023,300	14,776
At 31 December 2025	16,180,232,675	152,891

(a) On 25 September 2024, the Company increased authorized capital to USD197,000 consisting of 738,944 shares with each nominal value of USD65 for series A, and USD10,907 for series B and USD11,229 for series C, and to increase the Company’s issued and paid-up capital to USD143,056,000 consisting of 111,875 shares.

(b) Based on Deed of Statement of Shareholders’ Resolution on Amendment to the Articles of Association No.58 dated 10 July 2025, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in the Administrative City of South Jakarta, which has obtained approval and/or acknowledgment from the Minister of Law and Human Rights of the Republic of Indonesia, the Company changed the classification of its shares into a single class of ordinary shares and amended the par value of its shares to Rp150 per share (equivalent to USD0.01). In connection with these changes each shareholder of each class of share (comprising A, B and C shares) were given certain number of ordinary shares in exchange for each shares held and the number of issued and fully paid shares increased to 14,562,209,375 shares.

(c) On 23 September 2025, the Company issued new shares in connection with the IPO in Indonesia with the number of new shares issued by 1,618,023,300 shares with offering price Rp2.880 (equivalent to USD0.18) per share.

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31. ADDITIONAL PAID-IN CAPITAL - NET

	31 December		
	2023	2024	2025
	USD'000	USD'000	USD'000
Additional paid-in capital from IPO	–	–	268,915
Shares premium	168,681	168,681	168,681
Restructuring of an entity under common control . . .	(417)	(417)	(417)
Share issuance costs	–	–	(7,058)
Treasury stock	–	–	(127,658)
	<u>168,264</u>	<u>168,264</u>	<u>302,463</u>

On 10 July 2025, the Company has undertaken a number of material corporate actions, including:

1. The reclassification of the Company’s shares into a single class of common shares;
2. The change of the nominal value of the Company’s shares to Rp150 (equivalent to USD0.01) per share; and
3. The buyback for 1,448,866,615 shares with a total value of USD141,400,000, so that these shares are now the Company’s treasury stock.

32. RELATED PARTY TRANSACTIONS

- (a) In conducting its business, the Group’s entered into certain business and financial transactions with its related parties.

Name of related parties	Relationship
1. PETS	Joint venture/subsidiary after 27 June 2024
2. MCG	Shareholder of the Company
3. PT Merdeka Mining Servis (“MMS”)	Fellow subsidiary
4. PT Merdeka Teknik Servis (“MTS”)	Fellow subsidiary
5. PT Merdeka Indonesia Mandiri (“MIM”)	Fellow subsidiary
6. BSI	Fellow subsidiary
7. Key management personnel	Board of Commissioners and Directors

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- (b) In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during the Track Record Period:

	Year ended 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
<u>Mining equipment rental from related parties</u>			
MMS	–	–	132
PETS	35	1,750	–
BSI	1,359	–	–
	<u>1,394</u>	<u>1,750</u>	<u>132</u>
<u>Design engineering and mining construction service to a related party</u>			
MMS	10,185	6,763	17,715
	<u>10,185</u>	<u>6,763</u>	<u>17,715</u>
<u>Service provision which includes sustainability and environment, technical services, asset management, geoscience, tailing and/or other consulting to a related party</u>			
MTS	–	–	270
	<u>–</u>	<u>–</u>	<u>270</u>
<u>Management consulting services to a related party</u>			
MCG	1,783	3,661	6,445
	<u>1,783</u>	<u>3,661</u>	<u>6,445</u>
<u>Office lease to a related party</u>			
MIM	61	6	60
	<u>61</u>	<u>6</u>	<u>60</u>
<u>Interest expense on interest-bearing borrowing to a related party</u>			
MCG	8,520	18,791	22,618
	<u>8,520</u>	<u>18,791</u>	<u>22,618</u>

- (c) Borrowing to/from related parties

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
<u>Borrowing to</u>			
PETS	45,482	–	–
	<u>45,482</u>	<u>–</u>	<u>–</u>
<u>Borrowing from</u>			
MCG	133,700	173,750	–
	<u>133,700</u>	<u>173,750</u>	<u>–</u>

- (d) Outstanding balances with related parties

	31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
<u>Trade and other receivable</u>			
MMS	–	–	52
MCG	–	–	25
BSI	392	–	21
PETS	38	–	–
	<u>430</u>	<u>–</u>	<u>98</u>
<u>Trade payables, other payable and accruals</u>			
MCG	8,729	16,109	3,656
MMS	1,752	1,540	8,997
MTS	–	–	574
	<u>10,481</u>	<u>17,649</u>	<u>13,227</u>

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(e) Lease liabilities

		31 December		
		2023	2024	2025
		USD’000	USD’000	USD’000
Lease liabilities				
MIM		69	58	43

Year ended 31 December 2023

		Rental Payments	Interest expenses of lease liabilities	Increase in right-of-use assets
		USD’000	USD’000	USD’000
MIM	Office buildings	34	1	102

Year ended 31 December 2024

		Rental Payments	Interest expenses of lease liabilities	Increase in right-of-use assets
		USD’000	USD’000	USD’000
MIM	Office buildings	16	5	—

Year ended 31 December 2025

		Rental Payments	Interest expenses of lease liabilities	Increase in right-of-use assets
		USD’000	USD’000	USD’000
MIM	Office buildings	24	9	53

(f) Remuneration of key management personnel of the Group:

		Year ended 31 December		
		2023	2024	2025
		USD’000	USD’000	USD’000
Salaries and allowances (<i>Note i</i>)		166	160	155

- i. The Company provides remuneration of short-term employee benefits in the form of salaries and allowances for the operational duties of the Board of Commissioners and Board of Directors. There is no compensation in the form of employment benefits, other long-term benefits and termination benefits for the year ended 31 December 2023, 2024 and 2025.

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33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group is exposed to various risks in relation to financial instruments in its daily operations, mainly credit risk, liquidity risk and market risk (including interest rate risk and exchange rate risk). The Group’s major financial instruments include cash and bank, trade and other receivables, other non-current assets, trade payables, other payables and accruals, borrowings and lease liabilities. Interest to manage this risk has significantly increased by considering the changes and volatility in financial market both in Indonesia and international. Risks in connection with such financial instruments, and the risk management strategies adopted by the Group to mitigate such risks are summarised as follows.

a. Credit risk

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to cash and bank, trade and other receivables and other non-current assets.

Since counterparties of cash and bank balances are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

The Group’s other financial assets comprise trade and other receivables, as well as other non-current assets. The credit risk associated with amounts due from related parties within trade receivables is considered immaterial, given the positive repayment history. Restricted time deposits included in other non-current assets are placed with reputable banks with high credit ratings, credit risk arising from these financial instruments is insignificant.

For other receivables and security deposit in non-current assets, the credit risk arises from potential defaults by counterparties, with the maximum exposure being equal to the carrying amounts of these financial instruments. The Group continue to minimize the credit risk by monitoring on an ongoing basis with the objective that the Group’s exposure to expect credit loss is not significant.

Group is confident in its ability to control and sustain minimal exposure of credit risk. The maximum credit risk exposure as at 31 December 2023, 2024 and 2025 is USD64,360,000, USD69,606,000 and USD48,258,000.

The Group applies the simplified approach in measuring ECL allowance for trade receivables, which uses a lifetime ECL allowance. As the balances due from related parties are immaterial, no ECL allowance has been recognised.

For the loan to a third party and a related party, the Group applies general approach which uses the 12-month ECL model. The credit risk of the loan has not increased significantly since initial recognition. Taking into account the counterparty’s repayment history and as the balance is not past due, the risk of default is considered low. Accordingly, the expected credit loss is considered insignificant and no ECL allowance has been recognised.

b. Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group monitor their liquidity needs by closely monitoring debt servicing payment schedule for financial liabilities, particularly the related party borrowings and their cash outflows due to day-to-day operations. Management also continuously assesses conditions in the financial markets for opportunities to obtain optimal funding sources.

The maturity profile of the Group’s financial liabilities as at the end of each of the Track Record Period is as follows:

	As at 31 December 2023				
	Carrying amount	Within 1 year	1 to 2 years	2 to 5 year	Contractual cash flows
	USD'000	USD'000	USD'000	USD'000	USD'000
Trade payables, other payable and accruals	25,586	25,586	—	—	25,586
Borrowings	133,700	8,639	—	133,700	142,339
Sale and leaseback arrangement.	14,002	4,423	4,342	7,735	16,500
Lease liabilities	69	23	22	42	87
	173,357	38,671	4,364	141,477	184,512

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As at 31 December 2024

	Carrying amount	Within 1 year	1 to 2 years	2 to 5 year	Contractual cash flows
	USD'000	USD'000	USD'000	USD'000	USD'000
Trade payables, other payable and accruals	49,289	49,289	–	–	49,289
Borrowings	177,946	13,430	–	178,750	192,180
Sale and leaseback arrangement.	22,341	8,295	8,025	9,048	25,368
Lease liabilities	58	22	23	19	64
	<u>249,634</u>	<u>71,036</u>	<u>8,048</u>	<u>187,817</u>	<u>266,901</u>

As at 31 December 2025

	Carrying amount	Within 1 year	1 to 2 years	2 to 5 year	Contractual cash flows
	USD'000	USD'000	USD'000	USD'000	USD'000
Trade payables, other payable and accruals	57,248	57,248	–	–	57,248
Borrowings	260,404	1,325	–	265,000	266,325
Sale and leaseback arrangement.	25,916	11,435	10,414	6,715	28,564
Lease liabilities	3,277	919	919	1,841	3,679
	<u>346,845</u>	<u>70,927</u>	<u>11,333</u>	<u>273,556</u>	<u>355,816</u>

c. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates.

The Group has transactional exchange rate risk exposures mainly arising from purchases by subsidiaries in currencies other than their functional currencies. The Group has subsidiaries using USD and Rp as their functional currencies. These subsidiaries have transactions in currencies other than their functional currencies. The Group manages its foreign exchange exposure and, where necessary, mitigates the risk through appropriate hedging strategies in line with market conditions.

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies’ exchange rate against US Dollar with all other variables held constant, to the loss before tax for the year ended. Five percent (5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management assessment of a reasonably possible change in foreign exchange rates.

	Increase/ (decrease) in exchange rate	Increase/ (decrease) in loss before tax
		USD'000
2023		
If USD weakens against Indonesian Rupiah	5%	(1,465)
If USD strengthens against Indonesian Rupiah	(5%)	1,465
If USD weakens against Australian Dollar	5%	2
If USD strengthens against Australian Dollar	(5%)	(2)
2024		
If USD weakens against Indonesian Rupiah	5%	(2,447)
If USD strengthens against Indonesian Rupiah	(5%)	2,447
If USD weakens against Australian Dollar	5%	4
If USD strengthens against Australian Dollar	(5%)	(4)
2025		
If USD weakens against Indonesian Rupiah	5%	(3,102)
If USD strengthens against Indonesian Rupiah	(5%)	3,102
If USD weakens against Australian Dollar	5%	5
If USD strengthens against Australian Dollar	(5%)	(5)

The impact of the above change in exchange rate of US Dollar to other currencies is mainly the result of change in the value of foreign currencies denominated monetary assets and liabilities.

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d. Interest rate risk

The Group’s interest rate risk mostly arises from borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk.

The Group’s policy is to manage its cash flows interest rate risk by refinancing borrowings at a lower interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group’s loss after tax (through the impact on floating rate borrowings).

	<u>Increase/ (decrease) in basis points</u>	<u>Increase/ (decrease) in loss before tax</u> <i>USD’000</i>
2023		
United States dollar	10/(10)	101/(101)
2024		
United States dollar	10/(10)	156/(156)
2025		
United States dollar	10/(10)	254/(254)

e. Fair value estimation of financial instrument

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Specific valuation techniques used to value financial instrument include:

- (a) The use of quoted market prices or dealer quotes for similar instrument, and
- (b) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instrument.

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The following table sets forth the carrying values and estimated fair values of the Group’s financial instruments:

	31 December 2023		31 December 2024		31 December 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	USD’000	USD’000	USD’000	USD’000	USD’000	USD’000
Financial assets						
Cash and banks . . .	12,351	12,351	67,335	67,335	45,308	45,308
Trade and other receivables	50,610	50,610	–	–	428	428
Other non-current assets	1,399	1,399	2,271	2,271	2,522	2,522
	64,360	64,360	69,606	69,606	48,258	48,258
Financial liabilities						
Trade payables, other payable and accruals	25,586	25,586	49,289	49,289	57,248	57,248
Borrowings	133,700	133,700	177,946	177,946	260,404	260,404
Sale and leaseback arrangement	14,002	14,002	22,341	22,341	25,916	25,916
Lease liabilities	69	69	58	58	3,277	3,277
	173,357	173,357	249,634	249,634	346,845	346,845

Management has assessed the fair values of cash and banks, trade and other receivables, other non-current assets, trade payables, other payable and accruals, borrowings, sale and leaseback arrangement and lease liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments and the floating interest rates on the liabilities.

The fair values of sale and leaseback arrangement and lease liabilities were determined by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities, incremental borrowing rate. The Group’s own non-performance risk for short-term and long-term borrowings was assessed to be insignificant.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The categories of financial instruments as at the end of each of the Track Record Period are as follows:

	As at 31 December		
	2023	2024	2025
	USD’000	USD’000	USD’000
Financial assets at amortised cost			
Cash and banks	12,351	67,335	45,308
Trade and other receivables	50,610	–	428
Other non-current assets	1,399	2,271	2,522
	64,360	69,606	48,258
Financial liabilities at amortised cost			
Trade payables, other payable and accruals	25,586	49,289	57,248
Borrowings	133,700	177,946	260,404
Sale and leaseback arrangement	14,002	22,341	25,916
Lease liabilities	69	58	3,277
	173,357	249,634	346,845

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35. ACQUISITION OF SUBSIDIARIES

PETS

Based on the Deed of Statement of Circular Resolution in lieu of General Meeting of Shareholders of PETS No. 71 dated 27 June 2024, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, as notified to the MOL based on Receipt of Notification of Changes in Company Data No. AHU-AH.01.09-0219162 dated 27 June 2024, the shareholders of PETS approved the sale and transfer of shares owned by KUD totaling 255 shares, with a nominal value of Rp255,000,000 (equivalent to USD15,603) to PEG and the Company. Therefore, the shares ownership of (i) PEG in PETS becomes 99.8%; and (ii) the Company in PETS becomes 0.2%, of the issued and paid-up capital in PETS.

The Group effectively controls and consolidated PETS in the Group consolidated financial statements since that date. PEG recognized a gain of USD4,950,000 on the remeasurement of its 49% initial interest in PETS at fair value, which was recognized and presented under “Other income – net” in the consolidated statement of profit or loss and other comprehensive income.

The Group engaged KJPP Iskandar dan Rekan as an independent valuer to provide assessment and measurement calculations of net assets for a business combination transaction.

Details of assets and liabilities acquired by PEG from the acquisition of PETS on the acquisition date are as follows:

	27 June 2024
	<i>USD’000</i>
Fair value of consideration paid	
Cash	10,551

The fair value of identifiable assets and liabilities of PETS as at the date of acquisition are as follows:

	Fair Value recognize on acquisition
	<i>USD’000</i>
Cash and banks	2,490
Advances and prepayments- current portion	104
Inventories	9
Prepaid taxes	3,775
Advances and prepayments – non-current portion	54
Right-of-use-assets	73,920
Property, plant and equipment	4,515
Mining properties	79,000
Deferred tax asset	121
Trade payables	(2,564)
Accrued expenses	(2,382)
Taxes payable	(7)
Lease liabilities – current portion	(246)
Lease liabilities – non-current portion	(78,182)
Borrowing from related party	(57,797)
Employment benefits liability	(361)
Deferred tax liabilities	(6,058)
Total identifiable net assets	16,391
Purchase consideration transferred:	
Cash paid	(10,551)
Fair value changes on equity interest (note 8)	(4,950)
Non-controlling interests	(45)
Excess value in acquisition of subsidiary (note 8)	845

As of 31 December 2024 and 2025, PETS has not yet commenced commercial operations and therefore has not contributed any revenue or profit to the Group.

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36. INVESTMENT IN JOINT VENTURES

31 December
2023

USD’000

Carry amounts	—

The Group has a 49% interest in joint venture, PETS, a separate structured vehicle incorporated and operating in Indonesia. The primary activity of PETS is the ore mining.

Based on Deed of Establishment No. 45 dated 10 February 2014 of made before Humberg Lie, S.H., S.E., M.Kn, Notary in North Jakarta, PEG and KUD Dharma Tani (“KUD”), a third party, established a joint venture entity, PETS, with authorised capital amounting to Rp2,000,000,000 (equivalent to USD163,894) consisting of 2,000 shares with nominal value of Rp1,000,000 (equivalent to USD82) per share. Total issued and paid-up capital of PETS amounts to Rp500,000,000 (equivalent to USD40,631) consisting of 500 shares. The establishment of PETS has been ratified by MOLHR based on its Decree No. AHU-10.01534.PENDIRIAN-PT.2014 dated 11 February 2014.

Based on management’s assessment in accordance with IFRS 11 Joint Arrangements, PETS is classified as a joint venture. PETS is structured through a separate legal entity, and the shareholders have joint control over its relevant activities, with decisions requiring unanimous consent. The shareholders’ rights relate to the net assets of PETS, and PETS is therefore accounted for using the equity method in accordance with IAS 28.

From 2023 to June 2024, PETS had still not commenced commercial operations and incurred losses during that period. Prior to 1 January 2023, the Group’s share of loss of PETS exceeded its interest (investment) and accordingly its carrying value was nil in the Group’s book. As a result, the Group did not recognise any share of loss during the period.

On 27 June 2024, shares totalling 255, which owned by KUD, with a nominal value of Rp255,000,000 (equivalent to USD15,603) was sold and transferred to PEG and the Company. After the transfer of ownership, PETS becomes a subsidiary of the Company and the shares ownership of (i) PEG in PETS become 99.8% and (ii) the Company in PETS becomes 0.2%. For details of acquisition of PETS, please refer to note 35 to the Historical Financial Information.

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The following summary of the financial information of the Group’s joint venture:

	2023
	<i>USD’000</i>
As at 31 December	
Current assets	
Cash and cash equivalents	651
Current assets	125
Total current assets	776
Non-current assets	123,614
Current liabilities	10,255
Non-current liabilities	116,688
Net assets	2,553
Reconciliation to carrying amounts:	
Opening net assets 1 January	(531)
Loss for the period	(2,019)
Other comprehensive income	(3)
Closing net assets	(2,553)
Group’s share in %	49.00%
Group’s share in US\$’000	–
Carrying amount	–
General and administrative expenses	(79)
Finance income	12
Interest on finance lease	(2,017)
Other income – net	49
Loss before income tax	(2,035)
Income tax benefit	16
Loss for the year	(2,019)
Other comprehensive income	(3)
Total comprehensive income	(2,022)

37. GOODWILL

	31 December 2023	31 December 2024	31 December 2025
	<i>USD’000</i>	<i>USD’000</i>	<i>USD’000</i>
Beginning balance	122	122	122
Impairment losses	–	–	(122)
Total	122	122	–

Goodwill of US\$122,000 arose in 2017 when PBT acquired 100% equity interest in PEG. At the date of acquisition, PEG had net liabilities and the difference between the cash consideration and its net liabilities was recognized as goodwill. At the time it was acquired PEG did not have significant standalone operations and primarily functioned as a holding vehicle without any mining licenses or any other significant intangible assets. The Group had the intention of acquiring further businesses and/ or injecting future operations into PEG going forward. However, after the Company was listed on the IDX as set out in note 1b in September 2025, the directors have reevaluated the need and purpose of PEG and determined there were no foreseeable future plans to utilize this subsidiary. The directors accordingly considered the goodwill to be fully impaired.

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38. EQUITY OF THE COMPANY

	Share capital	Additional paid-in capital – net	Employment Benefits Reserve	Treasury Stock	Accumulated Losses	Total Equity
	USD’000	USD’000	USD’000	USD’000	USD’000	USD’000
Balance as of 1 January 2023	6,996	168,681	1,125	–	(11,365)	165,437
Loss for the year	–	–	–	–	(2,626)	(2,626)
Balance as of 31 December 2023	6,996	168,681	1,125	–	(13,991)	162,811
Issuance of shares	131,119	–	–	–	–	131,119
Loss for the year	–	–	–	–	(3,543)	(3,543)
Balance as of 31 December 2024	138,115	168,681	1,125	–	(17,534)	290,387
Additional paid-in capital	–	(127,658)	–	(13,742)	–	(141,400)
Share capital issuance from	–	–	–	–	–	–
Initial Public Offering	14,776	268,915	–	–	–	283,691
Share issuance cost	–	(7,058)	–	–	–	(7,058)
Loss for the year	–	–	–	–	(674)	(674)
Balance as of 31 December 2025	152,891	302,880	1,125	(13,742)	(18,208)	424,946

39. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Track Record Period, the Group had non-cash additions to exploration and evaluation assets of USD600,000, USD3,287,000 and USD5,912,000, respectively.

During the Track Record Period, the Group had non-cash additions to mining properties of nil, nil and USD3,476,000, respectively.

During the Track Record Period, the Group had non-cash additions to mining properties in respective of provision of mining rehabilitation, nil, nil and USD4,413,000, respectively.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings and other borrowings	Sale and leaseback arrangement	Lease liabilities	Total
	USD’000	USD’000	USD’000	USD’000
As at 1 January 2023	33,500	–	–	33,500
Changes from financing cash flows	100,200	8,445	(529)	108,116
New lease	–	–	567	567
Interest expense	–	443	31	474
Others	–	5,114	–	5,114
As at 31 December 2023	133,700	14,002	69	147,771

	Interest-bearing bank borrowings and other borrowings	Sale and leaseback arrangement	Lease liabilities	Total
	USD’000	USD’000	USD’000	USD’000
As at 1 January 2024	133,700	14,002	69	147,771
Changes from financing cash flows	44,246	6,740	(16)	50,970
New lease	–	–	–	–
Interest expense	–	1,536	5	1,541
Others	–	63	–	63
As at 31 December 2024	177,946	22,341	58	200,345

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	Interest-bearing bank borrowings and other borrowings	Sale and leaseback arrangement	Lease liabilities	Total
	USD’000	USD’000	USD’000	USD’000
As at 1 January 2025	177,946	22,341	58	200,345
Changes from financing cash flows	81,427	1,618	(24)	83,021
New lease	–	–	3,234	3,234
Interest expense	–	1,957	9	1,966
Borrowing cost	1,031	–	–	1,031
As at 31 December 2025	260,404	25,916	3,277	289,597

40. CAPITAL MANAGEMENT

The Group’s objective when managing capital is to ensure that the Group maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group regularly reviews and manages its capital structure to optimize the use of the Group’s resources, takes into consideration the future capital requirements of the Group and projected strategic investment opportunities.

The Group has enter into the credit facility agreement with banks and a related party and details of which are described in note 28 of this Historical Financial Information.

41. EVENTS AFTER THE TRACK RECORD PERIOD

- On 21 January 2026, GSM and PBT have made principal withdrawals under the Syndication Revolving Credit Facility in the amount of USD15,000,000 and USD25,000,000, respectively.
- On 10 December 2025, the Extraordinary General Meeting of Shareholders of the Company approved a reduction in issued and fully paid-up capital by withdrawing the shares buyback of the Company amounting to 1,448,866,615 shares or approximately 8.955% of the Company’s total issued and fully paid-up capital. This decision was stated in the Deed of Statement of Resolution of the Meeting on Amendments to the Company’s Articles of Association No. 23 dated 8 January 2026, made before Notary Jose Dima Satria, S.H., M.Kn., in the Administrative City of South Jakarta, and has obtained approval by the Minister of Law of the Republic of Indonesia under Decree No. AHU-0008542.AH.01.02.TAHUN 2026 dated 11 February 2026, which was received by the Company on 13 February 2026. Thus, the Company’s issued and fully paid-up capital decreased from 16,180,232,675 shares to 14,731,366,060 shares. On 23 February 2026, the Indonesia Stock Exchange announced the capital reduction, which took effect on 24 February 2026.
- On 11 March 2026, GSM and PETs have made principal withdrawals under the Syndicated Revolving Credit Facility in the amount of USD12,000,000 and USD13,000,000, respectively.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2025.

APPENDIX II

[REDACTED]

[REDACTED]

APPENDIX II

[REDACTED]

[REDACTED]

APPENDIX II

[REDACTED]

[REDACTED]

APPENDIX II

[REDACTED]

[REDACTED]

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COMPETENT PERSON'S REPORT



PANI GOLD MINE

COMPETENT PERSONS' REPORT

For

PT MERDEKA GOLD RESOURCES TBK

Job No. 66122M
Doc No. J1651
Date: March 2026
Prepared by: J. Tachie-Menson, C. Farrington, I.
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DISCLAIMER

PT Mining One Indonesia ("Mining One") has prepared this document exclusively for PT Merdeka Gold Resources Tbk ("MGR"), the client. This report has been prepared for inclusion in the document for the proposed [REDACTED] of MGR on the Hong Kong Stock Exchange ("HKEX"). It is provided pursuant to a Consultancy Agreement between Mining One and MGR, under which Mining One undertook to perform a specific and limited scope of work.

Any use of this document, or reliance upon it, by any third party is entirely at the risk of such third parties. Under no circumstances shall Mining One accept any liability, whether direct, indirect, or consequential, arising from commercial decisions or actions taken by third parties based on this report.

This report must be read in its entirety. The overview is not a substitute for the full report. Any subsequent report must be read in conjunction with this report. This report supersedes all previous draft or interim reports, whether written or presented orally, prior to the date of this report.

The opinions expressed in this document are based on information available to Mining One at the time of preparation. Mining One has exercised due care in reviewing information supplied by others for use in this project. While Mining One has compared key supplied data with expected values, the accuracy of the results and conclusions is wholly dependent on the accuracy and completeness of the supplied data. Mining One does not accept responsibility for any errors or omissions in the supplied information, except to the extent Mining One was specifically engaged to verify such data.

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Certain statements in this report may constitute forward-looking information, including estimates of Mineral Resources and Ore Reserves. Such statements are subject to risks, uncertainties, and assumptions beyond the control of Mining One. Actual results may differ materially. Mining One disclaims any obligation to update forward-looking statements except as required under applicable law.

This report, in its entirety, remains the property of Mining One until all contractual obligations (including, but not limited to, payment) have been fully satisfied by MGR.

This report has been prepared in both English and Chinese versions. In the event of any discrepancy or difference in interpretation between the two versions, the English version shall prevail.

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APPENDICES AS ATTACHMENTS

Note: Appendices have been provided as separate documents to the main body of this report:

“APPENDIX 02A – HKEX Mapping Document”

“APPENDIX 02B – HKEX Chapter 2.6 Mapping”

“APPENDIX 06A – JORC Table 1”

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TABLE OF DEFINITIONS

Acronym	Definition
\$	US dollars in real value unless stated otherwise
°C	Degrees Celcius
ABA	Acid Base Accounting
ADR	Adsorption, Desorption and Recovery
AEP	Annual Exceedance Probability
Ag	Silver
AMDAL	Analisis Mengenai Dampak Lingkungan (Environmental Impact Statement)
ANCOLD	Australian National Commission on Large Dams
ASX	Australian Stock Exchange
Au	Gold
AusIMM	Australian Institute of Mining and Metallurgy
B.Sc	Bachelor of Science
BLEG	Bulk Leach Extractable Gold
BRT	Bottle Roll Test
BX	Brecia
Ca	Calcium
Capex	Capital Expenditure/Expense(s)
C _G	General and administration costs
Ch	Chlorite
CIC	Carbon in Column
CIL	Carbon in Leach
CIT	Corporate Income Tax
CITES	Convention on International Trade in Endangered Species
cm	centimetre
COG	Cut-off Grade
COS	Coarse Ore Stockpile
CoW	Contract of Work

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Acronym	Definition
CP	Competent Person
C _P	Processing operating cost
CPR	Competent Persons Report
C _R	Refining Costs
CRM	Certified Reference Material
CRU	CRU Consulting
CSR	Corporate Social Responsibility
CSS	Closed Side Setting
Cy	Clay
DAC	Design Acceptance Criteria
DCF	Discounted Cash Flow
DD	Diamond Drilling or Due Diligence
D _F	Dilution Factor
DTM	Digital Terrain Model
Effective date of CPR	31 December 2025
EGL	Effective Grinding Length
EHS	Environment, Health and Safety
EOH	End of Hole
ESDM	Ministry of Energy and Mineral Resources
ESIA	Environmental and Social Impact Assessment
EW	Electrowinning
Fe	Iron
FES	Field Estimate Strength
FOB	Free On Board
FoS	Factor of Safety
Fr	Fresh
FS	Feasibility Study
FS 2024	March 2024 Pani Feasibility Study Report

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Acronym	Definition
FTF	Filtered Tailings Facility
g	grams
G&A	General and Administrative
GHG	Greenhouse Gas
GISTM	Global Industry Standard on Tailings Management
GMA	Geology Matrix Analysis
GoIFS	Government of Indonesia Feasibility Study
GRG	Gravity Recoverable Gold
GRM	Ground Risk Management
GSI	Geological Strength Index
GSM	PT Gorontalo Sejahtera Mining - exploration company used at Pani
Gunung Pani	Mount Pani
HKEX	Hong Kong Stock Exchange.
HL	Heap Leach
HLF	Heap Leach Facility
HMA	Global Reference Mineral Price
Hons	Honors
hr	Hour/hours
IBRT	Intermittent Bottle Roll Test
ICOLD	International Commission on Large Dams
ICR	Intensive Cyanidation Reactor
IDX	Indonesian Stock Exchange
IFC	International Finance Corporation
ILS	In Situ Leaching
IPPKH	Persetujuan Penggunaan Kawasan Hutan – Approval of Forest Areas Utilisation.
IRR	Internal Rate of Return
IUCN	International Union for Conservation of Nature

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Acronym	Definition
IUI	Industrial business licence – issued in Indonesia
IUP Operasi Produksi	Mining Production Permit
IUP Pengolahan Pemurnian	Processing and Refining Special Permit
JORC Code	Australian Joint Ore Committee – Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition
JRN	PT J Resources Nusantara
KKPR	Kesesuaian Kegiatan Pemanfaatan Ruang – Spatial Plan Conformity Permit
KLHK	Ministry of Environment and Forestry
KP	Kuasa Pertambangan
K _T	Conversion factor for troy ounces to grams
KTT	Kepla Teknik Tambang – legislatively appointed responsible person mining
KUD	KUD Dharma Tani – Traditional Miners
LiDAR	Light Detection and Ranging
LoM	Life of Mine
LpT	Lapilli Tuff
LUC	Localised Uniform Conditioning
M1	Mining One Pty Ltd
m	Metre
MAusIMM	Member of the Australian Institute of Mining and Metallurgy
MBA	Masters of Business Administration
MCP	Mine Closure Plans
MEMR	Ministry of Energy and Mineral Resources
MGR	PT Merdeka Gold Resources Tbk
Mining One	PT Mining One Indonesia
MMI	PT Merdeka Mining Indonesia
MoE	Minister of Environment
MoEF	Ministry of Environment and Forestry

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Acronym	Definition
Moz	Million ounces
MRE	Mineral Resource Estimate
MROR	Mineral Resource and Ore Reserve
MSc	Masters degree in Science
Mt	Million tonne
MW	Megawatt
NAF	Non Acid Forming
NAG	Net Acid Generating
NAPP	Net Acid Producing Potential
NNS	Newcrest Nusa Sulawesi
Nominal	Nominal value is unadjusted money values
NPV	Net Present Value
OEM	Original Equipment Manufacturer
OH&S	Occupational health and safety
OK	Ordinary Kriging
OMC	Orway Mineral Consultants (WA) Pty Ltd
Opex	Operating Expenditure/Expense(s)
OPP	Ore Preparation Plant
OR	Ore Reserves
ORE	Ore Reserves Estimate
OREAS	Ore Research and Exploration Pty Ltd
Ox	Oxide
oz	Troy Ounce
PAF	Potential Acid Forming
Pani	Pani Gold Mine
Paramount	Paramount Ventures and Finance Inc
PBT	PT Pani Bersama Tambang
pct	percent

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Acronym	Definition
PDAM	Perusahaan Daerah Air Minum - State Owned Drink Water Company
PERTEK	Persetujuan Teknis - Technical Approval Permit
Pertiwi	PT Pertiwi Nusa Mega
PETI	Artisanal illegal mining
PETS	PT Puncak Emas Tani Sejahtera - company undertaking exploration and mining related activities
PIN	PT Pani Industri Nusantara
PFS	Pre Feasibility Study
P _G	Price of Gold in US \$/oz
PGA	Peak Ground Acceleration
PKKPR	Persetujuan/Konfirmasi Kesesuaian Kegiatan Pemanfaatan Ruang – Spatial Plan Conformity
PLN	PT Perusahaan Listrik Negara – a company
PLS	Heap Leaching
PLS	Pregnant Leach Solution
PPKH	Persetujuan Penggunaan Kawasan Hutan – Approval of Forest Areas Utilisation
PPKH	Forestry Permit
ppm	Parts per million
PRD	Pani Rhyodacite
PRDB	Pani Flow-banded Rhyodacite
PSM	Geotechnical and Engineering services Company
PT	Limited Liability Company
PU	Pekerjaan Umum - Ministry of Public Work
PVC	Pani Volcanic Complex
PVo	Pani Volcanic
QAQC	Quality Assurance and Quality Control
QKNA	Quantitative Kriging Neighbourhood Analysis
RDTR	National or regional Spatial Plan

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Acronym	Definition
Real	Real value has time value of money adjustments on cost estimates
RL	Reduce Level
ROM	Run of Mine
R _p	Overall plant processing recovery for gold
RPD	Relative percent difference
RPEEE	Reasonable Prospects for Eventual Economic Extraction
RPEQ	Registered Professional Engineer of Queensland
RQD	Rock Quality Designation
R _T	Total applicable royalty payments in percentage
RTRW	National or regional Spatial Plan
S	Sulphur
SABC	Sag Mill, ball mill pebble crushing
SD	Standard Deviation
Si	Silica
SMDD	Standard Maximum Dry Density
SME	Subject Matter Experts
SMU	Selective Mining Units
SOPs	Standard Operating Procedures
Stock Exchange	Hong Kong Stock Exchange
t	Tonne(s)
t ore	Tonne(s) of ore
TDS	Total Dissolved Solids
Tr	Transition
TSF	Tailings Storage Facility
UC	Uniform Conditioning
UK	United Kingdom
USD	United States Dollar(s)

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Acronym	Definition
VALMIN	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 edition
VAT	Value Add Tax
VWP	Vibrating Wire Piezometer
WSP	An Engineering Company, formerly Golder

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EXECUTIVE SUMMARY

Introduction

PT Mining One Indonesia (“Mining One”) was commissioned by PT Merdeka Gold Resources Tbk. (“MGR”) to prepare an independent technical assessment of the Pani Gold Project. PT Mining One Indonesia is a wholly owned subsidiary of Mining One Pty Ltd (“M1”), an international mining consultancy with over 25 years of experience and headquarters in Melbourne, Australia.

The Project is located at Mount Pani in Gorontalo Province on Sulawesi Island, Indonesia. MGR through its subsidiaries, is responsible for the development of the project, encompassing open pit mining operations, Heap Leach and Carbon-in-Leach (“CIL”) processing facilities, and supporting infrastructure.

This assessment is intended for inclusion in a Competent Person’s Report (“CPR” or “the Report”) suitable for a document supporting the proposed [REDACTED] of PT Merdeka Gold Resources Tbk. on the Main Board of the Stock Exchange of Hong Kong Ltd. (“the Stock Exchange”), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. (“HKEX”). The Mineral Resources and Ore Reserves Estimate presented in this report has been prepared in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), as well as the Listing Rules of the Stock Exchange, including Chapter 18 requirements and other relevant regulations. The effective date of this Competent Persons Report is 31 December 2025.

It should be noted that the Report does not provide an opinion on the value of the minerals or other assets involved.

Summary of Principal Objectives

The principal objective of this Report is to provide MGR, potential equity investors, future shareholders, and regulators with an independent, professional, and technically robust assessment of the Pani Gold Project for inclusion in a document supporting the company’s proposed [REDACTED] on the Hong Kong Stock Exchange. The Report presents an impartial evaluation of the project’s geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, as well as the associated risks, opportunities, and technical considerations, based on all available technical data as of the Effective Date. Its purpose is to deliver a transparent and unbiased appraisal of the project’s technical merits and uncertainties to inform investment and regulatory decisions.

Outline of Work Programme

The work program for this project consisted of:

- Review of dataset and Mineral Resource models provided by MGR, and preparation of the Mineral Resources and Ore Reserves (“MROR”) data verification plan conducted during the site inspection.
- A site visit by Mineral Resource Competent Person between 6 and 8 January 2026 to the Project, including the locations of exploration and production boreholes, drill cores, open pit operations, etc.
- Review of all available documents supporting the development of the Pani Mining Project, including operating licences and permits, geology reports and environmental impact assessment (“EIA”) reports, mineral processing technology and mining methodologies, capital expenditures (“Capex”) and operating expenses (“Opex”), etc.
- Discussion with MGR’s management and technical personnel who conducted the exploration program, prepared the previous Feasibility Study and follow up studies, construction, and mine operation at the Project.
- Preparation of a draft version of Competent Person Report in accordance with the JORC Code guidelines and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEX, where the declaration date of Mineral Resources and Ore Reserves is 31 December 2025.

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- Submission of the draft to MGR and related third parties for comments and finalisation of the draft Report based on the feedback.
- Completion of an updated report on Mineral Resources and Ore Reserves as of 31 December 2025, incorporating a review of Mineral Resource Estimate prepared by MGR, refinement of the Life of Mine Schedule, evaluation of all relevant modifying factors, and interrogation of the Project’s financial model.

Operational License and Mine Permit

The Pani Gold Project is supported by a comprehensive set of mining licenses and operational permits provided by MGR and reviewed by Mining One. While Mining One has not conducted independent legal or regulatory due diligence, it has relied on information supplied by the client and is not aware of any issues that would prevent the issuance or continuation of permits or impede mining and processing operations.

The project’s core mining concessions include:

- PT Gorontalo Sejahtera Mining (“GSM”) Contract of Work (“COW”), valid until 1 December 2049.
- PT Puncak Emas Tani Sejahtera (“PETS”) Mining Production Permit (known as “IUP” Operasi Produksi), valid until 23 November 2032.
- PT Pani Bersama Tambang (“PBT”) Processing and Refining Special Permit (known as IUP Pengolahan Pemurnian) – this permit has later been converted into Industrial Business License (“IUI”) on 8 October 2021, and valid until 14 March 2035.

Together, these licenses provide the legal foundation for resource extraction and processing activities within Pani Gold Project. PT Pani Industri Nusantara (“PIN”) was established in mid-2025 for the purposes of operating the CIL and IUI application is ongoing.

In addition to mining licenses, the project has secured several critical operational permits, including the Environmental Impact Assessment (“AMDAL”), forest utilisation approval (“PPKH”), spatial plan conformity (“KKPR”), and filtered press tailings technical approvals (“PERTEK”).

History

The Gunung Pani gold prospect has been known for over a century, first attracting Dutch interests in the early 1900s due to active local alluvial mining. Although early underground mining attempts were short-lived, they marked the beginning of exploration in the area.

Modern exploration resumed in the late 1960s with reconnaissance work by Newmont Limited, followed by systematic regional programs in the 1970s and 1980s led by Tropic Endeavor, Kennecott, and Utah International. These campaigns confirmed gold mineralisation and demonstrated strong metallurgical recoveries, though none advanced to sustained development. Subsequent exploration by PT Aneka Tambang, BHP–Utah Pacific, and later local cooperatives and joint ventures through the 1980s and 1990s added further drilling and sampling, progressively building geological knowledge of the deposit.

From the late 1990s onward, exploration intensified under various partnerships, including Paramount Ventures, Azure Resources, and One Asia Resources, which collectively drilled thousands of metres and expanded geological understanding.

More recently, PT Merdeka Copper Gold Tbk and PT J Resources Nusantara have undertaken extensive modern drilling campaigns, completed hundreds of holes and generated large datasets that underpin current resource evaluations.

Collectively, these efforts, including over 230,000m of diamond drilling through more than 1,370 holes, reflect over a century of intermittent exploration and mining activity, culminating in robust modern datasets that now support the Pani Gold Project’s resource base and development potential.

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A Definitive Feasibility Study ("FS 2024") was completed in 2024, confirming an open-pit mining operation with ore processed through both CIL and Heap Leach methods. The study paved the way for project construction, with ongoing enhancements continuing to optimise outcomes. The Heap Leach operation will initially be operated at 8 Mtpa throughput (2026) with production ramping up to 10 Mtpa in 2028. The CIL plant is scheduled to be commissioned in 2028 with a planned throughput of 10 Mtpa. The throughput will then ramp up to its nameplate capacity of 12 Mtpa in 2029. Mining started in Q4, 2025.

The first shipment of dore bullion of 44.04 kg occurred at the end of February 2026 when this report was being prepared.

Sample Preparation, Quality Assurance and Quality Control ("QAQC") Programs

Sample preparation for the Pani project follows industry-standard procedures, with half-core samples crushed, sub-sampled and pulverised before being sent to accredited laboratories. Since 2021, assays have been conducted by PT Geoservices Jakarta, with earlier work handled by Intertek and SGS. In 2022, MGR resampled all historical PETS data to ensure consistency and only validated are used in the current Mineral Resource.

QAQC Programs comprise the following:

- **Duplicates** - Coarse duplicates and pulp duplicates are used for checking the sample homogeneity corresponding to the sample preparation process. The coarse duplicates were taken from the Boyd crusher rotating sample divider of 2 mm grind size with a rate of 1 in 20 samples starting in 2021. RSC notes that there is no statistically significant bias. Duplicate sampling (coarse and pulp) has generally confirmed good sample homogeneity and assay precision for gold, particularly during the MGR period (post-2020), though performance declined in 2024 indicating potential laboratory preparation issues. Silver duplicates showed lower reliability overall due to low grades and detection limits, with ongoing quality control measures recommended to maintain data integrity.
- **CRMs** - Certified reference materials ("CRMs") were inserted at frequencies ranging from 1 in 9 (conducted by One Asia Resources) to 1 in 20 (conducted by GSM-JR and MGR), with campaigns relying on OREAS commercial CRMs and matrix-matched CRMs from Pani ore. While some historical and early matrix-matched CRMs showed marginal or non-acceptable performance due to laboratory calibration issues, overall results are within acceptable range. Immaterial biases for silver were identified at low grades. Current programs apply Z-score monitoring to ensure reliable performance, supporting confidence in estimation.
- **Blanks** - Blank samples were inserted at a frequency of 1 in 40 or less, with coarse blank material sourced from a local quarry consistently used except during 2020–2021 when CRM blanks (Oreas 22F, n=595) were applied. Historical data (<2020, n=2,209) comprised a total of 20 outliers, while MGR's 2022–2024 program (n=1,944) recorded only two suspected contamination/swapped samples in 2023 and 2024.
- **Umpire Checks** - Historical external laboratory checks (SGS vs. Geoservices, 2012–2013) showed a -9% bias but had no impact on resource estimation as PETS data was resampled. MGR has recently prepared further samples for external umpire checks, though these had not yet been dispatched at the time of reporting.

Mineral Resources Competent Person, Alex Lukomskyj, conducted a site visit to Pani from 5 to 8 January 2026, including technical discussions in Jakarta and inspections of drilling, sampling and pit operations. The visit confirmed JORC Code standards were met with no material issues. Key checks conducted during the visit including the verification of drill cores, confirmation of CRMs and blanks used, and visual inspection of prospective geological contacts against the 3D model.

Mineral Resources Estimate

The Pani mineralised domains demonstrate sufficient grade, continuity and drill density to support classification as Measured, Indicated and Inferred Mineral Resources under the JORC Code 2012. The Mineral Resource estimate is based on bulk extraction using open-pit mining methods, with gold recovery through gravity, CIL and heap leach circuits.

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A Reasonable Prospect for Eventual Economic Extraction (“RPEEE”) was defined using a pit shell constrained at a gold price of US\$2,300/oz. The estimate combines resources from both the GSM Contract of Work and the PETS IUP, depleted to 31 December 2025 with a cut-off grade of 0.2 g/t Au. Reported resources include Measured, Indicated and Inferred categories, along with 0.9 Mt of surveyed Measured surface stockpiles, providing a robust basis for ongoing project evaluation.

Table 0-1 summarises the Mineral Resources Estimate for the Project as of 31 December 2025.

Table 0-1 Pani Gold Project Mineral Resources Estimate as of 31 December 25

MRE	Classification	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Au (Moz)	Ag (Moz)
Dec-25	Measured	7.7	0.87	1.66	0.2	0.4
	Indicated	235.6	0.77	0.73	5.9	5.6
	Inferred	48.2	0.59	0.37	0.9	0.6
	Total	291.5	0.75	0.71	7.0	6.6

Notes:

- Block model: Dec-25 MRE (bm_pan24b_eng_meas.dm)
- Topography/depletion surface: update_basemap_topo_all_baganite_260101_void2_DTMTR.dm

Exploration Potential

Near-mine and exploration upside potential exists to the northeast and south of the Pani open pit. The ‘dome’ geological model provides a prospective volume to drill test to its limits, particularly given prospective structural features have previously been mapped at these extents. The Kolokoa and Lone Pine prospects south and north of Pani, respectively, provide prospective exploration upside targets.

Mining Assessment

Pani will be developed as a large, single open pit operation using conventional truck-and-excavator mining methods. Ore and waste will be mined from one pit and processed through the Heap Leach (“HL”) and Carbon-in-Leach (“CIL”) plants in accordance with the staged development strategy. The HL operation has commenced and targets near-surface oxide mineralisation, while the CIL plant will commence in 2028, operating concurrently with the HL until depletion of the HL zone.

Pit optimisation was undertaken using Lerchs–Grossmann analysis to define the economic pit shell, followed by mine designs addressing the mining practicality and geotechnical design criteria. The current Ore Reserve estimate is based on staged designs comprising three pushbacks for the HL zone and five pushbacks for the CIL zone, with the ultimate pit designs are illustrated in Figure 0-1. Overall slope angles range from 35° to 40° in accordance with defined geotechnical domains. While additional geotechnical data may refine final wall configurations, any impact on the economic assessment is expected to be immaterial.

Mining will commence at approximately 785 mRL and extend to a final pit floor of 305 mRL, representing a depth of approximately 480 m. The production fleet will primarily comprise 200 t excavators matched with 100 t haul trucks, with peak requirements of six excavators and 42 trucks. Benches will be drilled and blasted at 15 m and mined in 7.5 m flitches using double benching. Although the mountainous terrain presents logistical challenges, particularly for waste and ore stockpiling, these are considered manageable with appropriate infrastructure and operational controls.

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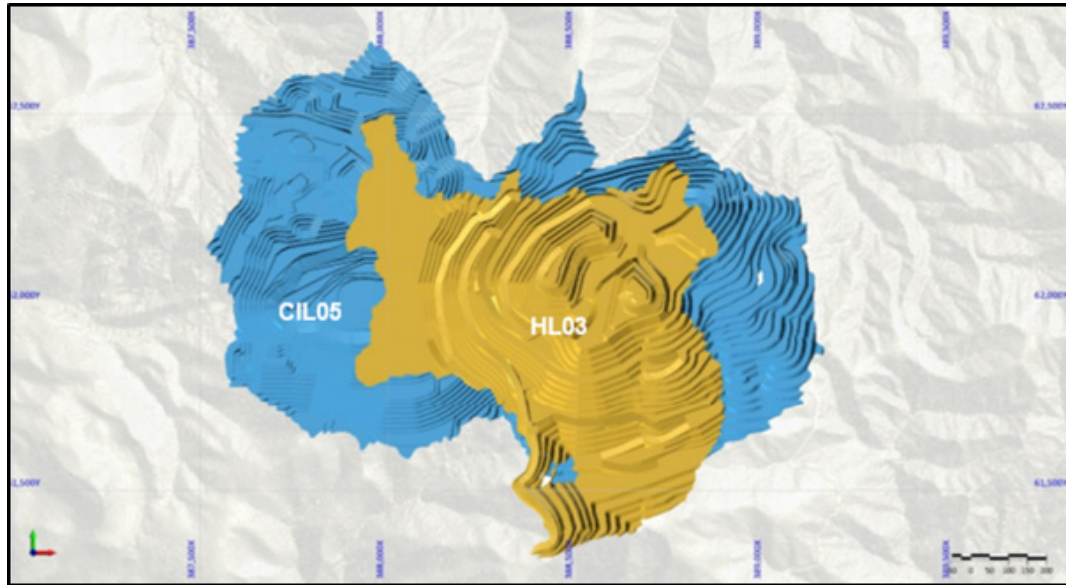


Figure 0-1 Overview of Pani Pit Design showing HL and CIL Zones

A mining schedule was prepared with the topographical surface dated 31 December 2025 being used to deplete the model and serve as the start date of the schedule. The schedule is defined by HL and CIL zones (Figure 0-2) with the following key observations:

- HL will operate over the first 7 years from 2026 through to 2032.
- CIL will commence in 2028 through to end of mine in 2040.
- A total of 203 Mt of ore at an average grade of 0.79 g/t Au to be mined.
- The life of mine is 15 years.

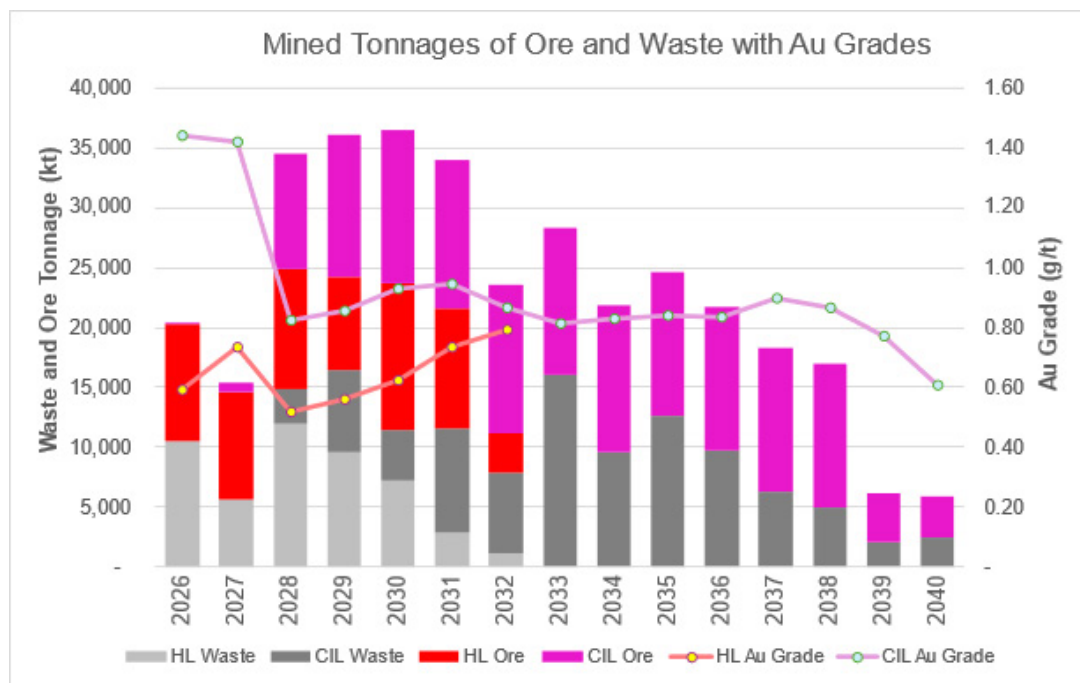


Figure 0-2 Annual Mining Production Schedule

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Ore Reserves

Mining One has conducted a review of the relevant technical studies and operational data to verify that, at the time of reporting, the mineable part of the Mineral Resource forms the basis of a technically and economically viable project, after taking account of material Modifying Factors. Only open pit operations are considered for the reporting of Ore Reserves Estimate presented in this Report.

As of the effective date of 31 December 2025, the Ore Reserves for Pani Gold Mine open pit consists of 203.1 Mt of ore at an average gold grade of 0.79 g/t for 5.2 Moz of contained gold and an average silver grade of 0.84 g/t for 5.5 Moz of contained silver. Table 0-2 provides the estimates of Ore Reserves for Pani Gold Mine.

Table 0-2 Ore Reserves Statement for Pani Gold Mine as of 31 December 2025

	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes (Mt)	Au Grade (g/t)	Tonnes (Mt)	Au Grade (g/t)	Tonnes (Mt)	Au Grade (g/t)	Contained Au (Moz)
Gold Ore Reserves							
Stockpiles	0.9	0.50	–	–	0.9	0.50	0.0
Heap Leach (HL) . .	3.9	0.84	58.1	0.62	62.1	0.64	1.3
Carbon-in-Leach (CIL)	2.9	1.07	137.2	0.86	140.1	0.86	3.9
Total Gold Ore Reserves	7.7	0.89	195.4	0.79	203.1	0.79	5.2
	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes (Mt)	Ag Grade (g/t)	Tonnes (Mt)	Ag Grade (g/t)	Tonnes (Mt)	Ag Grade (g/t)	Contained Ag (Moz)
Silver Ore Reserves							
Stockpiles	0.9	3.86	–	–	0.9	3.86	0.1
Heap Leach (HL) . .	3.9	1.58	58.1	0.90	62.1	0.94	1.9
Carbon-in-Leach (CIL)	2.9	1.03	137.2	0.77	140.1	0.77	3.5
Total Silver Ore Reserves	7.7	1.64	195.4	0.81	203.1	0.84	5.5

Notes:

1. Cut-off grades for Ore Reserves estimation are calculated assuming a long-term average gold price of US\$2,300/oz.
2. Rounding may result in apparent summation differences between tonnes, grade and contained metal.
3. Estimates of metal contained in the Ore Reserve do not include allowances for processing losses.
4. The effective date of the Ore Reserve estimate is 31 December 2025.
5. The Ore Reserves are defined at the point where the ore is delivered to the processing plant.
6. The Ore Reserves reported above are included in the Mineral Resources and are not in addition to the Mineral Resources.

Processing & Metallurgy

The Pani Gold Project will be developed in two stages, commencing with a Heap Leach (“HL”) operation and followed by a 12 Mtpa Carbon-in-Leach (“CIL”) plant from 2028. Both operations are planned to operate concurrently for several years.

The March 2024 Feasibility Study (“FS 2024”) defined a 7 Mtpa HL operation, which has since been expanded to 8 Mtpa in Year 1 and ramped up to 10 Mtpa by Year 3. The design and

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engineering for the Heap Leach Processing Plant in the FS 2024 was developed by NewPro Consulting (Consultant). The upgrade and ramp up plan to 10 Mtpa was developed by MGR. The HL flowsheet comprises a three-stage crushing and screening Ore Preparation Plant producing 100% passing 19 mm material, stacking on a 63 Mt three-cell Heap Leach Facility, cyanide irrigation over a 50 day primary and 90 day secondary leach cycle, and gold recovery in a conventional Adsorption, Desorption and Recovery (“ADR”) plant (carbon-in-column adsorption, pressure elution, electrowinning and smelting to doré). Irrigation has commenced in January 2026, with stacking planned to increase from 8 Mtpa to 10 Mtpa by 2028 and continue until mid-2032.

The CIL plant, originally envisaged as a staged expansion, will now be constructed at 12 Mtpa from commencement in 2028 and is scheduled to process approximately 137.4 Mt to 2040. The process flowsheet comprises primary crushing, two-stage grinding with pebble crushing, gravity recovery and intensive cyanidation, pre-leach thickening, Leaching and CIL adsorption, split AARL elution, electrowinning and smelting to produce doré. Tailings will be thickened and discharged to TSF Hulawa and partially filtered for dry stacking at the Filtered Tailings Facility, with planned storage of 89 Mt and 54 Mt respectively.

Heap leach metallurgical studies for the deposit cover three areas, Pani West, Pani East (PETS) and Baganite, with four test programs completed between 2012 and 2018 assessing both Heap Leach and CIL flowsheets. Results generally demonstrated good to excellent heap leach amenability, although one program produced inconsistent results that required further review. Multiple test programs, including those undertaken for the FS 2024, demonstrated generally good to excellent heap leach and CIL performance, providing confidence in the selected development strategy.

Environmental, Social, and Government (“ESG”) Assessment

Environmental and social baseline studies and impact assessments have been completed to support development of the Pani Gold Project in accordance with Indonesian regulatory requirements and international good practice. The Project design incorporates staged HL and CIL development while managing environmental and social risks to acceptable levels.

Further updates and approvals are required to align with the revised project scope, including amendments to the AMDAL, extensions to the PPKH forestry permit, dam safety approval for the TSF, and technical approvals (“PERTEK”) for wastewater discharge and air emissions.

Additional studies to strengthen the ESG framework include geochemical characterisation, development of an Environmental and Social Management System, Biodiversity Action Plan, Stakeholder Engagement Plan, and assessments relating to land access and cultural heritage.

No ESG-related risks are identified as High and Medium risks according to assessment conducted in accordance with Guidance Note 7 from the HKEX.

Capital Expenditures

The capital expenditure (“CAPEX”) estimate for the Pani Gold Project has been developed in line with industry best practices and the requirements of a Competent Person’s Report, ensuring transparency and technical rigor. The methodology to estimate CAPEX combines detailed bottom-up estimation for major cost items with benchmarking and scaling for ancillary facilities, supported by vendor quotations, tender processes, and regional cost indices. A 10% contingency has been applied to mitigate risks associated with inflation, market volatility, and early-stage project uncertainties, ensuring the estimates remain conservative yet realistic.

The CAPEX framework encompasses direct costs for mining, heap leach facilities, CIL plant construction, and site infrastructure, alongside indirect costs such as owner’s expenses, project management, and EPCM services. Sustaining capital has been projected at 1–2% annually to support ongoing operations, equipment replacement, and compliance requirements.

The total capital expenditures over the life of mine (“LoM”) in real term is summarised in Table 0-3.

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Table 0-3 Undiscounted Life of Mine Capital Cost Estimates Summary

Capital Item	Cost Estimate (USD Millions)
Direct Cost	
Mining	50
Heap Leach	197
CIL	734
Site Infrastructure	240
Indirect Cost	
Owners Costs	196
General & Indirects	139
Escalation and Contingency	119
Sustaining Capital	274
TOTAL CAPITAL COSTS	1,948

Operating Expenditures

The operating cost (“OPEX”) estimate for the Pani Gold Project has been developed to forecast annual expenditures over the life of mine, providing a critical input to financial modelling, feasibility analysis, and Ore Reserve reporting. Mining One prepared the mining-related cost estimates, covering drilling, blasting, loading, hauling, and ancillary services, while MGR provided inputs for processing, tailings, and general and administrative overheads. Mining One conducted a technical review of these components to ensure that assumptions, methodologies, and detail levels are consistent with the requirements of the JORC Code.

The activity-based estimate is structured into five principal categories with clearly defined boundaries: mining (up to the primary crusher feed), heap leach processing, CIL processing, tailings management, and general and administrative overheads.

The total operating expenditures over the LoM in real term is summarised in Table 0-4.

Table 0-4 Undiscounted Life of Mine Operating Cost Estimates and Unit Rates Summary

Activity-Based Costs	LoM Opex (USD M)
Mining	1,028
Heap Leach Processing	381
CIL Processing	1,279
Tailings	184
Site G&A	638
Total Operating Costs	3,509

Economic Analysis

An economic assessment was prepared for the Pani Project and demonstrated a strong cost position. This assessment was compliant with industry reporting standards and JORC Code. All economic values are expressed in real terms and in United States Dollars (“USD” or “\$”), with an exchange rate of IDR16,580/USD based on Merdeka’s assumption for 2026 life of mine plan which derived as the average Bank Indonesia (“BI”) middle rate for the 6 months covering July 2025 to December 2025.

Key inputs for the economic assessment include:

- Revenues are derived from gold and silver sales with the forecasted prices prepared by CRU Consultant (refer to Table 0-5).
- Royalties are calculated based on the Government Regulation, PP No. 19 of 2025.
- Capital and operating inputs have been updated from the FS 2024 prepared for the Pani Project.

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- Discount rates between 5% and 10% at 1% increment were tested to determine the NPV under varying cost of capital scenarios.

Key economic outputs are summarised in Table 0-6.

Table 0-5 Gold and Silver Price Forecast (Real Price, 2026 Basis)

	2026	2027	2028	2029	2030 to end of mine life
Gold Price	4,900	5,550	5,830	5,500	5,150
Silver Price	83	76	70	74	71

Source: Gold [REDACTED] Industry Consultant, CRU Consultant, February 2026

Table 0-6 Key Economic Outputs

Key Financial Parameters	Unit	Value
Unit AISC (Including Royalties)	US\$/oz	1,632
Unit AISC (Excluding Royalties)	US\$/oz	794
NPV @ 5%	\$ million	7,991
NPV @ 6%	\$ million	7,530
NPV @ 7%	\$ million	7,106
NPV @ 8%	\$ million	6,715
NPV @ 9%	\$ million	6,353
NPV @ 10%	\$ million	6,018
Max Negative Cumulative Cash Flow	\$ million	-329
Payback from First Production	year	1.3
IRR	%	287%

*Note: NPV and IRR are calculated to 1 January 2026. Costs incurred prior to this date are treated as sunk and excluded from the financial analysis for the reporting of Ore Reserve estimate

A sensitivity analysis was conducted to evaluate the impact of changes in key technical and economic parameters inputs. A sensitivity range of + 30%, relative to the base case assumptions was adopted. In all instances the project remained economically positive with the following key observations:

- The economic position of the project is most sensitive to changes in Gold Price.
- Capital expenditure (Capex) and Operating expenditure (Opex) changes had the smallest impact on project value.
- The gold price outlook upon which the sensitivity was based is considered to be a robust price point according to the latest market commentary.

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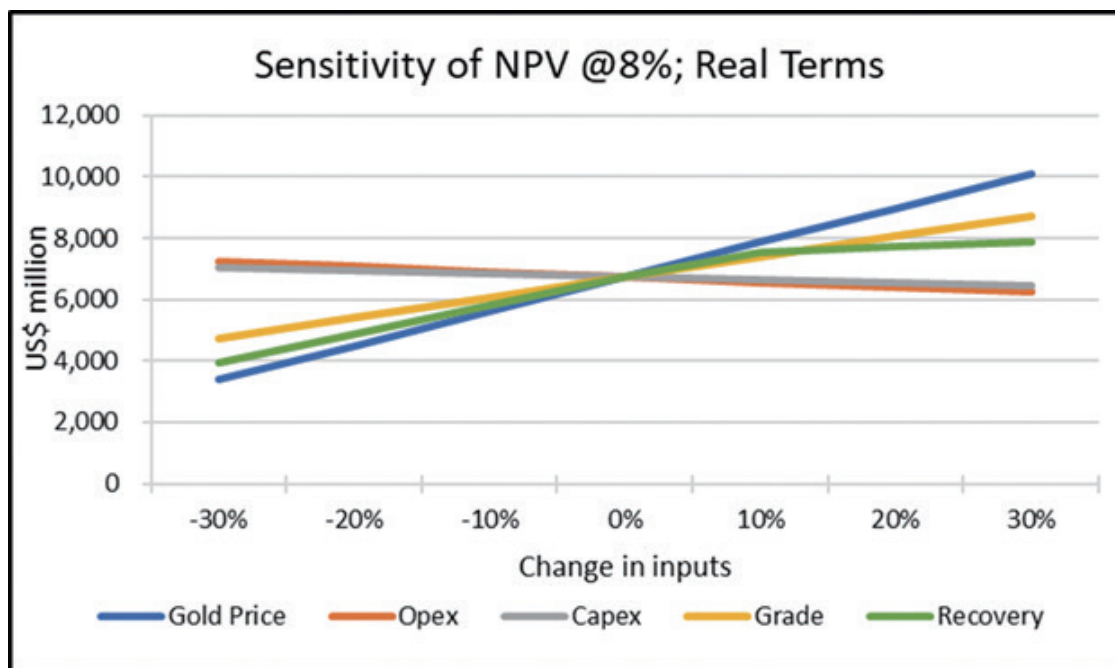


Figure 0-3 Pani Economic Sensitivities

Risk Assessment

Mining One considered various technical aspects which may affect the future cash flow of the Project. The Risk Assessment has been done in accordance with Guidance Note 7 from the HKEX. The medium risk category identified during the preparation of this report is presented in Table 0-7. No risks fall in High-Risk category.

Table 0-7 Identified Medium Risks

HAZARD/ISSUE	CONSEQUENCE	LIKELIHOOD	RISK RATING
Failure of the heap leach stack	MODERATE	POSSIBLE	MEDIUM
Tailings Filtration and Filtered Tailings Facility underperform	MODERATE	POSSIBLE	MEDIUM
Actual tailings dry density realised below target	MODERATE	POSSIBLE	MEDIUM
Underestimation of costs or cost inflation	MINOR	LIKELY	MEDIUM
Seismic/Earthquake activity .	MODERATE	POSSIBLE	MEDIUM

Conclusion

A number of recommendations have been made based on observations by the Subject Matter Experts ("SME") involved in the preparation of the Competent Persons Report. Although there are few risks identified, the conclusion drawn by the team is that the Pani Gold Project presents as a robust operation with strong economic estimates to support this position. The Project is utilising conventional methods which are well proven and robust.

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1 INTRODUCTION AND SCOPE OF REPORT

The Pani Gold Project (“Pani” or “the Project”) is situated at Mount Pani in Gorontalo Province on Sulawesi Island, Indonesia. It is being developed as one of the largest primary gold mines in both Indonesia and the wider Asia-Pacific region. Gold occurrences in the area have been documented since the nineteenth century, reflecting a long history of exploration and mining activity that underpins the current development.

The Project is held through three subsidiaries of PT Merdeka Gold Resources Tbk (“MGR”):

- PT Gorontalo Sejahtera Mining (GSM): holder of the Contract of Work (CoW).
- PT Puncak Emas Tani Sejahtera (PETS): holder of the Mining Production Permit (“IUP *Operasi Produksi*”).
- PT Pani Bersama Tambang (PBT): holder of the Processing and Refining Permit (“IUP *Pengolahan Pemurnian*”), subsequently converted into an Industrial Business License (“IUI”).

PT Pani Industri Nusantara (“PIN”) was established in mid-2025 for the purposes of operating the CIL and IUI application is ongoing. Collectively, these entities comprise the Pani Gold Project.

MGR, through its subsidiaries, is responsible for the development of the project, encompassing open pit mining operations, processing facilities, and supporting infrastructure. The project is being developed as a large-scale open-pit operation in phases. The initial stage will utilise heap leach processing, with a planned throughput capacity of approximately 8 million tonnes of ore in 2026 and then increasing to 10 million tonnes per year in 2028. The operation of the CIL facility, commencing with a capacity of 10 million tonnes per year in 2028, will ramp up to a nameplate capacity of 12 million tonnes per year by 2029.

Mining commenced in October 2025. At the end of February 2026, when this report was being prepared, MGR had completed its first shipment of 44.04 kg of dore bullion for refining at the refining facility of PT Aneka Tambang Tbk. (IDX: ANTM).

PT Mining One Indonesia (“Mining One”) was commissioned by MGR to prepare an independent technical assessment of the Pani Gold Project. PT Mining One Indonesia is a wholly owned subsidiary of Mining One Pty Ltd (“M1”), an international mining consultancy with over 25 years of experience and headquarters in Melbourne, Australia.

This assessment is intended for inclusion in a Competent Person’s Report (“CPR” or “the Report”) suitable for a document supporting the proposed [REDACTED] of PT Merdeka Gold Resources Tbk. on the Main Board of the Stock Exchange of Hong Kong Ltd. (“the Stock Exchange”), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. (“HKEX”). The Mineral Resources and Ore Reserves Estimate presented in this report has been prepared in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code”), as well as the Listing Rules of the Stock Exchange, including Chapter 18 requirements and other relevant regulations.

It should be noted that the Report does not provide an opinion on the value of the minerals or other assets involved. All project values are presented in real (discounted) terms unless stated otherwise.

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2 PROGRAM OBJECTIVES AND WORK PROGRAM

2.1 Purpose of the Report

The purpose of this Competent Person’s Report (“CPR”) is to provide an independent, professional, and technically robust assessment of the Pani Gold Project asset of MGR for inclusion in a document to be lodged in support of the company’s proposed [REDACTED] on the HKEX. Mining One has prepared this Report to present an impartial evaluation of the risks, opportunities, and technical considerations associated with the reviewed project. The Report is intended to inform investors and regulators by providing a transparent and unbiased appraisal of the project’s technical merits and associated uncertainties. Compliance mapping with the HKEX can be found in APPENDIX 02A and APPENDIX 02B.

2.2 Reporting Standard

This Report has been prepared in accordance with the requirements of the 2012 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (“VALMIN”). Mining One considers this document to be a Technical Assessment Report under VALMIN. VALMIN incorporates the JORC Code, which governs the classification and reporting of Mineral Resources and Ore Reserves (“MROR”) and is binding upon all members of the Australasian Institute of Mining and Metallurgy (“AusIMM”).

This Report is not a Valuation Report and does not provide an opinion on the monetary value of the mineral assets. While Mining One has reviewed aspects such as commodity pricing, socio-political context, and environmental considerations, no valuation of the assets or tenements is expressed herein. MROR referenced in this Report are reported in accordance with JORC Code.

2.3 Limitations Statement

Mining One is not professionally qualified to opine upon or confirm the MGR’s legal ownership of its underlying tenements, nor to verify the absence of unresolved legal matters relating to tenure transfers, royalties, or associated fees. Mining One has therefore assumed that no legal impediments exist regarding the tenements under review and that MGR holds the legal rights as purported. Responsibility for verifying tenure and ownership lies with legal due diligence conducted by appropriately qualified entities independent of Mining One.

2.4 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (“Effective Date”). The Mineral Resource and Ore Reserve statement presented herein are reported as of 31 December 2025 and represent the status of the project as reviewed and accepted by Mining One’s Competent Person.

2.5 Work Program

Mining One’s work program has comprised a comprehensive technical review of available geological, mining, metallurgical, environmental, and socio-economic data. This included assessment of exploration results, resource estimation methodologies, mine planning, metallurgical test work, infrastructure requirements, and environmental and social impact considerations. The program was designed to identify material risks and opportunities, evaluate compliance with international reporting standards, and provide a basis for informed decision-making by stakeholders.

2.6 Mining One Experience

Mining One brings extensive experience in technical due diligence, resource and reserve estimation, mine design, and project evaluation across a wide range of commodities and jurisdictions. The firm has a proven track record in preparing Competent Person’s Reports for stock exchange [REDACTED] and is recognized for its technical rigor, independence, and adherence to international reporting standards.

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Some recent examples of Mining One related experiences is summarised in Table 2-1.

Table 2-1 Mining One Recent Related Experience Examples

Company	Mining One Involvement	Year
Sunrise Energy Metals (ASX: SRL)	Syerston Project Mineral Resources and Ore Reserves Estimate	2025
Evolution Mining (ASX: EVN)	Cowal Gold Ore Reserves Estimate	2025
Wiluna Mining Corporation (ASX: WMC)	Wiluna Mineral Resources Estimate	2025
Terramin Australia Ltd (ASX: TZN)	Independent Technical Evaluation (ITE) Report for a Project in Algeria	2025
Larvotto Resources (ASX: LRV)	Independent Technical Evaluation (ITE) for Hillgrove Project	2025
Iltani Resources (ASX: ILT)	Orient East Mineral Resources Estimate	2025
PT Merdeka Copper Gold Tbk. (IDX: MDKA)	Pani Gold Project Ore Reserves Estimate	2025
PT Indika Energy Tbk (IDX: INDY)	Salu Bulo & Awak Mas Ore Reserve Estimate Update	2025
MMG (HKEX: 1208)	Kinsevere Ore Reserves Estimate	2025

2.7 Project Team

This Competent Persons’ Report has been prepared by the following Mining One professional with the key personnel with their positions and roles are summarised in Table 2-2.

Table 2-2 Mining One Key Personnel List

Name	Position	Roles
Ievan Ludjio	Director/Principal Mining Engineer	Competent Person for Ore Reserves Estimate
Alex Lukomskyj	Principal Resource Geologist	Competent Person for Mineral Resource Estimate
Joseph Tachie-Menson	Principal Mining Engineer	Mining, Ore Reserves, and Project Financial Review
Cameron Farrington	Principal Mining Engineer	Project Financial Review, Overall Report Internal Peer Review
Trent Jolly	Principal Process Engineer	Metallurgical, Processing, and Tailings Review
David Lucas	Senior Principal Geotechnical Engineer	Geotechnical Review
Peter Gribbin	Principal Hydrologist, Hydrogeologist, Environmental	Hydrology, Hydrogeology, ESG Review

The summary of key personnel experience and expertise is as follows:

- Ievan Ludjio, B.Eng Mining, FAusIMM CP (Mining), RPEQ — Director and Principal Mining Engineer.*** Ievan is a Mining Engineer with over 25 years of experience in the mining industry. He has held diverse technical roles in short, medium, and long-term mine planning as well as production engineering, and has contributed to projects across multiple study phases from concept through feasibility to implementation. His expertise spans a wide range of commodities including coal, gold, silver, copper, nickel, bauxite, iron ore, tin, limestone, phosphate, and rare earths in various international jurisdictions. Ievan is a Chartered Professional (Mining), Fellow of AusIMM (FAusIMM), Registered Professional Engineer of Queensland (RPEQ), recognised Competent Person

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Indonesia for KCMI Ore Reserve Reporting for gold, base metals, tin, and coal, and Competent Person for Ore Reserve reporting under Indonesia National Standard (SNI 4726:2019).

- Alex Lukomskyj, B.Sc. (Hons.) Geology, MAusIMM — Principal Resource Geologist.** With more than 15 years of experience in mining and exploration, Alex is a JORC Code Competent Person and NI 43-101 Qualified Person in reporting Mineral Resources on international stock exchanges. Alex is highly skilled in Datamine, Snowden Supervisor and Leapfrog, having produced both linear and non-linear resource estimates for mining studies and technical due diligence worldwide. His consulting work has covered underground and open pit projects across a variety of commodities, with particular expertise in precious and base metals. Prior to consultancy, Alex worked with multinational producers and explorers in key mining regions including the West Australian Goldfields, Mount Isa Inlier, Lachlan Fold Belt and Arizona Laramide Arc.
- Joseph Tachie Menzon, B.Sc Mining Engineering, MAusIMM CP (Mining) — Principal Mining Engineer.** Joseph has 23 years of technical and operational experience in multinational organisations. His career encompasses equipment operation, fleet management, mine planning, supervision, contract administration, and mine management, alongside expertise in financial modelling, enterprise optimisation, explosives management, asset management, and tailings storage facility oversight. Joseph has contributed to numerous feasibility studies, served as the Competent Person for several Ore Reserves Statement, and is proficient in a wide range of mining software including Minemax, Surpac, Talpac, XPac, Whittle, Vulcan, Alastri, and others. He is a Chartered Professional of AusIMM, holds the New South Wales (NSW) Quarry Manager's Certificate of Competency, and is currently pursuing an MBA at the Melbourne School of Business.
- Cameron Farrington, MBA (Finance), B.Eng Mining, MAusIMM CP (Mining) — Principal Mining Engineer.** Cameron has nearly 30 years of experience in technical and operational leadership across the global mining industry. He has worked extensively across commodities such as iron ore, copper, gold, diamonds, and coal, developing a strong understanding of value drivers unique to each. His career spans site-based engineering through to senior leadership roles, including his legislatively appointed position as Site Senior Executive in coal. Cameron's operational expertise is reinforced by his tenure as Fleet Performance Superintendent, where he managed large-scale fleets of haul trucks and dig units, applying this knowledge to deliver numerous fleet optimisation studies from concept to execution.
- David Lucas, B.Sc (Hons) Geophysics, MSc (Engineering Geology), MAusIMM CP (Geotechnical), RPEQ — Senior Principal Geotechnical Engineer.** David has over 35 years of experience in mining and civil geotechnical engineering, including nearly 30 years in mining across Australia and South-East Asia. He specialises in slope stability for open-cut mining, with extensive experience in rock and soil slopes, overburden dumps, and stockpiles across hard rock mines, coal mines, and quarries. With a strong geological foundation, David integrates geological understanding into geotechnical solutions. His career includes 12 years in site-based operational roles and two decades of consulting, covering feasibility studies, mine closure, risk-based stability assessments, and stakeholder engagement. He is a Chartered Professional of AusIMM and a Registered Professional Engineer in Queensland and Victoria.
- Trent Jolly, B.Eng (Hons) B.Com, DipML (Chinese) — Principal Process Engineer.** With over 15 years of experience in project delivery, process optimisation, and operational improvement, Trent has worked in both site-based and consulting roles, focusing on efficiency and optimisation of processing plants. Trent's expertise spans gold and base metals mineral processing and hydrometallurgy, with involvement in studies from scoping through feasibility, as well as commissioning and optimisation of site projects. He has a strong interest in data analytics to drive process improvements and has recently developed expertise in technical due diligence and valuations for large-scale international mining acquisitions.

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- ***Peter Gribbin, DUC (Hydrogeology), MSc (Soil Mechanics), DIC (Civil Engineering), B.Sc (Hons) Geology — Principal Hydrogeologist.*** Peter has over 35 years of experience across mining, civil engineering, geotechnics, and hydrogeology. As a Chartered Professional Geologist, Peter has worked extensively in Africa, Asia, Australasia, and the UK, applying integrated geoscience solutions to mining, infrastructure, tunnelling, land development, and water resource projects. His career includes significant periods in mining and environmental regulation, followed by 15 years of consultancy supporting mining and major infrastructure projects. He is particularly experienced in technical due diligence for acquisitions, ASX listings, and the application of mining standards codes for new operations.

2.8 Warranties

MGR has warranted to Mining One that full disclosure has been made of all material information relevant to the project and that, to the best of its knowledge and belief, such information is complete, accurate, and true. Mining One has no reason to doubt the validity of these warranties.

2.9 Indemnities

In accordance with VALMIN, MGR has provided Mining One with an indemnity under which Mining One is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- Which results from Mining Ones' reliance on information provided by MGR or to MGR not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this Report relating to MROR is based on work compiled by Mr. Ievan Ludjio, FAusIMM, CP (Mining) and Mr. Alex Lukomskyj, MAusIMM, both full-time employees of Mining One. Mr. Ludjio is the principal Competent Person, responsible for the overall Report and for the Ore Reserve estimates, while Mr. Lukomskyj is the Competent Person for the Mineral Resource estimates.

This CPR has been prepared in accordance with the Listing Rules of the HKEX. Both Competent Persons have sufficient relevant experience with the style of mineralisation, deposit type, and technical activities under consideration to qualify under the JORC Code. They consent to the inclusion of their work in the Report in the form and context in which it appears.

Peer review and quality control were conducted by Cameron Farrington and Joseph Tachie-Menson, both are Mining One's Principal Mining Engineer.

2.11 Independence Statement

Neither Mining One nor any of the authors of this Report have any material present or contingent interest in the outcome of this assessment, nor any pecuniary or other interest that could reasonably be regarded as compromising independence. Mining One's professional fees for this assignment are based on standard daily rates plus reimbursement of incidental expenses and are not contingent upon the outcome of the Report.

Mining One has been involving with the project since the commencement of Definitive Feasibility of the Project in 2023.

2.12 Consent

Mining One consents to this Report being included in full in the PT Merdeka Gold Resources Tbk. document, in the form and context in which the technical assessment is

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provided, and not for any other purpose. Mining One provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

2.13 Forward Looking Statement

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Mining One undertakes no obligation to update these statements if circumstances, estimates or opinions should change and shall be indemnified for any claims or liabilities arising from reliance on the information contained within.

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice. The reader is cautioned not to place undue reliance on forward-looking statements.

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3 OPERATING LICENCES AND PERMITS

The information presented in this chapter regarding operating licenses and permits has been provided by MGR. Mining One has undertaken a review of this information; however, no detailed legal or regulatory due diligence has been conducted. Mining One has relied solely on the information supplied by MGR and has not independently verified the status of the licenses or permits. Based on the information available, Mining One is not aware of any issues that would prevent the issuance or continuation of the permits, nor any matters that would impede the commencement or continuation of mining and processing operations.

3.1 Mining Licences

The Mineral Resources and Ore Reserves Estimate reported in this statement comprises the following concessions:

- PT Gorontalo Sejahtera Mining (“GSM”) Contract of Work;
- PT Puncak Emas Tani Sejahtera (“PETS”) Mining Production Permit (known as IUP Operasi Produksi);
- PT Pani Bersama Tambang (“PBT”) Processing and Refining Special Permit (known as IUP Pengolahan Pemurnian) – this permit has later been converted into Industrial Business License (“IUI”) on 8 October 2021; and
- PT Pani Industri Nusantara (“PIN”) was established in mid-2025 for the purposes of operating the CIL. The application for certain construction and operation permitting is ongoing when this report is being prepared.

The details of Pani Gold Project Mining Licenses are summarised in Table 3-1, accompanied with the license’s boundary illustrated in Figure 3-1.

Table 3-1 Pani Gold Project Mining Licenses Summary

	<u>PT Puncak Emas Tani Sejahtera (PETS)</u>	<u>PT Gorontalo Sejahtera Mining (GSM)</u>	<u>PT Pani Bersama Tambang (PBT)</u>
Approval Issuer	Decree of the Head of Investment Department of ESDM and the Transmigration Province of Gorontalo	Decree of the Minister of Energy and Mineral Resources	Decree of the Head of Investment Department of ESDM and the Transmigration Province of Gorontalo
Approval No. .	30/DPM-ESDM-TRANS/PER-IUP-OP/IV/2020	457.K/30/DJB/2017	10/DPMESDM-TRANS/IUP-OP-OLAH/III/2019
Approval Date	20 April 2020	13 December 2017	14 March 2019
Expiry Date . .	23 November 2032	1 December 2049	14 March 2035
Status	IUP Operation Production (IUP OP)	Contract of Work (CoW) Amendment	IUP Processing Refinery, converted into Industrial Business License (IUI) on 8 October 2021.
Area (Ha) . . .	100	14,570	720.71

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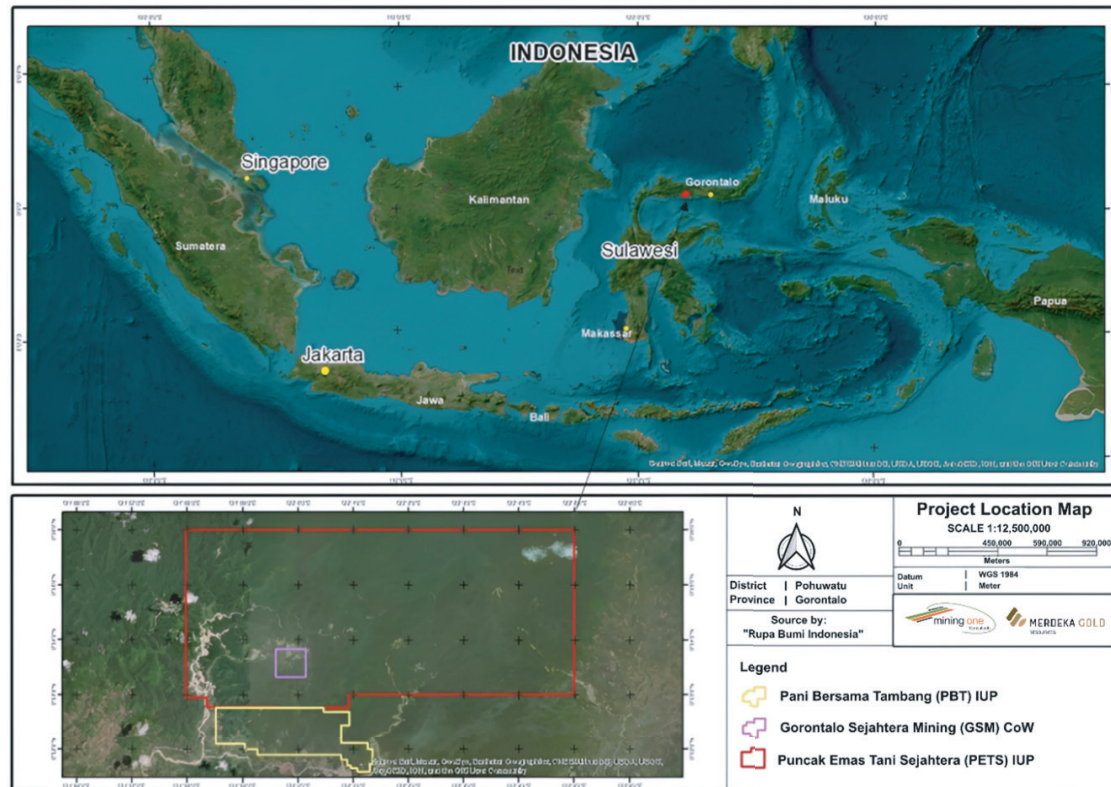


Figure 3-1 Pani Gold Project Mining Licenses

3.2 Other Operational Permits

Other related main operational permits are advised as follows:

- Environmental Impact Statement (AMDAL)** — known as *Analisa Mengenai Dampak Lingkungan* (AMDAL), it is a mandatory, comprehensive, and legally binding environmental impact assessment used to evaluate, mitigate, and manage the significant impacts of mining projects (exploration, operation, post-mining) on the environment and surrounding communities. It acts as a necessary prerequisite for obtaining environmental approval and mining business licenses (IUP). The details of the permit secured for the project are discussed in Section 13.4.1.
- Government of Indonesia Feasibility Study** — The other mandatory approval required is the Government of Indonesia Feasibility Study (GoIFS) issued by the Directorate General of Mines and Energy, Ministry of Energy and Natural Resources and Energy (ESDM). This submission focuses on technical aspects and the projects economics and is considered interdependent with the AMDAL.
- Approval of Forest Areas Utilisation** — known as *Persetujuan Penggunaan Kawasan Hutan* (“PPKH”) or formerly IPPKH, is a legal permit issued by the Ministry of Environment and Forestry (“KLHK”) allowing mining operations to occur within state-designated forest zones. The details of the permit secured for the project are discussed in Section 13.4.3.
- The Spatial Plan Conformity Permit (KKPR)** — known as *Kesesuaian Kegiatan Pemanfaatan Ruang* (“KKPR”), formerly *Izin Lokasi*, is a mandatory approval in Indonesia ensuring that mining activities align with the national or regional Spatial Plan (RTRW/RDTR). It verifies that the proposed mining area is suitable for land use, acting as a prerequisite for business licenses and environmental approvals to ensure sustainable and compliant operations. The details of the permit secured for the project are discussed in Section 13.4.4.

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- e. **Tailings Dam Facility Permit** — The jurisdiction of the assessment/approval of the construction and operation of dam for Tailing Storage Facilities is in the Ministry of Public Work (*Pekerjaan Umum* “PU”). The details of the permit secured for the project are discussed in Section 13.4.5.
- f. **Technical Approval (PERTEK)** — In Indonesia’s mining sector, the Technical Approval Permit (*Persetujuan Teknis*/PERTEK) serves as a critical, mandatory authorization verifying that a company’s operational plans comply with safety, engineering, and environmental standards. It is essential for obtaining Mining Business Licenses (IUP), specifically for approving detailed mine plans, processing facilities, and environmental management before operations commence. This is further discussed in 13.4.6.
- g. **5-Year Reclamation Plan and Mine Closure Plan** — The plan is an approved document for IUP/IUPK holders to restore post-mining land, ensuring environmental stability, ecological rehabilitation, and proper waste management. These plans, regulated under Law No. 3/2020, prevent environmental damage, facilitate land reclamation, and must include a guarantee fund, with failure resulting in up to 5 years of imprisonment and significant fines.

Mining One also have been advised that other Legislative and Regulatory Requirements such as permits for explosive, port, use of water, electrical, and fuel storage are already in place.

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4 REGIONAL DESCRIPTION

4.1 Location and Accessibility

The Pani Gold Project is situated at Mount Pani (Gunung Pani) in the Pohuwato Regency of Gorontalo Province, located on the northern arm of Sulawesi Island, Indonesia (Figure 4-1). The project area lies approximately 15 km inland from the coastal town of Marisa, which functions as the administrative and logistical centre for the region. The site is positioned within rugged tropical terrain characterised by steep hillsides and dense rainforest, with elevations ranging from approximately 450 m to 780 m above sea level.

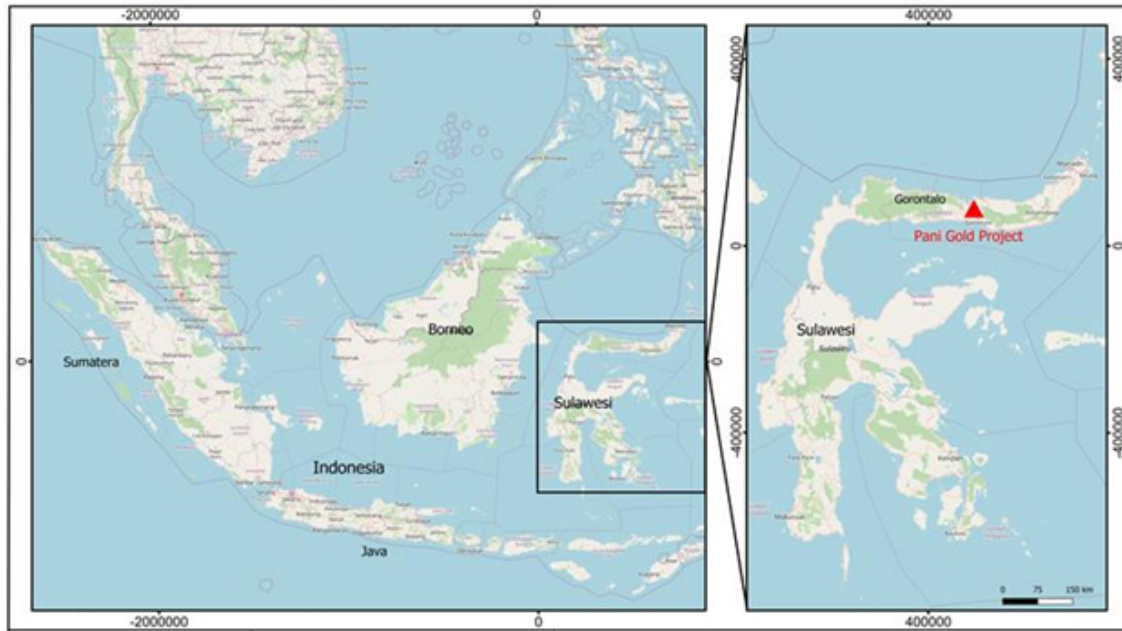


Figure 4-1 Pani Gold Project Location Map

Access to the project is via Gorontalo City, the provincial capital, which is serviced by a commercial airport with regular connections to major Indonesian hubs. From Gorontalo, the project is reached via the Trans-Sulawesi Highway and a network of provincial sealed roads. These routes provide reliable access for both light and heavy vehicles; however, several sections remain unsealed and may require upgrading or seasonal maintenance to support construction and mining traffic.

Marine access is available through the Marisa – Bumbulan coastal port facilities, which offer potential support for the delivery of bulk materials, equipment, and fuel. Overall, access to the Pani Gold Project is considered robust, with seasonal rainfall representing the primary factor influencing logistics planning and road conditions.

4.2 Climate

The Mount Pani region experiences a tropical equatorial climate characterised by consistently high temperatures, elevated humidity, and pronounced seasonal rainfall. Climatic conditions are influenced by regional monsoonal systems and the project's proximity to the Gulf of Tomini.

Rainfall is the dominant climatic factor, with a distinct wet season occurring from October to March, associated with the northwest monsoon. During this period, the majority of annual precipitation occurs, and total annual rainfall typically exceeds 2,000 mm. Intense, short-duration storm events are common and can result in rapid surface runoff, localised flooding, and temporary access constraints.

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The drier season extends from April to September, although intermittent convective rainfall may still occur. This period generally provides more favourable conditions for field activities.

Daily temperatures remain relatively stable throughout the year, ranging from approximately 23°C to 32°C at lower elevations, with slightly cooler conditions at higher altitudes. Relative humidity commonly exceeds 75%, particularly during the wet season and overnight periods.

Prevailing winds are typically light to moderate and vary seasonally in response to monsoonal circulation patterns. Severe cyclonic activity is uncommon in northern Sulawesi; however, heavy rainfall associated with monsoonal systems remains a key climatic consideration for project planning.

4.3 Local Resources

Sulawesi's economy is supported primarily by agriculture, fisheries, and mining, with forestry playing a diminishing role. Agriculture and fisheries remain the dominant sources of employment across rural areas, while mining, particularly nickel and gold, represents a major contributor to national investment, export revenue, and infrastructure development.

Within Gorontalo Province, mining activity is limited but expanding. The region has a history of mineral exploration, particularly for gold, although no large-scale mining operations have yet been established.

Local communities surrounding the Pani area provide access to a semi-skilled and unskilled workforce suitable for construction, earthworks, and general operational support. Labour availability is generally favourable, with competitive wage rates relative to major Indonesian mining regions. Skilled technical labour, including engineering, geology, mechanical, and electrical trades, is less abundant locally but readily sourced from established mining centres elsewhere in Indonesia. The country maintains a well-developed mining and industrial workforce, and mobilisation of experienced personnel to Gorontalo Province is considered feasible.

Growth in Indonesia's mining sector has been accompanied by expansion of vocational institutions and regional universities, supporting the development of mining-related professional skills. As such, the region is well positioned to contribute to the workforce requirements of the Pani Gold Project.

Local contractors and service providers are available to support early works, while large-scale infrastructure development may require specialist national or international contractors, consistent with industry practice. With recent growth in the Indonesia mining sector, it is evident that undertaking construction and operations support at Pani is unlikely to be a constraint.

Heavy mining equipment, specialised plant, and high-voltage electrical components are expected to be imported through major Indonesian ports and transported to site by road, requiring appropriate logistics planning to account for road conditions and seasonal weather.

Early engagement with local communities and structured employment and procurement strategies will be important to maximise local participation, manage expectations, and support workforce stability during construction and operations. The region has prior exposure to mineral exploration and small-scale mining, and community awareness of mining activities is generally well developed.

The project will be predominantly supplied by road transport. Despite seasonal challenges, existing infrastructure is considered adequate to support operations. Fuel will represent one of the largest consumables and will require regular deliveries to maintain on-site inventory; no significant impediments to fuel supply have been identified.

The local power grid has been assessed as capable of supporting the initial phases of the project. A power supply agreement with the state-owned utility PT Perusahaan Listrik

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Negara (PLN) has been executed, and a 150 kV transmission line connecting the project to the regional grid was energised in October 2025, ensuring reliable power availability for early project development.

4.4 Physiography

The Pani Gold Project is located within the northern arm of Sulawesi Island, an area characterised by complex volcanic and tectonic landforms associated with an active convergent plate boundary. The physiography is dominated by rugged, dissected uplands with steep relief and deeply incised drainage systems.

The project area comprises a series of steep ridges, narrow crests, and irregular hill slopes forming part of a broader volcanic highland system. Elevations range from approximately 450 m to 780 m above sea level, with local relief commonly exceeding 200 – 300m. Slopes are frequently steep, often exceeding gradients of 25 – 35°, particularly along ridge flanks and valley walls.

Topography is strongly influenced by volcanic construction and subsequent erosional processes, resulting in uneven terrain with sharp ridgelines, spur-and-gully development, and limited flat ground. Drainage is predominantly dendritic to sub-dendritic, with numerous short, high-gradient streams flowing toward the lowlands and ultimately into the Gulf of Tomini. These channels are typically narrow, deeply incised, and highly responsive to intense rainfall events, contributing to rapid runoff and elevated erosion potential.

Soils are generally residual, highly weathered, and derived from volcanic materials. They are typically clay-rich and lateritic in places, with reduced strength and increased plasticity when saturated. Colluvial deposits are common on mid- to lower slopes, while limited alluvial sediments occur within narrow valley floors.

Vegetation cover consists predominantly of dense tropical rainforest, which provides partial slope stabilisation but obscures many surface geomorphological features.

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5 GEOLOGICAL SETTING AND MINERALISATION

5.1 Regional Geology

Pani is located in the central section of the north arm of Sulawesi, Indonesia (Figure 5-1). Gorontalo is a historically well-known gold and base metal district and one of several metallogenic belts in Indonesia. Extraction of precious metals began during Dutch colonisation in the late 19th century. The sub-districts of Paleleh and Tilamuta are some of the historical prospects along the northern coast of the Celebes region and were part of The Netherland's 'Oost-Indie' colony.

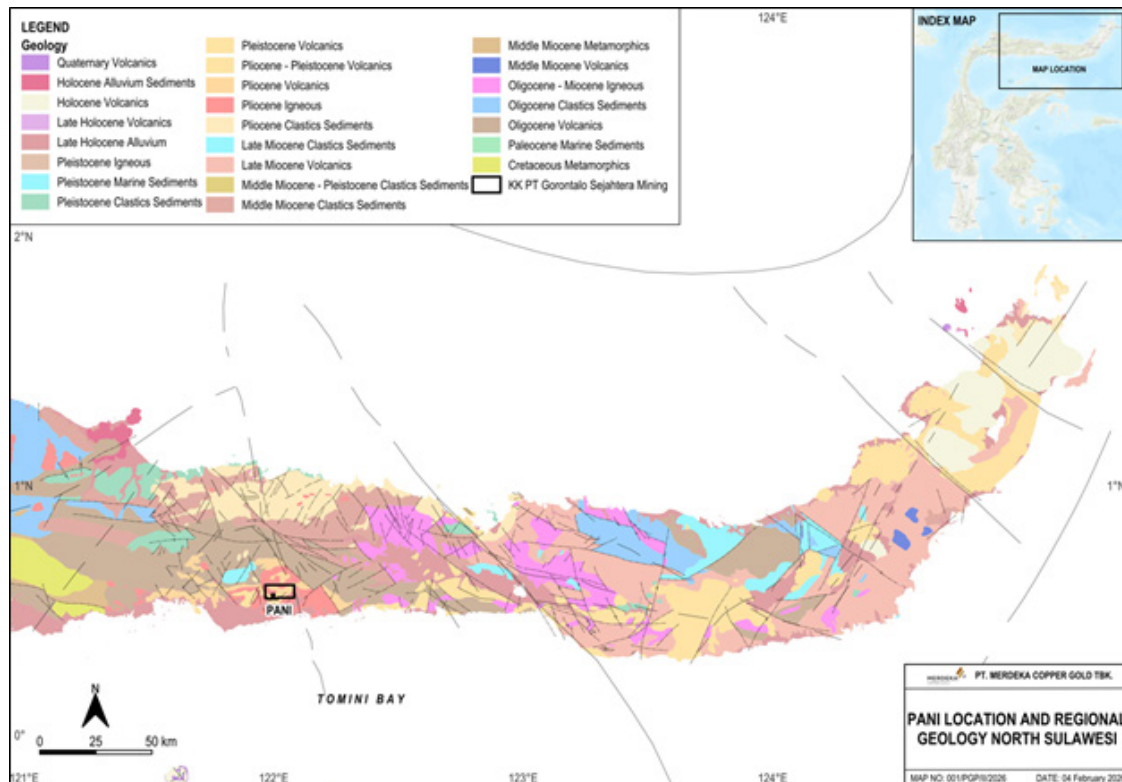


Figure 5-1 Pani Regional Tectonic Setting

Pani is located within the Tertiary magmatic arc of North Sulawesi and surrounded by three active tectonic plates. The relative movement of these plates creates complex deformation zones at the regional level. Mio-Pliocene Intrusions and Plio-Pleistocene volcanics are the main rock units that underlie Pani. The WNW-ESE trending lithology contacts are parallel with the Gorontalo pull-apart structure.

5.2 Property Geology

The general stratigraphy of the Pani district is divided into three distinct sub-domains: (1) the Miocene intrusive basement, (2) overlain by Pliocene intrusive rocks (3) and the adjoining volcanic rocks of the Pani Volcanic Complex (PVC). The basement rocks, comprising granodiorite, diorite, quartz diorite and andesite, are absent in areas such as Iloa, Baganite and Pani Ridge. A conceptual geological model and stratigraphic column for Pani is shown in Figure 5-2 and Figure 5-3 respectively.

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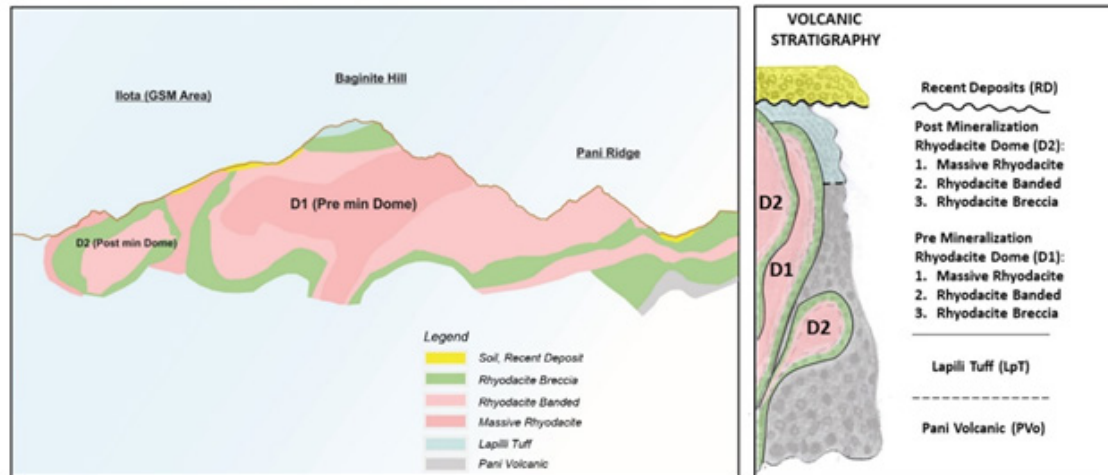


Figure 5-2 Conceptual Model of Iloa – Baganite - Pani Ridge

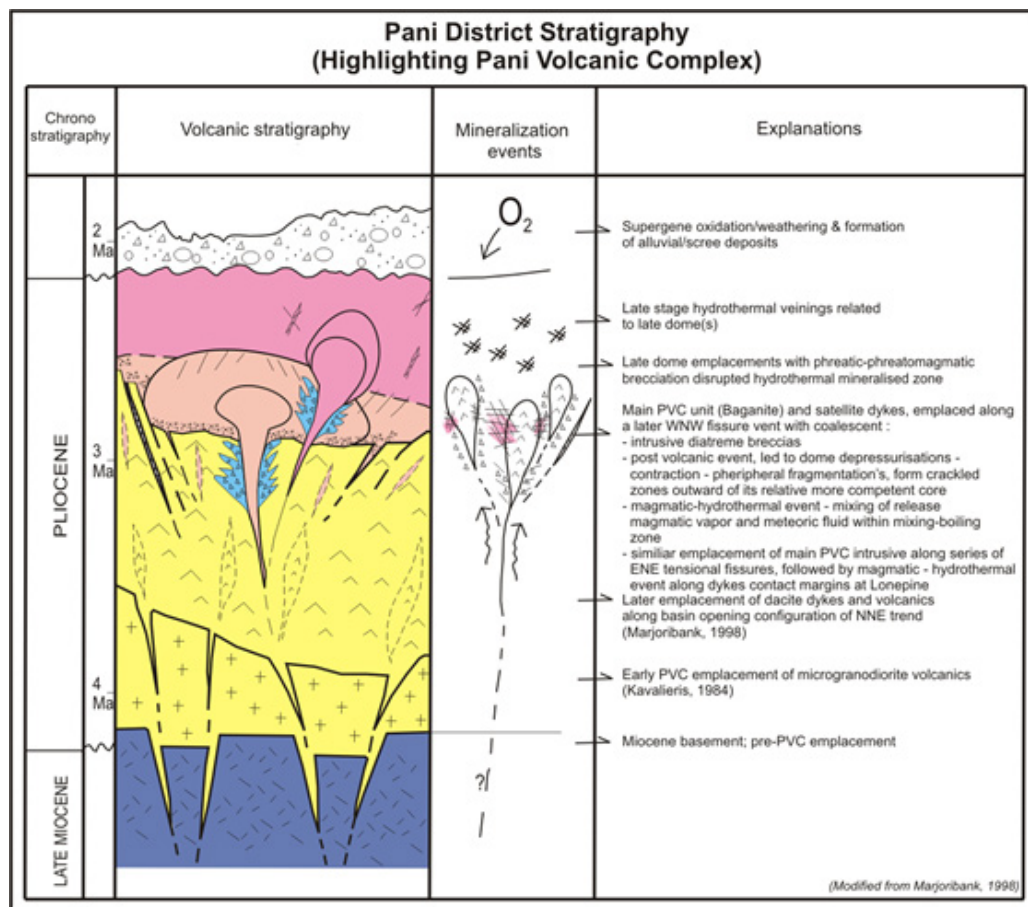


Figure 5-3 Pani District Stratigraphy

5.3 Mineralised Zones

The geology of the Pani gold deposit is complex. Gold mineralisation is hosted within the Baganite volcanic dome complex which comprises massive and flow-banded rhyodacitic lithologies and associated rhyodacitic breccias. Gold mineralisation appears to be controlled by a combination of lithology, alteration and structure. In terms of structural controls, gold mineralisation is hosted within extensional fractures and

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occurs mostly as free gold. Gold and silver mineralisation at Pani is associated with open space oxide-sulphide fracture fillings stockwork, veins and narrow mosaic hydrothermal breccia within the dominantly silica altered host rock. Mineralisation appears to be controlled by pre-existing fractures and faults. These zones have dominant orientations of ENE-WSW and NNE-SSW. The structures are moderate to steeply and dipping to the west. A conceptual image of Pani alteration and mineralisation is shown in Figure 5-4.

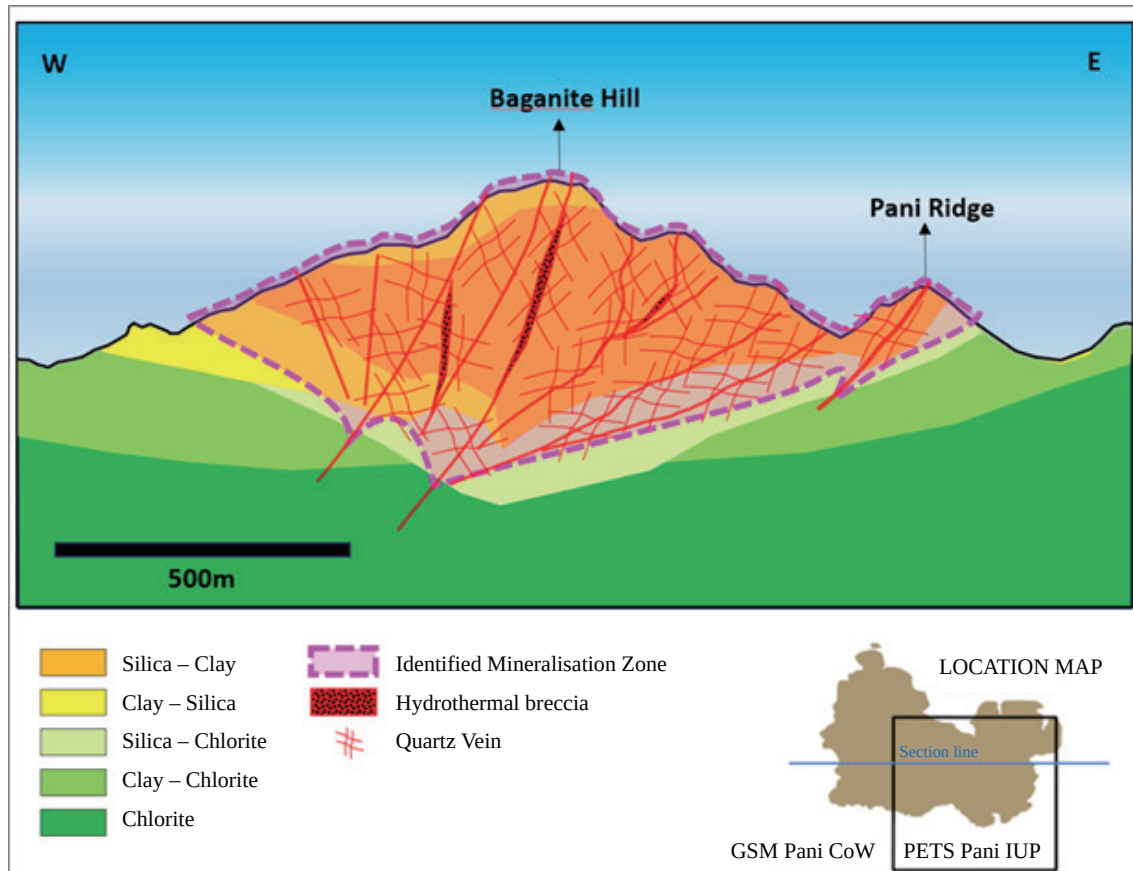


Figure 5-4 Pani Conceptual Section of Geology and Mineralisation

The majority of sulphides are hosted within a large number of millimetre-wide fractures, confined thickness quartz veinlets, subordinate quartz veins and narrow mosaic hydrothermal breccias. Pyrite is the dominant sulphide mineral (< 1% by mass) ± galena ± sphalerite hosted as micro inclusions. Low to moderate grade (0.2 - 1.0g/t Au) zones generally exist as broad, continuous zones of mineralisation. Higher grade mineralisation (> 1g/t Au) exhibits a more variable grade distribution with increased continuity.

5.4 Deposit Types

Pani is classed as a low-sulphidation epithermal gold deposit type with mineralisation associated with open space oxide-sulphide fracture fillings, stockwork veins and narrow mosaic hydrothermal breccias within dominantly silica altered host rock. There are four dominant types of alteration zones commonly associated with low-sulphidation deposits: silica-smectite (SI-CY), silica-chlorite (SI-CH), clay-silica (CY-SI) and clay-chlorite (CY-CH). The silica-clay alteration zone is associated with the main mineralisation. A simplified conceptual model of Pani's alteration is shown in Figure 5-5.

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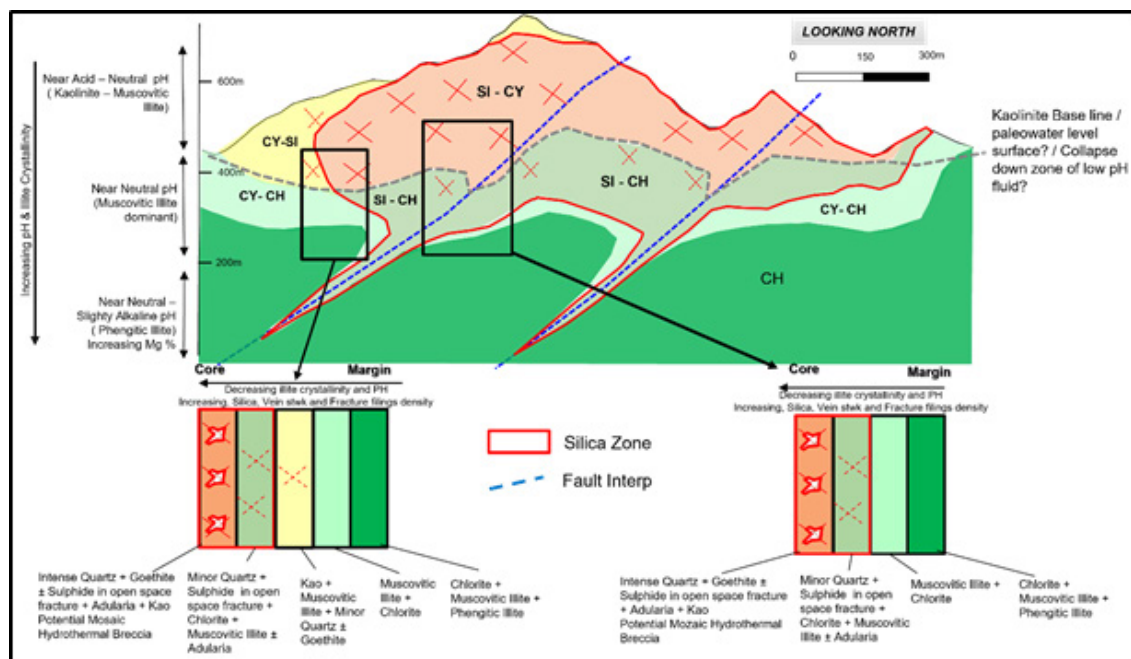


Figure 5-5 Simplified Pani Alteration Model

The alteration at Pani formed under low-temperature conditions, consistent with the low-sulphidation deposit type. This is characterised by large quantities of white mica-illite across all alteration zones, predominantly as illite and illite-smectite. Alteration in low-sulphidation deposits form from near-neutral pH thermal waters with decreasing temperatures at shallower depths and further from fluid flow paths. Primary mineralisation is linked to muscovite composition above the oxide transition zone. At deeper levels, below the oxidation zone, phengite becomes dominant and mineralisation decreases. These changes in white mica composition and crystallinity correspond to low angle dipping structures that define the main mineralisation trend at Pani.

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6 EXPLORATION

6.1 Exploration History

The exploration history of the Pani Project is outlined in Table 6-1 accompanied by drill collar distribution illustrated in Figure 6-1. A resource infill drilling program was completed in 2024.

Table 6-1 Pani Project Work History 1970-2024 for the combined GSM CoW and PETS IUP

Activities	1970	1971-1980	1981	1982	1983-1987	1988	1989	1990	1991-1993	1994	1995	1996	1997 - 2009	2010	2011-2024
Reconnaissance															
Mapping/Sampling															
Diamond Drilling															

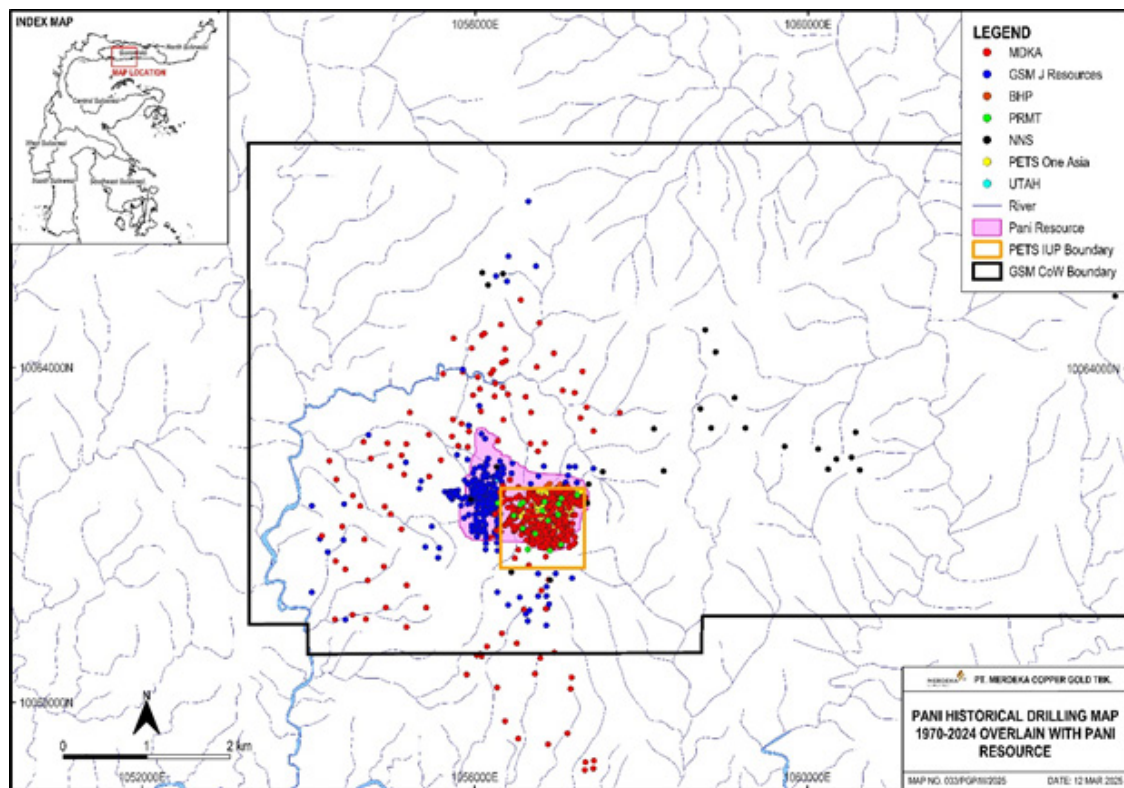


Figure 6-1 Pani Drilling Campaigns 1970 – 2024

Refer to Table 7-2 to Table 7-4 for a summary of exploration work completed to date including number of drillholes, their type, metres drilled and metres sampled.

The Gunung Pani gold prospect was first identified at the turn of the 20th century, when Dutch interests were drawn to the area by active local alluvial mining. Early Dutch underground mining attempts were undertaken on two occasions. However, neither effort achieved sustained success. The workings remained as the only evidence of early exploration until modern companies revisited the area decades later.

Modern exploration began between 1967 and 1969, when Newmont Limited conducted reconnaissance work that included sampling of the historic Dutch adits. Assay results ranged from 1.24 to 13.4 g/t Au, but Newmont Limited elected not to advance the project further.

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Systematic regional exploration commenced in 1970 under a 12,000 km² government concession held by PT Tropic Endeavor Indonesia. This work delineated a northeast-trending corridor of anomalous gold mineralisation centred on Gunung Pani.

In 1973, Kennecott Exploration (Australia) Ltd. entered a joint venture with Tropic Endeavor and undertook more detailed geological mapping, channel sampling of the Dutch workings, and surface sampling. Bulk samples were collected for metallurgical testing, which demonstrated gold recoveries of up to 98% using direct cyanidation with low reagent consumption. Kennecott withdrew from the project in 1976.

Utah International subsequently entered into an agreement with Tropic Endeavor in 1980 and resumed exploration in 1981. Geological mapping and re-sampling of trenches and adits confirmed earlier results. In 1982, seven vertical HQ diamond drill holes (GPD-1 to GPD-7) totalling 1,739.4m were completed, accompanied by additional bulk sampling from surface exposures and three new adits totalling 219.7m. Tropic Endeavor relinquished the property in 1986.

Following relinquishment, PT Aneka Tambang acquired the area under Kuasa Pertambangan (KP) 318. In 1987, BHP–Utah Pacific secured an 80% interest and assumed management of the project. A second drilling campaign was completed between 1990 and 1991, comprising 22 inclined holes (GPD-8 to GPD-28 and GPD-28E) for 2,817.5 m, all located along Pani Ridge. Extensive 1 m channel sampling of 2.8 km step trenches and 1 km road cuts was also undertaken. Although drilling returned encouraging results, no updated resource estimate was produced. BHP–Utah Pacific withdrew from the joint venture in 1993.

In 1994, the Indonesian government granted a 100-ha block centred on Gunung Pani to the local cooperative KUD “Dharma Tani Marisa” under KP DU 360. Small-scale miners subsequently operated within the block using simple sluicing and amalgamation techniques. In 1996, KUD entered a Technical Cooperation Agreement with PT Pertiwi Nusa Mega (Pertiwi), which later formed a joint venture with Paramount Ventures and Finance Inc. (Paramount). Paramount completed detailed mapping, trenching, and 16 diamond drill holes totalling 1,915 m before the joint venture was mutually terminated on 18 May 1998. Azure Resources Corp. later signed a Memorandum of Understanding (MoU) with Pertiwi in 1999 to acquire a majority interest (90%) in the Pani Joint Venture.

Additional modern exploration was undertaken by One Asia Resources (One Asia), which secured an option over the Pani property in 2009 and drilled 137 holes totalling 26,017.70m. PT Merdeka Copper Gold Tbk later acquired the PETS IUP in December 2017 and completed 484 drill holes for 86,598.95 m.

Parallel to these developments, Newcrest Nusa Sulawesi (NNS) obtained rights to the broader Pani project area (excluding the KUD block) in 1994 and drilled 28 scout diamond holes totalling 4,711.85 m. PT J Resources Nusantara (JRN) acquired GSM from Avocet in 2011 and undertook extensive drilling, completing 684 holes for 106,660.70m. PT Merdeka Copper Gold Tbk acquired GSM in December 2021. In Q4 2025, exploration activities resumed at the Kolokoa Prospect, south of the Pani Mining Area. Two diamond drilling rigs completed 12 holes for a total of 2,199.5 metres, identifying new mineralisation zones. Diamond drilling remains ongoing during this reporting period, including detailed geological mapping and channel sampling.

Collectively, more than a century of intermittent exploration and mining activity has progressively advanced the geological understanding of the Pani Gold Project, culminating in the extensive modern drilling datasets that underpin current interpretations and resource evaluations.

6.2 Trenching and Tunnelling Exploration

6.2.1 Trenching

Refer to section 6.1 for historical trenching completed at the Pani project.

6.2.2 Underground Channelling

Refer to section 6.1 for historical underground channelling completed at the Pani project.

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6.3 Exploration Drilling

Historical exploration drilling at the Pani project is detailed in section 6.1. Pani exploration drilling was designed, captured and stored in the survey system as presented in Table 6-2.

Table 6-2 Pani Survey System

Survey Factor	Pani Survey System
Reference co-ordinate system	SRGI2013
ESPG Geodetic Parameter Dataset	9481
Spheroid	WGS84
Projection	UTM
Zone	51 NORTH
Geoid model	EGM96
Units	METRIC

The base topography file used for exploration drill design and planning was derived from a LiDAR survey undertaken by PT Surtech Indonesia in December 2022. Tiled products derived from this survey included 1 m contours and a digital terrain model (DTM) of $\pm 0.1\text{m}$ vertical accuracy and horizontal accuracy $\pm 0.15\text{ m}$.

In 2024, a topography survey update was conducted by Pani’s survey team using a Sokkia Total Station, with an accuracy of $\pm 2\text{ mm}$. The combination between LiDAR and updated surface survey was used as the final topography in the mineral resource estimate declared in Q2 2024. An updated topography survey was completed on 31 December 2025 and used to deplete the estimate as a basis for end of year resource and reserves reporting.

The collar locations were measured by a company surveyor. Since 2022, the collar coordinates are surveyed using the Total Station Sokkia iM-50 Series Reflector with precision level $\pm 2\text{mm}$. On previous drilling campaigns the survey program was conducted using Total Station Sokkia equipment with a precision of $\pm 10\text{mm}$. The coordinate system used is datum WGS 1984, UTM Zone 51 Northern Hemisphere.

Collars survey data is considered acceptable for an estimation of Mineral Resources presented in this report.

Downhole surveys have been taken routinely throughout the projects history with surveys conducted on nominal 25 m intervals downhole and at end of hole. There is no downhole information for tools used in historic drilling by BHP, NNS and Paramount. A total of 35 historical drill holes for a total of 5,639 m is not included in the estimation. The downhole survey tools used by both previous companies PT One Asia (PETS licence) and PT J Resources (GSM licence) are Gen4 Proshot.

MGR downhole surveys for the drilling program in 2022 used a Reflex EZ Trac by IMDEX, switching to a Champ Magshot on 31 January 2024 All downhole surveys are recorded at 25 m from the start of the hole, then 50 m, then every 50 m as well as at end of hole.

The calibrations of all down hole tools were reviewed weekly by confirming the dip and azimuth of three fixed non-magnetic tubes. Any tools that are out of calibration are returned to the vendor and replaced with standby units on site.

The drilling conducted over the Pani Project area consisted of triple tube diamond drilling (DD) ranging in core sizes from PQ3, HQ3 to NQ3. Drill hole spacing at surface ranges from 40 m to 20 m in more densely drilled areas. The drill hole location and inclination vary depending upon ground conditions, topography, drilling platforms and the geometry of the mineralised trends.

All drill holes were geologically logged, including the lithology, alteration, oxidation and mineralisation from surface to end of hole (EOH) using a standardised legend and

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template. Observations have been validated by on-site supervisors, stored core inspections, internal studies and various reviews by epithermal experts.

Geotechnical logging has been undertaken at each drill site since 2011. The essential data captured is block-to-block recoveries, RQD, breaks, hardness, and weathering. Structure information also been logged with help from IQ logger tools to obtain alpha, beta and strike/dip measurements. Since 2022, hardness measurements have been measured using Equotip tools, at 10 cm intervals, which are averaged and reported at 1 m intervals. Equotip results are a ratio of rebound impact velocity known as Leeb hardness.

6.4 Sampling, Sample Preparation and Analysis

6.4.1 Drill Core Samples

Half-core sampling was undertaken in accordance with industry best-practice standard operating procedures. Sample intervals of approximately 2m, adjusted where necessary, were determined by the logging geologist based on observed geological characteristics, ensuring that each interval accurately reflected changes in lithology, mineralisation, or structural features.

6.4.2 Underground Channel Samples

Not applicable – no underground channel samples have been captured by MGR.

6.4.3 Bulk Density Samples

Throughout the project's history, bulk density measurements were taken routinely using the water immersion method. The methodology involved selecting intervals with sample lengths typically 0.1 m. Samples were dried at 65°C for two hours, and the density was calculated by dividing the weight of the sample in air by the weight of the sample in water. The following was captured per sample interval:

- Hole ID, Depth From (m), Depth To (m), Interval (typically = 0.1m)
- Wt_Air (weight of unwaxed core in air)
- Wt_Waxed_Air (weight of waxed core in air)
- Wt_Waxed_Water (weight of waxed core in water)
- Density calculation

Historically, the samples were coated in wax or cling wrap, and the current methodology uses clear plastic films.

6.4.4 Sampling and Sample Preparation

Sample preparation is carried out at the independent on-site Intertek laboratory preparation facility and includes the following steps:

- The entire half-core sample is crushed to 6 mm using a Terminator jaw crusher.
- The 6 mm material is further crushed to 2 mm using a Smart Boyd crusher.
- A 1.5 kg sub-sample is collected from the Boyd-crushed material using a rotating sample divider (RSD).
- The 1.5 kg sub-sample is pulverised to 75 µm using Lab technics LM2 pulverisers.
- Prior to 2021, 200 g of pulverised material was sent to Intertek Jakarta for analysis. Since 2021, the protocol has been updated, and 250 g of the pulp is now sent to Geoservices Jakarta for analysis as more material is required for additional geochemical analyses.

The historical sampling and sample preparation followed industry-standard methods, except for the PETS historical samples. In 2022, MGR conducted a resampling program for all PETS historical samples, totalling 26,017.70m from 137 drill holes.

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All data used in this estimation are using the validated historical samples, resampled results or are routine samples. No adjustments or calibrations were made to any of the data used in the MRE.

Since 2022, all samples have been assayed by PT Geoservices at their Jakarta laboratory. Prior to this, samples were assayed by Intertek and SGS. All samples are being assayed using Fire Assay 50 grams for Au and GAI01 with 4 Acid Digest for a 36-element suite. Since 2023, MGR added GAA02A analyses for Ag. The elements of interest include:

- Au ppm – Assayed using 50g for fire assay with lower detection limit 0.005ppm
- Ag ppm – Assayed by GAI01 with 4-acid digest, lower detection limit of 0.5ppm, If the results are below the detection limit, further analysis will be conducted using the GAA02A method, which has a lower detection limit of 0.1ppm
- As ppm – Assayed by GAI01 with 4-acid digest, lower detection limit of 2ppm
- S pct – Assayed by GAI01 with 4-acid digest, lower detection limit of 0.01%
- Ca pct – Assayed by GAI01 with 4-acid digest, lower detection limit of 0.01%
- Fe pct – Assayed by GAI01 with 4-acid digest, lower detection limit of 0.01%

6.5 Quality Assurance and Quality Control (QAQC) Programs

QAQC procedures included standards, blanks, duplicates, and check laboratories. Out of range results were communicated to PT Geoservices for further action or explanation before assay batches were loaded to the database. QAQC statistics, as summarised in Table 6-3, were compiled by the QAQC Team. The CP has reviewed QAQC results and has found no material issues.

Table 6-3 Sample Analyses Statistics

Sample Type	Number Samples Assessed	
	Au	Ag
Drill half core	170,602	102,448
Coarse Blanks	4,748	2,885
Pulp Blank	595	585
Standards	8,571	6,879
Pulp Duplicates	8,592	3,902
Coarse Duplicates	3,107	2,567

Intertek (ITS) on-site preparation facility reports included sieve test results to prove 95% passing 2mm at the crushing stage and 95% passing -75 µm (-200 #) at the pulverisation stage. The current reporting frequency is 1 in 20. As expected, a data review did not reveal any material issues. All 2017 - 2022 sieve test results were at or above 95%. Figure 6-2 and Figure 6-3 highlight the sieve test passing on 2 different sizes (2 mm and 75 µm) being above 95% consistently through the exploration programs.

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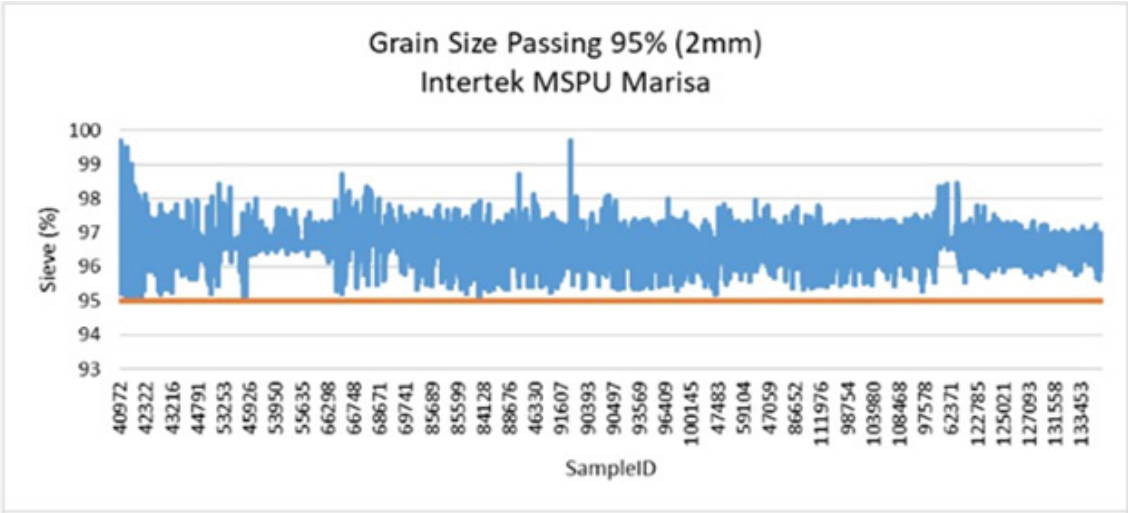


Figure 6-2 Sieving Test - 2mm

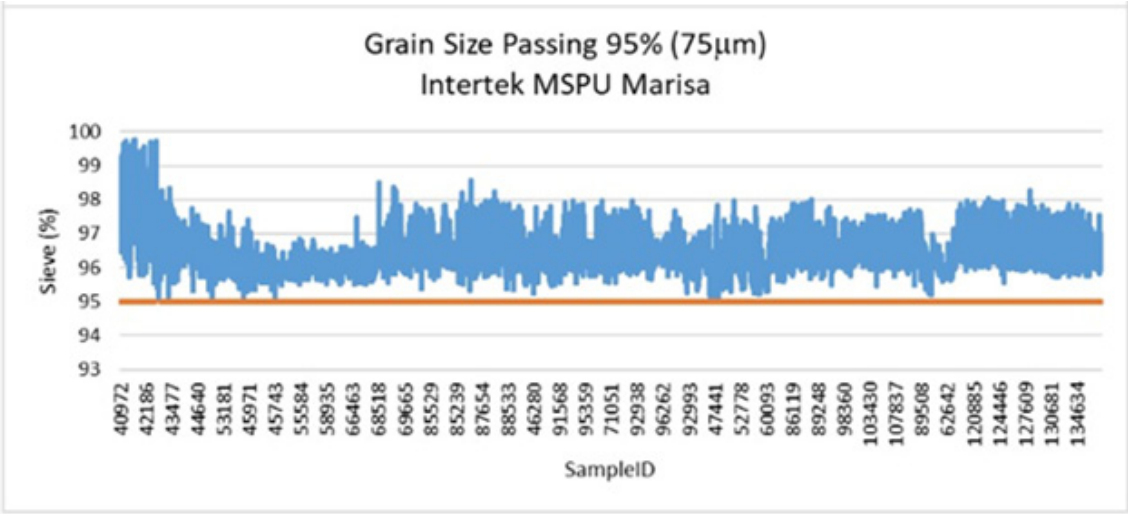


Figure 6-3 Sieving Test – 75µm

6.5.1 Duplicates

Coarse duplicates and pulp duplicates are used for checking the sample homogeneity corresponding to the sample preparation process. The coarse duplicates were taken from the Boyd crusher rotating sample divider of 2 mm grind size with a rate of 1 in 20 samples starting in 2021. RSC notes that there is no statistically significant bias.

Coarse duplicates for gold demonstrated consistently good performance from 2021 to 2023, with over 80% of the data population showing an RPD (relative pair difference) below 20% across all grade ranges. However, in 2024, CDUP performance declined, with all grade ranges falling below the 80% threshold. Despite the RPD formula’s sensitivity to the low-grade range, the high-grade range (> 0.3 ppm in Pani Ridge and > 0.5 ppm in Baganite) still achieved 60% of the data population below 20% RPD, suggesting a potential issue in the laboratory sample preparation stage. The investigation has been conducted with some recommendations: regular checks and inspections of the sample preparation laboratory, as well as the implementation of a scoring/fingerprint system.

Due to the low silver content in Pani and the high detection limit for silver in the analytical methods, coarse duplicate performance for silver falls below expectations. The duplicate performance tables are summarised in Table 6-4 and Table 6-5.

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Table 6-4 Coarse Duplicate Performance for Gold

Year	2021	2022	2023	2024
Laboratory	Intertek	Geoservices	Geoservices	Geoservices
	Statistic			
No. Pairs	137	922	1,664	384
No. Below Det. Limit samples	6	16	46	17
	RPD			
% Assays within 5% . . .	32%	44%	31%	21%
% Assays within 10% . .	50%	73%	61%	38%
% Assays within 15% . .	65%	88%	81%	48%
% Assays within 20% . .	72%	93%	87%	58%
Average RPD%	16%	9%	12%	23%
CV	0.18	0.12	0.14	0.22

Table 6-5 Coarse Duplicate Performance for Silver

Year	2021	2022	2023	2024
Laboratory	Intertek	Geoservices	Geoservices	Geoservices
	Statistic			
No. Pairs	61	811	1,354	341
No. Below Det. Limit samples	82	127	356	60
	RPD			
% Assays within 5% . . .	39%	43%	52%	43%
% Assays within 10% . .	52%	49%	56%	48%
% Assays within 15% . .	62%	55%	61%	53%
% Assays within 20% . .	82%	62%	67%	56%
Average RPD%	11%	20%	18%	25%
CV	0.12	0.22	0.22	0.28

For each sample batch submitted, the laboratory was required to generate a pulp duplicate at a nominal frequency of 1 in 20 primary samples. These duplicates were incorporated into the assay workflow to support ongoing quality control evaluation. Within the validated database, pulp duplicates are identified using the designation “SS” (second split).

Review of the duplicate assay dataset indicates that analytical performance for gold differs between the pre-MGR period (prior to 2020) and the MGR period. RSC observed that duplicate precision for gold in the pre-MGR dataset is comparatively poorer, whereas data generated during the MGR period demonstrates improved reliability. Precision assessments are based on Relative Percent Difference (RPD) metrics. The underlying cause of the reduced precision in the historical (pre-2020) gold dataset remains undetermined.

In contrast, silver duplicate results exhibited lower reliability overall. This reduced precision is attributed primarily to grade-related effects, particularly the increased analytical variability associated with low-grade silver concentrations.

The details of the pulp duplicates for gold and silver are summarised in Table 6-6 and Table 6-7.

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Table 6-6 Pulp Duplicate Performance for Gold

Year	Historical (Pre- 2020)		2020 - 2021	2022	2023	2024
Laboratory	Intertek	SGS	Intertek Statistic	Geoservices	Geoservices	Geoservices
No. Pairs	2,146	2,331	713	1,188	1,975	239
No. Below Det. Limit samples	98	290	13	50	116	13
			RPD			
% Assays within 5% . . .	19%	36%	22%	50%	41%	48%
% Assays within 10% . .	31%	53%	40%	78%	74%	80%
% Assays within 15% . .	42%	67%	52%	91%	90%	95%
% Assays within 20% . .	52%	76%	61%	95%	95%	99%
Average RPD%	27%	15%	21%	7%	8%	6%
CV	0.27	0.16	0.21	0.08	0.07	0.06

Table 6-7 Pulp Duplicate Performance for Silver

Year	Historical (Pre-2020)		2020 - 2021	2022	2023	2024
Laboratory	Intertek	SGS	Intertek Statistic	Geoservices	Geoservices	Geoservices
No. Pairs	853	n/a	311	970	1,570	198
No. Below Det. Limit samples	641	n/a	160	267	520	54
			RPD			
% Assays within 5% . . .	47%	n/a	48%	41%	51%	42%
% Assays within 10% . .	52%	n/a	66%	48%	57%	48%
% Assays within 15% . .	59%	n/a	78%	53%	63%	50%
% Assays within 20% . .	69%	n/a	91%	58%	68%	54%
Average RPD%	16%	n/a	8%	23%	18%	25%
CV	20%	n/a	9%	25%	22%	27%

6.5.2 Certified Reference Material - CRMs

A standard was inserted in the sample run at a frequency of 1 in 20 during GSM-JR and MGR period while One Asia used a frequency of 1 in 9. Resource development drilling campaigns predominantly relied upon certified reference material (CRM) prepared by Ore Research & Exploration Pty Ltd (Australia) (OREAS) (<https://www.oreas.com>). Historical drilling programs used commercially available CRMs while current drilling uses commercial CRM and Pani ore sourced from coarse reject drill samples for matrix matched CRMs.

OREAS nominated a tight 95% tolerance range while MGR nominated a conventional ± 2 standard deviation (SD) range. All CRM results from the resampling program have replaced the historical PETS CRM analysis.

MGR applied a Z-Score formula, as advised by RSC Mining and Mineral Exploration (Consultants), since early 2024 to describe good and bad CRM performance. The Z-score is a statistical measure that describes a data point’s relationship to the mean of a group of data points. It is expressed in terms of standard deviations from the mean. If a Z-score is 0, it indicates that the data point’s score is identical to the mean score. A Z-score can also be positive or negative, indicating whether the data point is above or below the mean and by how many standard deviations. The formula of the Z-score is:

$$Z \text{ Score} = \frac{(X - \mu)}{\sigma}$$

Where:

- X is the value of the data point.

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- μ is the mean of the data set.
- σ is the standard deviation of the data set.

Table 6-8 RSC's CRM Performance Z-Score Parameter

Absolute Average Z-Score	Performance
≤ 0.2	Excellent
$> 0.2 - 0.4$	Good
$> 0.4 - 0.8$	Acceptable
$> 0.8 - 1.2$	Marginal
> 1.2	Not Acceptable

For historic gold CRMs, several samples show the results were less reliable in the low-grade range. The bulk of the apparent Au drift is deemed immaterial as they occur below 0.3ppm and appear to be due to inhomogeneity in the CRM rather than a laboratory error.

The performance of the historical CRMs is as follows:

- Oreas 18C (n=247, outliers=39) showing marginal performance during GSM_JR in both laboratories SGS and Intertek Jakarta with average bias -4.90% with actual mean of 3.35ppm Au and certified value of 3.52ppm Au. A high bias was observed during March - April 2012 period.
- Oreas 250 (n=610, outliers=60) showing marginal performance during GSM_JR in both laboratories SGS and Intertek Jakarta with average bias 5.52% with actual mean of 0.33ppm Au and certified value of 0.31ppm Au. A high bias was observed during 2017 - 2018 period.
- Oreas 252 (n=48, outliers=3) showing marginal performance during GSM_JR in Intertek laboratory with 2.49% bias with actual mean of 0.69ppm Au and certified value of 0.69ppm Au. A high bias was observed during 2016 - 2017 period.
- Oreas 61F (n=7, outliers=2) showing marginal performance during GSM_JR in Intertek laboratory with 2.17% bias with actual mean of 4.70ppm Au and certified value of 4.60ppm Au. A high bias was observed during 2018 period

MGR drilling and assay programs utilised two types of CRMs for gold – commercial Oreas and matrix matched versions. Marginal and non-acceptable performance occurred for matrix matched CRMs at Intertek during the initial period the matrix match was used (Figure 6-4). This was because of the poor laboratory calibration when the sample preparation lab was set up. The situation improved once the laboratory was running in a steady state. The details of marginal and non-acceptable CRMs are:

- PANI-1 (n=14, outliers=13) showing non-acceptable performance with 47.69% bias with actual mean of 0.32 ppm Au and certified value is 0.22 ppm Au
- PANI-2 (n=22, outliers=21) showing non-acceptable performance with 29.51% bias with actual mean of 0.27 ppm Au and certified value is 0.21 ppm Au
- PANI-3 (n=33, outliers=1) showing marginal performance with -3.79% bias with actual mean of 0.48 ppm Au and certified value is 0.50 ppm Au.
- PANI-4 (n=16, outliers=2) showing marginal performance with 3.63% bias with actual mean of 0.49 ppm Au and certified value is 0.47 ppm Au
- PANI-6 (n=8, outliers=1) showing marginal performance with 5.55% bias with actual mean of 0.99 ppm Au and certified value is 0.94 ppm Au

The list of gold CRMs samples used in the estimation are outlined in Table 6-9.

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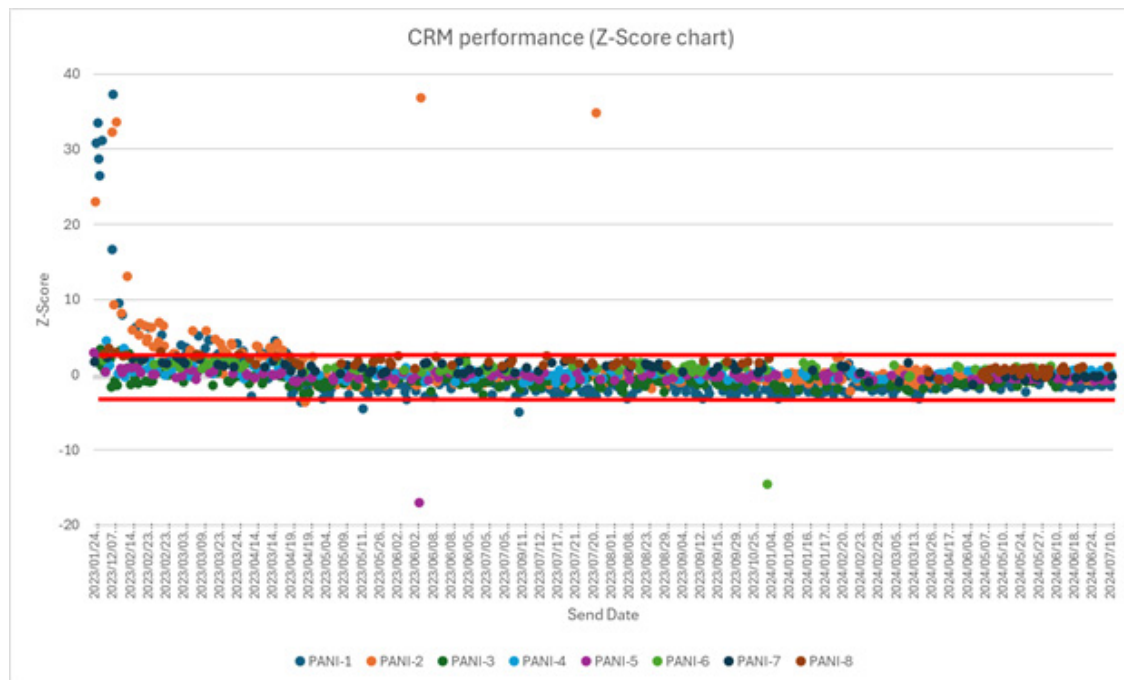


Figure 6-4 The Matrix Matched Performance (Z-Score)

Table 6-9 Gold CRM Performance

Lab	Standard ID	CRM (Au ppm)			Laboratory (Au ppm)				Bias	Performance
		Mean	+2SD	-2SD	Total Assay	Actual Mean	Outside 2SD	Outside 5SD		
SGS	G398-2	0.5	0.58	0.42	104	0.49	1	–	-1.94%	Good
	G999-4	3.02	3.36	2.68	49	2.95	–	1	-2.22%	Excellent
	OREAS 15H	1.02	1.07	0.97	541	1	4	6	-2.08%	Acceptable
	OREAS 18C	3.52	3.74	3.3	29	3.4	2	1	-3.27%	Marginal
	OREAS 200	0.34	0.37	0.32	1	0.32	–	–	-6.02%	NA
	OREAS 209	1.58	1.66	1.49	500	1.56	1'-	4	-0.80%	Excellent
	OREAS 210	5.49	5.79	5.18	1	5.21	–	–	-5.03%	NA
	OREAS 250	0.31	0.33	0.28	594	0.33	55	15	7.34%	Marginal
	OREAS 252	0.67	0.72	0.63	593	0.69	15	8	1.61%	Excellent
	OREAS 61E	4.43	4.73	4.12	315	4.45	3	1	0.45%	Excellent
	OREAS 61F	4.6	4.87	4.34	73	4.55	3	–	-1.11%	Acceptable
	OREAS 62PB	11.33	11.5	11.16	98	11.32	12	3	-0.08%	Excellent
Imtertek	G398-2	0.5	0.58	0.42	24	0.51	–	–	-1.40%	Excellent
	OREAS 15G	0.53	0.57	0.48	636	0.59	61	27	12.71%	Acceptable
	OREAS 15H	1.02	1.07	0.97	224	1.01	48	25	-0.50%	Acceptable
	OREAS 15PB	1.06	1.12	1	285	1.08	4'-	13	2.14%	Excellent
	OREAS 18C	3.52	3.74	3.3	218	3.29	37	13	-6.52%	Marginal
	OREAS 209	1.58	1.66	1.49	37	1.56	2	–	-1.24%	Good
	OREAS 250	0.31	0.33	0.28	16	0.32	5	–	3.70%	Marginal
	OREAS 252	0.67	0.72	0.63	48	0.69	3	–	2.49%	Marginal
	OREAS 61E	4.43	4.73	4.12	22	4.47	–	–	0.92%	Good
	OREAS 61F	4.6	4.87	4.34	7	4.7	2	–	2.17%	Marginal
	OREAS 601B	0.77	0.82	0.73	77	0.78	1	–	0.24%	Excellent
	OREAS 602B	2.29	2.48	2.1	103	2.31	–	–	0.85%	Good
	OREAS 603B	5.21	5.62	4.79	71	5.28	–	–	1.39%	Good
	OREAS 601B	0.77	0.82	0.73	130	0.78	–	–	0.86%	Acceptable
	OREAS 602B	2.29	2.48	2.1	86	2.3	–	–	0.53%	Excellent
GEO_SRV	OREAS 230	0.34	0.36	0.31	233	0.34	1	–	0.55%	Excellent
	OREAS 231	0.54	0.57	0.51	164	0.54	2	–	-0.05%	Excellent

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Lab	Standard ID	CRM (Au ppm)			Laboratory (Au ppm)				Bias	Performance
		Mean	+2SD	-2SD	Total Assay	Actual Mean	Outside 2SD	Outside 5SD		
	OREAS 233	1.05	1.11	1	226	1.05	3	1	-0.70%	Excellent
	OREAS 236	1.85	1.97	1.73	123	1.85	1	1	0.02%	Excellent
	OREAS 240	5.51	5.79	5.23	48	5.54	–	–	0.47%	Good
	OREAS 242	8.67	9.1	8.24	39	8.58	1	1	-1.05%	Excellent
	PANI-1	0.22	0.23	0.21	14	0.32	13	12	47.69%	Not Acceptable
	PANI-2	0.21	0.23	0.2	22	0.27	21	13	29.51%	Not Acceptable
	PANI-3	0.5	0.53	0.47	19	0.5	5	–	1.22%	Good
	PANI-4	0.47	0.5	0.44	16	0.49	2	–	3.63%	Marginal
	PANI-5	0.98	1.04	0.92	12	1.01	2	–	2.78%	Acceptable
	PANI-6	0.94	1	0.87	8	0.99	1	–	5.66%	Marginal
	PANI-7	2.7	2.88	2.52	8	2.88	4	–	6.62%	Marginal
	PANI-8	2.59	2.79	2.39	6	2.88	6	–	11.33%	Not Acceptable
	OREAS 230	0.34	0.36	0.31	186	0.34	2	2	1.42%	Good
	OREAS 231	0.54	0.57	0.51	222	0.54	1	1	0.05%	Excellent
	OREAS 233	1.05	1.11	1	185	1.05	2	1	-0.66%	Excellent
	OREAS 236	1.85	1.97	1.73	152	1.85	1	–	-0.09%	Excellent
	OREAS 240	5.51	5.79	5.23	43	5.52	–	–	0.10%	Excellent
	OREAS 242	8.67	9.1	8.24	25	8.7	–	–	0.34%	Excellent
	PANI-1	0.22	0.23	0.21	202	0.21	91	2	-2.61%	Acceptable
	PANI-2	0.21	0.23	0.2	187	0.21	31	4	1.31%	Excellent
	PANI-3	0.5	0.53	0.47	128	0.48	1'-	–	-3.23%	Acceptable
	PANI-4	0.47	0.5	0.44	108	0.48	–	–	0.27%	Excellent
	PANI-5	0.98	1.04	0.92	89	0.97	1	1	-0.95%	Excellent
	PANI-6	0.94	1	0.87	70	0.97	3	1	3.68%	Acceptable
	PANI-7	2.7	2.88	2.52	69	2.79	3	–	3.47%	Acceptable
	PANI-8	2.59	2.79	2.39	44	2.77	14	–	6.99%	Not Acceptable
	OREAS 230	0.34	0.36	0.31	4	0.34	–	–	-0.10%	Excellent
	OREAS 231	0.54	0.57	0.51	19	0.54	–	–	-0.54%	Good
	OREAS 233	1.05	1.11	1	23	1.05	–	–	-0.41%	Excellent
	OREAS 236	1.85	1.97	1.73	30	1.85	–	–	0.00%	Excellent
	OREAS 242	8.67	9.1	8.24	14	8.73	–	–	0.66%	Good
	PANI-1	0.22	0.23	0.21	67	0.21	7	–	-3.97%	Acceptable
	PANI-2	0.21	0.23	0.2	65	0.21	–	–	-0.74%	Excellent
	PANI-3	0.5	0.53	0.47	33	0.48	1	–	-3.79%	Marginal
	PANI-4	0.47	0.5	0.44	34	0.48	–	–	0.51%	Excellent
	PANI-5	0.98	1.04	0.92	37	0.96	–	–	-1.48%	Good
	PANI-6	0.94	1	0.87	17	0.96	–	–	2.65%	Acceptable
	PANI-7	2.7	2.88	2.52	25	2.68	–	–	-0.87%	Excellent
	PANI-8	2.59	2.79	2.39	34	2.64	–	–	1.91%	Good

For silver, there are no historical CRMs recorded. In current drilling programs Pani uses two different analytical methods for silver in the Geoservices laboratory, regular 4-Acid ICP (GAI01) and low level/grade (GAA02A). The results of those methods were less reliable. This is attributed to the low silver grade CRM utilised in the Pani Project, which may lead to a potential risk of inhomogeneity in the CRM. A low silver grade CRM was required, as it aligns with the global silver grade of the resource and is considered fit for purpose. The relatively higher biases observed in the low grade silver CRMs are being continually monitored by MGR. These biases are interpreted to be associated with the low grade levels and inherent material inhomogeneity near the analytical detection limit. In contrast, high grade silver CRMs demonstrate good analytical performance. The Competent Person does not consider this to be a material issue, particularly given that the vast majority of the contained resource metal value is attributed to gold.

The list of silver CRMs used in the estimation are summarised in Table 6-10.

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Table 6-10 Silver CRM Performance

Lab	Type of Standard	CRM (Ag ppm)			Laboratory (Ag ppm)				Bias	Performance
		Mean	+2SD	-2SD	Total Assay	Actual Mean	Outside 2SD	Outside 5SD		
SGS	OREAS 209	0.3	0.3	0.2	102	0.6	102	102	122.65%	Not Acceptable
	OREAS 250	0.3	0.3	0.2	128	0.5	128	128	110.29%	Not Acceptable
	OREAS 252	0.2	0.2	0.1	10	0.5	10	10	170.27%	Not Acceptable
	OREAS 61E	5.3	6.1	4.4	51	5.1	3	3	-2.95%	Good
	OREAS 62PB	21.5	22.5	20.5	3	19	3	0	-11.63%	Not Acceptable
Intertek	OREAS 601B	50.1	53.6	46.6	87	50.1	1	0	0.02%	Excellent
	OREAS 602B	119.3	127	111.6	116	119.7	—	0	0.33%	Excellent
	OREAS 603B	300.8	321.1	280.5	82	300.9	—	0	0.04%	Excellent
	OREAS 601B	50.1	53.6	46.6	130	50	—	0	-0.17%	Excellent
	OREAS 602B	119.3	127	111.6	86	119.7	—	0	0.33%	Excellent
GEO_SRV	OREAS 230	0.1	0.2	0.1	230	0.1	20	20	-9.63%	Not Acceptable
	OREAS 231	0.2	0.2	0.1	164	0.2	17	12	9.38%	Marginal
	OREAS 233	0.3	0.3	0.3	219	0.3	22	22	4.44%	Acceptable
	OREAS 236	0.5	0.6	0.4	118	0.5	9	2	1.21%	Excellent
	OREAS 240	1.4	1.5	1.2	45	1.2	4	3	-7.53%	Acceptable
	OREAS 242	2.1	2.3	1.8	39	1.9	4	3	-6.42%	Acceptable
	PANI-1	2	2.1	1.9	14	1.8	8	1	-8.37%	Not Acceptable
	PANI-2	1.9	2	1.8	23	1.5	14	8	-20.82%	Marginal
	PANI-3	2.4	2.5	2.3	19	2.2	13	4	-10.31%	Not Acceptable
	PANI-4	2.3	2.4	2.2	16	2	8	6	-14.77%	Marginal
	PANI-5	3.4	3.6	3.2	12	2.7	7	4	-19.63%	Not Acceptable
	PANI-6	3.3	3.5	3.1	8	2.7	4	3	-18.58%	Not Acceptable
	PANI-7	6.8	7.1	6.5	8	4.6	4	4	-32.79%	Not Acceptable
	PANI-8	6.6	6.9	6.2	6	6.5	0	0	-1.17%	Good
	OREAS 230	0.1	0.2	0.1	232	0.4	232	232	186.34%	Not Acceptable
	OREAS 231	0.2	0.2	0.1	165	0.4	165	32	99.11%	Not Acceptable
	OREAS 233	0.3	0.3	0.3	223	0.4	223	62	37.54%	Not Acceptable
	OREAS 236	0.5	0.6	0.4	122	0.5	84	10	6.21%	Not Acceptable
	OREAS 240	1.4	1.5	1.2	47	1.3	3	3	-2.17%	Excellent
	OREAS 242	2.1	2.3	1.8	39	2.1	5	1	2.79%	Acceptable
GEO_SRV	PANI-1	2	2.1	1.9	14	1.9	8	2	-3.68%	Marginal
	PANI-2	1.9	2	1.8	23	1.9	8	3	0.70%	Acceptable
	PANI-3	2.4	2.5	2.3	19	2.4	10	3	-1.10%	Marginal
	PANI-4	2.3	2.4	2.2	16	2.3	3	0	0.11%	Excellent
	PANI-5	3.4	3.6	3.2	12	3	9	5	-10.26%	Not Acceptable
	PANI-6	3.3	3.5	3.1	8	3.2	3	1	-1.76%	Marginal
	PANI-7	6.8	7.1	6.5	8	6.7	2	0	-1.59%	Acceptable
	PANI-8	6.6	6.9	6.2	6	6.7	1	0	2.39%	Acceptable
	OREAS 230	0.1	0.2	0.1	187	0.1	16	16	-17.37%	Not Acceptable
	OREAS 231	0.2	0.2	0.1	222	0.2	20	9	10.19%	Marginal
	OREAS 233	0.3	0.3	0.3	186	0.3	10	10	1.36%	Acceptable
	OREAS 236	0.5	0.6	0.4	151	0.5	1	1	2.23%	Good
	OREAS 240	1.4	1.5	1.2	43	1.3	2	0	-5.12%	Marginal
	OREAS 242	2.1	2.3	1.8	25	2	6	0	-4.68%	Marginal
	PANI-1	2	2.1	1.9	204	1.8	170	11	-10.20%	Not Acceptable
	PANI-2	1.9	2	1.8	186	1.8	163	15	-8.74%	Not Acceptable
	PANI-3	2.4	2.5	2.3	128	2.2	93	39	-8.63%	Not Acceptable
	PANI-4	2.3	2.4	2.2	109	2.2	41	16	-6.07%	Not Acceptable
	PANI-5	3.4	3.6	3.2	89	3.1	80	11	-8.82%	Not Acceptable
	PANI-6	3.3	3.5	3.1	71	3.1	37	1	-6.58%	Not Acceptable
	PANI-7	6.8	7.1	6.5	68	6.5	29	4	-4.55%	Marginal
	PANI-8	6.6	6.9	6.2	44	6.2	16	4	-5.83%	Acceptable
GEO_SRV	OREAS 230	0.1	0.2	0.1	187	0.3	187	187	103.84%	Not Acceptable
	OREAS 231	0.2	0.2	0.1	222	0.3	222	5	47.73%	Not Acceptable
	OREAS 233	0.3	0.3	0.3	186	0.3	186	9	-9.48%	Not Acceptable
	OREAS 236	0.5	0.6	0.4	151	0.4	106	3	-23.95%	Not Acceptable
	OREAS 240	1.4	1.5	1.2	43	1.4	2	2	1.42%	Excellent

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Lab	Type of Standard	CRM (Ag ppm)			Laboratory (Ag ppm)				Bias	Performance
		Mean	+2SD	-2SD	Total Assay	Actual Mean	Outside 2SD	Outside 5SD		
	OREAS 242	2.1	2.3	1.8	25	2.1	0	0	-0.22%	Excellent
	PANI-1	2	2.1	1.9	204	1.9	77	7	-4.50%	Marginal
	PANI-2	1.9	2	1.8	186	1.9	71	5	-2.59%	Marginal
	PANI-3	2.4	2.5	2.3	128	2.3	41	15	-4.36%	Not Acceptable
	PANI-4	2.3	2.4	2.2	109	2.3	19	5	-1.31%	Acceptable
	PANI-5	3.4	3.6	3.2	89	3.2	59	0	-4.63%	Not Acceptable
	PANI-6	3.3	3.5	3.1	71	3.2	12	1	-2.66%	Marginal
	PANI-7	6.8	7.1	6.5	68	6.6	23	0	-2.38%	Acceptable
	PANI-8	6.6	6.9	6.2	45	6.4	11	1	-2.73%	Excellent
	OREAS 230	0.1	0.2	0.1	4	0.1	1	1	-31.37%	Not Acceptable
	OREAS 231	0.2	0.2	0.1	19	0.2	1	1	15.97%	Marginal
	OREAS 233	0.3	0.3	0.3	23	0.3	1	1	0.26%	Acceptable
	OREAS 236	0.5	0.6	0.4	30	0.5	1	0	3.19%	Good
	OREAS 242	2.1	2.3	1.8	14	2	2	0	-4.32%	Acceptable
	PANI-1	2	2.1	1.9	67	1.8	59	2	-9.77%	Not Acceptable
	PANI-2	1.9	2	1.8	65	1.8	60	3	-7.85%	Not Acceptable
	PANI-3	2.4	2.5	2.3	33	2.2	22	6	-7.70%	Not Acceptable
	PANI-4	2.3	2.4	2.2	34	2.2	7	1	-5.14%	Not Acceptable
	PANI-5	3.4	3.6	3.2	37	3.1	36	2	-9.64%	Not Acceptable
	PANI-6	3.3	3.5	3.1	17	3	13	0	-7.72%	Not Acceptable
	PANI-7	6.8	7.1	6.5	24	6.4	14	0	-5.16%	Not Acceptable
	PANI-8	6.6	6.9	6.2	34	6.4	4	0	-2.44%	Acceptable
	OREAS 230	0.1	0.2	0.1	4	0.3	4	4	96.08%	Not Acceptable
	OREAS 231	0.2	0.2	0.1	19	0.3	19	0	41.24%	Not Acceptable
	OREAS 233	0.3	0.3	0.3	23	0.3	23	0	-15.23%	Not Acceptable
	OREAS 236	0.5	0.6	0.4	30	0.3	22	0	-31.33%	Not Acceptable
	OREAS 242	2.1	2.3	1.8	14	2.1	1	0	0.88%	Excellent
	PANI-1	2	2.1	1.9	67	1.9	22	0	-4.42%	Marginal
	PANI-2	1.9	2	1.8	65	1.9	18	0	-1.95%	Acceptable
	PANI-3	2.4	2.5	2.3	33	2.3	5	0	-2.53%	Marginal
	PANI-4	2.3	2.4	2.2	34	2.3	3	0	-0.81%	Good
	PANI-5	3.4	3.6	3.2	37	3.2	25	1	-5.01%	Not Acceptable
	PANI-6	3.3	3.5	3.1	17	3.2	2	0	-3.40%	Not Acceptable
	PANI-7	6.8	7.1	6.5	24	6.6	3	0	-2.88%	Acceptable
	PANI-8	6.6	6.9	6.2	34	6.5	2	0	-0.24%	Excellent

It is the view of the CP that the CRM performance means analytical results are appropriate for use in the estimation process.

6.5.3 Blanks

A blank sample was inserted in the sample run at a frequency of 1 in 40 or less. The coarse blank material is always use in Pani project except 2020 – 2021 period, is used CRM blank (n=595). The source material was supplied from a local quarry around Pani. During 2020 – 2021 (One Asia) Oreas 22F was used as a blank CRM.

During the historical period <2020 (n=2,209, outliers=20), there were 20 outliers identified. During MGR drilling program in 2022 – 2024 (n = 1,944), as presented in Table 6-11, there was one outlier observed in both 2023 and 2024. These are suspected to be contamination or swapped (sample ID 123873 and 135538) where the assay result returned 0.02 ppm Au and 1.50 ppm Au respectively. The detailed information is presented in Table 6-11 and Figure 6-5.

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Table 6-11 Gold Blank Sample Performance

Year	Historical (Pre-2020)	2020 - 2021	2022	2023	2024
Laboratory	Intertek	SGS Statistic	Intertek	Geoservices	Geoservices
n_sample	760	1,449	595	1,098	316
Outlier (3DL)	9	11	–	1	1

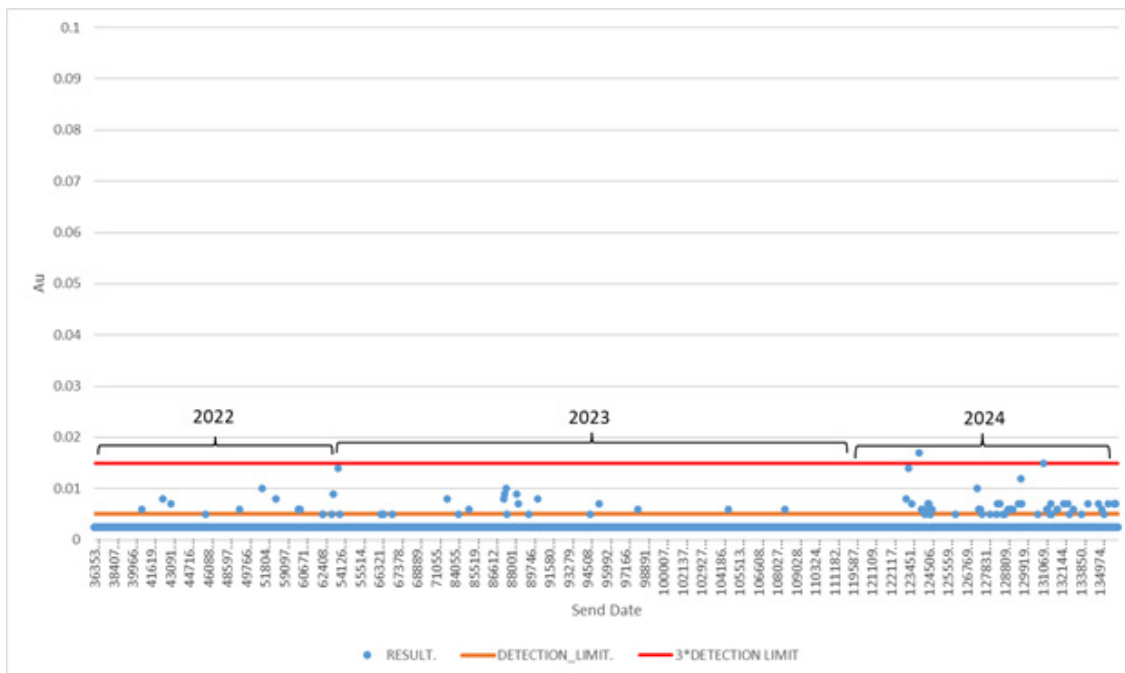


Figure 6-5 Gold Blank Performance Chart

6.5.4 Umpire Check

When testing samples from PETS in 2012 to 2013, Geoservices was selected as a secondary laboratory for external umpire laboratory checks while SGS was the main laboratory. The average bias from the check was a –9% difference between SGS and Geoservices. The historical external laboratory check results however do not have an impact on the resource estimation, since all the PETS historical data has been resampled, and the resampled results have been used in the estimation process.

Recently, MGR has selected further samples for an external laboratory umpire check. At the time of reporting the samples have been prepared but they have not been sent to the umpire laboratory when this report was prepared.

6.6 Mining One Data Verification

From 6 to 8 January 2026 the CP for Mineral Resources, Alex Lukomskyj, completed a site visit to Pani. The visit comprised an inspection of the core logging, sampling and storage facilities, the active open pit production areas including blast hole drilling and sampling, inspection of near-mine and regional outcrop that had been geologically mapped, active diamond drilling of the Kolokoa and Lone Pine prospects south and north of Pani, respectively, in addition to technical discussions with the site geology team. The CP also completed technical discussions with the MGR geology team in the Jakarta corporate office on 5 January 2026.

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A JORC Code standard of work was observed during the visit and no material issues were found. Key site visit checks included:

- Visual inspection of several infill and expansion drill hole cores, and cross checking against geological logs and assay data (Figure 6-6)
- Sighting and confirming the types of CRMs and blank material stored at the core logging facility
- Geological contacts and boundaries were inspected within the Pani pit and at surrounding look out locations and verified against the 3D model
- A high level of organisation and housekeeping was observed at all sites inspected by the CP



Figure 6-6 Core Inspection by Competent Person during Pani Site Visit

Database validation was undertaken by the MGR Resource and Pani Geology Team. The Competent Person has checked and accepted the database as suitable for use in this MRE after thorough review of the data room provided by MGR. Key data room checks included:

- Confirmation of site visit observations being in agreement with database and 3D model files
- Spot check of several original assay files to the de-surveyed drilling database
- Visual and statistical checks of the domain models and resource estimate (refer to Section 7 for further detail)

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7 MINERAL RESOURCE ESTIMATES

7.1 Introduction

The Mineral Resource Statement presented herein represents the Mineral Resource prepared for Pani in accordance with the JORC Code 2012. The effective date of the Mineral Resource Statement is 31 December 2025.

The subsequent sections describe the Mineral Resource data inputs, estimation methodologies and results. In the opinion of Mining One, the Mineral Resource reported herein is a reasonable representation of the global gold and silver Mineral Resource at Pani given the current level of sampling and geological understanding.

7.2 Resource Estimation Procedures

The mineral resource estimation procedures were carried out through four different software packages as per the following steps:

- Micromine version 2016, generate the geological domain.
- Leapfrog version 2023.2, run the implicit resource domain by geology matrix analysis
- Datamine Studio RM 2.1.125.0, generate the final explicit resource domain, grade interpolation/estimation
- Snowden Supervisor V9.0, Exploratory data analysis on resource domain

7.3 Resource Database

Drilling, survey, logging, sampling, assay and QAQC records are filed at Pani site (hardcopy and/or softcopy files). Validated data has been loaded into a relational database (SQL server). The Pani database is managed by dedicated specialist geologists. Retained half core, sample coarse reject and assay pulps are stored securely at site.

The total drillhole database within Pani Gold Project ("PT PETS and PT GSM") licences are presented in Table 7-2.

Pani MRE drill database statistics are presented in Table 7-3 and Table 7-4.

Core recoveries for diamond drilling are excellent with a weighted average core recovery of > 98% (Table 7-4).

The drilling database cut-off date is the 8th of August 2024. The validated data set is from drill holes completed, surveyed and assayed to the EOH.

The 2022 DTM received from Surtech was accepted as a true surface (refer to section 6.3). There were some adjustments to the DTM, based upon Pani ground surveying, to account for subsequent ground disturbance i.e. infrastructure areas, access roads and drill pads. As noted in section 6.3, an updated topographic survey was completed in 2024 that formed the basis for the Q2 2024 mineral resource estimate, which subsequently underwent revised depletion after another topography survey completed on 31 December 2025 which was used for the Mineral Resource declared in this report.

Pani Gold Mineral Resource Estimates previously released to the public are presented in Table 7-1 for completeness.

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Table 7-1 Previously Published Pani Gold Mineral Resource Estimates

Year(s) Reported	Company	Measured Resources			Indicated Resources			Inferred Resources			Total Resources			Standard	Cutoff	RPEEE
		Mt	Au (g/t)	Ag (g/t)	Mt	Au (g/t)	Ag (g/t)	Mt	Au (g/t)	Ag (g/t)	Mt	Au (g/t)	Ag (g/t)			
2004 . . .	GSM				9.9	1.45	0.61	1.38	1.52	0.36	11.2	1.46	0.58	NI-43-101F	0.50	Not Applied
2014 . . .	PETS	10.8	1.13		62.4	0.81		16.20	0.67		89.4	0.82		JORC	0.20	Not Applied
2018 . . .	GSM	15.5	1.03	0.98	41.3	0.98	0.86	15.91	0.93	0.69	72.7	0.98	0.85	JORC	0.40	Applied \$1800
2019 . . .	PETS				38.6	0.66		49.65	0.70		88.3	0.68		NON-JORC	0.20	Not Applied
2022 . . .	MGR				177.7	0.79	0.00	85.92	0.58	0.00	263.6	0.75	0.00	JORC/KCMI	0.20	Applied \$2150
Mar-23 . .	MGR				217.5	0.79	1.04	58.30	0.58	0.61	275.8	0.75	0.95	JORC/KCMI	0.20	Applied \$2150
Jun-23 . .	MGR				229.0	0.74	0.81	52.27	0.54	0.37	281.3	0.70	0.73	JORC/KCMI	0.20	Applied \$2150
Dec-23 . .	MGR				253.7	0.74	0.81	49.45	0.54	0.38	303.1	0.70	0.74	JORC/KCMI	0.20	Applied \$2150
Mar-24 . .	MGR				253.2	0.74	0.76	52.19	0.55	0.35	305.4	0.71	0.69	JORC/KCMI	0.20	Applied \$2300
Aug-24 . .	MGR				244.2	0.78	0.77	48.22	0.59	0.37	292.4	0.75	0.70	JORC/KCMI	0.20	Applied \$2300
Sep-25 . .	MGR	7.6	0.92	1.51	236.6	0.77	0.74	48.20	0.59	0.37	292.4	0.75	0.70	JORC/KCMI	0.20	Applied \$2300

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Table 7-2 Pani Gold Drillhole Summary from 1982 to 2024

Company	Year Drilled		Prospect	Rig Type	No of Holes	Total Metres
	Start	Finish				
BHP	1990	1990	Pani Prospect	DD	22	2,826
GSM	2011	2024	Northeast Pani	DD	33	4,780
			Pani Prospect	DD	760	130,319
			Southwest Pani	DD	68	9,060
			Outside_Pani	DD	1	220
NNS	1998	1999	Northeast Pani	DD	7	1,259
			Pani Prospect	DD	6	1,073
			Southwest Pani	DD	3	737
			Outside_Pani	DD	12	1,642
PETS	2012	2024	Pani Prospect	DD	841	128,535
PRMT	1997	1997	Pani Prospect	DD	16	1,915
UTAH	1982	1982	Pani Prospect	DD	7	1,739
Total Outside Pani				DD	13	1,862
Total Inside Pani				DD	1,763	282,244
Grand Total				DD	1,776	284,106

Table 7-3 Pani Gold MRE Drillhole Summary (Valid for Estimation only)

Company	Year Drilled		Prospect	Rig Type	No. of Holes	Total Metres
	Start	Finish				
GSM	2011	2024	Pani Prospect	DD	748	128,625
PETS	2012	2024	Pani Prospect	DD	803	123,466
Total				DD	1,551	252,091

Table 7-4 Sampled Core Statistics Pani Gold for MRE Q2 2024

Size	Diameter (mm)	Sample Core (m)	Proportion (%)	Recovery (%)
PQ	85	83,730.75	33.2%	98.61
HQ	63.5	158,648.00	62.9%	98.31
NQ	47.6	9,329.60	3.7%	98.49
No core size data		383.05	0.2%	
Total		252,091.40	100.0%	98.42

Notes: Recovery = weighted average core recovery

7.4 Solid Body Modelling

Pani gold primary resource estimation domains were based on correlation between geology, vein/fracture numbers, structures and gold grades and designed utilising Geology Matrix Analysis (GMA). Domains were also optimised by adding indicator grade shells to separate ore and waste (background) (refer to Table 7-5, Table 7-6 and Figure 7-1). Secondary domains (“Ore blocks”) are based on interpreted faults which divide the mineralisation into 3 different areas, as shown in Figure 7-2.

Silver estimation domains were constructed by a combination of geology, grade population, and ore block domains. The estimation of other minor elements such as sulphur, calcium and iron was only applied to ore block domains.

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Table 7-5 Pani Gold Resource Domains Criteria

Period	Q2 2024		
Element	Au - Gold		
Category	High Grade/High vein and fracture density	Low Grade/Low vein and fracture density	Mineralised Waste
Domain Code	5000	3000	1000
GMA	Porphyritic rhyodacite, banded porphyritic rhyodacite, rhyodacite breccia, lapili tuff and scree.		Pani volcanics
Lithology	Clay Chlorite, Clay Silica, Silica Chlorite and Silica Clay		Chlorite
Alteration	Crackle breccia, crackle to mosaic and mosaic		No Texture
Breccia Texture	Crackle breccia, crackle to mosaic and mosaic		No Texture
Veins and/or Fracture Grade based log probs (g/t)	>5 >= 0.50		>1 0.50 > Au >=0.10
Composite	Economic composite COG 0.50	Economic composite COG 0.10	No
Indicator Iso-grade Iso-shells	0.50 g/t Au on 50% probability based on 2 m, 4 m and 6 m downhole composites	0.10g/t Au on 50% probability based on 2 m, 4 m and 6 m composites	no Indicator
Structural Models	Applied as parameter to push the interpretation along structural planes		not applied
Distance Function	Volume > 20 m distance from drill holes		not applied
Sub Domain Ore Block	Ore block 1,2,3		
Remarks	High grade based on vein density and grades	Low grade based on vein density and grades	Mineralised waste

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Table 7-6 Pani Minor Elements (Ag, S, Ca and Fe) Domain Criteria

Period		Q2 2024		
Element		Ag – Silver		S, Ca, and Fe
Category		High Grades	Low Grade	Indo/Background not applied
Domain Code		750	730	1,000
GMA (Geology Matrix Analysis)	Lithology	Porphyritic rhyodacite and banded porphyritic rhyodacite	Rhyodacite breccia, lapili tuff and scree	Pani volcanics
	Alteration	Silica Chlorite, Silica Clay		Clay – chlorite and Clay Silica
	Breccia Texture	All Breccia	All Breccia	No Texture
	Veins	Not Vein related	Not Vein related	Not Vein related
	Grade based log probs (g/t)	≥ 0.6	$0.6 > \text{Ag} \geq 0.2$	< 0.2
	Composite	No	No	No
Indicator Isograde	Isoshells	no Indicator		
Structural Models		not applied		
Distance Function		not applied		
Sub Domain Ore Block		Ore block 1,2,3		Ore block 1,2,3
Remarks		High grade silver	Low grade silver	Background – use gold mineralised waste Minors Block 1 Minors Block 2 Minors Block 3

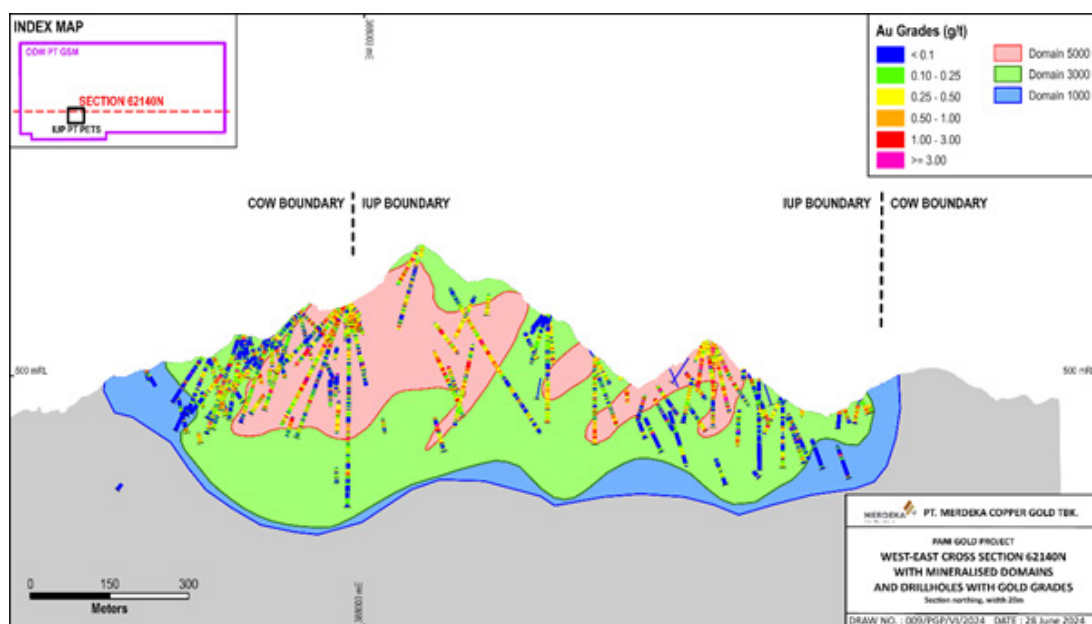


Figure 7-1 Pani Primary Resource Domains at section 62140m N

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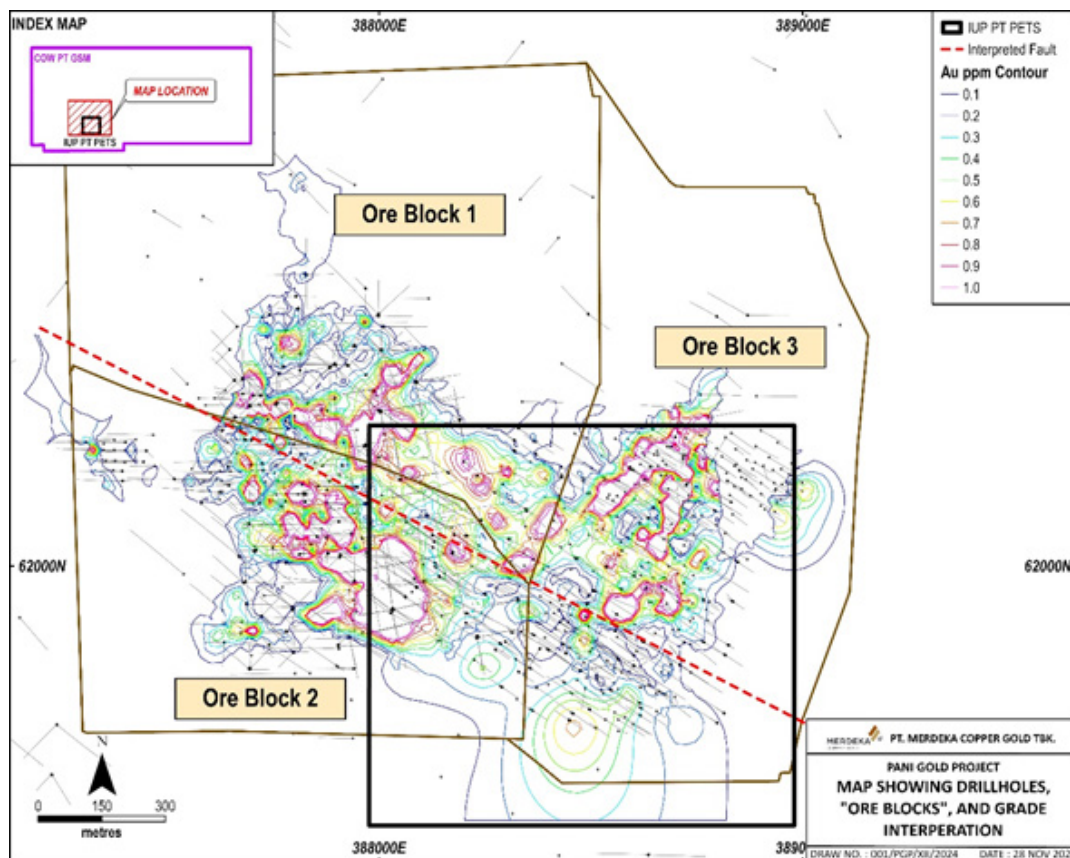


Figure 7-2 Pani Ore Block Domains

The lithology, alteration and oxidation models were created by Eddy Da Costa, Fajar Ismail and Samuel Parulian, as part of geological modelling by the Pani site team. The resource domains and sub-domains were constructed by the MGR Resource Geology Team. David Clarke and Arief Bastian internally peer reviewed the work. The Competent Person for Mineral Resources externally reviewed the models and work completed.

All wireframes were cut by the topographic surface prior to reporting. Wireframe extents were generally limited by the drill spacing distance. Table 7-7 to Table 7-11 present the wireframes and coding used to define the base block model.

Table 7-7 Oxidation Types

Oxidation	Oxidation Domain Code	Wireframe	Description
Oxide	10	oxide_1	Oxide
Transition	20	trans_2	Transition
Fresh	30	fresh_3	Fresh

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Table 7-8 Rock Types

Lithology	Lithology Domain Code	Wireframe	Description
bx	201	pani_bx_201_dtm (pt)(tr).dm	Magmatic breccia within the rhyodacite
lpt	220	pani_lpt_220_dtm (pt)(tr).dm	Lapilli tuff
prd	230	pani_prd_230_dtm (pt)(tr).dm	Massive porphyritic rhyodacite
prdb	240	pani_prdb_240_dtm (pt)(tr).dm	Flow-banded rhyodacite
pvol	250	pani_pvol_250_dtm (pt)(tr).dm	Pani Volcanic Complex
rd	260	pani_rd_260_dtm (pt)(tr).dm	Scree, post mineralisation product

Table 7-9 Alteration Types

Alteration	Alteration Domain Code	Wireframe	Description
Unaltered	300	pani_ua_300_dtm (pt)(tr).dm	Surface weathering (UA)
Clay Chlorite	310	pani_cych_310_dtm (pt)(tr).dm	Clay +/- Chlorite rich alteration
Clay Silica	320	pani_cysi_320_dtm (pt)(tr).dm	Clay +/- Silica rich alteration
Silica Chlorite . . .	330	pani_sich_330_dtm (pt)(tr).dm	Silica +/- Chlorite rich alteration
Silica Clay	340	pani_sicy_340_dtm (pt)(tr).dm	Clay +/- Clay rich alteration

Table 7-10 Alteration Metallurgy Types

Alteration	Alteration Domain Code	Wireframe	Description
ch	410	Pani_ch_410_dtm (pt)(tr).dm	Chlorite
ch-si-cy	415	Pani_chsicy_415_dtm (pt)(tr).dm	chlorite ± silica ± clay
cy-si-ch	420	Pani_cysich_420_dtm (pt)(tr).dm	clay ± silica ± chlorite
si-cy	430	Pani_sicy_430_dtm (pt)(tr).dm	silica clay
si.	440	Pani_si_440_dtm (pt)(tr).dm	silica

Table 7-11 Ore Blocks

Ore Block	Ore Block Code	Wireframe	Description
Oreblock 1	1	obl1f6(pt)(tr).dm	GSM North – Ore Block 1
Oreblock 2	2	obl2f6(pt)(tr).dm	GSM South – Ore Block 2
Oreblock 3	3	obl3f6(pt)(tr).dm	PETS – Ore Block 3
Oreblock 4	4	obl4f6(pt)(tr).dm	PETS – Ore Block 3

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A total of thirteen gold resource mineralisation wireframes and twelve silver mineralisation domains were created from primary domain and subdomains, to constrain the grade interpolation (Table 7-12 and Table 7-13). Sectional interpretations were completed every 10 m on East West sections. Resource estimation domains were made to encapsulate +0.1 g/t Au and +0.5 g/t Au material within known structural trends focusing on the distribution of vein/stockworks. All wireframe points were snapped to drillhole intervals.

The estimation of other minor elements such as sulphur, calcium and iron was only applied to ore block domains. The estimation of density and hardness (Equotip) used alteration domains.

Table 7-12 Pani Gold Estimation Domains

Primary Domain	Ore Block Domain	Domain Code	Wireframe	Description
1000	1	1100	pani_1000_ac pani_1000_intac obl1f6	Mineralised Waste GSM North
	2	1200	pani_1000_ac pani_1000_intac obl2f6	Mineralised Waste GSM South
	3	1300	pani_1000_ac pani_1000_intac obl3f6 obl4f6	Mineralised Waste PETS
3000	1	3100	pani_3000_ac pani_3000_intac obl1f6	Low Density Veins GSM North
	2	3200	pani_3000_ac pani_3000_intac obl2f6	Low Density Veins GSM South
	3	3300	pani_3000_ac pani_3000_intac obl3f6 obl4f6	Low Density Veins PETS
5002	1	5102	pani_5000_bc obl1f6	High Density Veins GSM North
5001	2	5201	pani_5000_ac obl2f6	High Density Veins GSM South 1
5002	2	5202	pani_5000_bc obl2f6	High Density Veins GSM South 2
5002	3	5302	pani_5000_bc obl3f6 obl4f6	High Density Veins PETS 1
5003	3	5303	pani_5000_cc obl3f6 obl4f6	High Density Veins PETS 2
5004	3	5304	pani_5000_dc obl3f6 obl4f6	High Density Veins PETS 3
5005	3	5305	pani_5000_ec obl3f6 obl4f6	High Density Veins PETS 3

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Table 7-13 Pani Silver Estimation Domains

Primary Domain	Ore Block Domain	Domain Code	Wireframe	Description
731	1	7131	pani_731tr obl1f6	low grade 1 silver GSM 1
	2	7231	pani_731tr obl2f6	low grade 1 silver GSM 2
	2	7331	pani_731tr obl3f6 obl4f6	low grade 1 silver PETS
732	1	7132	pani_732tr obl1f6	low grade 2 silver GSM 1
733	3	7333	pani_733tr obl3f6 obl4f6	low grade 3 silver PETS
751	1	7151	pani_751tr obl1f6	High grade 1 silver GSM 1
	2	7251	pani_751tr obl2f6	High grade 1 silver GSM 2
752	3	7352	pani_752tr obl3f6 obl4f6	High grade 2 silver PETS
753	3	7353	pani_753tr obl3f6 obl4f6	High grade 3 silver PETS
1000	1	1100	pani_1000_ac pani_1000_intac obl1f6	Mineralised Waste GSM North
	2	1200	pani_1000_ac pani_1000_intac obl2f6	Mineralised Waste GSM South
	3	1300	pani_1000_ac pani_1000_intac obl3f6 obl4f6	Mineralised Waste PETS

7.5 Bulk Density

Refer to section 6.4.3 for background on bulk density measurement capture.

The resultant densities were imported into the geological database. The dataset consists of 28,617 bulk density measurements, and values with lengths < 0.09 m or > 0.25 m was set to null and not used in the MRE. Erroneous values (i.e. < 0.5 g/cm³) were set to null.

7.6 Compositing

The drill samples used for the MRE were collected over the following intervals:

- One metre interval ~38% of the total dataset
- Two metres intervals ~34%
- Between one and two metres intervals ~25%

Intervals less than a metre account for less than 2% and intervals greater than two metres account for less than 3%. Based on the nature of mineralisation and the anticipated scale of future mining, a composite length of two metres was selected.

Composite statistics for all elements in each estimation domain are presented in Table 7-14. Although sulphur, calcium and iron are not of economic importance, their results are disclosed for completeness as they were estimated into the resource model.

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Table 7-14 Raw 2m Compositing Statistics

Raw Statistics 2 m Composites							
Variable	Domain	Number of Comps.	Min.	Max.	Mean	Std. Dev.	CV
Au (g/t) . .	1000_1	4,790	0.00	7.90	0.09	0.26	2.98
	1000_2	4,516	0.00	7.64	0.09	0.27	2.92
	1000_3	5,617	0.00	62.00	0.09	0.88	9.60
	3000_1	15,995	0.00	273.92	0.32	2.38	7.36
	3000_2	24,120	0.00	155.01	0.35	1.48	4.19
	3000_3	24,628	0.00	216.47	0.31	1.64	5.35
	5001_2	172	0.07	9.98	0.86	0.95	1.10
	5002_1	12,693	0.00	178.32	1.02	2.89	2.85
	5002_2	15,723	0.00	105.72	1.04	2.39	2.30
	5002_3	2,331	0.01	52.47	0.80	1.70	2.12
	5003_3	5,778	0.00	144.25	1.15	3.07	2.67
	5004_3	63	0.05	25.22	1.90	4.18	2.20
	5005_3	223	0.01	15.68	0.78	1.24	1.59
	1000_1	13,830	0.05	85.24	0.42	1.98	2.71
	1000_2	16,437	0.05	41.06	0.38	0.72	2.80
Ag (g/t) . .	1000_3	34,406	0.05	100.00	0.30	1.28	4.12
	731_1	4,788	0.05	86.98	0.77	2.09	2.71
	731_2	7,015	0.05	100.00	0.96	2.70	2.80
	731_3	525	0.05	31.60	0.54	2.21	4.12
	732_1	1,120	0.05	100.00	2.15	6.37	2.96
	733_3	2,363	0.05	257.00	1.40	8.44	6.03
	751_1	453	0.12	100.00	3.12	8.98	2.87
	751_2	7,276	0.05	140.85	3.50	6.32	1.81
	752_3	228	0.10	100.00	5.23	14.42	2.76
	753_3	338	0.10	100.00	6.96	15.50	2.23
S (pct) . . .	1	13,355	0.00	1.31	0.06	0.11	1.71
	2	22,734	0.00	1.19	0.10	0.12	1.29
	3	38,938	0.00	3.44	0.09	0.16	1.83
Ca (pct) . .	1	15,232	0.01	3.06	0.18	0.29	1.65
	2	24,691	0.01	7.38	0.18	0.30	1.63
	3	38,928	0.01	7.50	0.27	0.45	1.65
Fe (pct) . .	1	16,670	0.01	8.63	1.23	0.23	0.19
	2	26,105	0.01	8.15	1.21	0.21	0.17
	3	38,929	0.35	8.92	1.09	0.30	0.27

7.7 Evaluation of Outliers

Identification of grade capping thresholds for the composite data was completed following a review of histograms, log-probability plots, mean variance plots and cumulative metal plots, with all individual domains and variables assessed.

In addition to the application of top cuts, distance restrictions were employed during estimation for selected domains. The purpose was to limit the spatial influence of local high-grade assays to avoid excessive extrapolation of high grades and keep good stationarity within each domain. Selection of the distance restriction threshold values considered the log-probability plots, grade histograms and spatial review.

All grade capping restrictions are presented in Table 7-15 with distance capping presented in Table 7-16.

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Table 7-15 Raw Grade Capping Statistics by Element and Domain (Au, Ag, Cu)

Variable	Domain	Capping Statistics				
		Raw Mean	Raw CV	Capped Value	Capped Mean	Capped CV
Au (g/t)	1000_1	0.09	2.98	25	0.08	2.03
	1000_2	0.09	2.92	9	0.09	2.56
	1000_3	0.09	9.60	15	0.08	2.48
	3000_1	0.32	7.36	10	0.30	2.43
	3000_2	0.35	4.19	9	0.34	2.32
	3000_3	0.31	5.35	11	0.29	2.16
	5001_2	0.86	1.10	1	0.82	0.83
	5002_1	1.02	2.85	16	0.98	1.85
	5002_2	1.04	2.30	12	1.03	1.96
	5002_3	0.80	2.12	14	0.76	1.37
	5003_3	1.15	2.67	16	1.08	1.53
	5004_3	1.90	2.20	1	1.75	1.98
	5005_3	0.78	1.59	1	0.73	1.07
	1000_1	0.42	2.71	25	0.39	3.01
Ag (g/t)	1000_2	0.38	2.80	16	0.38	1.68
	1000_3	0.30	4.12	18	0.29	2.13
	731_1	0.77	2.71	15	0.73	1.63
	731_2	0.96	2.80	15	0.89	1.42
	731_3	0.54	4.12	—	0.54	4.12
	732_1	2.15	2.96	20	1.78	1.72
	733_3	1.40	6.03	35	1.08	3.22
	751_1	3.12	2.87	35	2.60	1.72
	751_2	3.50	1.81	45	3.37	1.43
	752_3	5.23	2.76	20	3.29	1.40
	753_3	6.96	2.23	25	4.69	1.43
	1	0.06	1.71	49	0.06	1.66
	2	0.10	1.29	2	0.10	1.28
	3	0.09	1.83	2	0.09	1.81
Ca (pct)	1	0.18	1.65	1	0.18	1.65
	2	0.18	1.63	11	0.18	1.60
	3	0.27	1.65	3	0.27	1.64
Fe (pct)	1	1.23	0.19	7	1.23	0.17
	2	1.21	0.17	4	1.20	0.17
	3	1.09	0.27	29	1.09	0.26

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Table 7-16 Distance Capping on All Assay Elements

Element	Domain	Capping Grade	Distance (m)	Dist Capping (Grade)
Au (g/t)	1000_1	1.5	20	1
	1000_2	2.6	40	1.2
	1000_3	2	40	1.2
	3000_1	16	20	5.5
	3000_2	18	20	8
	3000_3	12	20	5
	5001_2	4	20	1.5
	5002_1	27	20	18
	5002_2	35	20	10
	5002_3	8	20	3.5
	5003_3	17	20	7
	5004_3	16	20	3.5
	5005_3	5	20	—
	1000_1	25	20	12
	1000_2	16	20	8
Ag (g/t)	1000_3	18	20	10
	731_1	15	20	6.5
	731_2	15	20	0
	731_3	9999	20	2
	732_1	20	20	7
	733_3	35	20	12
	751_1	35	20	10
	751_2	45	20	22
	752_3	20	20	9
	753_3	25	20	14
S (pct)	1	0.7	20	0.2
	2	0.8	20	0.5
	3	1	20	0.5
Ca (pct)	1	2.15	20	0.4
	2	2.3	20	0.6
	3	3.2	20	0.7
Fe (pct)	1	3.5	Nil	Nil
	2	4	Nil	Nil
	3	3.5	Nil	Nil

7.8 Block Model and Grade Estimation

The assessment of the spatial continuity of the estimation domains was conducted using Supervisor and Datamine software. All estimation domains displayed a skewed distribution and normal scores transformations were used to obtain interpretable experimental variograms. Exploratory data analysis (EDA) was performed on all estimation domains and variographic analysis was conducted for estimation domains with a significant number of samples.

Experimental variograms were generated using diamond drill hole information and several estimations domains were assigned the variogram parameters of the larger domains based on the domain orientation and distribution.

The Au directional variograms were initially modelled using the composites from domains 3000 and 5000 series within each ore block domain. Gaussian anamorphosis for each domain and ore block combination was used to back-transform the Gaussian modelled variograms into the naïve space and these variograms were used for the estimation and Uniform Conditioning process. In the variographic analysis, the principal plane for GSM South and PETS inclined moderately towards the northwest, while GSM North dipped moderately towards the southwest.

The remaining elements such as silver, sulphur, calcium, iron, density and equotip are modelled in omni directional variograms on normal scores and back – transformed into the naïve space. The back transformed variogram was then used for the estimation.

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Quantitative Kriging Neighbourhood Analysis (QKNA) was performed to optimise the orientation and dimensions of the three-dimensional volume used to select the samples, as well as the actual optimal number of samples to be utilised in the estimation process. The suitability of the search neighbourhoods (estimation parameter) was determined by reviewing output statistics defined during the kriging process, being:

- The estimation bias: the slope of regression between the estimated and true grades of the panels.
- The estimation precision: the correlation coefficient of the regression between the estimated and true grades of the panels.
- The kriging weights: focusing on the percentage of positive weights to ensure a large number of negative weights are not used in the estimation process.

At Pani, a close range between the minimum and the maximum samples scenario was selected in the estimation process. This is expected to decrease the "smoothing" effect on estimated blocks and to exclude samples located further away. To keep the nature of variogram sample selections in the estimation processes, no additional parameters were used (quadrant and max sample per drill hole). A smaller number of samples within the first search pass were selected to ensure a more localised estimate and to align with geological observations.

Pani gold mineralisation is the result of stockwork/veins in volcanic host rock which has continuous mineralisation from the feeder structure into the host rock. To honour the geological mineralisation observations, the MRE for gold (Au) used semi soft boundaries in the estimation process, as opposed to hard boundaries. A distance of 6 m was selected as a base towards and outwards from the high-grade domains. The 6m towards high grade domains allowed more higher-grade samples within the lower grade domain estimates, and the distance outwards allowed more lower grade samples within the high-grade domain estimates. The 6 m distance was selected from the inflection point on the variance lag trend on soft boundary estimation, both towards and outwards from the high-grade domain (Figure 7-3).

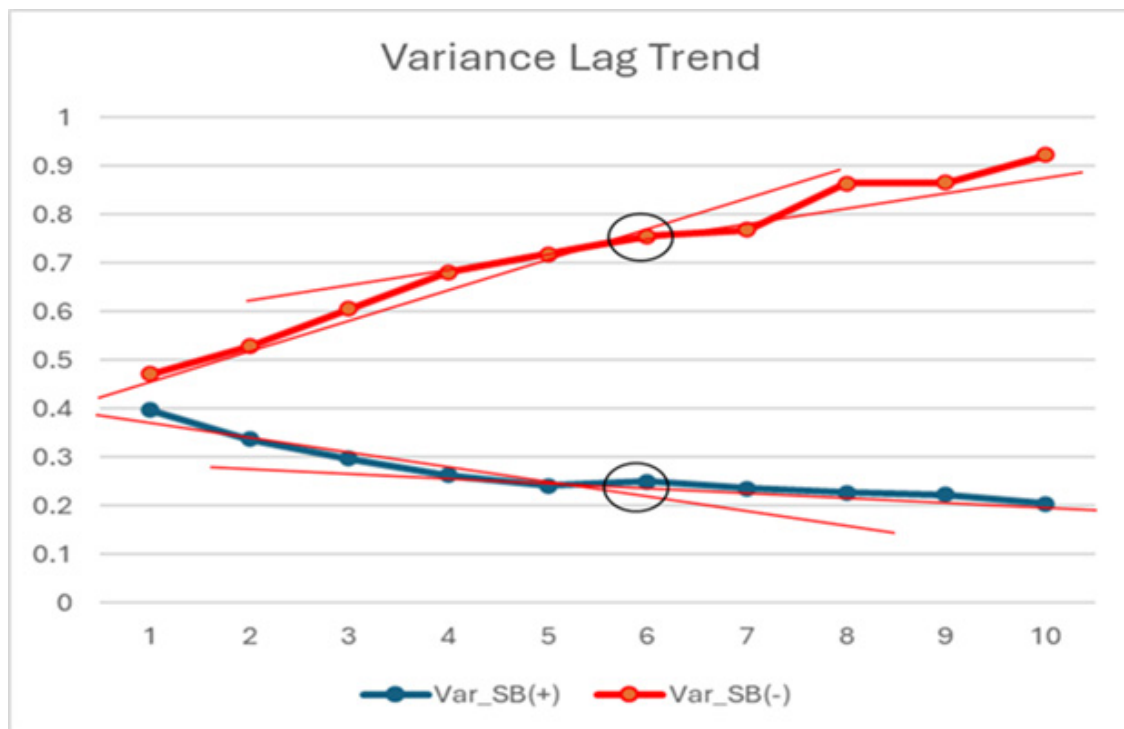


Figure 7-3 Variance Lag Trend Towards (red) and Outwards (blue) from High Grade Domains

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Silver estimates use soft boundaries across ore blocks and hard boundaries between high to low grade domains. Calcium, iron and sulphur have soft boundaries between ore blocks, whilst equotip and density have soft boundaries between alteration.

The estimation domains for gold, silver and the minor elements were interpolated using Ordinary Kriging into 20 mX x 20 mY x 5 mZ and 40 mX x 40 mY x 10 mZ panels. Estimation on panel sizes of 20 mX x 20 mY x 5 mZ was followed by a Localised Uniform Conditioning (LUC) based on 5 mX x 5 mY x 2.5 mZ Selective Mining Units (SMU) for Au. The estimation was conducted within Datamine software. Detail on assay elements, cell size, estimation methodology and localisation domains are shown in Table 7-17.

Table 7-17 Summary of Cell Size, Estimation Method on Panel and Localisation by Domain

Assay Elements	Estimation methods	Panel Block model Ordinary Kriging	Localisation to SMU Blocks	Panel Domains	Localisation Domains
Au (gold)	Ordinary Kriging + LUC	40 x 40 x 10; 20 x 20 x 5	5x5x2.5	1000, 3000, 5000 with all subdomains	3000 and 5000
Ag (silver)	Ordinary Kriging	40 x 40 x 10; 20 x 20 x 5	–	731, 732, 733, 751, 752, 753 with all subdomains	–
Ca, Fe, S (Calcium, Iron and Sulphur)	Ordinary Kriging	40 x 40 x 10; 20 x 20 x 5	–	Ore block 1, 2, 3	–
Density and Equotip. . .	Ordinary Kriging	40 x 40 x 10; 20 x 20 x 5	–	Alteration domains, 300, 310, 320, 330, 340	–

The selection of the panel block model extents and origin was based on the extents of drilling and limits of mineralised domain interpretations. The selection of parent blocks and sub-celling was based on various criteria including the drill density, the orientation of the mineralisation, the overall drill coverage and the likely scale of mining operations. Figure 7-4 displays the boundary extents for the panel blocks.

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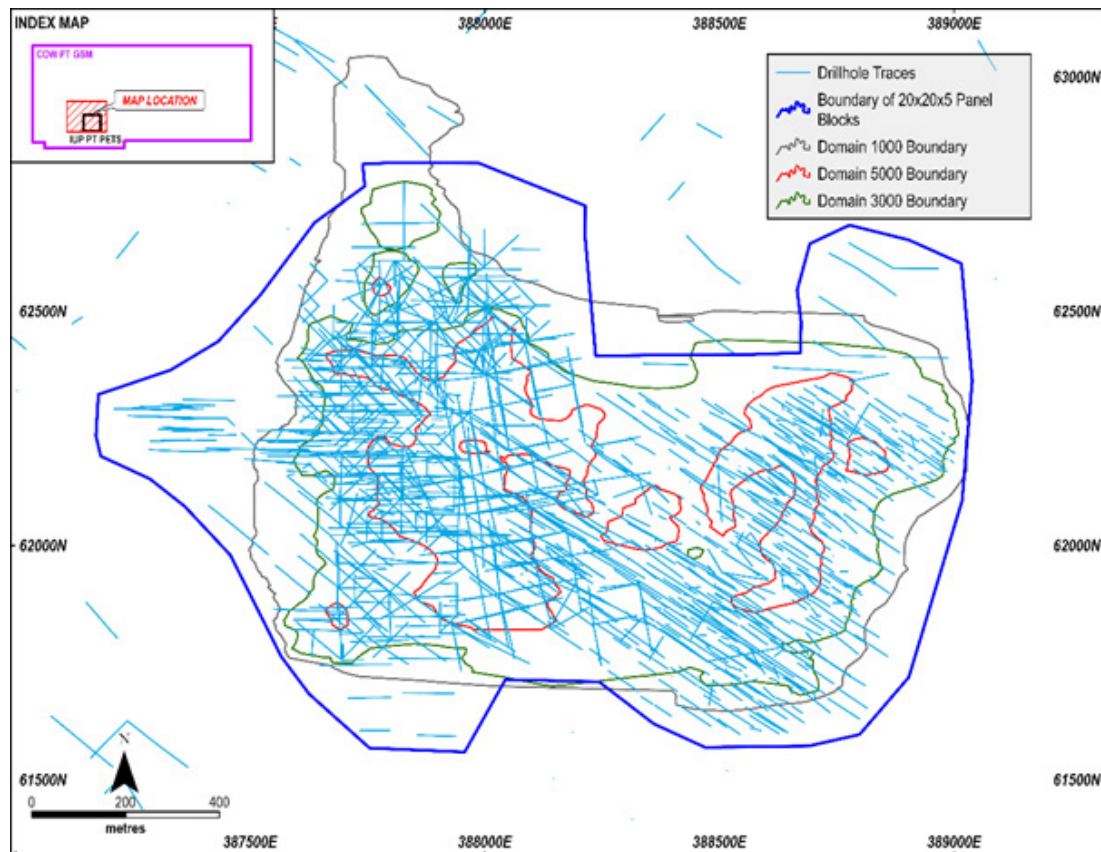


Figure 7-4 The Drillhole Distribution (Blue Line is 20 x 20 x 5 Panel Blocks Boundary)

The block model origin is based on the lower southwestern corner of the model. The model prototype parameters are outlined in Table 7-18.

Table 7-18 Block Model Prototype Definition

	<u>Easting (m)</u>	<u>Northing (m)</u>	<u>RL (m)</u>
Minimum Coordinate	387,000	61,400	-100
Maximum Coordinate	389,400	63,400	800
User Block Size	40 or 20	40 or 20	10 or 5
Sub-Block Size	5	5	2.5

The block model was constructed with a panel size of 40 m x 40 m x 30 m to reduce the overall size of the model. The panel sizes used in the estimate are outlined above.

The following table shows the key attributes stored within the block model (Table 7-19).

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Table 7-19 Block Model Attributes

Block Model Fields			
Field Description	Field Name	Type/Unit	Values/Meaning
FIELD NAMES			
Au Estimation Domains	IJK	Numeric	Datamine block number
	DOM	Numeric	0 – Area outside of estimation domains (not estimated)
			1000 – Mineralised Waste Domain ($\geq 0.1\text{g/t}$)
			3000 – Mineralised Domain (≥ 1 veins, $\geq 0.1\text{g/t}$)
			5001 – Higher Grade Mineralised Domain (≥ 5 veins, breccia's, $\geq 0.5\text{g/t}$)
			5002 – Higher Grade Mineralised Domain (≥ 5 veins, breccia's, $\geq 0.5\text{g/t}$)
			5003 – Higher Grade Mineralised Domain (≥ 5 veins, breccia's, $\geq 0.5\text{g/t}$)
			5004 – Higher Grade Mineralised Domain (≥ 5 veins, breccia's, $\geq 0.5\text{g/t}$)
			5005 – Higher Grade Mineralised Domain (≥ 5 veins, breccia's, $\geq 0.5\text{g/t}$)
			LUC Au g/t grade – for optimisation
Au grade	LUC_AU	Numeric	
Topography	TOPO	Numeric	0 – Air, 1 - Insitu
Oxidation state	OX	Numeric	Oxidation state
			10 – Oxide
			20 – Transitional
			30 – Fresh
Alteration Type	ALT	Numeric	Geological Alteration
			300 – Unaltered
			310 – Clay Chlorite
			320 – Clay Silica
			330 – Silica Chlorite
			340 – Silica Clay
Lithology Type	LITH	Numeric	Lithology
			201 – pani_bx_201
			220 – pani_lpt_220
			230 – pani_prd_230
			240 – pani_prdb_240
			250 – pani_pvol_250
			260 – pani_rd_260
Ag grade	AG_OK	Numeric	Omni directional OK Ag
S grade	S_OK	Numeric	Omni directional OK S
Ca Grade	CA_OK	Numeric	Omni directional OK Ca
Fe Grade	FE_OK	Numeric	Omni directional OK Fe
Alteration Met Type . .	ALT_MET	Numeric	Alteration Met
			410 – Chlorite
			415 – Chlorite ($\pm\text{Si} \pm\text{Cy}$)
			420 – Clay ($\pm\text{Si} \pm\text{Ch}$)
			430 – Silica Clay
			440 – Silica
	XC	Numeric	Cell centroid
	YC	Numeric	Cell centroid
	ZC	Numeric	Cell centroid
	XMORIG	Numeric	Origin
	YMORIG	Numeric	Origin

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Block Model Fields			
Field Description	Field Name	Type/Unit	Values/Meaning
	ZMORIG	Numeric	Origin
	XINC	Numeric	Cell size
	YINC	Numeric	Cell size
	ZINC	Numeric	Cell size
	NX	Numeric	Number of Cells
	NY	Numeric	Number of Cells
	NZ	Numeric	Number of Cells
Structural Blocks	OBL	Numeric	Structural ore blocks based on regional scale structures 1 – GMS North 2 – GMS South 3 – PETS
Ag Estimation Domains	DOM_AG	Numeric	0 – Area outside of estimation domains (not estimated) 1000 – Mineralised Waste Domain (volume defined by Au Domains) 731 – Mineralised Domain 732 – Mineralised Domain 733 – Mineralised Domain 751 – Higher Grade Mineralised domain 752 – Higher Grade Mineralised domain 753 – Higher Grade Mineralised domain
Bulk Density	SG_OK	Numeric	Omni directional OK BD
Equotip	EQ_OK	Numeric	Omni directional OK Equotip
Classification	RESCAT	Numeric	Resource Classification, 1 – Measured, 2 – Indicated, 3 – Inferred and 4 – Unclassified

REGULARISED BLOCK MODEL FIELD NAMES

N/A

Density statistical characteristics were reviewed based on the interpreted alteration, oxidation and Au domains. Analysis of the log-probability plots indicate that Au estimation domains and the oxidation domains were not relevant for bulk density. Log-probability plots of bulk density within the alteration were reviewed, as shown in Figure 7-5, and formed the bases of the bulk density estimation domains.

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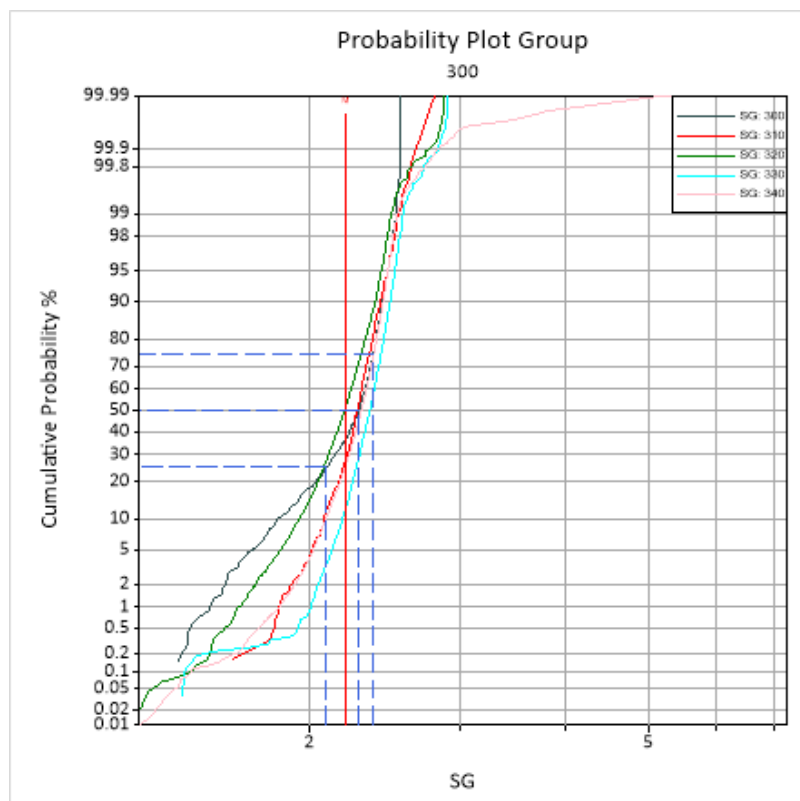


Figure 7-5 Log Probability Plot of Alteration vs Density

An omni directional variogram was used to estimate the bulk density through Ordinary Kriging. The un-estimated block was then assigned with the median value (values shown in Table 7-20).

Table 7-20 Bulk Density Domains

Alteration Domain	Density Assignment
300	2.21
310	2.29
320	2.19
330	2.33
340	2.29

Equotip estimation is used to support the analysis of the hardness model. The equotip values correspond to alteration type, and as mentioned in Table 7-21 the intervals with more silica content have higher equotip values. As a result, the alteration type model was treated as equotip estimation domains, with the following details:

- Alteration type related with silica have higher equotip value (above 680).
- Alteration type related with clay - silica have lower equotip value (below 680).

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Table 7-21 Raw Equotip Value Compared with the Alteration Model

Alteration Type	Code	Count	Mean	Standard deviation	Minimum	Maximum
Surface Weathering (UA) . .	300	186	661	183	242	891
Clay ± Chlorite (CyCh) . . .	310	59	648	139	347	869
Clay ± Silica (CySi)	320	6,093	612	168	220	922
Silica ± Chlorite (SiCh) . . .	330	4,157	689	110	267	904
Silica ± Clay (SiCy)	340	41,075	707	138	215	934

The alteration domains were modelled using a combination of explicit and implicit methods. Alteration strings were drawn section by section in Micromine and then assembled into a 3D model using Leapfrog Geo 2023.2.1. The alteration domain wireframes were flagged in the parent block model with codes explained in Table 7-22.

Table 7-22 Alteration Coding and Descriptions

Alteration	File name	Domain Code
Surface Weathering (UA)	pani_ua_300	300
Clay ± Chlorite (CyCh)	pani_chcy_310	310
Clay ± Silica (CySi)	pani_cysi_320	320
Silica ± Chlorite (SiCh)	pani_chsi_330	330
Silica ± Clay (SiCy)	pani_sicy_340	340

The recoverable resource estimate was implemented using localised uniform conditioning (LUC). The localisation component of the LUC calculates a grade for each SMU within the panel whilst honouring the panel uniform conditioning (UC) defined grade tonnage curve (Abzalov, 2006). The LUC estimate is likely to be a better representation of the achievable selectivity (grade-tonnage curve) during mining than the panel estimate.

LUC methodology is most applicable where the grade distribution is diffusive. A system is considered to be diffusive if medium-grade material is located between lower-grade and higher-grade material. A mosaic system is the opposite of a diffusive system, with examples shown in Figure 7-6.

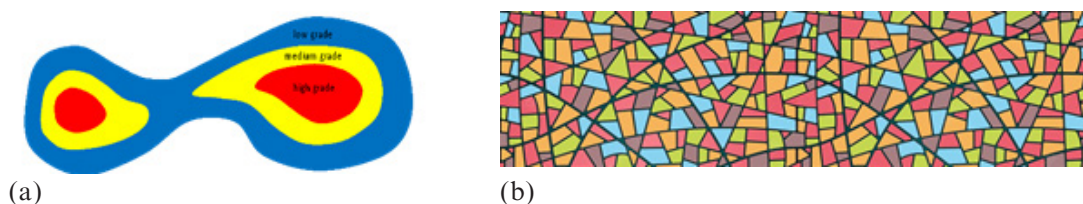


Figure 7-6 Example of (a) Diffusive Mineralised System and (b) Mosaic Mineralised System

Diffusivity or grade architecture can be tested by plotting the ratio of the cross-variogram over the simple variogram of different thresholds (usually the 10th percentiles). When the ratio is constant, this means the threshold “i” is not spatially correlated with the threshold “i+1”, and the grade architecture conforms more to the mosaic model. If this ratio shows some structured variograms, the grade architecture is considered to conform more to a diffusive model.

Diffusivity tests were performed in Isatis software for each domain. The results show that mineralisation conforms to the diffusive mineralisation model. The implementation of UC and LUC estimation methods was therefore deemed appropriate (refer to Figure 7-7).

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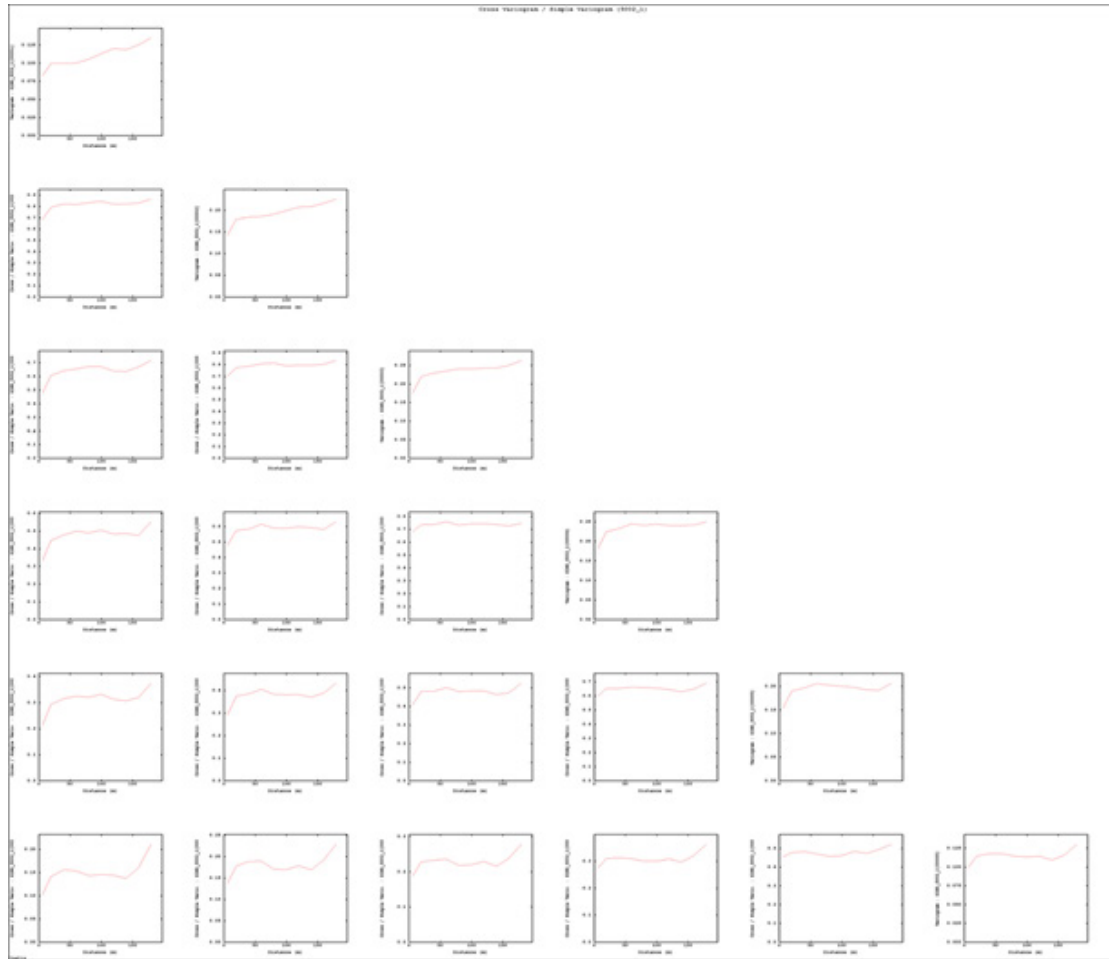


Figure 7-7 Cross-Variograms Ratio over the Simple Variograms for Domain 5002_1

7.9 Model Validation

Comparison of the panel estimate block grades against the average capped composites, average declustered (40 m x 40 m x 20 m), moving window average capped composites and average kriging samples were completed for all domains. To retain the impact of grade extrapolation of the composite samples versus blocks comparisons, additional restrictions were placed on the analysis using sample distance to blocks. Range average sample distance from blocks started at less than 10 m, followed by 25 m and beyond 25 m were categorised and statistically reported. The statistical results for the high-grade Au domains are presented in Table 7-23 to Table 7-29.

Table 7-23 Composites Versus Blocks Au ppm Estimation Domain 5001_2 (5201)

Domain	Category	Count	Min	Max	Mean	RD B/S	RD B/S Declw	RD B/S DedK	RD B/S MWA
5201	Sample	172	0.07	4.00	0.82				
	Declustered Sample	172	0.07	4.00	0.93	12%			
	Declustered Sample Kriging Mean	1654	0.02	4.00	0.66	19%			
	Moving Window Average	1222	0.10	1.34	0.70	15%			
	Panel Kriging Mean	673	0.09	1.57	0.68	18%	27%	2%	4%
	Informed Blocks < 10 m	624	0.09	1.25	0.66	20%	29%	1%	7%
	Less Informed Blocks + 10 - 25m	1638	0.15	1.57	0.69	17%	26%	3%	2%
	Less Informed Blocks + 25m	12	0.18	0.37	0.20	75%	78%	69%	71%

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Table 7-24 Composites Versus Blocks Au ppm Estimation Domain 5002_1 (5102)

Domain	Category	Count	Min	Max	Mean	RD B/S	RD B/S Declw	RD B/S DedK	RD B/S MWA
51 02	Sample	12 788	0.00	27.00	0.98				
	Declustered Sample	12 788	0.00	27.00	0.95	3%			
	Declustered Sample Kriging Mean	16 775 4	0.00	27.00	0.82	16%			
	Moving Window Average	11 355 9	0.01	6.80	0.86	12%			
	Panel Kriging Mean	60 895	0.01	7.42	0.83	13%	12%	1%	3%
	Informed Blocks < 10 m	53 577	0.01	5.30	0.88	10%	7%	7%	3%
	Less Informed Blocks + 10 - 25m	18 920 5	0.01	7.42	0.88	9%	7%	8%	3%
	Less Informed Blocks + 25m	72 996	0.06	6.24	0.75	23%	21%	9%	12%

Table 7-25 Composites Versus Blocks Au ppm Estimation Domain 5002_2 (5202)

Domain	Category	Count	Min	Max	Mean	RD B/S	RD B/S Declw	RD B/S DedK	RD B/S MWA
52 02	Sample	15 741	0.00	35.00	1.03				
	Declustered Sample	15 741	0.00	35.00	1.03	1%			
	Declustered Sample Kriging Mean	27 586 2	0.00	35.00	0.96	6%			
	Moving Window Average	19 720 6	0.03	8.43	1.01	1%			
	Panel Kriging Mean	10 413 4	0.03	8.82	0.98	4%	5%	2%	3%
	Informed Blocks < 10 m	49 231	0.03	7.33	0.99	3%	4%	3%	2%
	Less Informed Blocks + 10 - 25m	32 751 9	0.03	8.82	1.02	1%	1%	6%	1%
	Less Informed Blocks + 25m	10 673 8	0.08	3.72	0.99	4%	4%	2%	3%

Table 7-26 Composites Versus Blocks Au ppm Estimation Domain 5002_3 (5302)

Domain	Category	Count	Min	Max	Mean	RD B/S	RD B/S Declw	RD B/S DedK	RD B/S MWA
53 02	Sample	2 440	0.01	8.00	0.76				
	Declustered Sample	2 440	0.01	8.00	0.76	1%			
	Declustered Sample Kriging Mean	37 210	0.00	8.00	0.71	6%			
	Moving Window Average	26 723	0.05	3.29	0.73	3%			
	Panel Kriging Mean	14 228	0.05	3.25	0.68	10%	11%	4%	7%
	Informed Blocks < 10 m	11 287	0.10	2.78	0.70	7%	8%	1%	4%
	Less Informed Blocks + 10 - 25m	48 046	0.05	3.25	0.74	3%	4%	4%	1%
	Less Informed Blocks + 25m	13 719	0.05	2.41	0.68	10%	11%	4%	6%

Table 7-27 Composites Versus Blocks Au ppm Estimation Domain 5003_3 (5303)

Domain	Category	Count	Min	Max	Mean	RD B/S	RD B/S Declw	RD B/S DedK	RD B/S MWA
53 03	Sample	5 826	0.00	17.00	1.08				
	Declustered Sample	5 826	0.00	17.00	1.05	3%			
	Declustered Sample Kriging Mean	54 548	0.00	17.00	0.88	18%			
	Moving Window Average	53 063	0.02	6.07	0.95	12%			
	Panel Kriging Mean	29 693	0.02	7.05	0.91	16%	14%	3%	5%
	Informed Blocks < 10 m	32 935	0.02	6.19	1.07	1%	2%	21%	13%
	Less Informed Blocks + 10 - 25m	74 951	0.02	7.05	0.93	14%	12%	5%	3%
	Less Informed Blocks + 25m	10 724	0.06	3.39	0.74	31%	29%	16%	22%

Table 7-28 Composites Versus Blocks Au ppm Estimation Domain 5004_3 (5304)

Domain	Category	Count	Min	Max	Mean	RD B/S	RD B/S Declw	RD B/S DedK	RD B/S MWA
53 04	Sample	63	0.05	16.00	1.75				
	Declustered Sample	63	0.05	16.00	1.49	13%			
	Declustered Sample Kriging Mean	4 505	0.01	16.00	0.95	46%			
	Moving Window Average	1 951	0.14	4.89	1.14	35%			
	Panel Kriging Mean	1 156	0.15	5.36	1.07	39%	28%	13%	6%
	Informed Blocks < 10 m						no blocks with less than 10m average distance		
	Less Informed Blocks + 10 - 25m	2 104	0.15	5.36	1.33	24%	10%	41%	17%
	Less Informed Blocks + 25m	1 135	0.16	1.58	0.68	61%	55%	29%	41%

Table 7-29 Composites Versus Blocks Au ppm Estimation Domain 5005_3 (5305)

Domain	Category	Count	Min	Max	Mean	RD B/S	RD B/S Declw	RD B/S DedK	RD B/S MWA
53 05	Sample	2 27	0.01	5.00	0.73				
	Declustered Sample	2 27	0.01	5.00	0.71	3%			
	Declustered Sample Kriging Mean	3 200	0.00	5.00	0.61	17%			
	Moving Window Average	2 344	0.03	1.52	0.62	16%			
	Panel Kriging Mean	1 384	0.02	1.48	0.57	23%	20%	7%	8%
	Informed Blocks < 10 m	8 72	0.02	1.48	0.59	20%	17%	4%	5%
	Less Informed Blocks + 10 - 25m	3 359	0.04	1.30	0.60	18%	15%	1%	3%
	Less Informed Blocks + 25m	1 25	0.30	0.94	0.54	27%	25%	12%	13%

Note: Declw = declustered window (40m x 40m x 20m), Declk = declustered kriging (variogram), RD = Relative difference, MWA = moving window average based on panel estimate

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Semi soft boundaries were applied to the estimation process and produced estimated blocks using more samples on average when compared with the original domains, as seen in Figure 7-8. The 3000 domains have higher estimated block averages than the sample domain, and the 5000 domains have lower estimated block averages than the samples within the domain. This discrepancy was due to the mean not accounting for lower grade samples outside the domain as a result of the impact of semi soft boundaries.

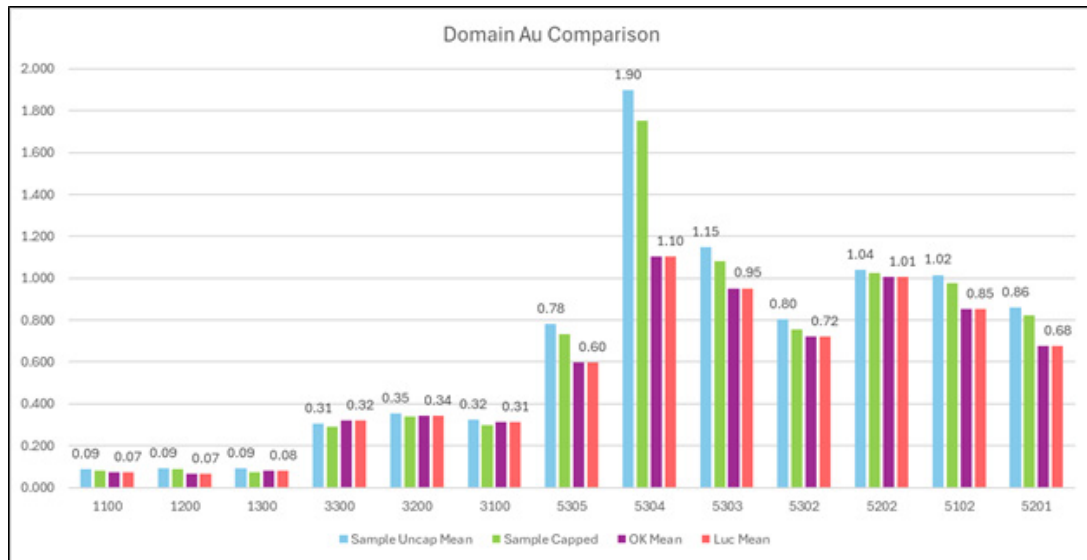


Figure 7-8 Domain Comparison Sample vs Estimation

Representative sectional views (Figure 7-9 and Figure 7-10) demonstrate the visual validation process and typical relationships between composite drill hole grades versus block grades. The representative sections are overlaid with the lidar topography and model blocks cut to the RPEEE \$2,300/oz gold shell.

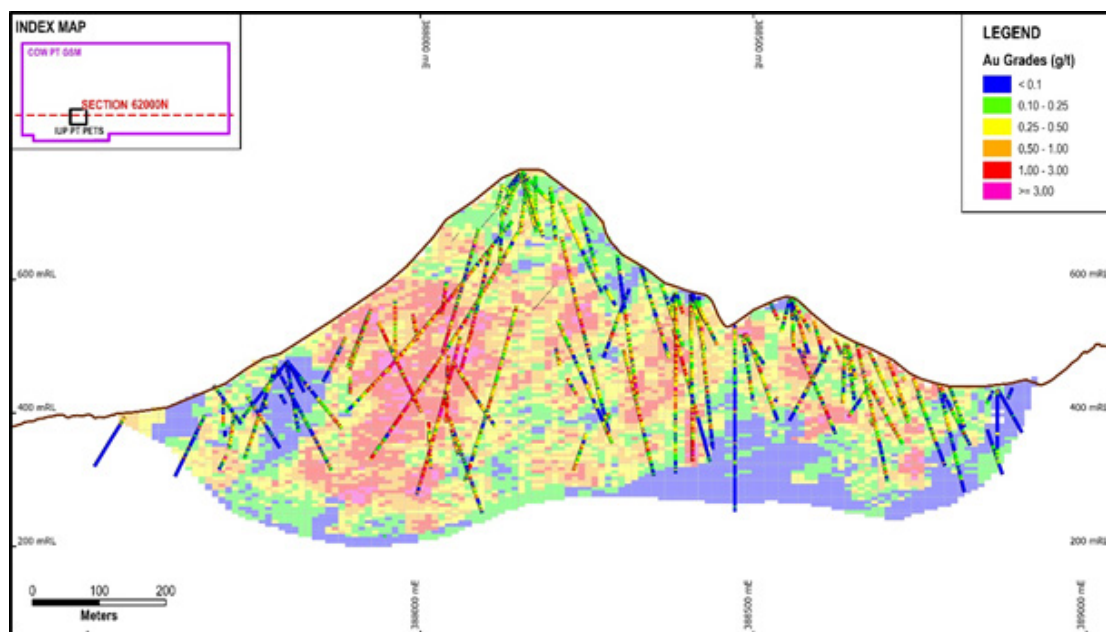


Figure 7-9 Representative East-West Section 62000N

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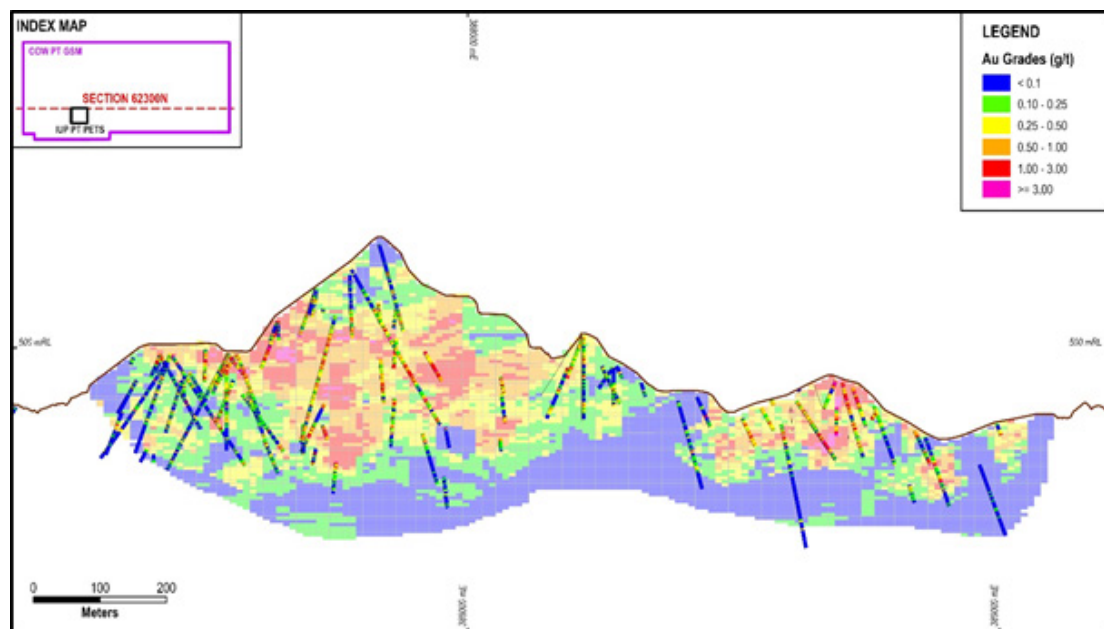


Figure 7-10 Representative East-West Section 62300N

Statistical comparison along easting, northing and elevation are reported through swath plots and tables. Comparison between estimated blocks, informed blocks, composite assays and declustered samples are shown as plots in Figure 7-11 and Figure 7-12, and blocks versus composite statistics in Table 7-30 and Table 7-31.

The graphs in Figure 7-11 and Figure 7-12 explain, in general, the fluctuation of the block grades follows the trend of the average composite and declustered samples. The block grade trends indicate the smoothing effect on the estimation process is not dominant. Table 7-30 and Table 7-31 also show the block estimates have lower grade compared with the composite samples, which is due mostly to the semi soft boundary effects.

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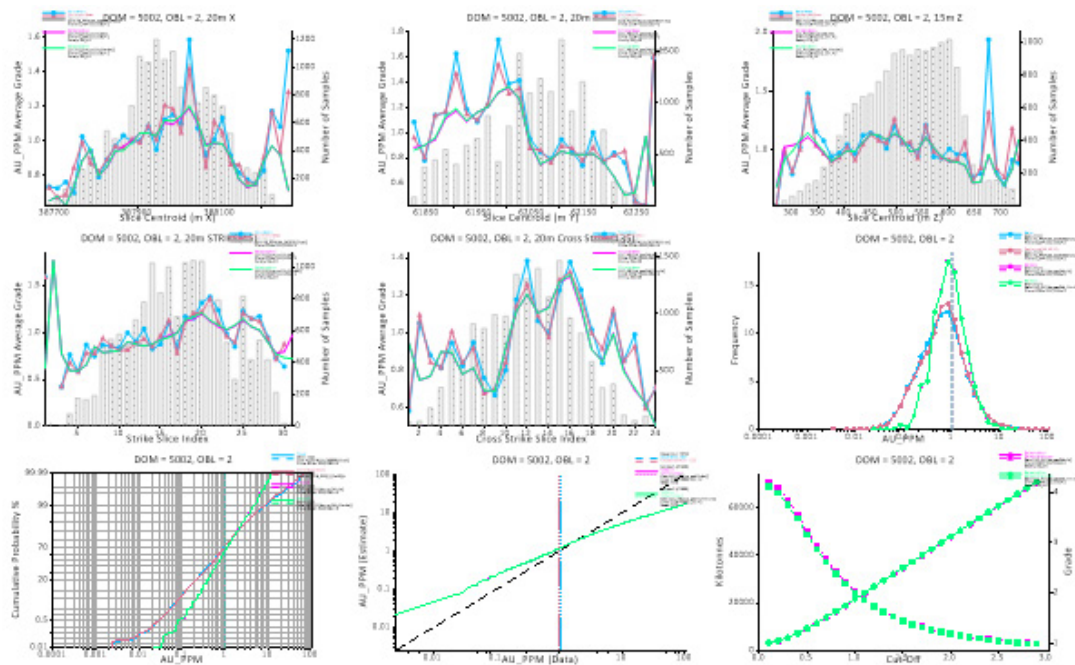


Figure 7-11 Swath Plot for Comps (pink), Declust Comps (blue) vs Blocks (cyan), Informed Blocks (green) for Gold - Domain 5002_2 (5202)

Table 7-30 Composites Versus Blocks LUC Estimate Au ppm Domain 5002_2 (5202)

Statistic	2m comps	Decl Sample	LUC AU	LUC vs Sample (%)	Luc_Au vs Dcl Sample (%)	LUC Informed	LUC Informed vs Sample (%)	Luc_Au Informed vs Dcl Sample (%)
Points	15723	15723	487420	3000	3000	472886	2908	2908
Mean	1.04	1.03	1.01	-2.94	-1.60	1.01	-2.67	-1.32
Std Dev	2.39	2.15	0.92	-61.70	-57.44	0.92	-61.46	-57.18
Variance	5.72	4.63	0.84	-85.33	-81.89	0.85	-85.15	-81.66
CV	2.30	2.10	0.91	-60.54	-56.75	0.91	-60.41	-56.60
Skewness	16.01	15.20	3.25	-79.68	-78.59	3.25	-79.68	-78.59
Kurtosis	444.76	419.24	18.79	-95.78	-95.52	18.75	-95.79	-95.53
Log Mean	-0.64	-0.62	-0.29	-55.52	-53.50	-0.29	-55.66	-53.65
Log Variance	1.26	1.22	0.59	-52.85	-51.41	0.60	-52.53	-51.09
Geom. Mean	0.52	0.54	0.75	43.03	39.09	0.75	43.15	39.21
Log-Est. Mean	0.98	0.99	1.01	2.61	1.65	1.01	2.90	1.94
Maximum	105.72	105.72	17.30	-83.64	-83.64	17.30	-83.64	-83.64
75%	1.07	1.08	1.25	16.70	15.53	1.25	16.72	15.55
50%	0.54	0.57	0.75	39.19	32.15	0.75	39.39	32.34
25%	0.25	0.26	0.46	83.47	75.04	0.46	83.08	74.66
Minimum	0	0	0.02	776.09	776.09	0.02	776.09	776.09

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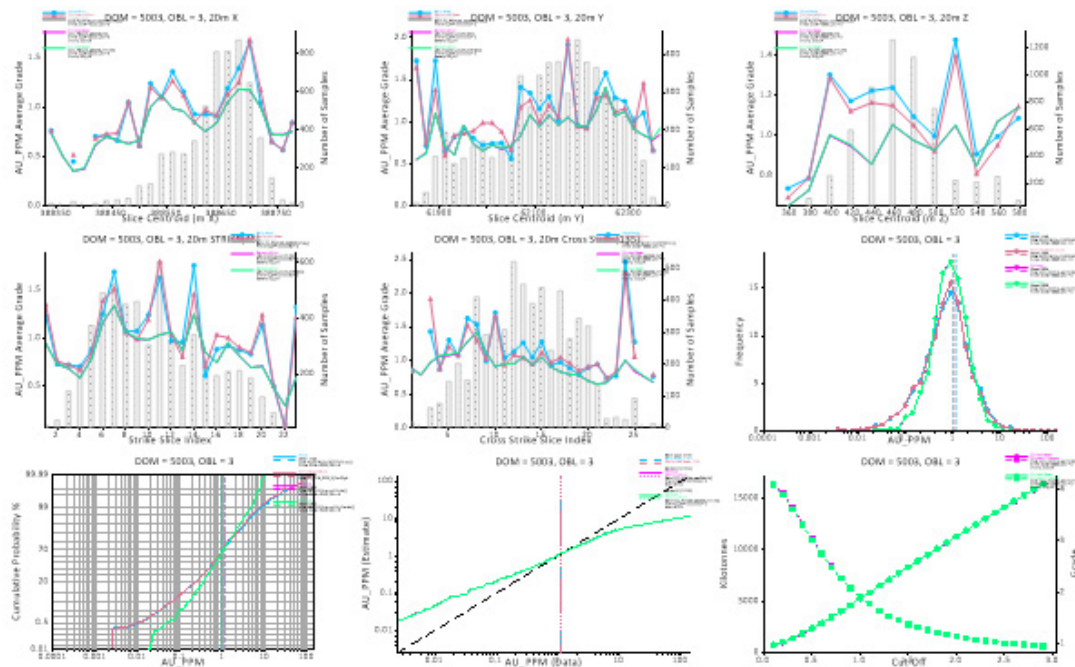


Figure 7-12 Swath Plot for Comps (pink), Declust Comps (blue) vs Blocks (cyan), informed Blocks (green) for Gold - Domain 5003_3 (5303)

Table 7-31 Composites Versus Blocks LUC Estimate Au ppm Domain 5003_3 (5303)

Statistic	2m comps	Decl Sample	LUC AU	LUC vs Sample (%)	Luc_Au vs Dcl Sample (%)	LUC Informed	LUC Informed vs Sample (%)	Luc_Au Informed vs Dcl Sample (%)
Points	5,778	5,778	118,622	1,953	1,953	117,866	1,940	1,940
Mean	1.15	1.09	0.95	-17	-12.82	0.96	-16.84	-12.66
Std Dev	3.07	2.99	0.89	-71.17	-70.38	0.89	-71.12	-70.33
Variance	9.44	8.94	0.78	-91.69	-91.23	0.79	-91.66	-91.20
CV	2.67	2.73	0.93	-65.27	-66.03	0.93	-65.27	-66.03
Skewness	25.10	27.65	2.85	-88.64	-89.69	2.85	-88.66	-89.70
Kurtosis	958.83	1,112	12.97	-98.65	-98.83	12.93	-98.65	-98.84
Log Mean	-0.57	-0.60	-0.38	-33	-35.48	-0.38	-33.27	-35.74
Log Variance	1.49	1.45	0.72	-51.69	-50.63	0.72	-51.61	-50.55
Geom. Mean	0.56	0.55	0.68	20.86	23.56	0.68	21.05	23.75
Log-Est. Mean	1.18	1.14	0.97	-17.68	-14.48	0.98	-17.50	-14.30
Maximum	144.25	144.25	11.79	-91.83	-91.83	11.79	-91.83	-91.83
75%	1.19	1.14	1.16	-1.98	1.77	1.17	-1.63	2.14
50%	0.62	0.62	0.70	11.46	11.26	0.70	11.90	11.70
25%	0.29	0.29	0.39	35.79	36.73	0.39	35.95	36.90
Minimum	0	0	0.02	620.20	620.20	0.02	620.20	620.20

7.10 Mineral Resource Classification

The Pani mineralised domains are of sufficient grade, geological continuity and drill density to support the classification criteria of Measured, Indicated and Inferred Mineral Resources as defined in the JORC. The resource classifications applied were determined using a range of criteria when determining the appropriate classification. These included:

- Geological, grade and volume continuity
- Drill data density, spacing and quality

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- Estimation methodology
- Kriging quality (i.e., slope of regression, local estimation bias)
- Reliability of supplied depletion and topography surfaces

As with any non-rigidly defined classification there will always be some blocks within categories that depart from the defined criteria. It is the Competent Person's view that the outcome must reflect a practical combination of both geological knowledge and estimation quality parameters that may be more numerical in nature. This approach to classification aims to avoid creating a complex numerically based 'mosaic' or 'spotted dog' distribution of classified blocks.

JORC Code require that all reports of Mineral Resources have a RPEEE, as defined in clause 19, quoted as follows:

"The term "reasonable prospects for eventual economic extraction" implies a judgement (albeit preliminary) by the CPI in respect of the technical and economic factors likely to influence the prospect of economic extraction, including the approximate mining parameters. In other words, a Mineral Resource is not an inventory of all mineralisation drilled or sampled, regardless of cut-off grade, likely mining dimensions, location or continuity. It is a realistic inventory of mineralisation, which, under assumed and justifiable technical and economic conditions, might, in whole or in part, becomes economically extractable."

The Mineral Resource estimate assumes bulk extraction using open pit mining methods and recovery for gold by a gravity and a carbon in leach (CIL) circuit and a heap leach circuit.

The Mineral Resource estimate is reported based on open pit methods with assumed internal selectivity based on the selective mining unit (SMU). The 40 mE × 40 mN × 10 mRL and 20 mE × 20 mN × 5 mRL parent block size are an appropriate cell size for the panel estimate and the 5 mE × 5 mN × 2.5 mRL is an appropriate SMU.

Ongoing technical studies at Pani have established preliminary mining, metallurgical and other economic factors for an open pit mine, with recovery via a combination of gravity, heap leach and CIL extraction. Initial studies have established the potential "cut-off" grade for heap leach operations of approximately 0.25 g/t Au.

An RPEEE code (RPEEE24b = 1) was defined for all blocks above the constraining pit optimisation shell. The RPEEE AU pit shell was generated using the following parameters:

- US \$2,300/oz Au
- Cut-off grade of 0.2 g/t
- Slope angles of 40°
- Measured, Indicated and Inferred were used in the pit optimisation

Grade extrapolation was restricted by the mineralisation wireframes. Mineralised geological domains have been interpreted from geological logging, interpreted lithology and logged number of veins and fractures. The mineralised domains are based on logged veining, indicator iso-shells studies and geological matrix analysis.

The continuity and volume of the mineralised domains have been established by drilling to a confidence level where the grade and quantity can be reasonably assumed.

In general, the interpreted mineralised volumes have not been extrapolated more than the average drill hole spacing down dip or along strike, which adequately constrains the mineralised volume to the expected limit of the assumed geological and grade continuity.

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The drill hole spacing ranges from 150 m x 150 m in poorly informed areas, to approximately 20 m x 20 m within the more densely drilled zones of the GSM and eastern PETS area. Infill drilling between the GSM and the PETS area provides enough information to allow confident interpretation of the geological framework and a reasonable assessment of the mineralisation continuity on both sides of the mountain.

The sampling, assay and QAQC procedures have been verified internally by MGR and externally by Mining One, and are considered by the Competent Person to be sufficient to form the basis of a Mineral Resource suitable for classification in accordance with JORC Code.

The drilling database represents an appropriate record of the drilling and sampling undertaken at the project. In general, drilling, surveying, sampling, analytical methods and controls are considered appropriate for the style of mineralisation under consideration.

QAQC analysis, independent data verification and verification drilling has demonstrated the MGR and historical drilling data is of a precision level suitable for use in mineral resource estimation.

It is reasonable to expect that further resource definition drilling within the Inferred areas could result in significant material departures (both positive and negative) from the current mineral resource estimate. This is reflected in the classification of the Mineral Resource.

The 3D modelling methods and the associated search and interpolation parameters used in the Ordinary Kriging (OK) and the LUC methodologies are considered appropriate for the estimation of the Mineral Resource at this stage of the project. Appropriate risk adjustments in the form of high-grade assay caps have been applied to limit the influence of statistical outliers and rigorous model validation has been undertaken. Potential overestimated grade on the edge of the high-grade domain boundaries have been reduced by applying semi soft boundary methods, resulting in a gradational grade extrapolation between domains.

Resource classifications were assigned to the estimate for all volumes which passed the RPEEE criteria discussed previously. These classifications took into consideration the following factors:

- Resource drilling – the confidence in the interpretation boundaries and related mineralisation volumes related to the number, spacing and orientation of the available drilling
- Continuity modelling – the spatial continuity of the respective domains based on variogram analysis
- Estimation quality – the assessment of key estimation kriging statistics
- Validation results – the consideration of how well the underlying domain data is reflected in the estimated blocks as assessed by global statistics and local trend plots

The resource classification was completed by assessing each of the estimation domains independently against the drill data defining them. A series of polygons were developed on 20m spaced east-west sections for the assignment of the applicable resource classification. In general, the classification criteria applied can be summarised as follows:

- The Measured Mineral Resource is defined by a nominal drill spacing of < 20 mN x 20 mE, supported by a kriging slope of regression > 0.7 for gold, is constrained within the \$2,300/oz Au economic pit shell and within the mineralised estimation domains (3000 and 5000)
- The Indicated Mineral Resource has a nominal drill spacing of < 40 mN x 40 mE, a kriging slope of regression of the estimated gold grade of > 0.45, above the constraining economic pit shell at \$2,300/oz Au and within the mineralised estimation domains (3000 and 5000)

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- The Inferred Mineral Resource is material within the mineralised estimation domains, above the constraining economic pit shell at US\$2,300/oz Au and with adequate drill hole spacing to support geological and grade continuity (i.e. < 100 mN x 100 mE)

The classification for silver was assumed to be the same as the gold due to the limited materiality of the element.

Surface stockpiles were classified as Measured. This was supported by grade control drilling, volume surveys and cross checks against reconciliation data.

This general classification approach was adjusted to ensure consistent zones of equivalent confidence resources were generated. The Measured, Indicated, and Inferred Mineral Resource classification appropriately reflects the view of the Competent Person for the resource. Refer to Figure 7-13 for Pani Gold Project resource classification map.

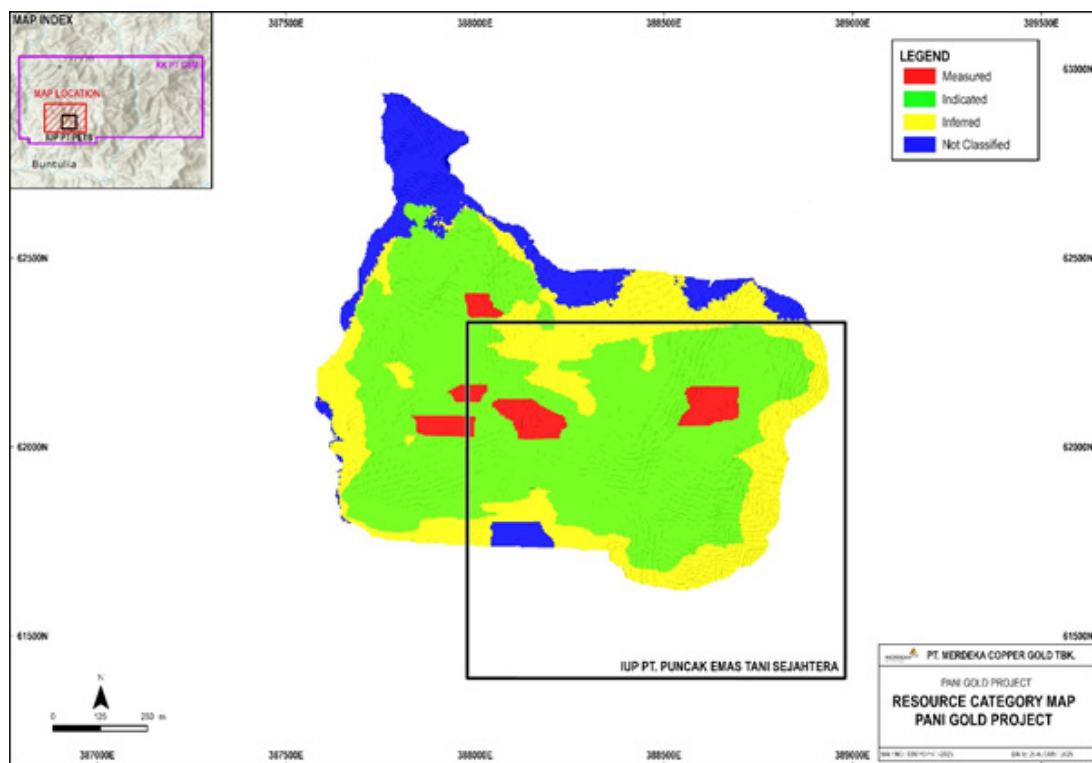


Figure 7-13 Pani Resource Classification Map

7.11 Mineral Resource Statement

The Pani Mineral Resource estimate combines the mineral resources contained in both the GSM CoW and the PETS IUP. The block model was depleted as of 31 December 2025 (Dec-25 MRE) with a cut-off grade of 0.2 g/t Au and above a December 2024 RPEEE shell at a gold price of \$2,300/oz. Resources are reported as Measured, Indicated and Inferred and include 0.9 Mt of surveyed surface stockpiles (Table 7-32). Comparison with the previous MRE at Pani Gold Mine (Sep-25) is also presented.

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Table 7-32 Comparison of Current to Previous Pani MREs (>0.2 g/t Au cut-off above RPEEE \$2,300/oz gold)

MRE	Classification	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Au (Moz)	Ag (Moz)
Dec-25	Measured	7.7	0.87	1.66	0.2	0.4
	Indicated	235.6	0.77	0.73	5.9	5.6
	Inferred	48.2	0.59	0.37	0.9	0.6
	Total	291.5	0.75	0.71	7.0	6.6
Sep-25	Measured	7.6	0.92	1.51	0.2	0.4
	Indicated	236.6	0.77	0.74	5.9	5.6
	Inferred	48.2	0.59	0.37	0.9	0.6
	Total	292.4	0.75	0.70	7.01	6.6
Difference	Global	-0.9	0	0.01	-0.01	0
Relative Difference . . .	Global	0%	0%	1%	0%	0%

Notes:

- Both MREs are flagged by the August 2024 RPEEE
- Block model Dec-25 MRE: bm_pan24b_eng_meas.dm
- Database cut-off date: 8 August 2024
- Topography/depletion surface Dec-25 MRE: update_basemap_topo_all_baganite_260101_void2_DTMTR.dm
- Reported within a US\$2,300/oz Au pit shell (rpeee_for_24bTR.dm). The pit shell was generated using a gold recovery of 93%, an average mining cost of US\$1.95/t, a processing cost of US\$18.25/t and an overall pit slope angle of 40 degrees, gold royalty 10%
- Dec-25 MRE includes 0.9mt @ 0.50g/t Au and 3.86g/t Ag of Measured surface stockpiles surveyed as of 31 December 2025. Grades based on grade control data acquired during mining.
- Mineral Resources are not Mineral Reserves and may not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues
- Figures may not add up due to rounding

Comparison of the Dec-25 to Sep-25 MREs at a ≥ 0.2 g/t Au threshold and above the RPEEE shell defined at the time for each MRE resulted in a 0.01 Moz global gold ounce decrease due to depletion during that period. Both the Dec-25 and Sep-25 MRE are based on the block model used for the Q2 2024 MRE (bm_pan24b).

The major update for the Sep-25 MRE was a relatively small volume of Indicated upgraded to Measured (refer to Table 7-1) that was isolated to densely drilled areas (< 20 m x 20 m spacing) exhibiting good estimate performance (slope of regression > 0.7). This update took place after internal review of the MRE and incorporation of recommendations from Mining One after a previous external review of the Q2 2024 MRE.

The only changes from the Sep-25 to Dec-25 MRE were a revised topography/depletion surface and addition of surveyed surface stockpiles to 31 December 2025. The amount of depletion exceeded stockpile balances, resulting in the relative differences noted in Table 7-1.

7.12 Grade Sensitivity Analysis

The global resource model quantities at Pani are shown in Table 7-33 to demonstrate grade sensitivity based on the reporting cut-off grade. The resource quantities are presented to show the change in tonnage and grade based upon cut-off grade and exclude surveyed surface stockpiles.

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Table 7-33 Pani Global Resource Model Quantities

<u>Cut-off (Au g/t)</u>	<u>Tonnes (Mt)</u>	<u>Au (g/t)</u>	<u>Ag (g/t)</u>	<u>Au (Moz)</u>	<u>Ag (Moz)</u>
0.0	444	0.52	0.60	7.5	8.6
0.2	291	0.75	0.69	7.0	6.4
0.4	188	0.99	0.75	6.0	4.5
0.6	125	1.25	0.81	5.0	3.3
0.8	85	1.50	0.88	4.1	2.4
1.0	59	1.77	0.95	3.4	1.8
1.2	43	2.03	1.02	2.8	1.4
1.4	31	2.29	1.08	2.3	1.1
1.6	24	2.55	1.15	1.9	0.9
1.8	18	2.79	1.22	1.7	0.7
2.0	15	3.04	1.29	1.4	0.6

Notes:

- Block model: Dec-25 MRE (bm_pan24b_eng_meas.dm)
- Topography/depletion surface: update_basemap_topo_all_baganite_260101_void2_DTMTR.dm

A grade tonnage curve of the resource quantities for gold is illustrated in Figure 7-14.

The reader is cautioned that the resource quantities presented in Table 7-33 and Figure 7-14 are not to be misconstrued with a Mineral Resource Statement. The resource quantities are only presented to show the sensitivity of the block model estimate in relation to various cut-off grades.

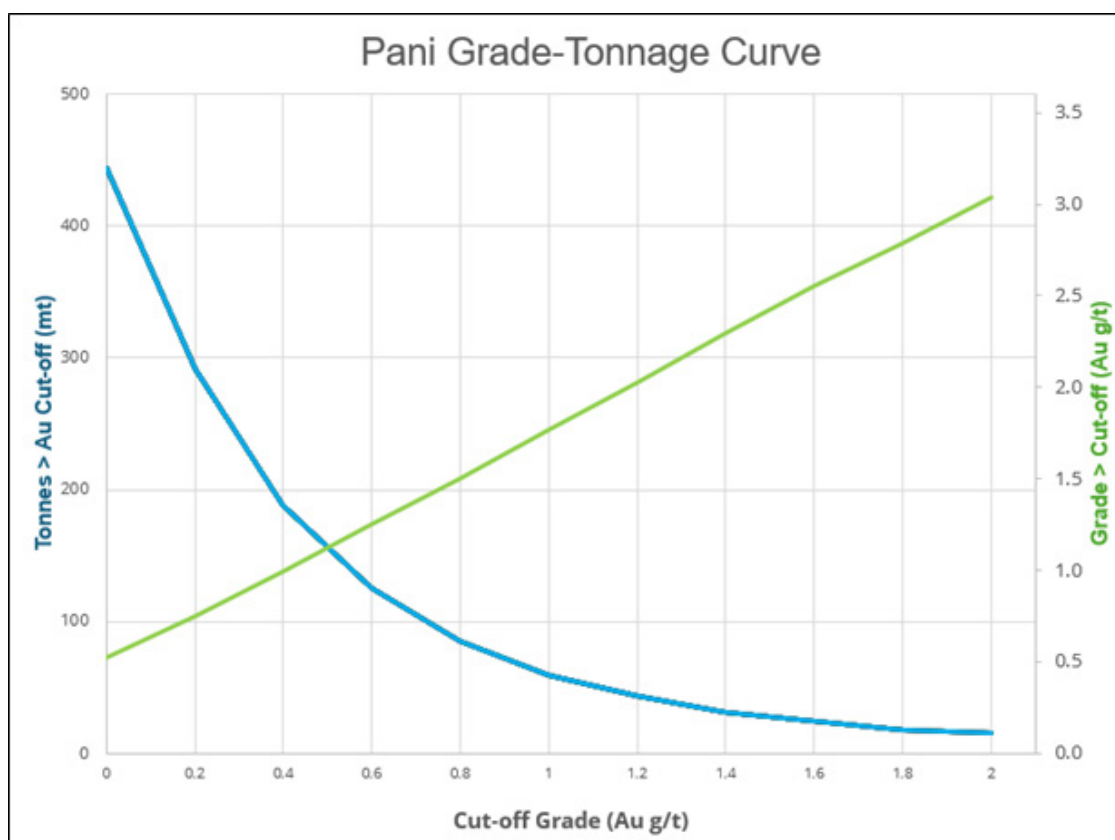


Figure 7-14 Pani Gold Grade-Tonnage Curve

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7.13 Exploration Potential and Recommendations

Based on the site visit and review of the resource estimate and associated data, recommendations on exploration potential are as follows:

Continued exploration work at the two prospects and broad prospective area at Pani:

- Kolokoa Prospect: Active diamond drilling was observed during the site visit at the Kolokoa prospect south of Pani. Continuing with step-out drilling in this area is recommended, as testing for continuity of mineralisation may confirm the presence of a single larger-scale epithermal system.
- Lone Pine Prospect: A separate mineralised system known as Lone Pine has been interpreted to the north of Pani, and was observed from the mine lookout during the site visit. Mining One agree that Merdeka's future plans for geological mapping and a scout drill program are appropriate methods to test mineralisation extents.
- Dome Perimeter (extension of the proposed open pit): Near-mine and exploration upside potential exists to the northeast and south of the planned Pani open pit. The geological model provides a prospective volume to drill test to its limits, particularly given prospective structural features have previously been mapped at these extents. Investigation into the source of epithermal mineralisation is ongoing, with deeper drilling under the current mineralisation recommended to test for feeder structures and a possible porphyry source to mineralisation. This area is prospective as Pani mineralisation is open at depth and additional drilling at depth may reveal additional resources.

Continued structural data collection:

- Pani is structurally complex and data capture from drill core and mapping continues to be taken to a high standard, with 3D models being guided by this data. Newly exposed pit walls should be mapped and additional structural data captured and appended to the existing database for ongoing modelling.

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8 ORE RESERVE ESTIMATION

8.1 Ore Reserve Estimation Overview

The estimation of Ore Reserves for Pani has been completed by Mining One in accordance with the standards and guidelines as set out in JORC Code.

The JORC Code defines an “Ore Reserve” as:

“the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.”

The conversion from Mineral Resources to Ore Reserves is guided by the Code’s terminologies which are described in Figure 8-1.

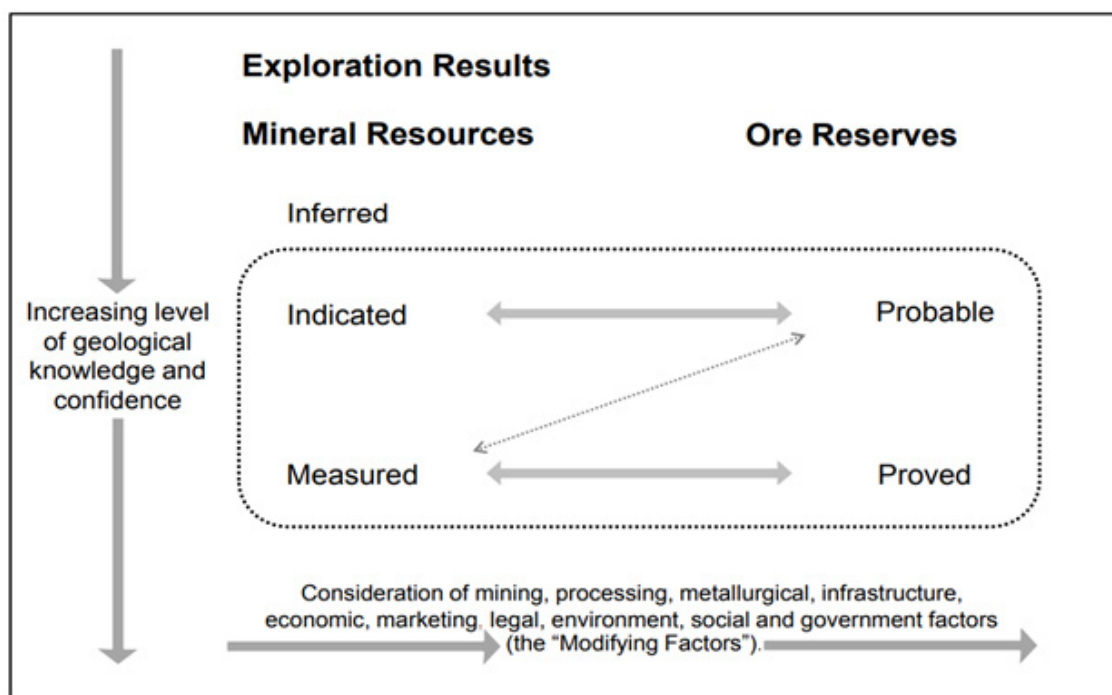


Figure 8-1 General Relationship between Mineral Resources and Ore Reserves

The Ore Reserve Estimates are based on technical studies conducted at pre-feasibility study (PFS) level or higher as is required by the JORC Code. Operational data gathered since operations begun at Pani have also been incorporated.

8.2 Technical Studies

Mining One has conducted a review of the relevant technical studies and operational data to verify that, at the time of reporting, the mineable part of the Mineral Resource forms the basis of a technically and economically viable project, after taking account of material Modifying Factors.

The key technical study reviewed is the ‘Feasibility Study Report Pani Gold Project Update 14 March 2024’, referred to as “FS 2024”.

FS 2024 is the latest published feasibility study and follows a previous study completed in 2022. Additional studies have been conducted since FS 2024 was completed for the purposes of refining FS 2024 and unlocking the full potential of Pani. These additional

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studies underpin the increase in Ore Reserves from FS 2024 Ore Reserves estimates to current estimates. Keys amongst these supportive studies are:

- Pani Tailing Storage Facility (TSF) Hulawa Prefeasibility Design Summary; and
- Filtered Tailings Facility (FTF) Design PFS.

In addition to reviewing relevant technical and supportive studies, Mining One has assessed the Modifying Factors adopted in FS 2024 and/or their modifications as used in subsequent reports to be acceptable for the reporting of Ore Reserves. Additionally, Mining One has generated its own independent life of mine schedule to validate Pani’s internally generated mine schedule. The Ore Reserves Estimates and the mine schedule reported in this document are based on Mining One’s independently generated life of mine schedule for Pani.

Only open pit operations are considered for the reporting of Ore Reserves Estimate presented in this Report.

8.3 Cut-off Grade

Gold constitutes the primary Mineral Resource of Pani and serves as the main saleable product. Silver is considered a by-product and its sale in the form of silver bullion contributes approximately 1% of the total net revenue for Pani Gold Mine. Due to its relatively low contribution to net revenue, silver revenue is not considered in the estimation of cut-off grade. Gold grade is used in classifying material into “ore” or “waste”.

Although the JORC Code allows for marginally economic material to be included in Ore Reserves, Pani adopts the use of break-even cut-off grade (COG) in estimating Ore Reserves. Cut-off grades have been estimated for different material weathering (oxide, transition, fresh and tuff) depending on material location within the pit (Pani or Baganite area) and processing path — HL or CIL.

Input parameters used in estimating COGs have been updated since FS 2024. Table 8-1 provides updated input parameters and values used in determining COG, calculated using the formula:

$$COG = \left\{ \frac{C_P + C_G}{\left[\frac{P_g \times (1 - R_T) - C_R}{K_T} \right] \times R_P} \right\} / (1 - D_F)$$

where:

C_P : Processing operating cost

C_G : General and administration costs

P_G : Price of Gold in US \$/oz

K_T : Conversion factor for troy ounces to grams

R_T : Total applicable royalty payments in percentage

C_R : Refining Costs

R_P : Overall plant processing recovery for gold

D_F : Dilution Factor

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Table 8-1 Estimated Cut-off Grades for Process Path, Material Location and Weathering

Parameter	Unit	CIL	Heap Leach						
		All Areas	All Areas	Baganite			Pani		
		Ox, Tr, Fr	Tuff	Ox	Tr	Fr	Ox	Tr	Fr
C_P	\$/t.ore	11.59	5.04	5.04	5.04	5.04	5.04	5.04	5.04
C_G	\$/t.ore	1.91	3.77	3.77	3.77	3.77	3.77	3.77	3.77
P_G	\$/oz	2,300	2,300.00	2,300	2,300	2,300	2,300	2,300	2,300
K_T		31.1035	31.1035	31.1035	31.1035	31.1035	31.1035	31.1035	31.1035
R_T	%	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
C_R	\$/oz	2.52	2.52	2.52	2.52	2.52	2.52	2.52	2.52
R_P	%	92.56	75.00	70.00	62.00	36.00	86.90	85.00	50.00
D_F	%	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
COG – Calculated .	g/t	0.24	0.19	0.20	0.23	0.40	0.16	0.17	0.29
COG – Preferred . .	g/t	0.24	0.20	0.20	0.23	0.40	0.20	0.20	0.29

Notes:

1. All dollar amounts are in US\$.
2. A minimum cut-off grade of 0.20 g/t is preferred to align with the minimum cut-off used for reporting Mineral Resources.

Depending on material weathering and location within the pit COG ranges between 0.20 g/t and 0.40 g/t if material is processed through the HL plant. Irrespective of material weathering, COG of 0.24 g/t is estimated when material is processed through the CIL plant.

The use of 0.20 g/t presents an opportunity for growth of Mineral Resources and Ore Reserves as the calculated cut-off for some domains is lower than 0.20 g/t.

The application of grade cut-over strategies to classify ore into discrete high-grade and low-grade bins is operationally constrained by the topographical limitations of the Pani deposit. The terrain restricts the establishment of dedicated stockpile areas, thereby limiting the feasibility of selective high-grading practices. Consequently, Life-of-Mine (LOM) schedule developed by Mining One adopts a conservative approach by excluding cut-over implementation for preferential high-grade plant feed. This conservative stance ensures operational simplicity while maintaining consistent throughput. However, the absence of cut-over utilisation presents a future opportunity. As additional real estate becomes available in future phases of development, the creation of segregated stockpiles could enable strategic blending and prioritisation of higher-grade ore to optimise plant feed and possibly enhance overall project economics.

8.4 Modifying Factors

‘Modifying Factors’ are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors. The key factors include mining losses and dilution, open pit optimisation and design, processing and metallurgical factors.

8.4.1 Mining Dilution and Ore Loss

Mining dilution and ore losses have been introduced by regularising the Mineral Resource block model of a 5 mX x 5 mY x 2.5 mZ block size dimension to a 10 mX X 10 mY X 7.5 mZ for mine engineering and Ore Reserves purposes. This regularisation process is to standardise model block sizes based on mining techniques and size of proposed mining equipment. Block height of 7.5 m corresponds to blast bench height, while 10 m x 10 m sizes fit the proposed mining fleet. This step incorporates ore dilution and ore loss into the block model:

- Dilution occurs when a sub-block with a grade below ore cut-off grade is averaged into the regularised block with an average grade that is above the ore cut-off grade.

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- Ore loss occurs when sub-blocks that meet the ore cut-off grade are combined with other blocks that results in the regularised block grade being below the ore-cut-off grade.

The grade tonnage curve between MR block model and regularised block model was compared to show the change in grade and tonnes of material at different cut-off grade due to the regularisation process. Figure 8-2 shows the grade tonnage curves for Indicated resources only.

The ore dilution and mining recovery were back calculated by comparing the tonnes and gold grade in the regularised model to the tonnes and gold grade in Mineral Resource Model. From the chart, at cut-off grades of 0.20-0.40 g/t Au, the ore dilution is estimated to be 2 to 3% with no losses. These dilution and mining recovery estimate are typical of operations with massive orebody intended to be bulk-mined to take advantage of economies of scale associated with high-volume-low-strip ratio operation such as Pani.

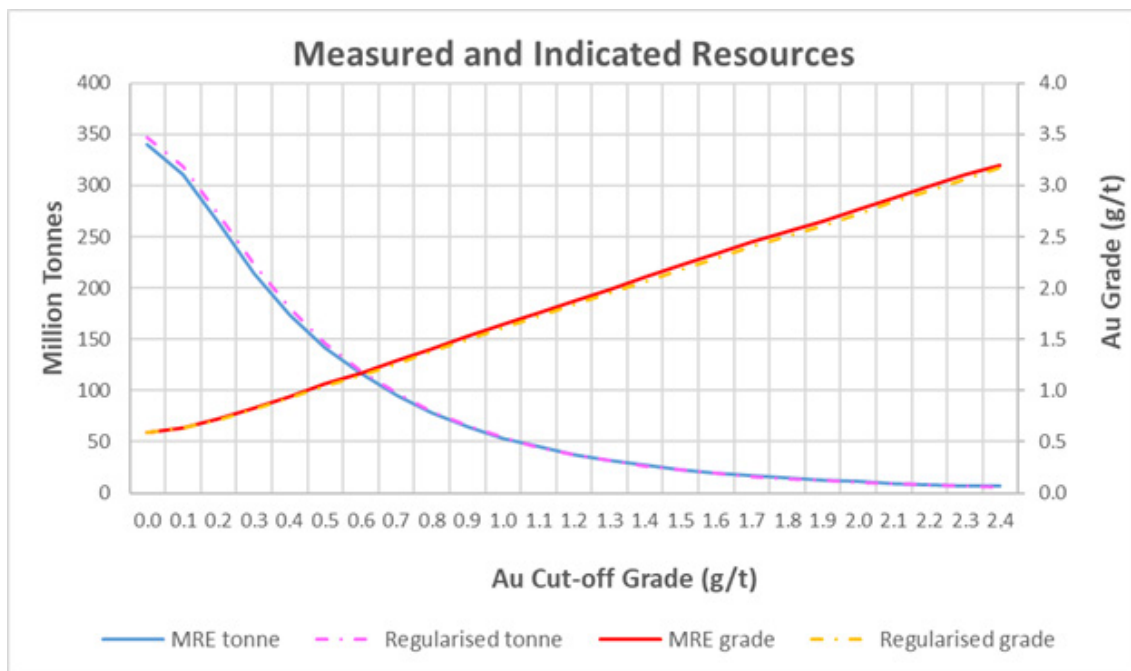


Figure 8-2 Grade Tonnage Comparison – Measured and Indicated Resources

In relation to dilution and ore losses, Mining One has reviewed the performance of the Reserves Block Model. Although the performance results are over the short period of operating, from October to December 2025, the results show that the derived mining dilution and ore losses are likely conservative. The actual performance of the Reserves model is provided in Table 8-2. For additional reference, a grade control model is also used as a comparison. In this context, a grade control block model is a short-term, high-resolution geological and grade model (only at localised area) used to support daily and weekly mine production decisions. The model is typically developed to more accurately define ore and waste boundaries ahead of mining.

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Table 8-2 Block Model vs. Production Physicals Reconciliation, October - December 2025

<u>Mining Physical</u>	<u>Ore Reserve (OR) Model</u>	<u>Grade Control (GC) Model</u>	<u>Actual</u>	<u>GC Model vs. OR Model</u>	<u>Mine Production vs. OR Model</u>	<u>Mine Production vs. GC Model</u>
Tonnes (t)	751,265	898,662	881,513	120%	117%	98%
Au Grade (g/t) . . .	0.47	0.48	0.48	102%	101%	100%
Contained Gold (Oz)	11,426	13,874	13,557	121%	119%	98%

8.4.2 Open Pit Optimisation

The optimal open pit shell is generated by considering revenue from only Measured and Indicated Resources to identify as required by the JORC Code.

Open pit optimisation incorporates geotechnical overall slope angles, gold price, royalties, processing plant recovery, mining, processing, general and administrative costs and refinery charges.

The pit optimisation work is further detailed in Section 9.5.1.

8.4.3 Open Pit Design

Open pit designs have been developed considering pushback sequence generated during open pit optimisation, safe operating requirements of equipment including minimum mining width, haul road design parameters and geotechnical slope design parameters inclusive of berm width, batter face angle and bench height.

Processing and metallurgical factors are discussed in detail later in Section 10 of this report.

8.5 Ore Reserve Statement

In accordance with guidelines specified in the JORC Code, Mining One has estimated the Ore Reserves for Pani Gold Mine. The Ore Reserves estimates are based on Mining One's review of technical studies conducted for the Project and operational records, which together are considered to be at the level of at least Pre-Feasibility Study. The Ore Reserves estimates are reported as ore delivered to the processing plant(s) and form the economically mineable part of the Measured and Indicated Mineral Resources within the designed open pits. The Measured and Indicated Resources have been classified as Proved and Probable Ore Reserves respectively. The Ore Reserves, reported as of 31 December 2025, are for Pani Gold Mine which is the only mine the Company operates.

As of the effective date of 31 December 2025, the Ore Reserves for Pani Gold Mine open pit consists of 203.1 Mt of ore at an average gold grade of 0.79 g/t for 5.2 Moz of contained gold and an average silver grade of 0.84 g/t for 5.5 Moz of contained silver.

Table 8-3 provides the estimates of Ore Reserves for Pani Gold Mine.

Mining One notes that there is opportunity for the Ore Reserves to significantly grow in the future as the current estimates are limited by available capacity for which technical studies at PFS level has been conducted for the purposes of storing tailings generated by the operations. Mining One acknowledges that further technical studies to store tailings, when completed to PFS level, will result in increase in estimates of Ore Reserves.

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Table 8-3 Ore Reserves Statement for Pani Gold Mine as of 31 December 2025

	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes (Mt)	Au Grade (g/t)	Tonnes (Mt)	Au Grade (g/t)	Tonnes (Mt)	Au Grade (g/t)	Contained Au (Moz)
Gold Ore Reserves							
Stockpiles	0.9	0.50	–	–	0.9	0.50	0.0
Heap Leach (HL)	3.9	0.84	58.1	0.62	62.1	0.64	1.3
Carbon-in-Leach (CIL) . . .	2.9	1.07	137.2	0.86	140.1	0.86	3.9
Total Gold Ore Reserves . . .	7.7	0.89	195.4	0.79	203.1	0.79	5.2

	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes (Mt)	Ag Grade (g/t)	Tonnes (Mt)	Ag Grade (g/t)	Tonnes (Mt)	Ag Grade (g/t)	Contained Ag (Moz)
Silver Ore Reserves							
Stockpiles	0.9	3.86	–	–	0.9	3.86	0.1
Heap Leach (HL)	3.9	1.58	58.1	0.90	62.1	0.94	1.9
Carbon-in-Leach (CIL) . . .	2.9	1.03	137.2	0.77	140.1	0.77	3.5
Total Silver Ore Reserves . . .	7.7	1.64	195.4	0.81	203.1	0.84	5.5

Notes:

- Ore Reserves are calculated assuming a long-term average gold price of US\$2,300/oz.
- Rounding may result in apparent summation differences between tonnes, grade and contained metal.
- Estimates of metal contained in the Ore Reserve do not include allowances for processing losses.
- The effective date of the Ore Reserve estimate is 31 December 2025.
- The Ore Reserves are defined at the point where the ore is delivered to the processing plant.
- The Ore Reserves reported above are included in the Mineral Resources and are not in addition to the Mineral Resources.

8.6 Comparison with Previous Ore Reserve Statement (9 September 2025)

For comparison, the previous Ore Reserves Estimate (“ORE”), as at 9 September 2025, is presented in Table 8-4. The comparison indicates that the Ore Reserve tonnes have increased by 260% with contained gold and silver increasing by 270% and 190% respectively. The increase in Ore Reserves is attributable to the following factors:

- Increase in gold price assumption used in estimating cut-off grade from \$1,650/oz in September 2025 ORE to \$2,300/oz in December 2025 ORE. This results in lower economic cut-off grades and a corresponding increase in economically mineable material.
- Increase in capacity of the HL facility. The September 2025 ORE was limited by a heap leach pad capacity of 51.5 Mt. Subsequent studies, completed to at least a PFS level, have demonstrated that heap leach capacity can be expanded to 63 Mt.
- Increase in capacity to store tailings produced from CIL operations. The 9 September 2025 ORE was limited by TSF capacity of 26.0 Mt. Subsequent studies, completed to at least a PFS level, have demonstrated that the TSF capacity can be increased to 89 Mt. In addition, the inclusion of a Filtered Tailings Facility (FTF) with a capacity of 54 Mt results in a total tailings capacity of approximately 143 Mt.

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Table 8-4 Previous Ore Reserves Statement for Pani Gold Mine as of 9 September 2025

	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes (Mt)	Au Grade (g/t)	Tonnes (Mt)	Au Grade (g/t)	Tonnes (Mt)	Au Grade (g/t)	Contained Au (Moz)
Gold Ore Reserves							
Stockpiles	–	–	–	–	–	–	–
Heap Leach (HL)	3.9	0.88	47.7	0.65	51.5	0.66	1.1
Carbon-in-Leach (CIL) . . .	1.4	1.06	24.6	1.00	26.0	1.00	0.8
Total Gold Ore Reserves . . .	5.3	0.93	72.2	0.77	77.5	0.78	1.9
ORE 31 Dec 2025 vs. ORE 9 Sept 2025	145%	96%	271%	103%	262%	101%	274%
	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes (Mt)	Ag Grade (g/t)	Tonnes (Mt)	Ag Grade (g/t)	Tonnes (Mt)	Ag Grade (g/t)	Contained Ag (Moz)
Silver Ore Reserves							
Stockpiles	–	–	–	–	–	–	–
Heap Leach (HL)	3.9	1.98	47.7	0.95	51.5	1.02	1.7
Carbon-in-Leach (CIL) . . .	1.4	1.13	24.6	1.41	26.0	1.40	1.2
Total Silver Ore Reserves . . .	5.3	1.75	72.2	1.10	77.5	1.15	2.9
ORE 31 Dec 2025 vs. ORE 9 Sept 2025	145%	94%	271%	74%	262%	73%	190%

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9 MINING ASSESSMENT

9.1 Mine Operating Status

Mining of alluvial gold deposits was recorded during the Dutch era in the early 20th century. The Dutch attempted dredging the river downstream from the Pani deposit. The Dutch also excavated two (2) exploratory adits above creek level into the lower parts of Pani Ridge. Artisanal hard-rock and alluvial mining continues throughout the greater Pani region.

Under the current ownership, conventional open pit mining operations at Pani Gold Mine commenced in October 2025. The mine is currently at the initial stages of ramping up production.

The actual 2025 production is summarised in Table 9-1.

Table 9-1 Monthly Mine Production Performance for Pani

Mining Physicals	Unit	Actual Performance			Total
		October 2025	November 2025	December 2025	
Ore Mined	t	172,987	228,389	480,137	881,513
Au Grade	g/t	0.33	0.53	0.51	0.48
Ag Grade	g/t	2.65	3.64	4.71	4.03
Au Metal	oz	1,822	3,888	7,848	13,557
Ag Metal	oz	14,740	26,691	72,675	114,107
Waste Mined	t	167,413	29,387	59,073	255,874
Total Material Mined .	t	340,401	257,776	539,210	1,137,387
Strip Ratio	t/t	0.97	0.13	0.12	0.29

Based on public information disclosed in the ‘*Q4 Exploration Report*’ published on 12 January 2026, the exploration program during Q4 2025 was primarily directed toward advancing gold resource development at the Pani Gold Mine. Key highlights of the program are as follows:

- Total estimated exploration expenditure for the quarter was IDR17.69 billion (approximately US\$1.06 million).
- Activities undertaken were as follows:
 - o Surface drilling, geological mapping, and surface sampling
 - o Hardness mapping and modelling using point load tests
 - o Alteration and mineralisation analysis utilizing XRF, ASD, LIBS, and ICP methods
 - o Updates to survey topography and refinement of the geological model
- Target areas were selected based on regional geological considerations and historical exploration data, highlighting mineralisation potential both within and beyond the existing pit limits.
- Two Diamond Drill rigs completed 12 drill holes, totalling 2,199.5 metres, at the Kolokoa prospect.

9.2 Surface Water Hydrology

9.2.1 Surface Water System

The Project area covers part of the Upper Taluduyunu River basin, the river flowing from the north joining the Botudulanga River downstream in the south. The Upper

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Taluduyunu River catchment area is around 62.35 km² with a gradient of 0.54 m/m. The gaining river flow is supplemented by tributaries some of which have seasonal flow only. River flow in the upstream section was recorded 4.8 m³/s in the wet season and 1.2 m³/s in the dry season. Within the downstream section flow was recorded at 8.7 m³/s and 2.5 m³/s, respectively (LAPI ITB 2018). Puulo Creek is the main creek discharging to the river (0.2 m³/s upstream and 0.5 m³/s downstream).

Drainage from the upland area around Pani Hill is generally radial with incised creek valleys removing rainfall runoff rapidly. As the mine pits occupy the top of this hilly area there are no major external inflows draining into the pit area as the surrounding creeks are direct runoff away from the pit perimeter.

9.2.2 Surface Water Quality

Surface water quality assessed from sampling shows conformance with appropriate quality standards, PP 82/2001, except for Zn and Fe. Zn concentrations are consistently in the range 0.07-0.12 mg/L, indicative of reaction with river sediment or mineralised rock, and high Fe concentration are caused by oxidation of iron-rich minerals. In the upstream part of the catchment, illegal mining activity is responsible for high turbidity and associated elevated Fe.

9.2.3 Rainfall

Rainfall analysis of data from the Baganite weather station (Pani Hill) and satellite rainfall data shows the average annual rainfall is approximately 1,814 mm/year with monthly rainfall ranging between 72 and 200 mm/month. Dry season rainfall between August and October ranges between 85 to 111 mm/month. The estimated average annual evaporation is 1,489 mm/year, with monthly values ranging between 102 to 137 mm/month.

Design rainfall intensity has been determined from analysis of the long-term rainfall data with intensities of 204 mm/day for a 10-year ARI and 267 mm/day for a 50-year ARI.

9.2.4 Surface Water Management

The final pit outline is divided into 6 excavated and one unexcavated catchment for the purpose of drainage design. Surface water entering the pit, together with direct rainfall and groundwater seepage and inflow, requires removal to maintain the safety and progress of mining work (Figure 9-1).

Components of the surface water management system are as follows:

- Cut-off drain: Collects and directs surface water away from the mining area.
- Grading: Creates controlled slopes to guide water runoff to designated drainage features.
- Bund walls: creates a boundary structure to redirect runoff towards a designated outlet.
- Contact drain: Collects groundwater or surface water to nearest sump pit.
- Sump: Constructed at the lowest elevation of the pit to gather water entering the pit or operational areas for pumping to the nearest collection/sediment pond.
- Collection/Sediment Pond: Retains and treats water runoff or pumped from sump for removing sediments and pollutants.
- Control Point: Monitors water flow and quality to meet the required standard regulation.

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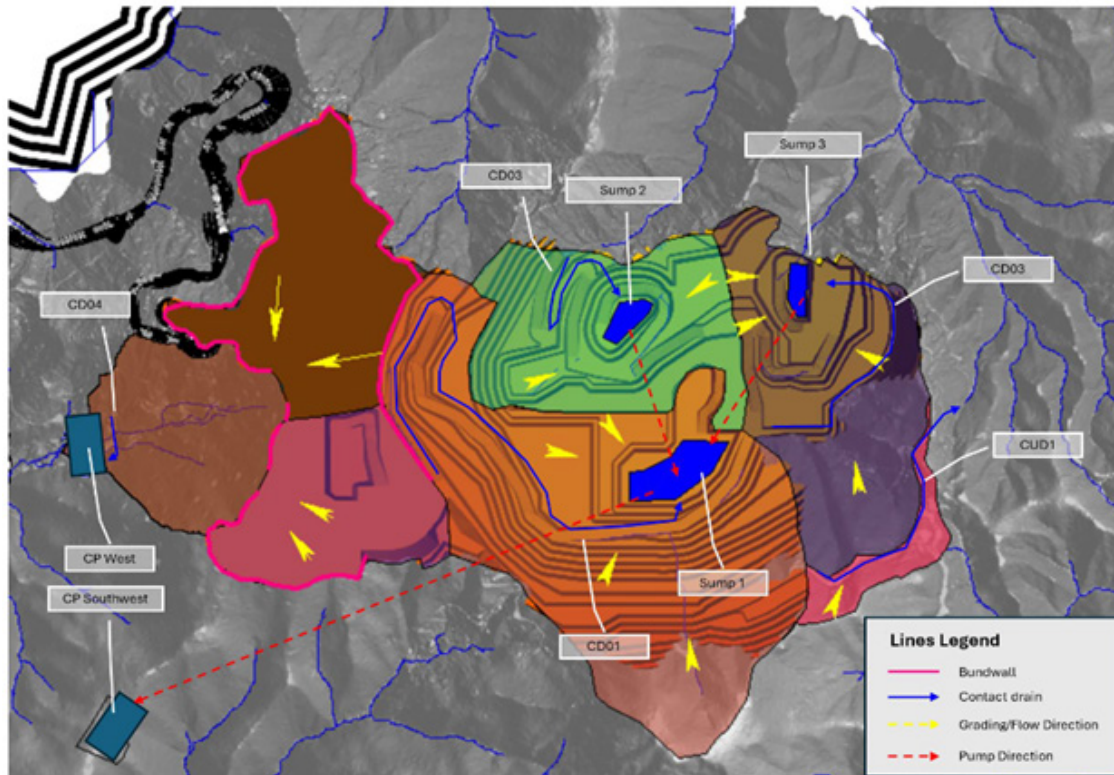


Figure 9-1 Outline Pit Water Management (WSP 2023)

9.2.5 Water Balance Assessment

The water balance simulates the components of the water management system and their performance in response to hydrological events. This is driven by dynamic or stochastic variables such as precipitation and evaporation, and considers the uncertainty of processes, parameters, and events. The water balance model incorporates the operational performance and management requirements of the system which may be defined by rules, regulations, and required operating conditions and constraints.

The GoldSim model approach assess the water management design and strategy by evaluating the storage levels of collection ponds, sumps, and the impact from climatic variability as these relate to the pit development stages and the changing demand for storage and pump requirements (Figure 9-2). The model is applied to determine sump overflow probability, average drying time during high rainfall events, proposed pump sizes and discharge volumes from the collection pond.

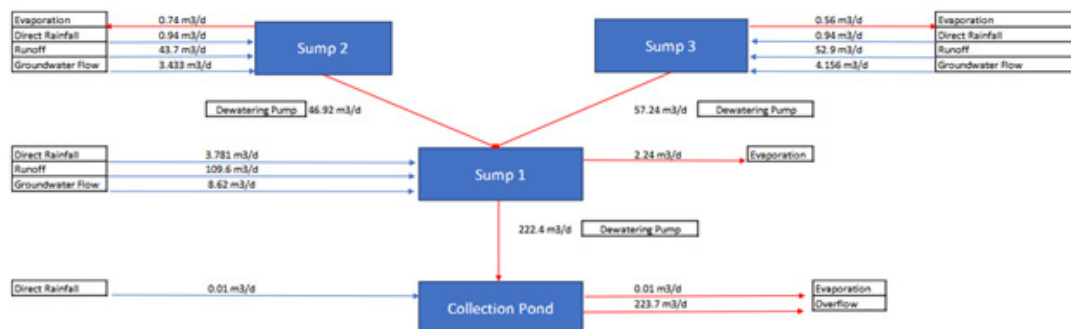


Figure 9-2 Water Balance Flow Diagram (WSP 2023)

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The capability of the dewatering pump required to dry out the pit within 3 days is around 223 m³/day. The probability of overflow is less than 1% throughout the year. Two sediment ponds are therefore proposed to control discharge and sediment in the water to be pumped from the PETS pit.

9.3 Hydrogeology

9.3.1 Cumulative Studies

Pre-Feasibility Study, completed by PSM in 2013, included field work and numerical modelling. Recent studies aimed at characterisation and conceptualisation of the project groundwater system commenced with preliminary numerical groundwater modelling by LAPI-ITB in 2017 for the project water management study, and the comprehensive Lorax Hydrogeology Assessment in 2018 which contributed to the development of the Conceptual Study Combined Report (DRA December 2022). This was preceded by a gap analysis for geotechnical and hydrology completed by Golder a year earlier and additional contributory studies to the Conceptual Study including those by LAPI-ITB (June 2022). WSP Golder completed preliminary numerical groundwater modelling in 2023 and 2024 contributing to the development of the FS report with significant and definitive numerical studies completed in December 2025 as pit shells were developed and field data acquired. The progression from the development of the conceptual model, through early numerical studies, culminating in definitive model updates between 2017 and the present, alongside the acquisition of field test data, has led to a good understanding of the groundwater system that will influence the mining operation and, conversely, be impacted by this. These studies are also necessary to satisfy the regulatory and legislative requirements such as GoIFS and AMDAL.

9.3.2 Overview

Aquifers in the Pani area can be divided into porous media and fractured media. The porous media aquifer consisting of alluvial deposits that form an unconfined aquifer system contained within the Taluduyunu and Botudulanga River alluvium. The dominant aquifer system outside of the river valleys is a fractured media system present as semi-confined to confined aquifers consisting of fractured rhyodacite and breccia lithology. Permeability depends on the fracture intensity and degree of alteration. Hydraulic connectivity occurs between porous media aquifers and fractured aquifers; however, less permeable tertiary volcanic deposits may separate the two hydrogeological systems. Massive rhyodacite and granodiorite intrusives and unfractured sedimentary rocks are considered non-aquifers (aquifuge) over the basement zone of the study area hydrogeological system.

The Lorax drilling program (2018) investigated the groundwater table conditions at six locations (GWM-01 to GWM-06), concluding:

- Depth of groundwater table generally ranges from +0.58 to -24 mbgl.
- Groundwater levels within the upland recharge area are deeper than the lowland discharge area and the groundwater level become shallower with decreasing elevation.
- The groundwater table in the fractured area is deeper resulting from higher permeability within the fractured aquifer suggesting a recharge mechanism to the deeper groundwater system.
- The shallow aquifer system in the Project area is dominantly an unconfined aquifer, as indicated by the shallow groundwater table, high permeability and high storativity.
- Slight flowing artesian groundwater conditions were noted in one location, GWM-04. This condition occurred in a limited area near the Taluduyunu River, in the southwestern part of the Project area. This is probably due to the presence of fractures which allow the flow of groundwater upward to the surface.

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9.3.3 Groundwater Conceptualisation

The conceptual model was developed from the geological, alteration and oxidation models influencing groundwater occurrence and movement. Increased permeability is associated with the degree of weathering, alteration and the parent rock type. Deeper, largely unaltered zones transitioning to fresh rock exhibit lower permeability.

9.3.4 Hydraulic Parameters

Geotechnical and hydrogeological investigations between 2023 and 2025 included hydraulic testing with 179 single and double packer tests completed in boreholes across the mine area. Lugeon test results were compared with rock mass discontinuity conditions to represent the influence of fracturing:

- High hydraulic conductivity ranging between 2×10^{-5} and 1×10^{-6} m/s is associated with completely weathered units.
- Moderate hydraulic conductivity units range from 2×10^{-5} to 4×10^{-7} m/s.
- Low hydraulic conductivity values represent tight and very tight rock mass conditions ranging between 2×10^{-7} and 2×10^{-8} m/s.

9.3.5 Numerical Modelling

The previous numerical model developed by WSP in 2022 and 2023 was used to define the updated 2025 modelling. The model is bounded by hydraulic features, with the Taluduyunu River to the west, Batudulanga River to the south, and dominant streams at the northern and western sides of project area. The model boundaries encompass the watershed around the Pani pit area and the adjacent catchments that could be influenced by future mining operations. Boundary conditions (BC) in the model were set accordingly:

- Hydraulic head BC with maximum flow constraints (Dirichlet BC) applied along the rivers and streams. This BC sets the hydraulic head equivalent to the topographic surface elevation. Flow is constrained within the model when the water level is below the topographic elevation, and discharge occurs exclusively from the groundwater system to the stream.
- Inflow recharge rates between 145 and 210 mm/year were assigned to the uppermost layer across the entire model domain area.
- No-flow BC applied at the bottom and lateral boundaries of the model domain to represent impermeable basement conditions.

9.3.6 Operational Dewatering Requirement

Dewatering is achieved by installing pumps and drains to collect, intercept and drain seepage and inflows as well as any surface water runoff and direct precipitation within in the pit:

- Sumps and pumps in the pit floors, from where water is pumped out of the pit. Where pit walls are stable and seepage can drain freely, groundwater entering the pit can be directed by drains to pit sumps.
- Targeted dewatering bores to reduce groundwater levels within the pit floor and outside the pit walls. Targeting productive geological structures (faults and joints) or rock types with enhanced permeability, may be effective in depressurising overlying strata and intercepting groundwater flow before it enters the pit.
- Horizontal drain holes installed into the pit walls to remove groundwater away from the pit walls to improve pit wall stability. Depressurisation of the pit walls improves pit wall stability and enhances factors of safety. Inclined drain holes

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can be individual holes or arrays (fans) of holes drilled from single locations. The effectiveness in depressurising the rock mass is monitored by VWP.

Additional water input to the pits can be expected from direct precipitation and runoff from the pit perimeter (Section 9.2.4).

9.3.7 Hydrogeochemistry

Groundwater quality data from 27 borehole and spring samples compiled from previous studies indicates the general hydrogeochemistry of the project area can be summarised as follows:

- Total Dissolved Solids (TDS) ranged from 90 to 1,450 mg/L TDS results were below 1000 mg/L except one, GMW02.
- pH ranged from 6.02 to 9.55 pH units, with GMW02 again being the high-end outlier outside the pH 6 to 8 range.
- Dissolved metals concentrations occasionally exceeded the applied threshold criteria for Cu, Pb, Zn, F, and Mn.
- TDS ranged from 28 to 68 mg/L and pH from 5.34 to 6 in spring samples.

9.4 Geotechnical Conditions

9.4.1 Geological and Structural Setting

The geological setting of the project is described in detail in Section 5.1, and provides the framework for the geotechnical conditions at Pani.

The Pani project area is located within a caldera interpreted to be approximately 25 km in diameter that comprises the Plio-Pleistocene age rhyodacitic flow dome complexes and pyroclastics of the PVC. These are intruded by dykes and volcanic diatremes of Mio-Pliocene age. Underlying basement sequences are Miocene age oceanic basalts, granodiorites and mafic igneous rocks.

The PVC lithologies are the predominant rock type within the deposit area, primarily rhyodacite and rhyodacitic breccia, with associated tuffs and volcanics. Recently deposited detrital soils (residual weathered, colluvial and alluvial soils) form a cover unit. Weathering of the primary lithologies has been characterised into Oxide and Transitional domains in geotechnical studies.

The project area is located in the Tertiary magmatic arc of North Sulawesi and is surrounded by three active tectonic plates, resulting in a geologically and structurally complex setting. The relative movement of these plates has resulted in a complex regional deformation zone that comprises rotating microplates or crustal blocks, resulting in intricate plate interactions. The boundaries between these microplates include collisional interactions, subduction zones, rift systems, and slipping transform faults.

As a result of the complex and active tectonic setting, the site is highly seismically active with a peak ground acceleration (PGA) of 0.3 to 0.6 g corresponding to a 10% probability of exceedance in 50 years (475-year return period).

Locally, major structures include northwest trending strike-slip faults, north-northeast to northeast trending normal and strike-slip faults, west to northwest trending normal faults, and parallel trending shear zones (Figure 9-1).

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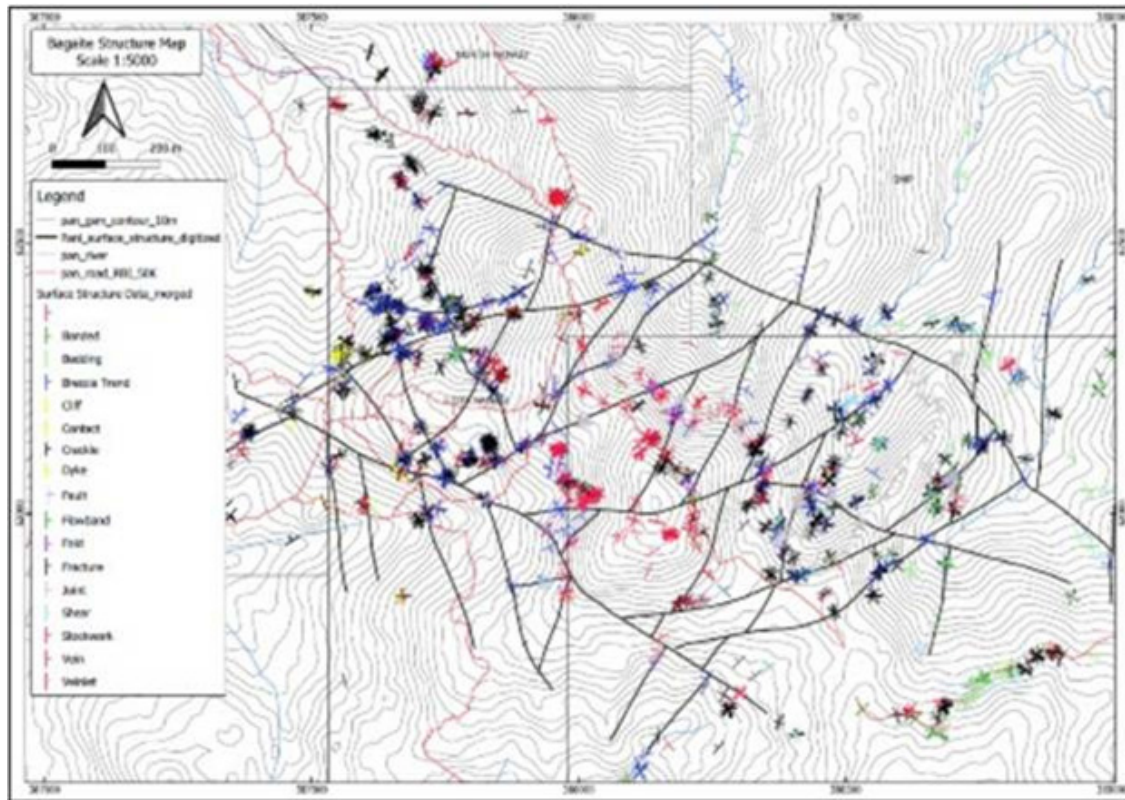


Figure 9-3 Major Faults in the Pani Deposit Region (MCU, 2023)

Two primary faults trending northwest to southeast bound the deposit to the south and north. These are consistent with regional large strike-slip faults in North Sulawesi. Within this fault corridor are north-northeast and northeast trending faults that cut across all lithologies, and west to northwest trending normal faults that are near-vertical and of less horizontal extent.

9.4.2 Pit Stability Controls and Recommendations

Pit slope stability at Pani will be heavily influenced by geological structures, particularly in the planned southeast, south and southwest walls where structure orientations are potentially unfavourable. These slopes are also expected to have relatively high groundwater levels. The planned north wall has the deepest oxidation and groundwater level, and geological structures are more favourable.

Geotechnical investigations used both kinematic and rock mass stability analysis methods to assess sliding on geological structures and through rock mass. The investigations have indicated that slope stability is expected to be sensitive to groundwater levels. Targeted depressurisation has been recommended using horizontal drain holes, pit sumps and/or vertical dewatering wells to achieve the required groundwater levels.

Recent studies note some data limitations in the south, west and north walls of the planned GSM pit area, including limited characterisation of lithological boundaries and major geological structures. Further geotechnical drilling and laboratory testing was recommended. Additionally, further work was recommended to assess geotechnical risk of historical landslides in both the GSM and PETS pit areas.

Slope design recommendations have been determined from kinematic and rock mass stability analysis methods to achieve adequate design acceptance criteria (DAC) for assumed depressurised conditions, and with additional controls in the south and southeast sectors to manage risk due to unfavourable structure orientations. Two alternative options were recommended: (a) geotechnical berms 20m wide every 60m of vertical height, or (b) road access ramps to reduce overall angle.

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Slope design recommendations for FS 2024 for PETS pit area are summarised in Table 9-1. Later studies have been completed for the GSM pit area and to address findings from updated information including:

- Large-scale structures in the southwest, south and southeast sectors, resulting in recommended alternative slope configurations such as geotechnical berms every 60m of vertical height, or road access ramps to reduce overall angle.
- Requirement for alternative slope design configurations in the oxide materials.

Recommendations arising from the recent studies will be incorporated into the next Ore Reserve Reporting cycle, rather than the current estimate, as these recommendations were issued concurrently with the preparation of this report.

Table 9-2 FS 2024 Slope Design Recommendations

Rock Mass Unit	Sector	Bench Height (m)	Batter Face Angle (°)	Berm Width (m)	Calculated Inter-Ramp Angle (°)
Colluvium	All	15	65	14.5	35
Rhyodacite/Breccia . .	North	15	70	8	48
	Northwest	15	70	7.5	49
	East	15	65	7.5	46
	South	15	70	7.5	49
	West	15	70	7.5	49

9.4.3 Geotechnical Considerations for Mine Closure

The geotechnical and hydrogeological studies do not include consideration of water level recovery, pit lake formation, or long-term mine void stability.

9.4.4 Waste Rock Facility Investigations and Stability Assessment

The proposed Waste Dump 1 will be constructed as a valley fill in a heavily vegetated creek valley that slopes down toward the northwest. Waste materials are present in part of the valley from earlier mining activity and comprise sand and gravels.

Detailed hydrogeology and foundation investigation have been completed.

Stability analysis was conducted using 2D limit equilibrium methods, including seismicity assessment, probability of failure analysis, and taking into consideration all plausible failure mechanisms involving the dump material and foundation. The assessment included characterisation of the waste rock material as a coarse granular fill originating from rock with some fines. It was assumed that the waste dump construction will adopt good earthwork practices, including removal of unsuitable materials in the waste dump foundation before waste rock placement, construction of a toe buttress, bottom-up construction with no end tipping, and compaction of waste material at every 0.5 m of layer thickness.

Recommendations for construction include geotechnical inspection of waste rock facility footprint after soil removal; compaction quality control during construction; assessment of risks and waste dump integrity due to voids left by historical mining; and ongoing stability monitoring.

Mining One considers that the waste rock facility geotechnical investigations are comprehensive and include a high standard of geotechnical characterisation, risk identification, and stability analysis. No material concerns are noted.

9.5 Mine Design and Planning

9.5.1 Open Pit Optimisation

Block Model

A regularised version of the Mineral Resource model used in estimating Mineral Resources has been used during pit optimisation to define the optimum pit shell. The

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Mineral Resource model with panel block sizes of 20 mX x 20 mY x 5 mZ and SMU block size of 5 mX x 5 mY x 2.5 mZ was reblocked to 10 mX x 10 mY x 7.5 mZ. Key parameters of the regularised block model are provided in Table 9-2.

Table 9-3 Resource Block Model Parameters for Pani Gold Mine

BLOCK MODEL PROTOTYPE			
Co-Ordinate	X	Y	Z
Origin (Min. Extent; m)	387,000	60,600	-100
Maximum Extent (m)	389,400	63,400	900
Range (m)	2,400	2,800	1,000
SMU Block Size (m)	10	10	7.5
No. of Parent Blocks	120	140	200

Open Pit Optimisation Methodology and Input Parameters

Open Pit Optimisation employed the use of Whittle software with the Lerchs-Grossman algorithm. A two-step process has been followed to define optimum pit shells to operate the PETS IUP area of the Mineral Resource as a heap leach operation and the GSM IUP area of the Mineral Resource as CIL operation. This strategy was taken to align with governmental approvals and requirements in the near term. The two-step process follows:

- Optimisation constrained within the PETS IUP to define a pit shell with ore quantities sufficient to fill the capacity of designed heap leach pads.
- Optimisation of the remaining Mineral Resource to define Ore Reserves for processing through CIL process plant.

Figure 9-6 shows the boundary limits of the PETS and GSM IUPs and also shows the blocks constrained within the PETS IUP during pit optimisation.

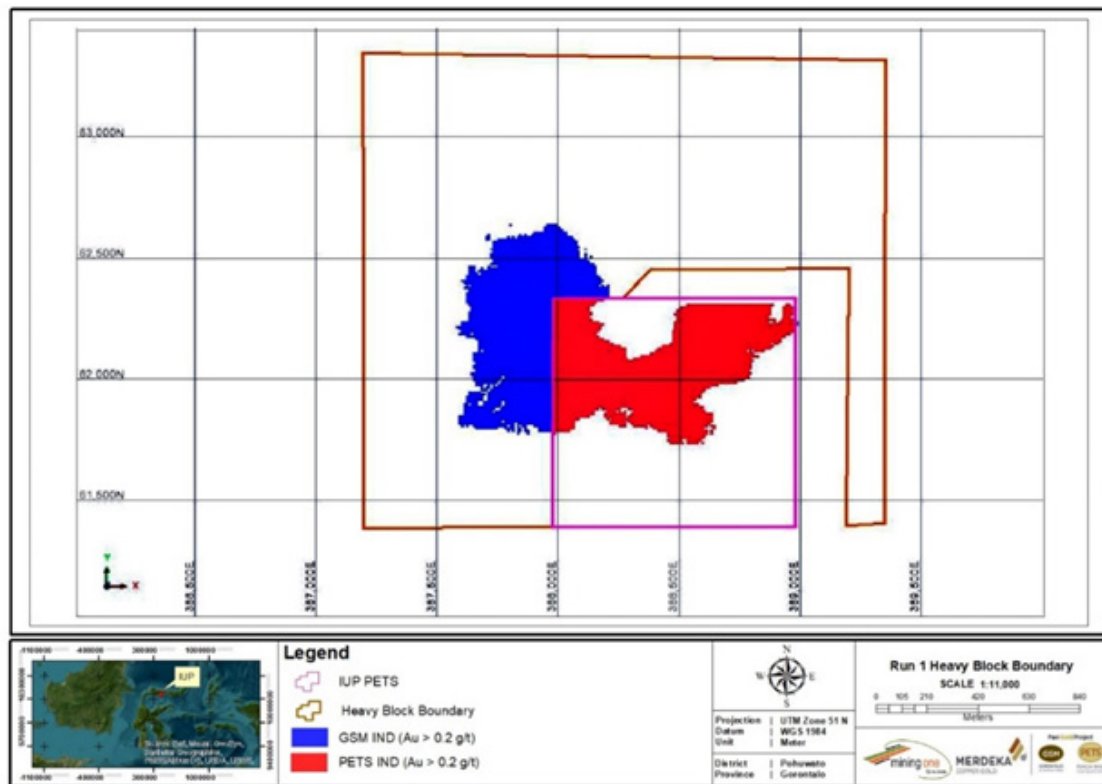


Figure 9-4 Boundary Limits of PETS and GSM IUPs

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There are two ore processing methods for the Pani Gold Project: a mill with Gravity/Carbon-In-Leach (CIL) for gold recovery and Heap Leaching.

For Heap Leaching, the zone is further split into two different areas — Pani Ridge Heap Leach Zone and Baganite Heap Leach Zone. Test work to date shows Pani Ridge ore leaches much better than Baganite ore due to lower silica content. Hence, Pani Ridge ore has higher heap leach processing recovery than Baganite ore. A computer aided design (CAD) solid, '*sol_define_pets_for_heapleach_recovery.dxf*', defines the Pani Ridge heap Leach Zone and is illustrated as follows:

- Grey : Waste blocks
- Blue : Mineralised blocks (Au > 0.01 g/t) outside PETS IUP, designated potentially for CIL process.
- Green : Mineralised blocks (Au > 0.01 g/t) within PETS IUP and Baganite Heap Leach Zone.
- Red : Mineralised Blocks (Au > 0.01 g/t) within PETS IUP, Pani Ridge Heap Leach Zone
- Brown : Solid for Heap Leach Ore Blocks ('*sol_define_pets_for_heapleach_recovery.dxf*')

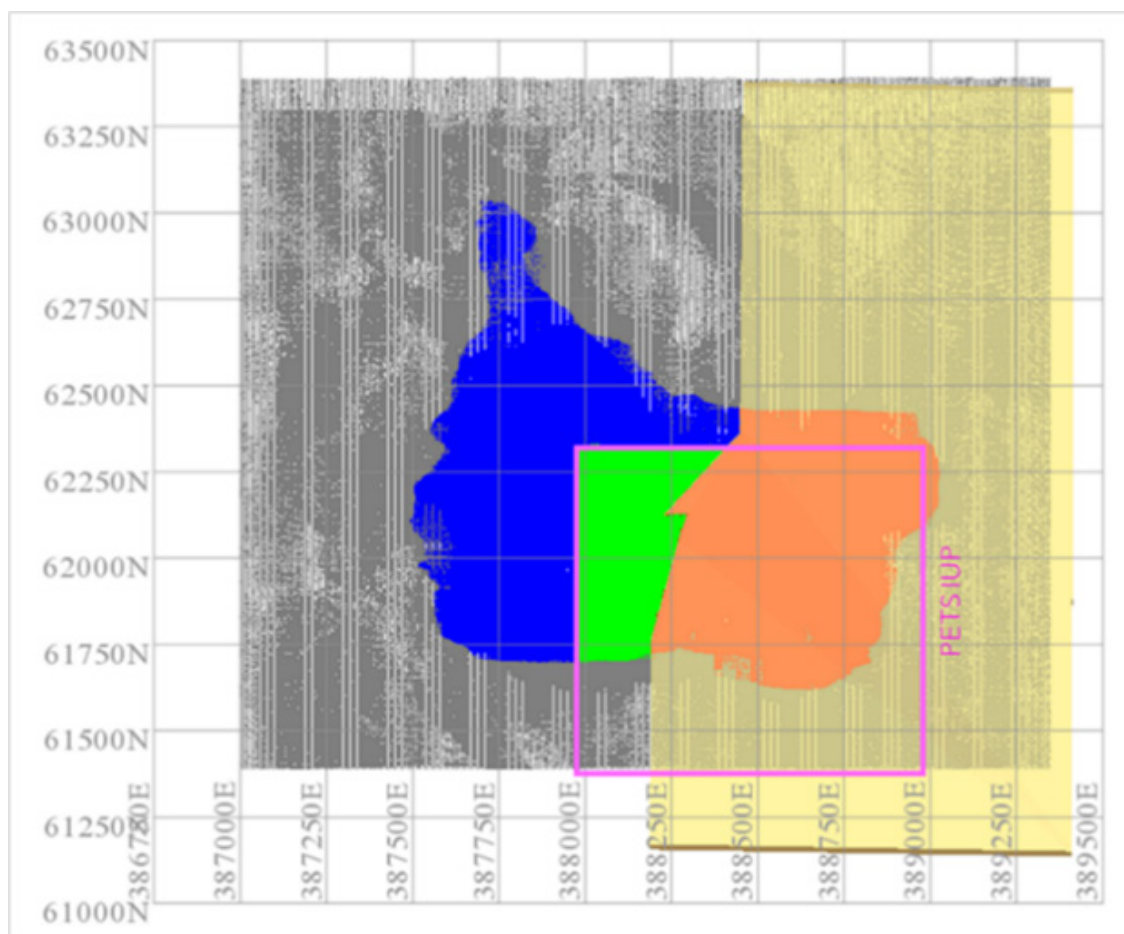


Figure 9-5 Processing Zones for Mine Planning Purpose

Heap Leach processing recovery for the Baganite and Pani Ridge zones are provided in Table 9-3.

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Table 9-4 Heap Leach Processing Recovery

Zone/Oxidation Type	Unit	Gold	Silver
Pani Ridge Zone			
Oxide	%	86.9	42.0
Trans	%	85.0	43.0
Fresh	%	50.0	42.0
Lapilli Tuff	%	75.0	26.0
Baganite Zone			
Oxide	%	70.0	49.0
Trans	%	62.0	50.0
Fresh	%	36.0	52.0
Lapilli Tuff	%	75.0	26.0

CIL recovery is independent of location and is estimated by a function which is grade dependent. The function has been developed based on analysis of test work results. Mining One has validated the function to be reasonable in estimating processing recoveries for the CIL process plant.

Table 9-4 provides the optimisation input parameters and is to be read in conjunction with notes included to the table.

Table 9-5 Open Pit Optimisation Parameters for Pani Gold Mine

Item	Unit	Value
HL Optimisation		
<i>Mining</i>		
Mining Cost	\$/t.mined	3.24
Incremental Ore Cost	\$/t.ore	0.42
Mining Dilution	%	3
Mining Recovery	%	100
Overall Slope Angle	degrees	Geotech Zones
<i>Processing</i>		
Processing Cost	\$/t.ore	5.04
Processing Recovery Au	%	Refer Table 9-3
Processing Recovery Ag	%	0
<i>General and Administration</i>		
G&A Costs	\$/t.ore	3.77
<i>Revenue</i>		
Gold Price	\$/oz	2,300
Silver Price	\$/oz	0
Royalty	%	12
Selling Cost	\$/oz	2.52
CIL Optimisation		
<i>Mining</i>		
Mining Cost	\$/t.mined	2.92
Incremental Ore Cost	\$/t.ore	0.21
Mining Dilution	%	3
Mining Recovery	%	100
Overall Slope Angle	degrees	Geotech Zones
<i>Processing</i>		
Processing Cost	\$/t.ore	11.59
Processing Recovery Au	%	92.7
Processing Recovery Ag	%	0
<i>General and Administration</i>		
G&A Costs	\$/t.ore	1.91
<i>Revenue</i>		
Gold Price	\$/oz	2,300
Silver Price	\$/oz	0
Royalty	%	12
Selling Cost	\$/oz	2.52

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Notes:

- All currency dollars are USD.
- Revenue from Silver was excluded in the optimisation.
- Mining costs are calculated for each block depending on drill and blast requirements and block elevation in the pit. Values provided in table are average mining costs for selected pit shells.
- Higher mining costs for HL optimisation reflect the use of smaller mining fleet to navigate the steep terrain associated with mining the HL pit. Mining costs for CIL optimisation reflect intended use of bigger mining fleet to mine the CIL portion of the deposit.
- Incremental ore costs include grade control, rehandling and incremental haulage of ore. These are calculated into processing cost adjustment factors. Values provided in table are average.
- Overall Slope Angles are dependent on geotechnical slope zones.
- HL processing recovery is dependent on material type and location in the pit whereas CIL recovery is dependent on grade.

Optimisation Results

Optimisation was carried out with only Measured and Indicated resources reporting to the revenue stream. A series of nested pit shells representing revenue factor (RF) pit shells were generated in the initial optimisation run to select HL ultimate pit shell. Pit shell with RF 0.38 was determined as the ultimate shell with sufficient ore to fill the capacity of the HL pads. The results of this optimisation run are summarised in Figure 9-8 and Table 9-5 with the RF=0.38 shell highlighted.

The optimisation run to define the ultimate pit shell for CIL operations required the depletion of the model using selected HL optimisation pit shell prior to the optimisation run. The results of the CIL optimisation run are summarised in Figure 9-9 and Table 9-6 with the selected pit shell, RF=0.7 highlighted.

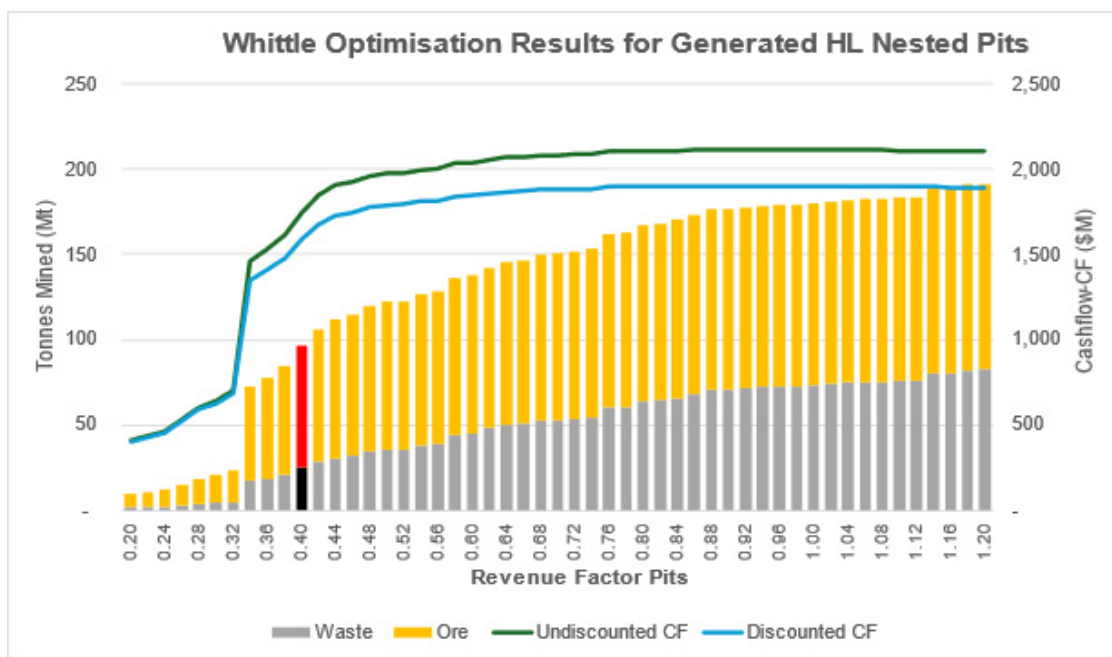


Figure 9-6 Pit by Pit Graph for HL Optimisation Constrained to PETS IUP

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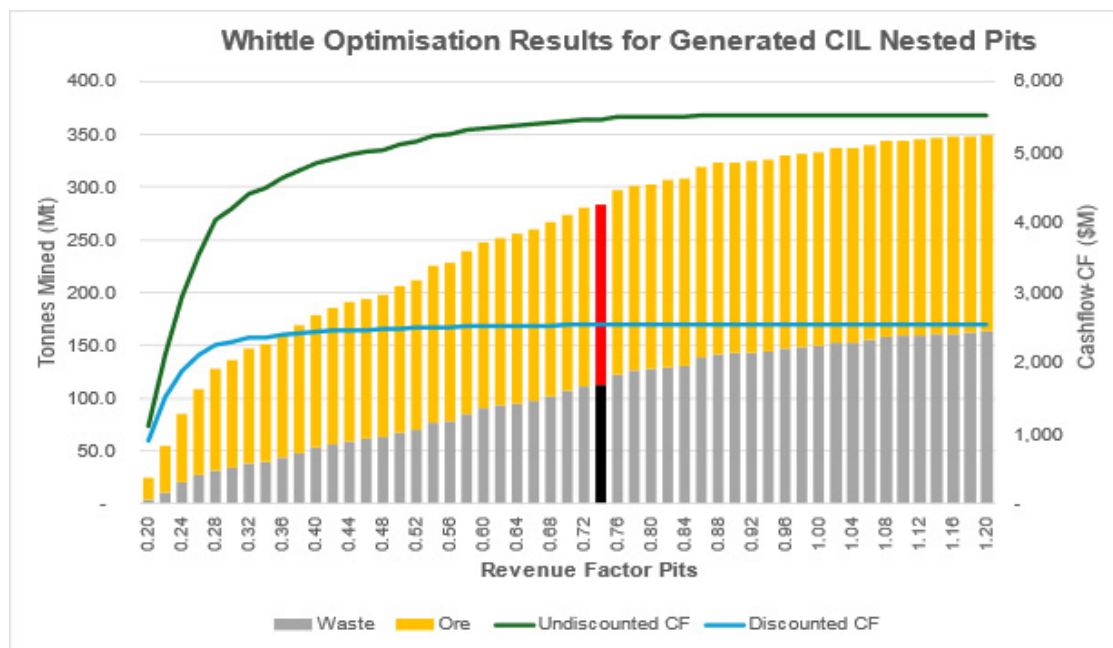


Figure 9-7 Pit by Pit Graph for Unconstrained CIL Optimisation

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Table 9-6 Whittle Pit Optimisation Results for HL Pit within PETS IUP

Pit Shell	Revenue Factor	Cashflow			Tonnes Material			Grade Au Grade	Au Metal	
		Undiscounted CF	Discounted CF		Total	Waste	Ore		Input	Output
		Best Case	Best Case	Worst Case	Best Case	Best Case	Best Case			
		US\$M	US\$M	US\$M	kt	kt	kt	g/t	koz	koz
1	0.20	409	405	405	10	2	8	1.11	294	255
2	0.22	437	431	431	11	2	9	1.09	316	274
3	0.24	461	455	455	12	2	10	1.07	336	291
4	0.26	531	522	522	15	3	12	1.03	400	340
5	0.28	605	593	593	19	4	15	0.98	463	393
6	0.30	644	630	630	21	5	16	0.96	498	423
7	0.32	702	684	684	24	5	19	0.92	558	469
8	0.34	1,458	1,352	1,352	73	17	55	0.76	1,355	1,079
9	0.36	1,527	1,410	1,410	78	19	59	0.76	1,425	1,135
10	0.38	1,615	1,481	1,481	84	21	64	0.74	1,514	1,211
11	0.40	1,744	1,586	1,586	97	26	71	0.73	1,657	1,328
12	0.42	1,849	1,680	1,678	106	29	78	0.71	1,774	1,425
13	0.44	1,904	1,729	1,725	112	31	81	0.70	1,838	1,478
14	0.46	1,924	1,746	1,742	115	32	83	0.70	1,864	1,498
15	0.48	1,958	1,775	1,770	120	35	85	0.70	1,906	1,533
16	0.50	1,974	1,790	1,784	122	36	86	0.69	1,928	1,551
17	0.52	1,978	1,793	1,787	123	36	87	0.69	1,934	1,555
18	0.54	1,997	1,809	1,802	127	38	88	0.69	1,962	1,578
19	0.56	2,004	1,815	1,807	128	39	89	0.69	1,974	1,587
20	0.58	2,033	1,840	1,830	136	44	91	0.69	2,018	1,624
21	0.60	2,041	1,846	1,836	138	45	92	0.69	2,033	1,635
22	0.62	2,055	1,859	1,847	142	48	94	0.68	2,060	1,657
23	0.64	2,067	1,868	1,856	146	50	96	0.68	2,088	1,676
24	0.66	2,070	1,871	1,858	147	51	96	0.68	2,094	1,681
25	0.68	2,081	1,879	1,865	150	53	98	0.68	2,124	1,699
26	0.70	2,083	1,881	1,867	151	53	98	0.68	2,131	1,703
27	0.72	2,085	1,883	1,868	152	53	98	0.68	2,138	1,708
28	0.74	2,088	1,885	1,870	153	54	99	0.68	2,147	1,713
29	0.76	2,102	1,896	1,878	162	60	102	0.67	2,187	1,746
30	0.78	2,102	1,896	1,878	162	61	102	0.67	2,190	1,749
31	0.80	2,106	1,898	1,879	167	64	103	0.67	2,210	1,763
32	0.82	2,108	1,900	1,880	168	65	104	0.67	2,221	1,769
33	0.84	2,109	1,901	1,881	170	66	104	0.67	2,233	1,776
34	0.86	2,111	1,902	1,882	173	68	105	0.67	2,244	1,784
35	0.88	2,112	1,903	1,882	176	71	105	0.67	2,260	1,792
36	0.90	2,112	1,903	1,882	177	71	106	0.67	2,265	1,794
37	0.92	2,112	1,903	1,882	178	72	106	0.67	2,268	1,796
38	0.94	2,112	1,903	1,881	179	72	106	0.67	2,274	1,800
39	0.96	2,112	1,903	1,881	179	73	106	0.67	2,275	1,800
40	0.98	2,112	1,902	1,881	179	73	106	0.67	2,279	1,802
41	1.00	2,112	1,902	1,880	180	73	107	0.67	2,281	1,804
42	1.02	2,111	1,901	1,879	181	74	107	0.67	2,285	1,806
43	1.04	2,111	1,901	1,879	182	75	107	0.67	2,287	1,808
44	1.06	2,111	1,901	1,878	182	75	107	0.67	2,289	1,809
45	1.08	2,110	1,901	1,878	182	75	107	0.67	2,290	1,810
46	1.10	2,110	1,900	1,878	183	76	107	0.66	2,294	1,812
47	1.12	2,110	1,900	1,877	183	76	107	0.66	2,295	1,812
48	1.14	2,105	1,896	1,872	189	80	108	0.66	2,314	1,824
49	1.16	2,104	1,895	1,871	189	81	109	0.66	2,316	1,825
50	1.18	2,103	1,893	1,870	191	82	109	0.66	2,323	1,828
51	1.20	2,102	1,893	1,869	191	83	109	0.66	2,324	1,829

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Table 9-7 Whittle Pit Optimisation Results for CIL

Pit Shell	Revenue Factor	Cashflow			Tonnes Material			Grade Au Grade	Au Metal	
		Undiscounted Cf	Discounted CF		Total	Waste	Ore		Input	Output
		Best Case	Best Case	Worst Case	Best Case	Best Case	Best Case			
		US\$M	US\$M	US\$M	kt	kt	kt	g/t	koz	koz
1	0.20	1,108	904	904	24.6	3.5	21.1	1.06	783	725
2	0.22	2,119	1,512	1,454	55.5	10.8	44.8	0.95	1,538	1,426
3	0.24	2,933	1,889	1,751	85.0	19.9	65.1	0.92	2,163	2,005
4	0.26	3,537	2,109	1,917	108.8	27.0	81.8	0.89	2,638	2,446
5	0.28	4,030	2,258	2,030	127.8	31.3	96.5	0.87	3,036	2,814
6	0.30	4,193	2,302	2,060	136.0	34.3	101.7	0.86	3,172	2,940
7	0.32	4,397	2,352	2,091	146.6	37.9	108.7	0.85	3,347	3,103
8	0.34	4,484	2,372	2,101	151.7	39.8	111.9	0.84	3,425	3,175
9	0.36	4,624	2,403	2,118	160.7	43.8	116.8	0.84	3,551	3,292
10	0.38	4,733	2,426	2,124	169.8	48.8	121.1	0.83	3,654	3,387
11	0.40	4,834	2,446	2,134	179.4	54.1	125.3	0.82	3,753	3,479
12	0.42	4,909	2,460	2,137	185.8	57.0	128.8	0.81	3,829	3,550
13	0.44	4,960	2,469	2,140	190.7	59.4	131.3	0.80	3,882	3,599
14	0.46	4,996	2,475	2,141	194.6	61.3	133.3	0.80	3,922	3,636
15	0.48	5,022	2,479	2,141	197.4	62.6	134.8	0.79	3,951	3,663
16	0.50	5,097	2,492	2,146	206.5	67.1	139.3	0.78	4,040	3,745
17	0.52	5,139	2,498	2,142	212.4	70.4	142.0	0.78	4,092	3,793
18	0.54	5,228	2,512	2,140	225.0	77.0	148.0	0.77	4,205	3,898
19	0.56	5,248	2,514	2,138	228.0	78.3	149.7	0.76	4,233	3,924
20	0.58	5,303	2,522	2,138	239.3	85.7	153.5	0.76	4,310	3,995
21	0.60	5,342	2,527	2,137	247.8	91.0	156.7	0.75	4,366	4,048
22	0.62	5,362	2,530	2,134	252.0	93.5	158.5	0.74	4,397	4,076
23	0.64	5,379	2,532	2,133	255.6	95.4	160.2	0.74	4,424	4,101
24	0.66	5,394	2,534	2,131	259.3	97.5	161.8	0.74	4,451	4,126
25	0.68	5,416	2,536	2,126	266.4	102.3	164.1	0.73	4,491	4,163
26	0.70	5,437	2,539	2,122	273.5	106.9	166.6	0.73	4,533	4,202
27	0.72	5,456	2,541	2,118	280.6	111.5	169.1	0.72	4,574	4,240
28	0.74	5,464	2,542	2,117	283.5	113.3	170.3	0.72	4,592	4,257
29	0.76	5,490	2,544	2,099	296.5	122.7	173.8	0.70	4,656	4,316
30	0.78	5,497	2,545	2,096	301.4	126.2	175.2	0.70	4,678	4,336
31	0.80	5,500	2,545	2,095	303.1	127.3	175.9	0.70	4,686	4,344
32	0.82	5,504	2,546	2,094	306.5	129.8	176.8	0.70	4,701	4,358
33	0.84	5,507	2,546	2,093	307.8	130.5	177.4	0.70	4,709	4,365
34	0.86	5,515	2,547	2,082	318.6	139.0	179.7	0.69	4,749	4,403
35	0.88	5,518	2,547	2,080	322.9	142.0	180.9	0.69	4,768	4,420
36	0.90	5,518	2,547	2,080	323.7	142.4	181.2	0.69	4,771	4,423
37	0.92	5,519	2,547	2,079	325.3	143.7	181.6	0.69	4,777	4,428
38	0.94	5,519	2,547	2,078	326.6	144.7	181.9	0.69	4,781	4,432
39	0.96	5,519	2,547	2,076	330.2	147.5	182.7	0.69	4,793	4,443
40	0.98	5,519	2,547	2,075	331.8	148.8	183.0	0.69	4,798	4,448
41	1.00	5,519	2,547	2,075	333.4	150.0	183.4	0.69	4,803	4,452
42	1.02	5,518	2,547	2,072	336.4	152.6	183.8	0.69	4,811	4,459
43	1.04	5,518	2,547	2,071	337.2	153.2	184.0	0.69	4,813	4,462
44	1.06	5,516	2,547	2,070	340.3	155.8	184.6	0.68	4,822	4,470
45	1.08	5,515	2,547	2,067	343.4	158.3	185.1	0.68	4,829	4,477
46	1.10	5,514	2,547	2,067	344.3	159.0	185.3	0.68	4,832	4,479
47	1.12	5,513	2,547	2,066	345.0	159.6	185.4	0.68	4,834	4,481
48	1.14	5,512	2,546	2,065	346.9	161.2	185.8	0.68	4,839	4,486
49	1.16	5,511	2,546	2,065	347.3	161.4	185.9	0.68	4,840	4,487
50	1.18	5,510	2,546	2,065	348.3	162.2	186.1	0.68	4,843	4,489
51	1.20	5,509	2,546	2,063	349.3	163.0	186.2	0.68	4,845	4,491

The selection of the RF = 0.70 pit shell as the ultimate pit shell for the Pani Gold Mine was to align ultimate pit shell selection with previous optimisation run conducted at US\$1,650/oz. This alignment was done as a temporal measure pending completion of additional works such as technical studies to increase tailings storage capacity to

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unlock the full potential of Pani Gold Mine. Consequently, Mining One opines that if Technical Studies are completed, the ultimate pit shell could be a shell with RF greater than 0.70.

9.5.2 Mine Design

Detailed open pit mine design has been carried out guided by pit shells generated from the previous pit optimisation conducted at a gold price of \$1,650/oz. The staged designs that have been used in estimating Ore Reserves were an update to earlier designs completed during FS 2024. The designs comprise three (3) main push backs for the HL (PETS) portion of the deposit and five (5) pushbacks for the CIL (GSM) portion of the deposit.

Pits have been designed to conform to geotechnical design criteria which define various berm-batter configurations for identified geotechnical zone areas. The recommended slope profiles for the zone areas are provided in Table 9-7 and relate to the Geotechnical zones shown in Figure 9-10.

Table 9-8 Recommended Slope Angle and Configurations

Design Sector	Pit Wall Dip Direction (°)	Overall Slope Angle (°)	Inter Ramp Angle (°)	Minimum Berm Width (m)	Bench Angle (°)	Bench Height (m)
Northeast	188	40	45	7.5	65	15
Northwest	117	35	45	7.5	65	15
Southwest	60	35	45	7.5	65	15
South*	360	40	45	7.5	65	15
Southeast	326	40	45	7.5	65	15
East	278	40	45	7.5	65	15

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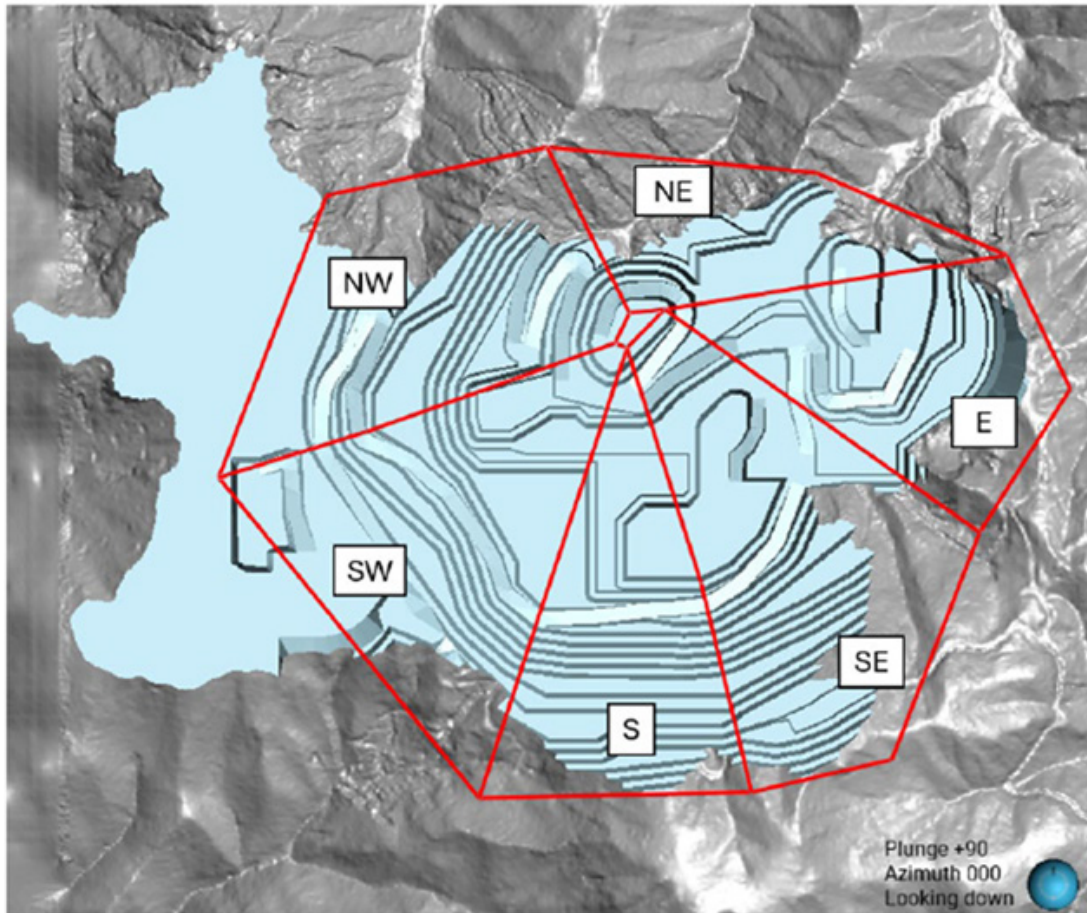


Figure 9-8 Geotechnical Zones

The open pit designs incorporate access ramps designed to meet specifications required of the regulation *Minister of Energy and Mineral Resources Decree, No. 1827 K 30 MEM 2018*. The regulation rules that:

- The minimum width of dual lane road shall be 3.5 times truck operating width.
- The minimum width of single lane road shall be 2.0 times truck operating width.
- Safety berms with minimum height of 75% truck tyre diameter should be established along the road.

In addition, 1 m wide drain along the road was accounted when determining the ramp width.

The ultimate pushback for the HL pit (HL03) is designed to reach a bottom elevation of 405.5 mRL with mining beginning from an elevation of approximately 785 mRL. The ultimate pushback for the CIL Pit (CIL05) which encompasses HL03 is designed to reach a final destination of 305 mRL. CIL05 spans approximately 1.6 km on its major axis and 1.2 km on its minor axis. The two ultimate pushbacks are shown in Figure 9-11.



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Table 9-9 Mine Equipment Summary

	Manufacturer	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Loading Units												
Excavator	CAT6015B	2	1	—	—	—	—	—	—	—	—	—
Excavator	Cat395	1	—	—	—	—	—	—	—	—	—	—
Excavator	Cat330G	2	1	2	2	2	1	1	1	1	1	1
Excavator	Cat320GX	1	0	1	1	1	1	1	1	1	1	1
Excavator	EX1200-7BH	1	—	—	—	—	—	—	—	—	—	—
Excavator	ZX470LC-5G	1	1	1	1	1	1	1	1	1	1	1
Excavator	PC 2000	2	2	6	6	6	5	4	5	4	4	4
Hauling Units												
Truck	B50E	10	5	7	4	3	1	4	—	—	—	—
Truck	B45E	8	5	5	4	2	5	1	—	—	—	—
Truck	A60H	18	—	—	—	—	—	—	—	—	—	—
Truck	HD 785	14	18	42	42	42	34	25	30	25	23	17
Ancillary Units												
Front-End-Loader . . .	Cat 988	1	2	3	3	3	3	3	2	2	2	2
Dozer	Cat D9	1	1	2	2	2	2	2	1	1	1	1
Dozer	Cat D8	5	2	4	4	4	3	2	4	3	3	3
Dozer	Cat D6	1	1	1	1	1	1	1	1	1	1	1
Water Truck	A40G WT	2	2	3	3	3	3	3	2	2	2	2
Grader	CAT14	2	2	3	3	3	3	3	2	2	2	2
Drill	SmartROC T45	6	4	8	9	9	8	7	8	6	6	7
MMU	MMU	1	1	1	1	1	1	1	1	1	1	1
Mobile Rockbreaker .	V2500	1	1	1	1	1	1	1	1	1	1	1
Roller	CS79B	1	0	1	1	1	1	1	1	1	1	1
Mining Services												
Tyre Handler	MT-X1840	1	1	1	1	1	1	1	1	1	1	1
Fuel/Service Truck . .	FM 280 JD	2	2	3	3	3	2	2	2	2	2	2
Crane	SRC900C (90T Crane)	1	1	1	1	1	1	1	1	1	1	1
Skid Steer Loader . . .	Cat249D	1	1	1	1	1	1	1	1	1	1	1
Lighting Plant	ALLLIGHT	8	6	8	8	8	7	7	7	7	7	7
Standpipe & pump . .	HL150	1	1	1	1	1	1	1	1	1	1	1
Welder	600 AMP Miller	1	1	1	1	1	1	1	1	1	1	1
Light Vehicles	Mitsubishi Triton	8	8	13	13	13	13	13	9	9	9	9
	DC GLS, 4x4											

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9.6 Mine Production Plan

Mining One has prepared an independent Life of Mine ("LoM") production schedule for the Pani Gold Mine using the current staged designs. The LoM schedule was prepared using Alastri Tactical Scheduler which provides tools and options to aid generation of pragmatic LoM schedules. Various functions within the software enhances accurate estimation of equipment required to achieve the LoM schedules generated.

The LoM schedule has been developed to prioritise ore from the HL pit to be sent to the HL processing plant and ore from CIL pit to be sent to the CIL plant. However, the schedule was set up to recognise the higher profitability of sending some ore types in the HL pit to the CIL plant and vice versa. Consequently, the set priorities are not always obeyed for the purposes of achieving higher economics of the project.

Due to limited real estate to stockpile ore into various bins on the mine, the schedule does not segregate ore into high, medium or lower grades. The only distinction between ore stockpiles set up within the schedule are HL ore stockpiles and CIL ore stockpiles. There is therefore the opportunity improve the economics of the mine by high-grading ore feed to plants if in the future, the mine is able to create more real estate to segregate ore into high-grade and low-grade stockpiles and to prioritise high-grade feed to plants.

The production schedule has been generated on a monthly basis for years 2026 to 2028, on quarterly basis for years 2029 and on yearly basis 2030 and onwards and incorporates the following:

- Mining sequence utilises all the three (3) staged designs of the HL pit (HL01 to HL03) and all the five (5) of the CIL pit (CIL01 to CIL05).
- Topographical surface as of 31 December 2025 has been used to deplete the Mineral Resource and serves as the starting surface for the schedule.
- Only Measured and Indicated Mineral Resources above cut-off grades for the different material types are considered as Ore. Measured and Indicated Resources above marginal cut-off grades report as "marginal ore" and these are not included in the Ore Reserves although are qualified to be included under the JORC Code.
- Inferred and unclassified blocks above cut-off grades and all material below cut-off are considered as waste and do not get treated through any of the plants in the LoM plan. Waste tonnages include mineralised waste.
- Mining production levels and plant throughputs incorporate ramp ups to achieve target production levels. Target production levels are guided by equipment and plant capacities as determined by OEMs in the case of mining equipment and Technical and/or supportive Studies in the case of plant throughputs.
- Mining production levels are guided by production levels required to achieve ore tonnages and/or grade feed to plants over the life of mine. The vertical advance rate of mining each of the pushbacks has been assessed to be pragmatic and achievable.
- To achieve target feed ore tonnages to the individual plants, the schedule allows material to be diverted from the HL pits to the CIL plant and vice-versa though this is seldomly done. Material diversion is typical in the first year, when material that makes more profits by being processed through the plant (CIL material) is diverted to the HL plant. This is done to achieve ore feed targets, bring profits forward to improve economics of the mine and reduce overall project cash drawdown.

Summary results of the mining physicals of the LoM scheduling are presented in Figure 9-12 and Table 9-9. A total of 202 Mt of ore at an average gold grade of 0.79 will be mined from both the HL and CIL pits at an overall strip ratio of 0.70. Mining for CIL processing commences at the end of 2027 for the purposes of stockpiling material ahead

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of processing in 2028 when the CIL plant will be commissioned. HL mining will end in 2032. The Life of Mine is until 2040, a total of 15 years.

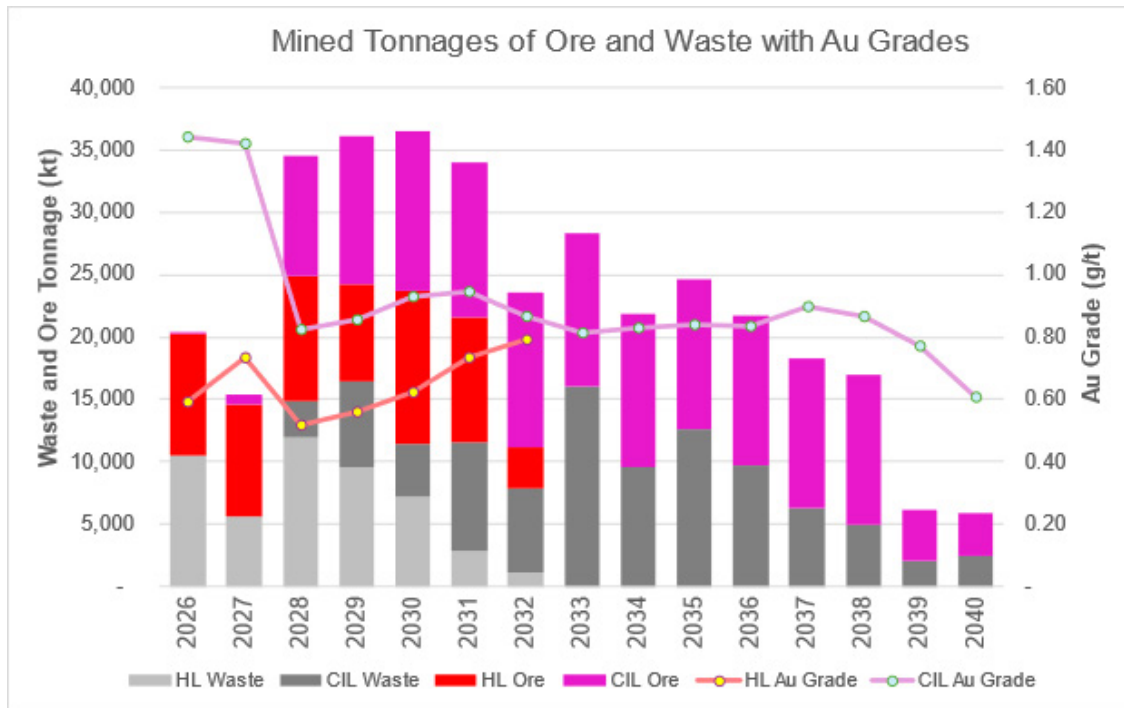


Figure 9-10 Annual Mining Production Schedule for Pani

The processing physicals of the mine schedule are presented in Figure 9-12, Figure 9-13 and also in Table 9-10. Ore feed to plants will peak at 10 Mtpa and 12 Mtpa for the HL and CIL plants respectively with feed to the HL plant ending in 2032 when the HL pads are fully stacked with ore. A total of 62.9 Mt and 137.4 Mt of ore will be treated through the HL and CIL plants respectively over the LoM with feed coming from the pits and existing stockpiles as of 31 December 2025. Gold production will peak at approximately 550 koz in 2031 when grade to the HL plant, HL recovery and grade to the CIL plant are at their maximums.

The LoM schedule is constrained by tailings storage capacity. Tailings deposition tonnages to the two tailings storage facilities are provided in Table 9-10. The capacity of TSF Hulawa is exhausted when approximately 86 Mt of dry tailings are deposited on the facility. The current LoM plan is expected to grow when Technical Studies to expand the capacity of tailings storage at Pani are completed to a minimum of PFS level.

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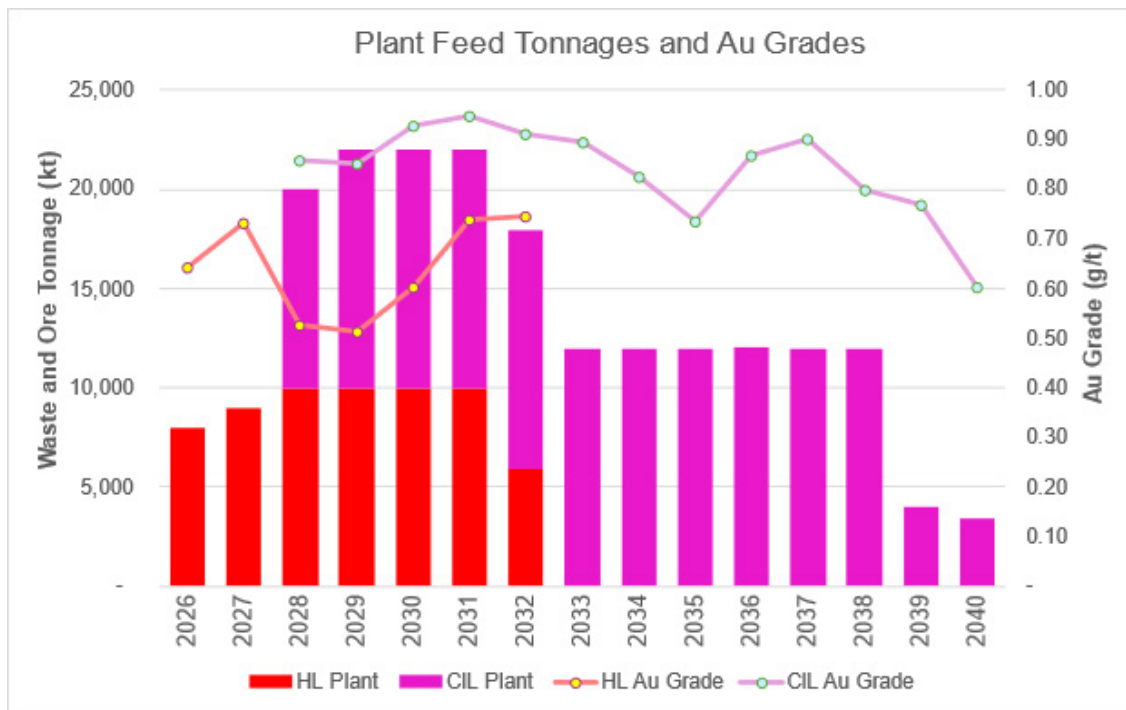


Figure 9-11 Annual Processing Feed Schedule for Pani

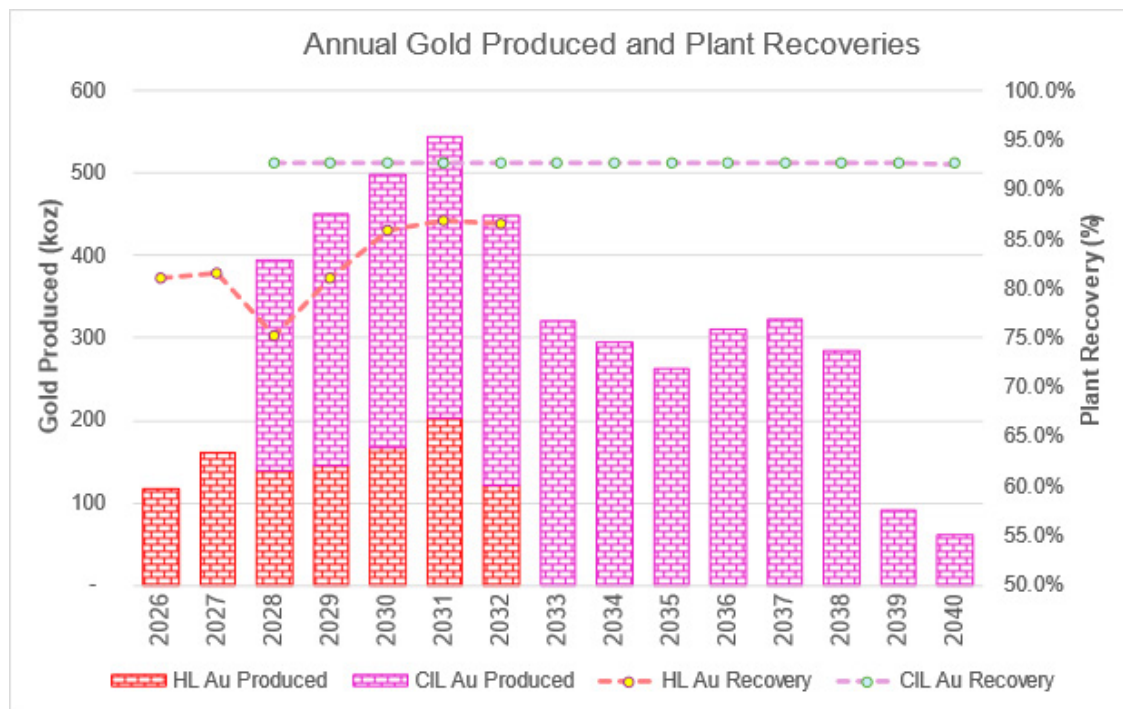


Figure 9-12 Annual Gold Produced with Plant Recoveries

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Table 9-10 Annual Mine Production Schedule for Pani

Item	Unit	LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Mining Physical																	
HL Pit																	
Ore Tonnes	kt	62,053	9,769	9,000	9,988	7,831	12,185	10,008	3,272	-	-	-	-	-	-	-	-
Ore Au Grade	g/t	0.64	0.59	0.73	0.52	0.56	0.63	0.73	0.79	-	-	-	-	-	-	-	-
Ore Ag Grade	g/t	0.94	2.18	1.68	1.17	0.38	0.27	0.38	0.49	-	-	-	-	-	-	-	-
Contained Au	koz	1,270	185	212	167	141	245	236	84	-	-	-	-	-	-	-	-
Contained Ag	koz	1,881	684	485	376	96	105	83	52	-	-	-	-	-	-	-	-
Marginal Ore Tonnes	kt	187	3	49	56	7	39	12	20	-	-	-	-	-	-	-	-
Marginal Ore Au Grade	g/t	0.22	0.21	0.22	0.22	0.22	0.22	0.22	0.22	-	-	-	-	-	-	-	-
Marginal Ore Ag Grade	g/t	0.94	0.28	1.61	1.12	0.70	0.46	0.20	0.35	-	-	-	-	-	-	-	-
Marginal Ore Contained Au	koz	1	0	0	0	0	0	0	0	-	-	-	-	-	-	-	-
Marginal Ore Contained Ag	koz	6	0	3	2	0	1	0	0	-	-	-	-	-	-	-	-
Waste Tonnes	kt	48,621	10,521	5,525	11,845	9,559	7,216	2,823	1,132	-	-	-	-	-	-	-	-
Total Material Tonnes	kt	110,861	20,293	14,573	21,889	17,398	19,440	12,843	4,424	-	-	-	-	-	-	-	-
Total Material Volume	kBCM	49,894	9,366	6,542	9,788	7,891	8,710	5,644	1,953	-	-	-	-	-	-	-	-
Strip Ratio (Marginal as Waste)	wt	0.79	1.08	0.62	1.19	1.22	0.60	0.28	0.35	-	-	-	-	-	-	-	-
CIL Pit																	
Ore Tonnes	kt	140,131	133	757	9,710	11,814	12,858	12,358	12,454	12,316	12,238	12,001	12,034	12,001	12,001	3,995	3,461
Ore Au Grade	g/t	0.86	1.44	1.42	0.83	0.85	0.93	0.95	0.87	0.81	0.83	0.84	0.84	0.90	0.87	0.77	0.61
Ore Ag Grade	g/t	0.77	2.71	3.51	1.55	1.37	0.83	0.81	0.72	0.64	0.52	0.60	0.48	0.63	0.53	0.44	0.37
Contained Au	koz	3,876	6	35	258	325	385	377	347	322	325	324	324	347	335	99	68
Contained Ag	koz	3,472	12	85	485	521	342	321	288	252	203	233	186	244	203	57	41
Marginal Ore Tonnes	kt	8,954	-	-	540	645	609	716	653	843	864	955	1,119	796	666	222	327
Marginal Ore Au Grade	g/t	0.22	-	-	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marginal Ore Ag Grade	g/t	0.54	-	-	0.95	0.94	0.76	0.67	0.55	0.51	0.37	0.49	0.43	0.35	0.43	0.27	0.34
Marginal Ore Contained Au	koz	63	-	-	4	5	4	5	5	6	6	7	8	6	5	2	2
Marginal Ore Contained Ag	koz	156	-	-	16	19	15	15	11	14	10	15	15	9	9	2	4
Waste Tonnes	kt	84,333	-	-	2,454	6,221	3,627	8,032	6,067	15,174	8,753	11,654	8,555	5,505	4,288	1,890	2,113
Total Material Tonnes	kt	233,417	133	757	12,704	18,681	17,093	21,106	19,174	28,333	21,854	24,610	21,708	18,301	16,955	6,107	5,901
Total Material Volume	kBCM	102,577	59	328	5,463	8,184	7,502	9,337	8,514	12,635	9,627	10,862	9,513	7,938	7,410	2,662	2,544
Strip Ratio (Marginal as Waste)	wt	0.67	-	-	0.31	0.58	0.33	0.71	0.54	1	0.79	1.05	0.80	0.52	0.41	0.53	0.71
Total Pani Pits																	
Ore Tonnes	kt	202,183	9,903	9,757	19,697	19,646	25,042	22,366	15,726	12,316	12,238	12,001	12,034	12,001	12,001	3,995	3,461
Ore Au Grade	g/t	0.79	0.60	0.79	0.67	0.74	0.78	0.85	0.85	0.81	0.83	0.84	0.84	0.90	0.87	0.77	0.61
Ore Ag Grade	g/t	0.82	2.18	1.82	1.36	0.98	0.55	0.56	0.67	0.64	0.52	0.60	0.48	0.63	0.53	0.44	0.37
Contained Au	koz	5,146	192	247	424	465	630	613	431	322	325	324	324	347	335	99	68
Contained Ag	koz	5,353	695	570	861	617	447	404	339	252	203	233	186	244	203	57	41
Marginal Ore Tonnes	kt	9,141	3	49	596	652	648	728	673	843	864	955	1,119	796	666	222	327
Marginal Ore Au Grade	g/t	0.22	0.21	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marginal Ore Ag Grade	g/t	0.55	0.28	1.61	0.97	0.94	0.74	0.66	0.54	0.51	0.37	0.49	0.43	0.35	0.43	0.27	0.34
Marginal Ore Contained Au	koz	65	0	0	4	5	5	5	5	6	6	7	8	6	5	2	2
Marginal Ore Contained Ag	koz	162	0	3	19	20	16	16	12	14	10	15	15	9	9	2	4
Waste Tonnes	kt	132,954	10,521	5,525	14,300	15,781	10,843	10,855	7,199	15,174	8,753	11,654	8,555	5,505	4,288	1,890	2,113
Total Material Tonnes	kt	344,278	20,426	15,330	34,594	36,079	36,533	33,949	23,594	28,333	21,854	24,610	21,708	18,301	16,955	6,107	5,901
Total Material Volume	kBCM	152,471	9,425	6,870	15,251	16,075	16,212	14,981	10,468	12,635	9,627	10,862	9,513	7,938	7,410	2,662	2,544
Strip Ratio (Marginal as Waste)	wt	0.70	1.06	0.57	0.76	0.84	0.46	0.52	0.50	1	0.79	1.05	0.80	0.52	0.41	0.53	0.71

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Table 9-11 Annual Plant Processing Schedule for Pani Gold Mine

Item	Unit	LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Processing Physicals																	
Ht Plant																	
Ore Tonnes	kt		8,001	9,000	9,988	10,008	10,008	10,008	5,877	-	-	-	-	-	-	-	-
Ore Au Grade	g/t	62,890	0.64	0.73	0.53	0.51	0.60	0.74	0.75	-	-	-	-	-	-	-	-
Ore Ag Grade	g/t	0.98	2.37	1.61	1.41	0.66	0.28	0.26	0.39	-	-	-	-	-	-	-	-
Gold (Au)																	
Feed (Contained) Au	koz	1,284	165	212	170	165	194	237	141	-	-	-	-	-	-	-	-
Plant Recovery Au	%	82.7%	81.1%	81.5%	75.2%	81.0%	85.8%	86.9%	86.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recoverable Au	koz	1,063	134	173	128	133	166	206	122	-	-	-	-	-	-	-	-
Produced Au	koz	1,055	118	160	139	146	166	204	121	-	-	-	-	-	-	-	-
Silver (Ag)																	
Contained Ag	koz	1,983	566	483	503	188	86	82	74	-	-	-	-	-	-	-	-
Plant Recovery Ag	%	39.0%	33.5%	42.7%	40.0%	39.2%	42.5%	42.0%	42.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recoverable Ag	koz	773	190	206	201	74	37	35	31	-	-	-	-	-	-	-	-
Produced Ag	koz	603	162	152	145	68	28	26	23	-	-	-	-	-	-	-	-
CIL Plant																	
Ore Tonnes	kt	137,535	-	-	10,001	12,001	12,001	12,001	12,034	12,001	12,001	12,001	12,034	12,001	12,001	3,995	3,461
Ore Au Grade	g/t	0.86	-	-	0.86	0.85	0.93	0.95	0.91	0.90	0.82	0.74	0.87	0.90	0.80	0.77	0.60
Ore Ag Grade	g/t	0.75	-	-	1.72	1.08	0.97	0.80	0.71	0.55	0.70	0.48	0.52	0.54	0.58	0.44	0.37
Gold (Au)																	
Feed (Contained) Au	koz	3,790	-	-	276	329	359	366	353	346	318	285	336	348	308	99	67
Plant Recovery Au	%	92.7%	0.0%	0.0%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%	92.7%
Recoverable Au	koz	3,513	-	-	256	305	332	340	327	321	295	264	312	323	285	92	62
Produced Au	koz	3,513	-	-	256	305	332	340	327	321	295	264	312	323	285	92	62
Silver (Ag)																	
Contained Ag	koz	3,328	-	-	552	415	375	310	273	212	271	187	203	209	224	57	41
Plant Recovery Ag	%	70.0%	0.0%	0.0%	70.1%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Recoverable Ag	koz	2,330	-	-	387	290	262	217	191	149	190	131	142	146	157	40	29
Produced Ag	koz	2,330	-	-	387	290	262	217	191	149	190	131	142	146	157	40	29
Tailings Deposition Schedule																	
TSF Hulawa (TSF01)	kt	86,034	-	-	6,001	8,001	8,000	7,999	8,031	7,997	7,996	7,995	8,027	7,993	7,992	3,995	3,461
FTF Dry Stack	kt	51,500	-	-	4,000	4,000	4,001	4,002	4,003	4,004	4,005	4,006	4,007	4,008	4,009	-	-

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10 PROCESSING AND METALLURGICAL ASSESSMENT

10.1 Overview

The Pani Gold Project will be developed in two stages, an initial HL operation followed by a CIL operation in 2028, to balance development timing and capital requirements. The Heap Leach plant will treat lower-grade near-surface ore, while the CIL plant will treat higher grade material. The two plants will operate concurrently for a few years.

A Feasibility Study was completed and reported in March 2024 (FS 2024). Design and engineering activities have continued since then to progress the project to execution.

The Heap Leach operation was designed in the FS 2024 for an annual throughput of 7 Mtpa, but the plan has since been increased to start at 8Mtpa and ramp up to 10 Mtpa by the third year of operation. A total of 62.9 Mt is planned to be stacked until mid-2032, which includes 0.9 Mt of stockpiled material.

The CIL operation was designed in the FS 2024 with an initial throughput of 7.5 Mtpa in 2029 that would be expanded and ramped up to 12 Mtpa in 2032. The current plan as of January 2026 is to construct and operate the expanded plant of 12 Mtpa from the outset commencing in 2028 which has reduced the ramp up time by 3 years to 2029. The updated plan is targeted for finalisation in Q1 2026. A total of 137.5 Mt is planned to be processed until 2040, with potential for extension if there are further increases in Ore Reserves in the future.

10.2 Metallurgical Testwork — Heap Leach

The metallurgical history and reporting for the deposit is divided into three parts; Pani West, Pani East (also referred to as PETS) and Baganite.

Metallurgical testwork was conducted in four programs between 2012 to 2018 and considered both Heap Leach and CIL flowsheets. Two of the earlier programs were initiated by One Asia and the 2018 program was initiated by MGR on four composite samples of drill core. Testing indicated good to excellent amenability to heap leaching in three of the programs, while the fourth program was somewhat inconsistent with the previous results and required further investigation.

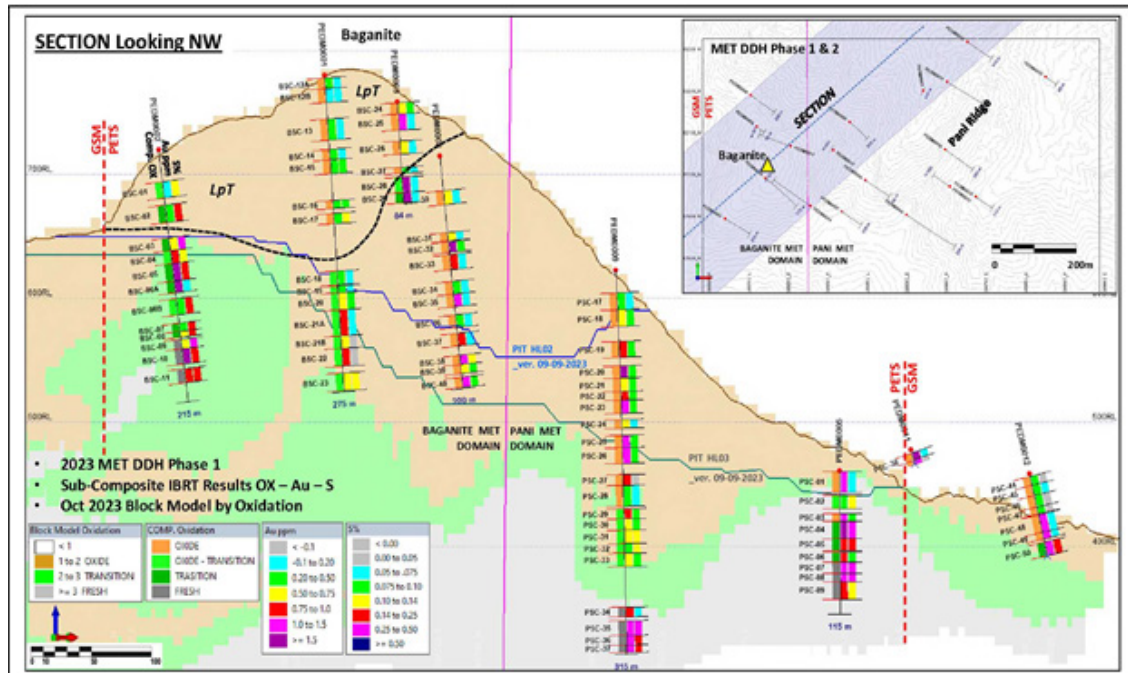
A heap leach testwork program for the FS 2024 was designed and managed by Kappes, Cassiday & Associates (“KCA”) Australia. KCA are reputed experts in heap leach testwork and design. The testwork commenced in 2023 and was conducted at PT Geoservices laboratory facilities in Jakarta. The program included samples of Baganite zone, which had not previously been tested.

10.2.1 Sample Origin

The drilling program for the FS 2024 testwork was designed by consulting geologist, Julian Bartlett, with samples selected to ensure geometallurgical representativity. The drilling included four and five new drillholes at Baganite and nine new drillholes at PETS. Cross-section views of the selected samples are presented in Figure 10-1 and Figure 10-2.

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Although some of the tests were still in progress, based on the results available in February 2024, KCA recommended expected extractions by ore type for the FS report. KCA incorporated the results from the column leach tests (8 and 16 mm), recovery-by-size fraction data and the multiple test P_{80} approaches and scaled them to the selected crush size of P_{100} 19 mm.

Once the additional data was available in May 2024, KCA reviewed and updated the projected extractions incorporating both recovery-by-size fraction data and the multiple test P_{80} approaches. The expected extractions are presented in Table 10-1, which were reported in the Ore Reserves statement as at 31 December 2024 (reported in March 2025). The extractions for the PETS ore are higher than the Baganite ore due to the lower silica content.

Table 10-1 Heap Leach Recovery Assumptions from the 2025 Ore Reserves

Ore Type	Unit	Gold	Silver
PETS Oxide & Ox/Tr	%	86.9	42
PETS Transition	%	85.0	43
PETS Fresh	%	50.0	42
Baganite Oxide & Ox/Tr	%	70.0	49
Baganite Transition	%	62.0	50
Baganite Fresh	%	36.0	52
Baganite Lapilli Tuff	%	75.0	26

The field leach curves for Baganite and PETS are presented in Figure 10-3 and Figure 10-4.

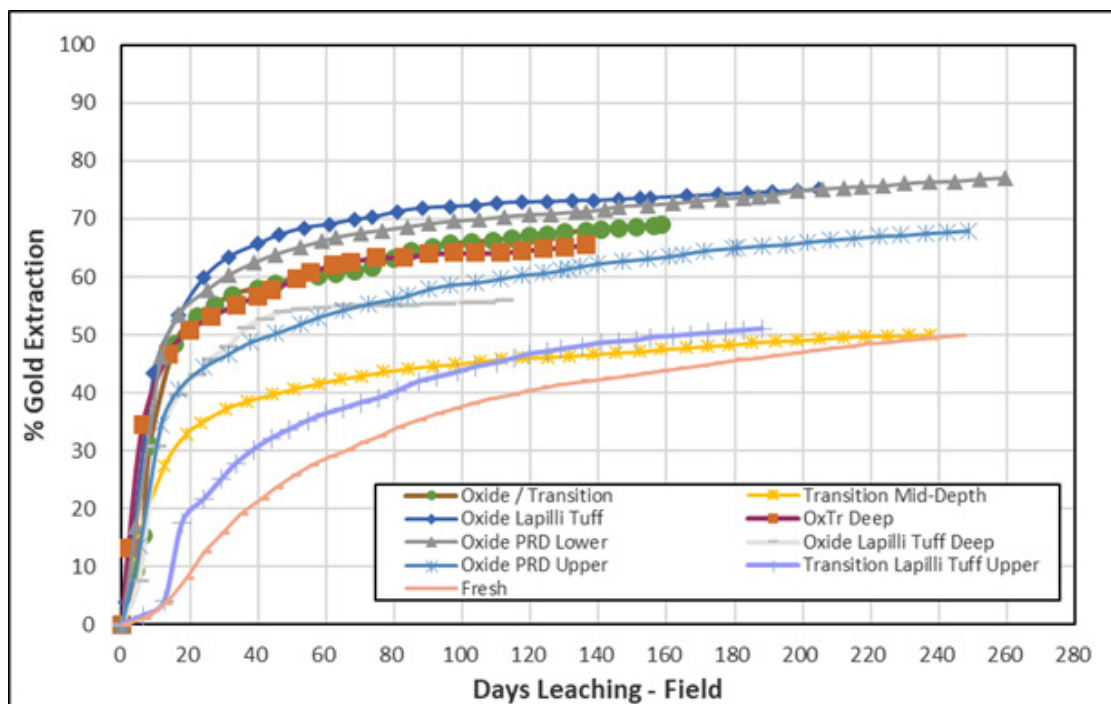


Figure 10-3 Projected Field Leach Curves for Baganite from Updated Results in May 2024

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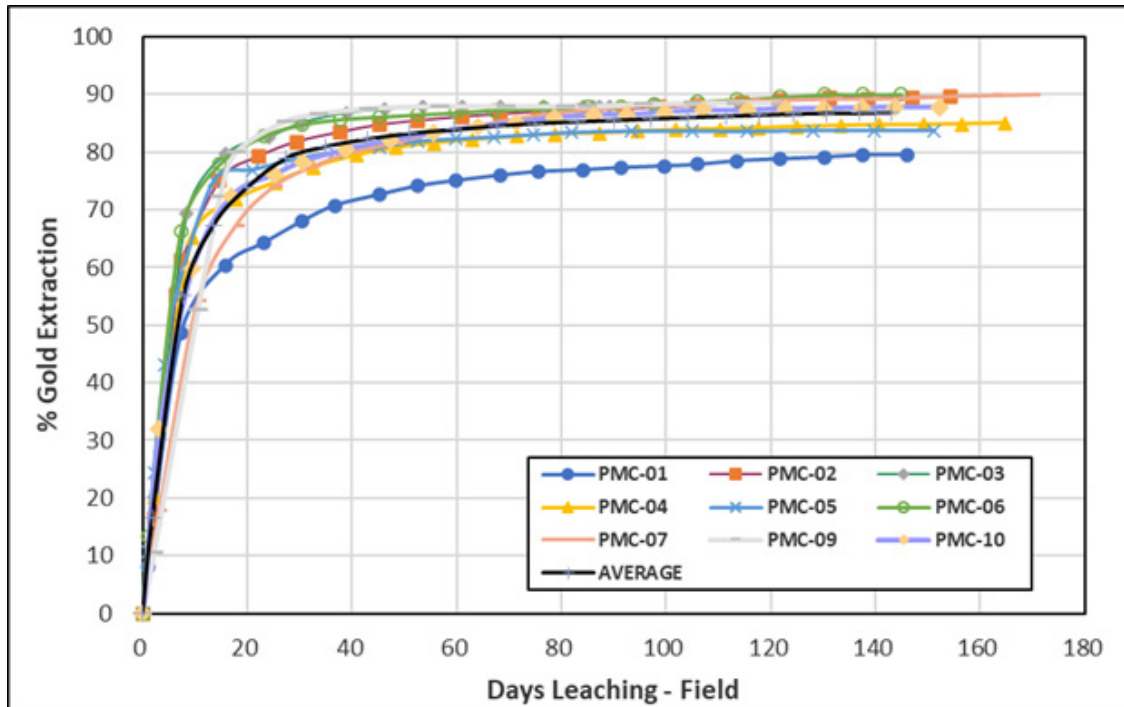


Figure 10-4 Projected Field Leach Curves for PETS from Updated Results in May 2024

10.3 Metallurgical Testwork — Carbon in Leach

The testwork program for the FS 2024 was conducted at Geoservices from mid-2022 to 2023 on samples of PETS and Baganite ores. Testwork on Pani West ores was previously conducted at Geoservices between 2012 to 2018 and at the then Owner's laboratory, J Resources.

10.3.1 Sample Origin

Sample selection for the FS 2024 testwork program was selected by MGR's Mineral Resource Group and Cube Consulting. Samples of PETS ore were selected from 20 drillholes and Baganite ores selected from 8 drillholes. The drillhole intervals were listed in an appendix in the FS 2024 report, but no cross-section included.

Intervals were selected and composited into four PETS composites and five Baganite composites for comminution and leaching testwork.

10.3.2 Head Assay

Various head assays were taken throughout the program, with gold assays ranging from 0.3 to 4.0 g/t Au, although most were around 0.73 to 0.93 g/t Au. Base metal elements are low. Typical assays are illustrated in the nine composites prepared for the Gravity Recoverable Gold (GRG) tests as presented in Table 10-2. Variations between duplicate assays on 50 g fire assay lots were noted, which is typical when significant amounts of coarse gold are present. The variation between duplicate fire assays and the calculated head grades from feed sizing, GRG and Bulk Leach Extractable Gold (BLEG) tests are presented in Table 10-3.

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Table 10-2 Multi Element Analysis for Gravity Recoverable Gold Samples

Element	Unit	PETS 1	PETS 2	PETS 3	PETS 4	BAG 1	BAG 2	BAG 3	BAG 4	BAG 5
Au	ppm	0.75	0.97	1.03	0.54	0.94	2.29	0.90	3.04	0.90
Ag	ppm	1.2	<0.5	1.1	<0.5	3.2	1.1	6.2	2.7	1.1
As	ppm	26	21	31	13	20	32	31	28	33
Cu	ppm	10	7	14	7	12	12	12	262	16
Pb	%	49	53	64	57	62	64	60	62	63
Zn	%	127	209	268	308	54	47	51	74	54
Fe	%	0.74	0.98	0.84	0.77	1.32	1.28	1.36	1.49	1.39
Si	%	34.8	33.5	34.9	34.1	32.4	33.5	32.3	35	34.4
Al	%	7	7.3	7.1	7.3	7.2	6.8	6.9	7	7.2
Ca	%	0.1	0.7	0.1	0.2	0.1	0.1	0.1	0.4	0.1
K	%	4.1	3.5	4.7	3.5	5.4	4.8	5.1	4.5	5.3
Na	%	2	1.8	1.5	1.5	1.4	2.1	1.8	2.3	2.1

Table 10-3 Gold Assays on a Variety of Tests on the GRG Samples

	PETS 1	PETS 2	PETS 3	PETS 4	BAG 1	BAG 2	BAG 3	BAG 4	BAG 5
Fire Assay	0.77	0.94	1.18	0.56	0.94	2.29	0.90	3.04	0.86
Feed Sizing	0.73	0.78	0.98	0.50	0.89	1.66	0.79	2.33	0.81
BLEG Test	0.77	0.94	1.18	0.56	1.04	1.67	0.91	2.30	0.81
GRG Test	0.55	0.69	1.19	0.45	0.93	1.71	0.84	2.42	0.81
Average	0.81	0.84	1.13	0.52	0.95	1.83	0.86	2.52	0.82

10.3.3 Size by Size Analysis

As part of the GRG determination, size by size assay for gold was conducted on the feed samples. The results showed an accumulation of gold in the -150/+38 µm size fractions, which indicates the presence of liberated gold within these size fractions. +106 µm is considered to be coarse gold. The distribution also showed a low proportion (<15%) of ultrafine gold -20 µm. The size and gold distribution for PETS 1 and PETS 2 are presented in Figure 10-5 as an example.

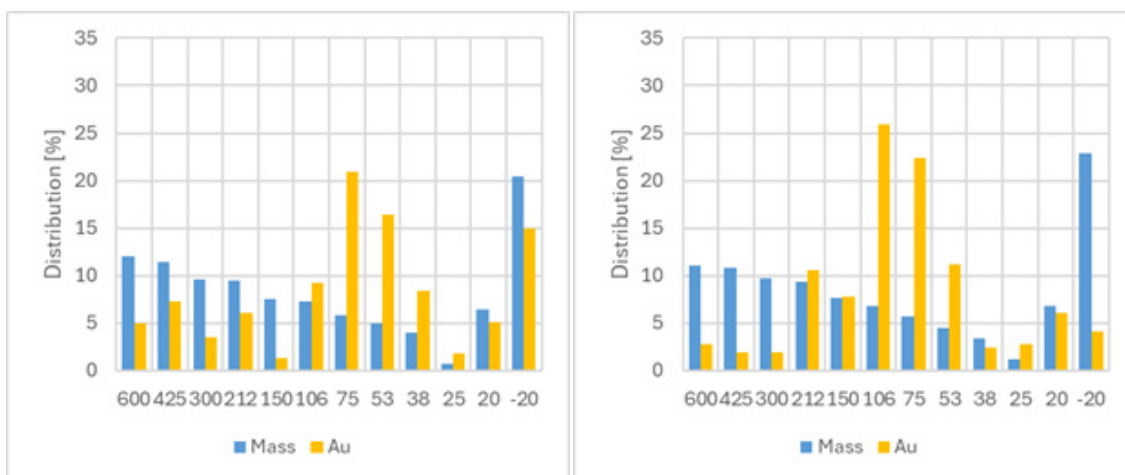


Figure 10-5 Size and Gold Distribution of PETS 1 and PETS 2 Samples

10.3.4 Mineralogical Analysis

Mineralisation at Pani is interpreted as low sulphidation epithermal style based on the presence of adularia (feldspar), dominant silicic-illite-smectite alteration, pyrite (FeS₂) as the dominant sulphide, low total sulphide content (<0.2%), low base metal content,

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and low silver to gold ratio (<10%). Gold mineralisation is predominately found in quartz veinlets, vein stockwork and breccias. Gold mineralisation occurs as electrum within the oxidised zone on fracture surfaces and post-mineralisation fault breccias (supergene) and within quartz veinlets associated with silica and sulphide content (hypegene). The gold mineralisation occurs with minor pyrite $\pm$ galena (PbS) $\pm$ sphalerite (ZnS).

10.3.5 Comminution

Comminution testwork was conducted on a total of 75 samples between 2015 and 2022; 50 samples from Pani West, 12 samples from PETS and 13 samples from Baganite. Of the 50 samples from Pani West, ten were tested using the SMC test procedures. The testwork data was collated by Orway Mineral Consultants (WA) Pty Ltd (OMC) and used to undertake comminution circuit modelling for the FS.

Each sample was logged for lithology and alteration. The main alteration types are Chlorite Silica, Clay Silica, Silica Clay and Silica, which based on the mining schedule at the time represented 36.5, 15.3, 35.4 and 12.8 respectively of LOM tonnes. The results are summarised in Table 10-4.

Table 10-4 Comminution Testwork Summary

			Axb	DWi	BBWi	BRWi	SG	Ai
			–	kWh/m ³	kWh/t	kWh/t	–	g
Chlorite Silica	Oxide	Count	1	1	1	1	1	1
		Value	63.0	3.8	15.6	10.7	2.4	0.069
	Transition	Count	2	2	5	–	2	5
		Average	41.7	5.9	17.2	–	2.48	0.316
	Fresh	Range	40.1-43.2	5.7-6.2	15.8-18.5	–	2.47-2.48	0.22-0.45
		Count	1	1	1	1	1	1
		Value	57.6	4.3	16.3	10.2	2.45	0.102
		Count	2	2	4	2	2	4
Clay Silica . .	Oxide	Average	134.1	1.9	12.7	8.4	2.50	0.143
		Range	127-141	1.8-2.0	11.5-13.6	8.3-8.4	2.49-2.50	0.04-0.40
	Transition	Count	3	3	3	3	3	3
		Average	108.7	2.3	13.4	9.0	2.45	0.213
	Fresh	Range	87.4-138	1.8-2.8	12.5-14.4	8.2-9.5	2.42-2.51	0.06-0.43
		Count	–	–	–	–	–	–
	Silica Clay . .	Count	3	3	15	–	3	15
		Average	120.4	2.6	13.2	–	2.44	0.123
	Transition	Range	66.4-164	1.9-3.7	12.3-14.9	–	2.42-2.47	0.04-0.20
		Count	8	8	9	3	8	9
		Average	41.9	6.2	16.5	14.3	2.44	0.123
		Range	30.5-65.2	3.7-8.2	14.0-18.9	13.2-15.6	2.38-2.54	0.15-0.67
	Fresh	Count	–	–	–	–	–	–
		Count	7	7	29	4	7	29
	Oxide	Average	52.8	5.1	15.3	11.7	2.45	0.216
		Range	35.1-88.2	2.8-6.9	12.9-17.5	9.4-14.0	2.42-2.50	0.04-0.37
	Transition	Count	5	5	5	3	5	5
		Average	34.5	7.2	17.8	14.2	2.48	0.508
	Fresh	Range	31.1-38.3	6.4-8.0	16.5-18.7	12.9-15.7	2.43-2.52	0.36-0.63
		Count	3	3	3	3	3	3
		Average	49.4	5.4	16.8	13.1	2.46	0.135
		Range	32.8-58.6	4.2-7.6	14.9-19.5	11.6-15.0	2.44-2.49	0.13-0.14

Based on the testwork results, OMC developed design ore characteristics for comminution modelling by alteration type as summarised in Table 10-5. With the exception of the Clay Silica alteration type which is less competent, the other three alteration types classify as hard with low Axb values and Bond Ball Mill Work Index of approximately 18 kWh/t. It was noted that there is variability in specific energy requirements across the considered alteration types, with Silica and Silica Clay Transitional in particular requiring much more energy. Careful feed blending will be require to manage this production risk to throughput.

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Table 10-5 Ore Design Criteria by Alteration Type

	CWi	Axb	BBWi	BRWi	SG	Ai
	<i>kWh/t</i>	–	<i>kWh/t</i>	<i>kWh/t</i>	–	<i>g</i>
Chlorite Silica . . .	19.6	41.4	17.8	10.6	2.45	0.250
Clay Silica	7.8	94.7	13.4	9.4	2.47	0.173
Silica Clay	23.4	35.0	18.6	15.1	2.46	0.232
Silica	25.2	32.8	18.0	15.5	2.46	0.249
	Calculation	Calculation	p85	Calculation	Average	Average

10.3.6 GRG and Leaching

For the 2022 GRG testwork on PETS and Baganite, Gekko were engaged to advise and supervise the three-stage GRG and gravity tail leach testwork. The results are summarised in Table 10-6. The results were compared with the results from the 2018 testwork on Pani West samples as summarised in Table 10-7. All tests showed a high proportion of gravity recoverable gold. The tests on the PETS and Baganite samples reported a higher proportion of gravity recoverable gold, although this may be due to a difference in test technique or due to the different mineralogy. Overall gold recovery was consistently high in excess of 95%.

Table 10-6 Summary of GRG and Gravity Tail Leach Results for PETS and Baganite

	PETS 1	PETS 2	PETS 3	PETS 4	BAG 1	BAG 2	BAG 3	BAG 4	BAG 5
Head g/t	0.68	0.80	1.12	0.50	0.95	1.83	0.86	2.52	0.82
GRG Rec	83.8	93.8	86.6	82.0	83.4	83.5	70.2	86.7	74.3
GRG+CIL Rec	98.5	97.5	99.1	98.0	99.1	98.8	98.7	98.7	97.3

Table 10-7 Summary of GRG and Gravity Tail Leach Results for Pani West Samples

	IN1	IN2	IN3	IN4	IN5	SI1	SI2	SI3	SI4	SI5	P1	P2	P3	P4
Head g/t	0.92	1.02	1.96	0.96	1.23	1.45	1.64	0.57	0.60	1.15	0.72	0.74	1.21	1.43
GRG Rec	56	56	72	72	63	64	72	69	65	66	68	85	70	74
GRG+CIL Rec	93	92	95	94	97	96	96	96	96	96	94	97	94	97

Whole of ore cyanide leach tests were also conducted on 20 samples from PETS and 13 samples from Baganite. The recoveries from the PETS tests were consistent over alteration and oxidation state averaging 94.4%. The recoveries from the Baganite tests were more variable with three of the Silica Clay Oxide samples reporting recoveries between 76 to 81%, while the balance of the samples averaged 94.2%, similar to PETS recovery performance.

Based on the testwork results, Graham Brock from Leo Consulting developed recovery assumptions that were reported in the Ore Reserves statement as of 31 December 2024 reported in March 2025. The expected residue grade is reported as a function of feed gold grade as below.

Combined gravity and CIL:

$$\text{Residue Au Grade} = 0.0084 * (\text{Feed Au Grade}) + 0.0066$$

CIL-only:

$$\text{Residue Au Grade} = 0.0645 * (\text{Feed Au Grade}) - 0.0016$$

These equations provide the information presented in Table 10-8.

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Table 10-8 CIL Gold Recovery Modelling Summary

Head Grade	GRG + CIL		CIL Only		Recovery Estimate	
	Residue Grade g/t	Recovery %	Residue Grade g/t	Recovery %	Average of GRG and CIL	Less 3% Recovery
	Au		Au			
0.30	0.009	97.0	0.018	94.1	95.6	92.6
0.50	0.011	97.8	0.031	93.9	95.9	92.9
0.75	0.013	98.3	0.047	93.8	96.1	93.1
1.00	0.015	98.5	0.063	93.7	96.1	93.1
1.25	0.017	98.6	0.079	93.7	96.2	93.2

The recovery results for silver were more variable than the gold results, ranging from 40% to high 90%. The average was 74%. Allowing for solution and other losses through the plant, silver recovery is estimated to be 70%.

10.3.7 Detox Testwork

All leach residue slurries were treated with Sodium Metabisulphite to oxidise the cyanide and precipitate any soluble metals. All tests were successful in removed Weak Acid Dissociable cyanide to below 1.0 ppm and mostly to below detection limit. Base metals were also generally around detection limit.

10.3.8 Confirmatory Testwork 2025/2026

An additional set of metallurgical confirmatory testwork commenced in Q4 2025, based upon the early mining years, to reconfirm design parameters ahead of the detailed engineering phase. The program is expected to be completed in Q1 2026.

10.4 Process Plant — Heap Leach

The Heap Leach operation was designed in the FS 2024 for an annual throughput of 7 Mtpa, but the plan has since been increased to initial throughput of 8 Mtpa and ramp up to 10 Mtpa by the third year of operation. Heap Leach pad irrigation commenced on 27 January 2026, with first gold production planned for Q1 2026. The planned stacked tonnes in 2026 are 8 Mt, with incremental upgrades planned to ramp up to 9 Mt in 2027 and 10 Mt in 2028. Stacking is planned to continue until mid-2032.

The design and engineering for the Heap Leach Processing Plant in the FS 2024 was developed by NewPro Consultant. The upgrade and ramp up to 10 Mtpa was developed by MGR.

10.4.1 Overview

The Heap Leach Plant consists of the Ore Preparation Plant (OPP), HL Pad and ponds, Adsorption, Desorption and Recovery (ADR) circuit, and associated infrastructure. The final product is gold doré. Annual feed grades are forecast to be between 0.52-0.74 g/t Au averaging 0.63 g/t Au, and 0.26-2.20 g/t Ag averaging 0.98 g/t Ag. Annual production is forecast to be between 111-203 koz averaging 149 koz for gold, and 26-173 koz averaging 95 koz for silver. Total production is forecast to be approximately 1,035 koz gold and 594 koz silver.

The location of the HL Pad, OPP and ADR is shown in Figure 10-6.

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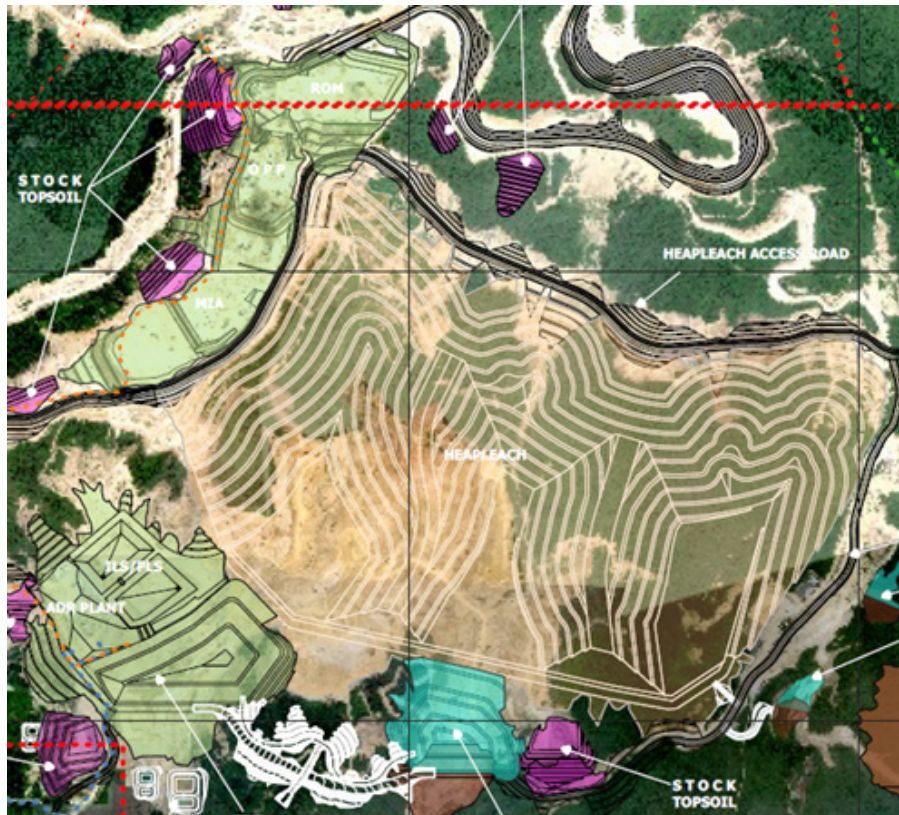


Figure 10-6 Heap Leach Facility and Plant Locations

The Heap Leach Plant process flowsheet is presented in Figure 10-7.

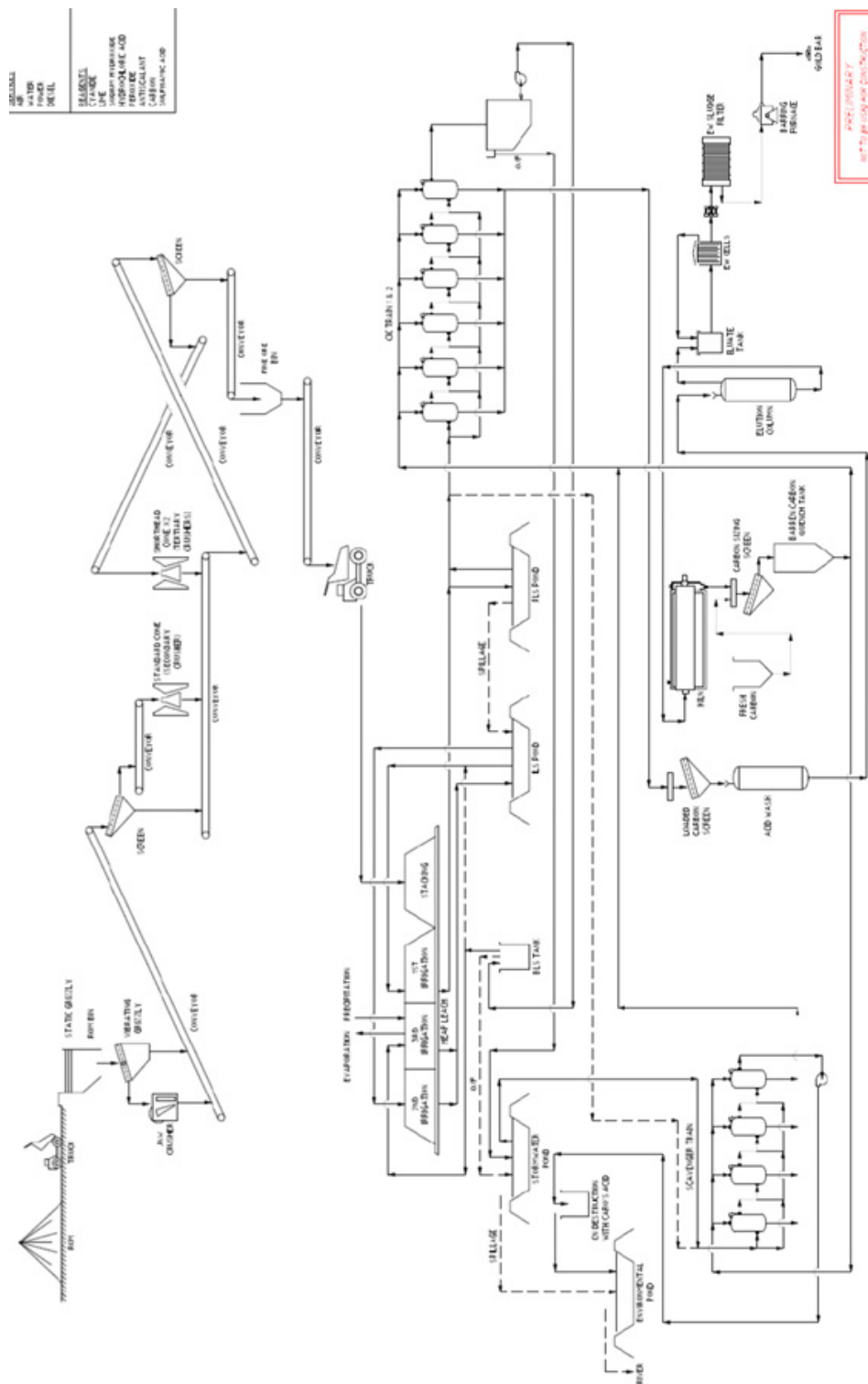


Figure 10-7 Heap Leach Plant Process Schematic

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10.4.3 Process Facilities and Equipment

Ore Preparation Plant (OPP)

The OPP consists of three-stages of crushing and two-stages of screening to reduce the ore to 100% passing 19 mm. Primary crushing is a Metso C160 jaw crusher, secondary crushing is a Metso HP900 cone crusher, and tertiary crushing is two Metso HP900 cone crushers. Ore is loaded into the ROM (Run of Mine) Bin, which is screened by the static grizzly and reclaimed by the vibrating grizzly feeder and apron feeder to the Primary Crusher. The Closed Side Setting (CSS) of the Primary Crusher is 160 mm. The discharge from the primary crusher is conveyed to the double-deck Primary Screen. The Primary Screen operates in closed circuit with the Secondary Crusher (CSS 45 mm), two Tertiary Crushers (CSS 20 mm) and Secondary Screen to size the crushed material to 100% passing 19 mm. Lime is added to the crushed product ahead of storage in the Fine Ore Bin (FOB). The FOB has live volume of 2,500 t, equivalent to approximately two hours of storage. Crushed ore is loaded into haul trucks from the FOB and transported to the Heap Leach Pad.

The OPP was designed in the FS 2024 with a utilisation of 75% and a design throughput of 1,200 tph, although the target throughput was lower at 1,065 tph which equates to 7 Mtpa annually.

The ramp up in throughput to 8 Mtpa is planned to be achieved with the existing circuit operating at the design throughput of 1,200 tph and 75% utilisation. The ramp up to 9 Mtpa and 10 Mtpa in 2027 and 2028 is planned to be achieved by a mobile crushing circuit to supplement the OPP. The mobile crushing circuit will provide additional throughput of 300 tph and consist of one Sandvik UJ310 jaw crusher and one Sandvik UH312 cone crusher.

Heap Leach Pads

Crushed ore from the OPP is hauled by haul trucks and stacked on the Heap Leach Facility. The HLF is discussed in more detail in Section 10.6. The HLF consists of three cells, and is designed for a total ore storage of approximately 63 Mt. Ore will be stacked in 10 m high nominal lifts to an elevation of RL 235 m, equivalent to a maximum height of approximately 122 m.

A dilute cyanide solution is pumped and applied to the surface of the heap to leach the gold into solution. The surface will be ripped and scarified to maintain permeability for the solution to penetrate the heap. Solution will be applied at a nominal irrigation rate of 10 L/h/m² using an irrigation system consisting of wobbler-type sprinklers.

The heap leach circuit operates three ponds in the irrigation process to store and circulate the leach solution:

- Barren Leach Solution (BLS) Tank, volume 600 m³
- Intermediate Leach Solution (ILS) Pond, volume 80,000 m³
- Pregnant Leach Solution (PLS) Pond, volume 80,000 m³

The heaps are divided into primary, secondary and inactive heaps. The primary heap will be irrigated for 50 days and the secondary heap for 90 days, for a total irrigation time of 140 days. BLS will be pumped to the secondary heap for irrigation, which will percolate the heap and drain to the ILS Pond. ILS, which is now partially enriched, will be pumped to the primary heap to percolate and drain to the PLS Pond. ILS may also be recycled to the secondary heap to achieve the target irrigation rate of 10 L/h/m². A series of outlet pipes and diversion boxes will be used to divert the solution to either the ILS or PLS Pond depending on which stage of leaching. PLS will be pumped to the ADR Plant.

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The ramp up in throughput from 8 to 10 Mtpa is planned to be achieved by upgrading the pumping capacity of the BLS and ILS Pumps to sustain the same irrigation rate for the higher stacking rate, as well as upgrade the PLS Pumps to increase the PLS flowrate to 1,200 m³/h.

Adsorption, Desorption and Recovery (ADR)

The ADR Plant consists of adsorption in two trains of Carbon in Column (CIC), desorption in an acid wash and elution columns, and gold recovery through electrowinning (EW) and smelting.

In the adsorption circuit, the PLS from the PLS Pond is pumped through one of two parallel CIC trains of six pressure column carousel packs. The PLS flows through the series of adsorption columns in either train, with each column containing 6t of activated carbon to adsorb the gold in solution. Feed to the system can be directed to either of the six columns, with subsequent flow to the successive column. When the carbon in the lead column becomes loaded, the column is taken offline and feed flow is directed to the next column in line. Once the carbon is fully loaded with gold, it is removed from the vessel and hydraulically transferred to the elution process. The design flowrate of PLS though the CIC trains in the FS was 1,000 m³/h (500 m³/h each train) although the nominal flowrate was lower at approximately 800 m³/h. Barren solution from the last column is pumped to the BLS Tank.

In the desorption circuit, the loaded carbon is transferred to the acid wash column and washed with 3% hydrochloric acid solution, before being transferred to the elution column to strip the loaded gold off the activated carbon. The elution column is a six-tonne pressure Zadra circuit that has been sized to allow for six elutions cycles per week. The eluate from the elution column is transferred to the electrowinning circuit. After elution, the barren carbon is reactivated in a diesel-fired rotary kiln before being returned to the CIC circuits.

In the recovery circuit, the eluate from the elution column is electrowon in one of three electrowinning cells operating in parallel. The gold in solution plates onto the cathode as gold sludge as a batch process. The cathodes are periodically removed from the EW cells and the gold sludge washed from the cathodes. The gold sludge is dried in a calcine oven before being smelted in a furnace and poured as gold doré.

Excess water from the heap leach circuit that needs to be bled off from the system will undergo detoxification before discharge to the environment. A series of four scavenger columns will be used to ensure gold retention, a Caro's acid (H₂SO₅) generator will reduce the cyanide concentration to below 0.5 ppm levels, and a clarifier will remove any solids and itinerant cations before the water is released to the environment and then pumped through a lime pH adjustment process before discharge into the Environmental Control Dam (ECD) and reserved for process make up water or directly discharged to the environment.

The ramp up in throughput from 8 to 10 Mtpa is planned to be achieved by increasing carbon loadings on the carbon, an increase in stripping frequency from 6 per week to 9 per week and additional electrowinning capacity. The upgrades will support the increased gold load while maintaining current recovery efficiency and cathode quality.

10.5 Process Plant — Carbon in Leach

The CIL operation was designed in the FS with an initial throughput of 7.5 Mtpa that would be expanded to 12 Mtpa a few years later. The current plan as of January 2026 is to construct and operate the expanded plant of 12 Mtpa from the outset commencing in 2028. The updated plan is targeted for finalisation in Q1 2026. A total of 137 Mt is planned to be processed until 2040.

The design and engineering for the CIL Plant in the FS 2024 was developed by Lycopodium Brisbane.

10.5.1 Overview

The CIL Plant is a conventional gravity-CIL circuit. The final product is gold doré. Annual feed grades are forecast to be between 0.60-0.95 g/t Au averaging 0.86 g/t Au,

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and 0.37-1.72 g/t Ag averaging 0.75 g/t Ag. With the exception of the last two years when milled tonnes are lower, annual production is forecast to be between 0.26 and 0.34 Moz averaging 0.31 Moz for gold, and 0.13-0.35 Moz averaging 0.21 Moz for silver. Total production is forecast to be approximately 3.5 Moz gold and 2.3 Moz silver.

The location of the CIL Plant is to the west of the Open Pit as shown in Figure 10-8.



Figure 10-8 CIL Plant Location

10.5.2 Process Flowsheet

The CIL Plant flowsheet consists of primary crushing, two-stage grinding with pebble crushing, gravity concentration and intensive cyanidation reactor, pre-leach thickening, Leaching and CIL adsorption, split AARL elution, gold recovery, cyanide detoxification, and tailings discharge. Approximately 8 Mtpa of tailings will be thickened and discharged to TSF Hulawa and approximately 4 Mtpa will be filtered and stacked at the FTF.

The process flowsheet is presented in Figure 10-9. The tailings filter and FTF are not shown.

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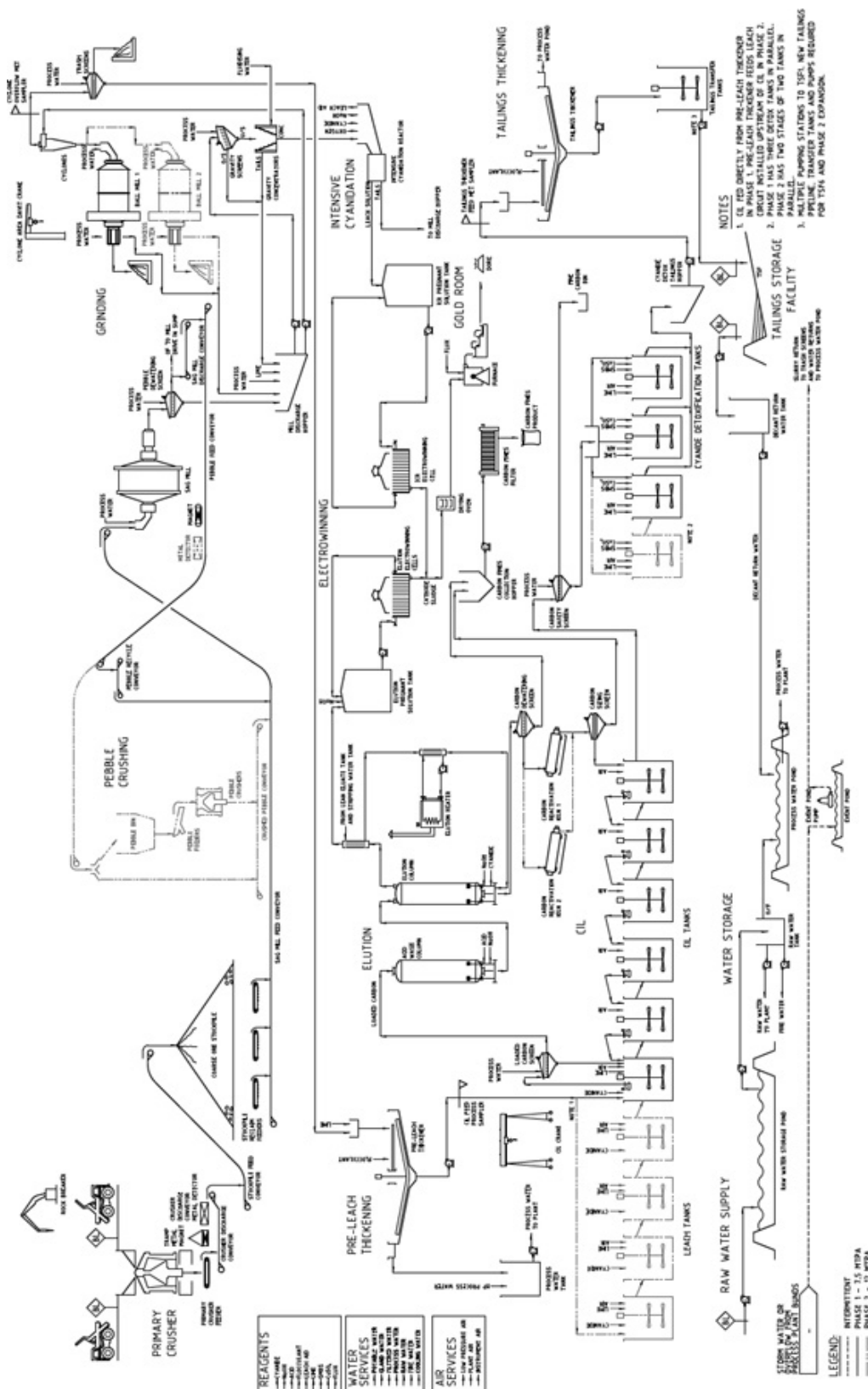


Figure 10-9 CIL Plant Process Flow Diagram

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10.5.3 Process Facilities and Equipment

The process equipment consists of:

- Primary gyratory crusher with rope conveyor to the Crushed Ore Stockpile.
- Two-stage grinding circuit with pebble crushing, with a SABC circuit configuration (SAG mill, ball mill, pebble crushing).
- Gravity concentration and intensive cyanidation circuit.
- Pre-leach thickener.
- Leach/CIL circuit.
- Split AARL (Anglo-American Research Laboratories) elution circuit.
- Carbon reactivation kilns.
- Cyanide detoxification circuit using the Inco SO₂/air process.
- Tailings thickening and disposal to TSF Hulawa for approximately 8 Mtpa and filtering and stacking at FTF for approximately 4 Mtpa.

Crushing Circuit

The primary crusher is a Metso MKIII 54-75 gyratory crusher. Ore will be tipped into the crusher dump pocket and crushed to 100% passing 250 mm. The utilisation of the crushing circuit is 70%, equivalent to 6,132 operating hours per year. At 12 Mtpa, the throughput is 1,957 dry t/hr.

Crushed ore will be conveyed by rope conveyor to the Coarse Ore Stockpile (COS). At 12 Mtpa, the COS has live capacity of 12 hr, equivalent to 18,000 dry tonnes. Ore will be reclaimed from the COS by three variable speed apron feeders onto the SAG (Semi-Autogenous Grinding) mill feed conveyor.

Grinding and Classification Circuit

The grinding circuit is a SABC. The SAG mill is an NCP 16 MW (2x 8 MW) mill with diameter of 10.97 m and Effective Grinding Length of 6.35 m. The SAG mill discharge will be screened by the single-deck Pebble Discharge Screen, with the oversize conveyed to the pebble crushing circuit and the screen undersize to the Mill Discharge Hopper. The pebble crushing circuit will feature two 0.45 MW Metso HP6 cone crushers; one will operate continuously and the second may operate or be on standby as required. The Mill Discharge Hopper will pump to the hydrocyclone cluster operating in closed circuit with the two ball mills. The ball mills are NCP 8 MW mills with diameter of 6.5 m and Effective Grinding Length (EGL) of 11.25 m. The cyclone underflow will be split between the two ball mills, and the overflow directed to the trash screens before the pre-leach thickener. The cyclone overflow grind size is 80% passing 150 µm.

Gravity Circuit

The gravity circuit consists of two Knelson KC-QS70 gravity concentrators operating as duty/duty. From the Mill Discharge Hopper, dedicated gravity circuit feed pumps (operating as duty/standby) direct slurry to the gravity circuit feed distributor for splitting to two vibrating screens ahead of the gravity concentrators. The gravity concentrators are a batch process with cycle time of approximately 40 min. At the end of each cycle, gravity concentrate is flushed and flows to the gravity concentrate storage cone. The gravity concentrate from the storage cone is transferred to the Consep CS8000 Intensive Cyanidation Reactor (ICR) for a batch intensive cyanidation process. The ICR is designed to treat one batch per day. The pregnant solution from the ICR is pumped to the ICR Pregnant Solution Tank for recovery by electrowinning. The nominal recovery from the gravity circuit is approximately 50% for gold and 25% for silver.

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Pre-Leach Thickening

The undersize from the cyclone overflow trash screens flows to the Metso 40 m diameter high-rate thickener to increase the density to target 50% solids ahead of the CIL circuit.

Leach/CIL Circuit

The Leach/CIL circuit consists of four mechanically-agitated leach tanks and six mechanically-agitated CIL tanks. Each tank is 5,400 m³. Cyanide will primarily be added to the four leach tanks to leach the gold into solution. Lime is added as a pH modifier, and air is added to each of the tanks for aeration and oxygen addition. Activated carbon will be added to the six CIL tank to adsorb the leached gold. The activated carbon will be advanced by carbon transfer pumps counter-current to the slurry flow. Loaded carbon from the first CIL tank will be pumped to the Loaded Carbon Recovery Screen ahead of the acid wash column. Slurry discharging from the last CIL tank will flow by gravity to the Carbon Safety Screen ahead of cyanide detoxification. The total residence time of the leach/CIL circuit is 24 hr.

Acid Wash, Elution, Electrowinning and Goldroom

The stripping circuit will be a split AARL automated circuit with separate acid wash and elution columns. The stripping circuit will be sized for a 22 t batch of carbon. The oversize from the Loaded Carbon Recovery Screen will flow by gravity to the acid wash column for washing in 3% hydrochloric acid, before being transferred to the elution column to strip the loaded gold off the activated carbon. The elution schedule will be ten strips per week.

The eluate from the elution column is electrowon in one of two electrowinning cells operating in parallel, each containing 33 cathodes. There is also a separate electrowinning cell for the ICR pregnant solution, containing 22 cathodes. The gold in solution plates onto the cathode as gold sludge. The cathodes are periodically removed from the EW cells and the gold sludge washed from the cathodes. The gold sludge is dried in a kiln before being smelted in a furnace and poured as gold dore.

Carbon Reactivation

After elution, the barren carbon will be pumped from the elution column to one of two diesel-fired horizontal rotary kilns, to remove volatile organic foulants from the carbon surface and thereby restore carbon activity. The reactivated carbon will be returned to the last CIL tank.

Cyanide Detoxification

Slurry tailings from the last CIL tank will flow by gravity to the cyanide detoxification circuit where cyanide detoxification will be achieved using the SO₂ and air process. In the SO₂ and air process, Sodium Metabisulphite, air and copper sulphate (catalyst) will be added to oxidise the residual free and WAD cyanide to cyanate. The cyanide detoxification circuit will consist of two trains of two mechanically-agitated tanks (four in total). The volume of each tank will be 1,300 m³. The residence time in the circuit is 90 minutes. The design WAD cyanide concentration in the reactor discharge is 10 ppm, below the maximum WAD cyanide concentration of 50 ppm at the TSF.

Tailings Thickening, Filtration and Disposal

Slurry from the cyanide detoxification circuit will be pumped to the 48 m diameter Tailings Thickener to increase the density to 65% solids. Approximately 8 Mtpa of the tailings will be pumped and discharged to the TSF and approximately 4 Mtpa will be pumped to the Filter Plant for filtration and stacking on the FTF. The TSF and FTF are discussed further in Section 10.7. Decant return water from the TSF will be pumped and returned to the CIL Plant.

The Filter Plant is located to the west of the CIL Plant and north of the FTF. The Filter Plant will include three Metso Larox FFP 3512 horizontal pressure filters, operating two duty and one standby. The Filter Plant is designed for 4 Mtpa.

Reagents

The main reagents used within the CIL Plant will include hydrated lime for pH control, sodium cyanide for gold dissolution and desorption, sodium hydroxide for carbon acid

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washing neutralisation and desorption/electrowinning, hydrochloric acid for loaded carbon acid washing, SMBS and copper sulphate for cyanide detoxification, flocculant for thickening, and fluxes for smelting. Reagents will be delivered to site in bulk bags and bulk containers.

Services

Water services for the CIL Plant include raw water, fire water, process water, gland water, filtered water and potable water. Air services for the CIL Plant include high pressure air by two compressors and low-pressure air by eight low pressure air blowers (six duty and two standby).

10.6 Heap Leach Facility

The design for the HLF has been developed by WSP.

The HLF is located to the south of the Open Pit and will comprise three cells, designed for a total ore storage capacity of approximately 63 Mt (equivalent to 38.6 Mm³). Ore will be stacked in 10 m high nominal lifts to an elevation of RL 235 m, equivalent to a maximum height of approximately 122 m.

Based on the Pani ore characteristics, the crushed ore has a low percentage of fine particles and high hydraulic conductivity. Based on the planned HLF cyanide solution irrigation rate of 10 L/h/m², the crushed ore within the HLF is not expected to remain fully saturated. As a result, liquefaction is not likely to occur.

For the Basis of Design, the recommended target Factor of Safety (FoS) under static conditions varies from 1.3 to 1.5. When the material is coarse and has a high hydraulic conductivity, such that it does not become saturated when fluid seeps through, it is not expected to be susceptible to liquefaction or flow failure for which a target FoS of 1.3 is considered acceptable.

The static stability analysis conducted by WSP for the Prefeasibility Design Report set the target FoS as 1.5 where possible and tried to limit the sections where a FoS of only 1.3 was achieved. There were some sections in Cell 1 where the achieved FoS was higher than 1.3, which it is still deemed acceptable to have some sections around the facility with slightly lower FoS, as long as the seismic induced strains are less than 1%. As the ore material is coarse and highly permeable, it may not be susceptible to liquefaction or flow failure that would produce large deformations in the HLF, provided that fines content in the crushed ore is limited and pore water pressures within the heap are monitored through the operation to verify the unsaturated conditions of the material.

The stability analyses were done for stacked ore capacity of 64 Mt, however, some of the stability analyses showed Factor of Safety (FoS) below the target 1.5 but still above 1.3 under static conditions. A second configuration of stacked ore was assessed, which showed FoS >1.5 in all sections analysed. This configuration had a reduced storage capacity of 54 Mt however. There could be potential to improve stability and increase the storage capacity through further modelling, optimisation and stability analyses under static and seismic loading. The Ore Reserves for the FS used this second configuration and were estimated to be 51.5 Mt as a result.

The HLF design has an overall footprint of approximately 135 ha. The facility is constructed on the natural topography within three main valleys. The HLP is subdivided into three cells, namely Cell 1, Cell 2 and Cell 3, which will be staged constructed to reduce capital costs. A general arrangement of the proposed HLF is shown in Figure 10-10.

The HLF, ponds and dams will be lined. The HLF will consist of a compacted clay layer (0.3 m) and a geomembrane (2 mm double textured LLDPE). The PLS/ILS pond and dams will consist of a clay liner (0.3 m), geomembrane (2 m smooth HDPE), geonet, and geomembrane (2 mm mono-textured HPDE).

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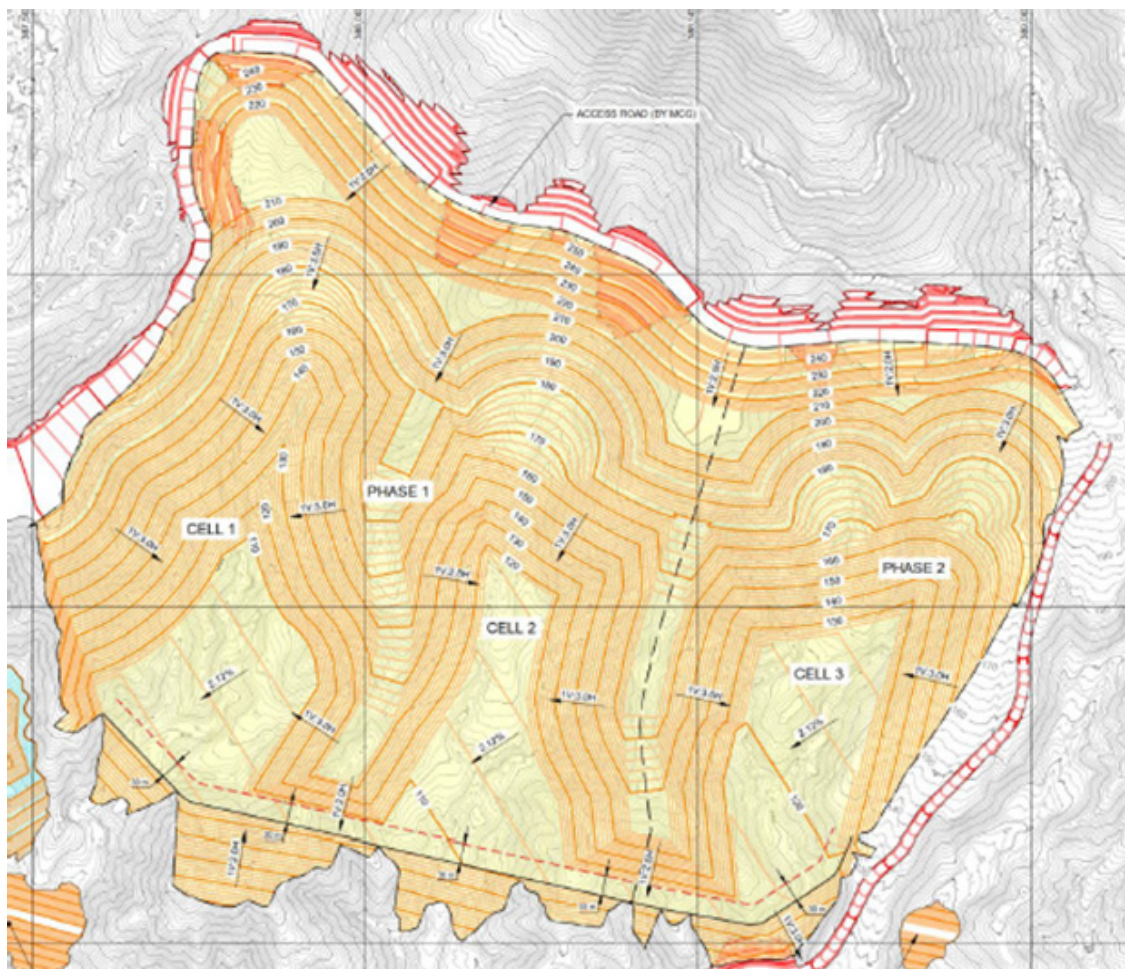


Figure 10-10 Heap Leach Facility Proposed Construction Stages

10.7 Tailings Storage

The plan for storing tailings from the CIL Plant will be in split between TSF Hulawa and the FTF. The planned tonnage split is presented in Table 10-9. A total of 88.1 Mt will be stored in TSF Hulawa and a total of 49.5 Mt will be stacked on the FTF.

Table 10-9 Tailings Planned Tonnes for TSF Hulawa and the Filtered Tailings Facility

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
TSF . . Mt	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	–	–
FTF . . Mt	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.5

10.7.1 TSF Hulawa

TSF Hulawa, originally referred to as TSF1, has been designed to store up to 88 Mt of tailings. The design was undertaken by WSP Australia Pty Ltd and its Indonesian affiliate PT GESI. The design has been updated since the 2024 FS.

TSF Hulawa is designed as a cross-valley embankment, constructed in three downstream stages to a crest elevation of RL 356 m, which corresponds to a maximum height of 194 m above the existing valley floor at the downstream toe. The maximum beach elevation is 348.8 m based on freeboard assessment. The overall footprint area of the TSF is approximately 136 ha.

TSF Hulawa is located to the north of the Open Pit as shown in Figure 10-11.

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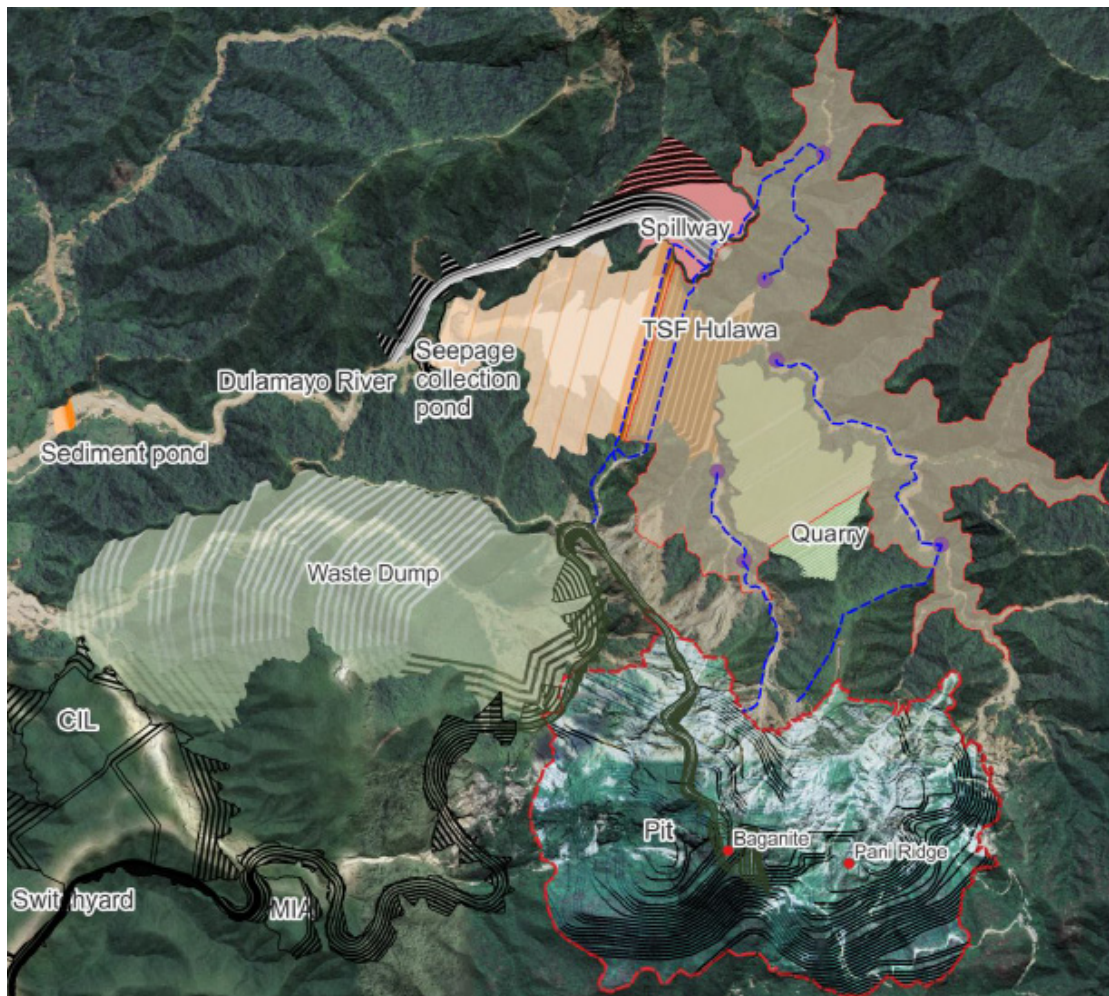


Figure 10-11 TSF Hulawa Design Arrangement

The embankment will be constructed as a zoned earth and rockfill structure using locally sourced clay, quarry rock, and non-acid forming mine waste. The facility will also include a geomembrane lines, seepage collection system, basal drains and diversion channels to management stormwater and seepage. A spillway at RL 353 m will provide emergency flood capacity and act as a permanent river diversion following closure. Sufficient freeboard allowance has been provided to contain both a 1:10,000 Annual Exceedance Probability (AEP) 72-hour storm and a Probable Maximum Flood.

Laboratory testing was conducted on tailings samples by WSP Perth in 2023, which showed a range of dry densities between the inferred initial settled dry density of 1.22 t/m³ and anticipated consolidated dry density at the deepest part of the tailings deposit of 1.62 t/m³. The consolidated dry density may reach 1.5 t/m³ after cessation of tailings deposition or if supernatant pond water management and tailored tailings deposition strategies are put in place during operation to maximise tailings consolidation.

The volume of tailings stored to crest RL 356 m (maximum beach elevation of RL 348.8 m) is 59.2 Mm³. For an achieved dry density of 1.5 t/m³, the tailings storage capacity would be 88.8 Mt. Based on the current mine plan, 88.1 Mt are planned to be stored.

The facility has been designed aligned with Indonesian regulatory requirements as well as industry standards and guidelines including Global Industry Standard on Tailings Management (GISTM, 2020), International Commission on Large Dams (ICOLD) and Australian National Commission on Large Dams (ANCOLD, 2012 & 2019). The TSF consequence category of 'Extreme' has been adopted for the TSF using the criteria given by GISTM and ANCOLD guidelines due to downstream population, environmental sensitivity and potential business risks in the event of failure.

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Geotechnical stability analyses for the crest elevation of RL 356 demonstrated Factors of Safety of 2.29 under static conditions and 1.86 under post-seismic conditions, which exceed industry guideline design requirements of 1.5 and 1.1 respectively.

10.7.2 Filtered Tailings Facility

The FTF has been designed to store approximately 54 Mt of filtered tailings, with annual stacking planned at 4 Mtpa. Based on the current mine plan, 49.5 Mt are planned to be stacked. The design was undertaken by WSP Australia Pty Ltd and its Indonesian affiliate, PT GESI.

The FTF is located to the south of the Filter Plant as shown in Figure 10-12 and will be constructed in two cells. Cell 1 is designed for a capacity of 11.4 Mm³ and a height of 140 m, and Cell 2 designed for a capacity of 24.5 Mm³ and a height of 190 m. The two cells will be developed and raised concurrently with development separated in four stages. Typical section drawings for the two cells are shown in Figure 10-13 and Figure 10-14.

Tailings will be placed in thin layers or approximately 0.5 m, dried to optimum moisture, and compacted to 95% Standard Maximum Dry Density (SMDD). Haulage and spreading will be managed by the mining fleet, with surfaces graded at 1% to ensure effective drainage. The cells will have a composite liner system comprising compacted clay and double underdrainage layers.

The FTF has been designed aligned with Indonesian regulatory requirements as well as industry standards and guidelines including GISTM (2020) and ANCOLD (2012 & 2019). The consequence category of ‘Very High’ and ‘High B’ respectively has been adopted for the FTF due to downstream population, environmental sensitivity and potential business risks in the event of failure.

Geotechnical analyses demonstrated Factors of Safety of 1.6 under steady-state conditions and approximately 1.2 under post-seismic conditions, which exceed industry guideline design requirements of 1.5 and 1.1 respectively.

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Figure 10-12 Filtered Tailings Facility Location

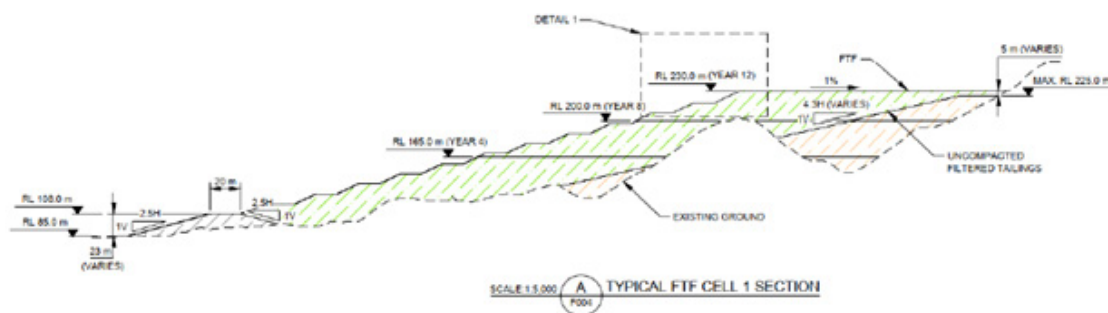


Figure 10-13 Filtered Tailings Facility Cell 1 Typical Section

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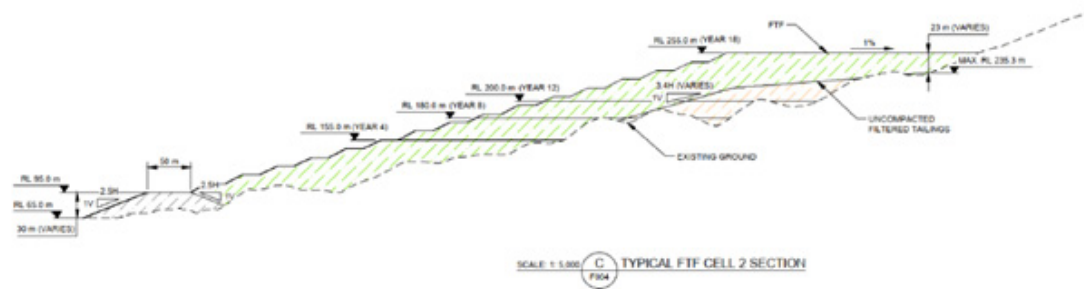


Figure 10-14 Filtered Tailings Facility Cell 2 Typical Section

10.7.3 Hydrogeology of TSF

Various instrumentation will be installed in the TSF embankment and surroundings with the objective of monitoring different aspects at the TSF such as phreatic surface, displacements and water quality.

Decant water and surface water run-off into the TSF impoundment will be returned to the process water circuit at the CIL process plant. Excess water collecting during periods of high rainfall will be transferred to the raw water pond to supplement raw water circuit. Downstream discharge to the river occurs when the process water circuit has reached capacity.

Small water collection dams are proposed for construction in the upstream tributaries of the Dulamayo River with the captured upper catchment flows transferred by pipeline to the downstream river system to contribute to dependable flow.

Run-off water flowing down from the catchment valley surrounding the tailings pond will directly enter and be collected in the tailings dam. This water will then be pumped in a controlled manner via the spillway channel and eventually flow into the Dulamayo River. This way, the dependent flow from the Dulamayo River can be maintained. The water then runs along the river alignment to the raw water pond located further downstream of the Dulamayo river. The estimated discharge for a 100-year average recurrence interval (ARI) from the diversion catchment area of 124.5 ha is around 13.6 m³/s. The design of the spillway channel is 3 m width and 1.5 m height, with a 1% longitudinal slope.

The storm water storage capacity of the facility at the design height of 302 mRL is 4.8 Mm³ at a maximum depth of 7.5 m. The TSF emergency spillway is estimated to cover a catchment area of 6.2 km², with a probable maximum inflow of around 386 m³/s.

Seepage analysis was completed as part of the TSF conceptual design to estimate the location of the phreatic surface during the development of TSF and to provide an estimate of seepage fluxes from the TSF into the foundation (Figure 10-15).

The predicted phreatic surfaces represented by modelled zero-pressure follow the embankment upstream surface, extending into the foundation, and daylighting towards the downstream toe. Seepage flows through the weathered rock unit and reports to the basal drain (Figure 10-16). According to the model results, the presence of the upstream liner and the basal drain effectively maintain the phreatic surface at a sufficiently depressed elevation to confine it within the foundation below the embankment. An apparent unsaturated zone is observed in the tailings near the upstream toe, likely due to the relatively low permeability of the tailings and preferential flow within the underlying foundation layer. The estimated total seepage to the foundation is about 253 to 357 m³/day, however, the seepage model was developed under steady state conditions that simulate the phreatic conditions at infinite time. The actual flow rates during operation may vary significantly, especially early on, given the larger pond depth and shorter flow paths at the start of the operation. However, a more detailed transient analysis will be required to be carried out as part of the next design stage to confirm this.

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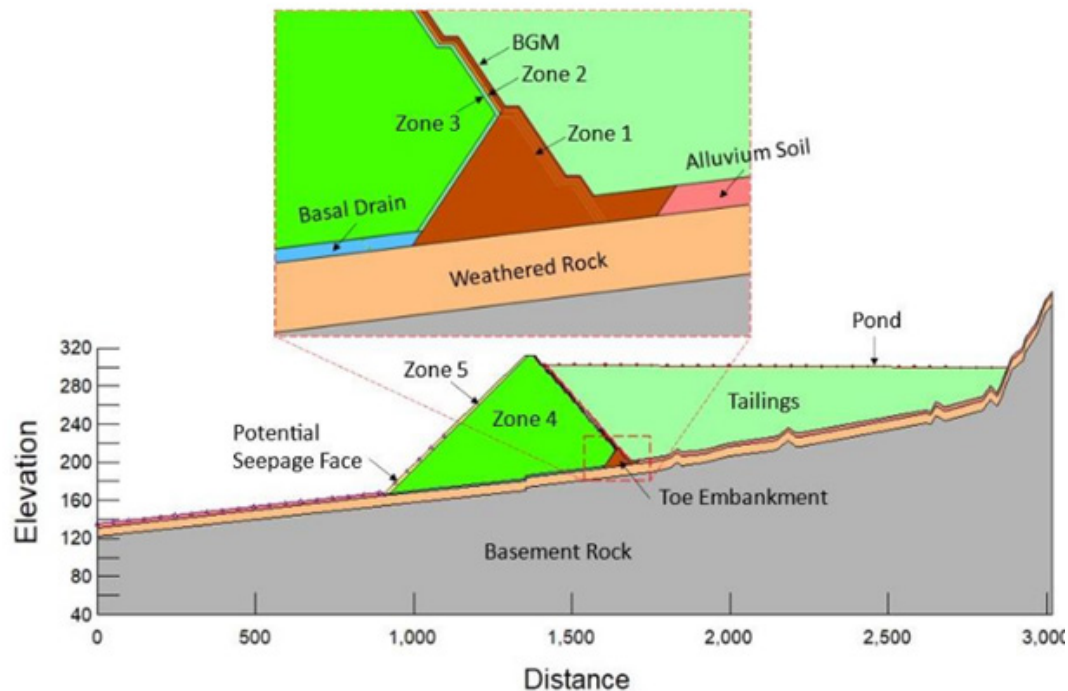


Figure 10-15 TSF Seepage Model Geometry and Layering

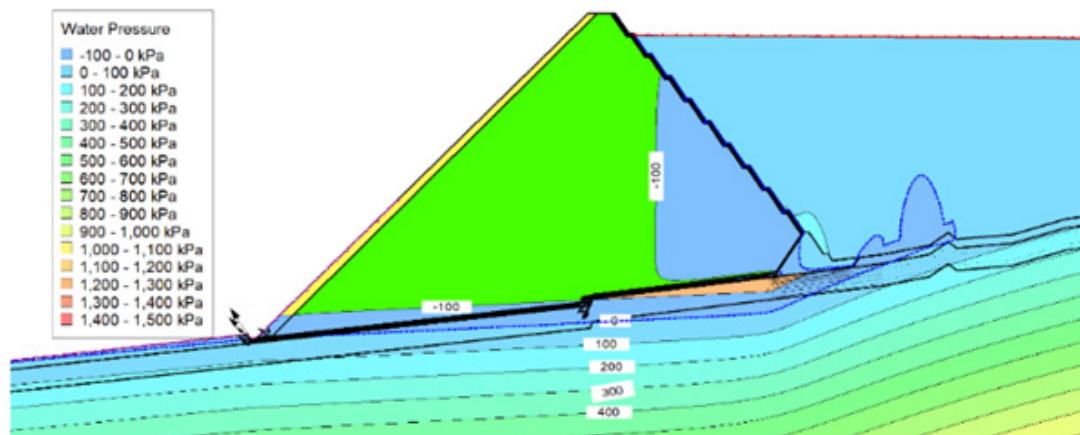


Figure 10-16 TSF Seepage Modelled Pore Pressures

The maximum operating pond level defines the design embankment crest elevation upon which the design extreme storm and contingency freeboard is superimposed. The supernatant pond must be kept away from the upstream face of the embankment to maximise the drying beach area. A maximum pond volume equivalent to the minimum practicable pond depth (taken as 0.5 m) plus an allowance for excess wet season storage is used to determine the pond elevation prior to superposition of the design extreme rainfall event. The rainfall depth has been obtained from the rainfall analysis (Section 9.2.4). The runoff volume resulting from the rainfall event was estimated assuming no infiltration in the natural catchment or within the exposed tailings beach. The available freeboard levels determined for all operating heights exceed the ANCOLD requirements by over 40%.

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11 WORKFORCE ASSESSMENT

The workforce assessment was prepared to evaluate the people skills and organisational capacity required to deliver a safe and functional mining operation. The workforce and the skills required to operate a mining operation are wide and varied, so too are the competencies in the correct roles that need to be deployed at the appropriate stages of the development, operations and closure.

The workforce assessment has also been informed by MGR's history in the industry which demonstrates that the business has clear capability in the delivery operating mines. At its core, workforce assessment answers three simple questions:

- Have there been adequate personnel deployed to undertake the work.
- Is the range of skills or departments adequate.
- Is the timing appropriate to meet the needs of the project.

The Pani project consists of three fundamental phases of development including construction, heap leach phase and then the CIL phase. The operation is dynamic and the workforce will change according to the needs of the business, this section provides an overview of the workforce nominated for the project and is informed by the various schedule inputs.

The organisational design is arranged around core function teams overseen by a site management team who co-ordinate operations to achieve the common goal of maximising revenue while delivering a compliant and safe operation. The organisation structure at Pani is aligned with many operations operating in Indonesia in that there is a site leadership team that includes support services for the operation and then core contract groups undertaking the key elements of the project. The framework adopted at Pani is a typical variation of organisational structures adopted at other mines throughout the industry, Figure 11-1, fundamentally the org structure includes:

- Site Management: General manager of the project, the legislative appointed responsible person for the mine including Kepala Teknik Tambang (KTT).
- Functional Areas: Includes the functional manager and includes the Commercial department including finance, Environment, Corporate Social Responsibility (CSR) and Compliance, External Affairs, Health and Safety, Human Resources
- Operations: Mining Contractors, Heap Leach and CIL

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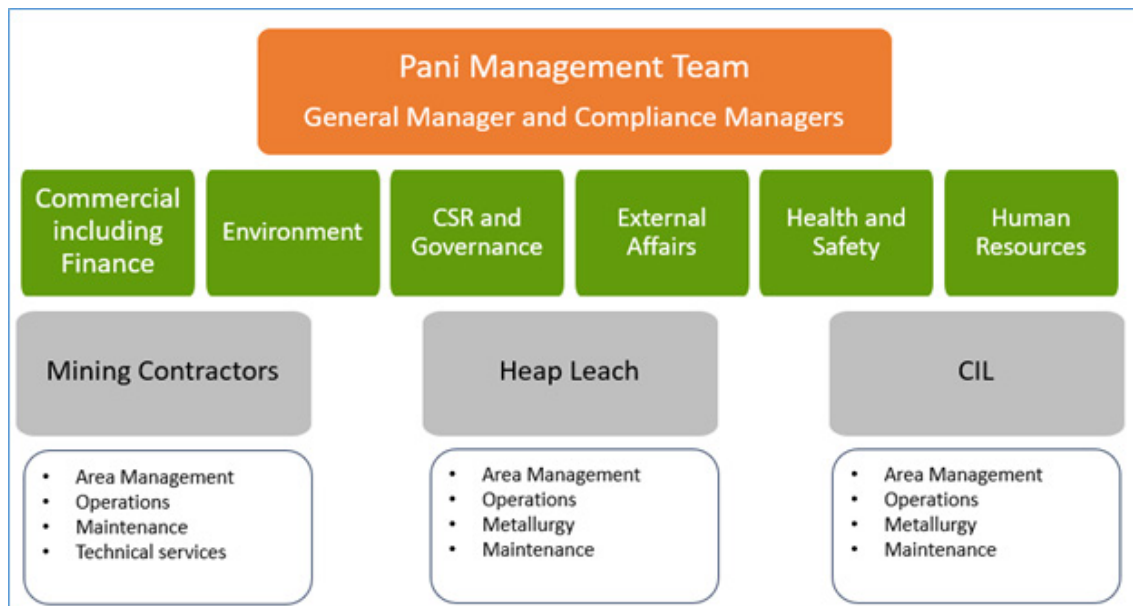


Figure 11-1 Pani Organisational Framework

The workforce at Pani will change as the project evolves through the different phases of project execution, commissioning and operations. This is further complicated by the Heap Leach phase and then the CIL. At the time of preparing this report (February 2026) the headcount at Pani was 1,381 personnel employed by the mine:

- 458 Direct employees (employed directly by PETS, GSM, PBT, and MGR)
 - o 14 — Managers
 - o 43 — Assistant Managers
 - o 158 — Supervisors
 - o 204 — Officers
 - o 39 — Non-Staff
- 923 Labour Supply.

11.1 Workforce Numbers

The Mining Contract and many of the construction personnel are excluded from this data as the service agreements are inclusive of labour:

- The Mining Contract provides a machine rate inclusive of the operator, therefore the contract numbers at site will increase and decrease as the production schedule requires. A recent services agreement with PT Merdeka Mining Indonesia is currently in place with a termination date of the 29th of December 2026 (2-year term).
- The construction of the Heap Leach facility, the CIL facility and tailings storage facilities include an all-in price with personnel included in the price estimations.

The Pani Workforce estimates for the life of the project are illustrated in Figure 11-2, there are three clear stages during the project life, the first two years the Heap Leach pad and plant will be running will require an estimated 750 employees. During the concurrent operation of the Heap Leach and CIL operations an estimated 1016 employees will be required. In 2033 when the Heap Leach is decommissioned the workforce drops to 545 employees for the remainder of the project life.

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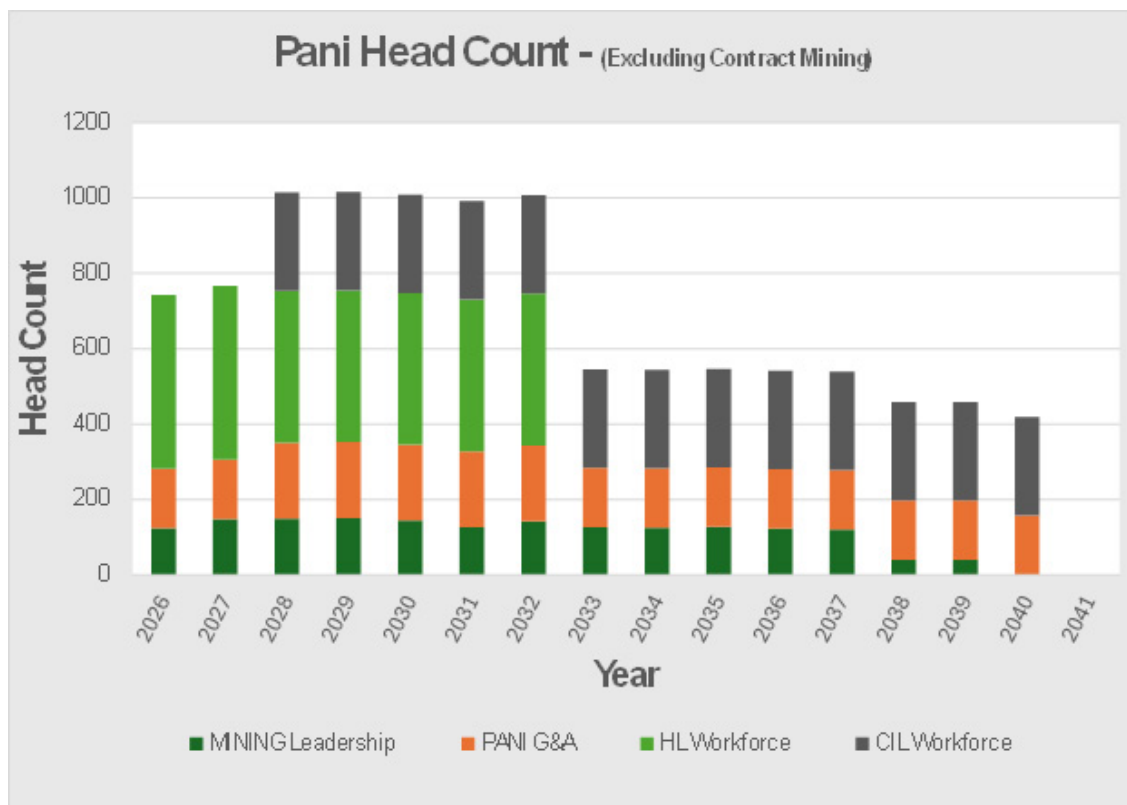


Figure 11-2 Life of Mine Head Count

11.2 Departments and hierarchy

The organisational structure of the Project allocates authority based on a hierarchy of positions and is designed to ensure that the business is adequately managed across all facets of the operation to ensure the business continues to perform efficiently and aligns with budget expectations. The Project will be led by an Executive General manager and two KTT who are appointed as responsible people for the safe operation of a mine under Indonesian mining law. The elements of the organisational structure include:

- **General Management** — Responsible person with overall responsibility for the operations of the project and is responsible for strategic planning, financial management and team leadership to ensure organisational success.
- **KTT** — Responsible that the project maintains compliance with mining laws with a centralised focus around delivery safety while ensure production objectives are delivered.
- **Commercial** — This role is primarily responsible for the business elements of the project and includes financial oversight, contract co-ordination, accounts, financial reporting and procurement.
- **Civil and Construction** — To provide oversight on all non-mining related civil earthworks and construction and maintenance of infrastructure.
- **Processing Construction** — Oversight of the design and construction of the Heap Leach facilities, CIL facilities and tailings storage facility.
- **External Affairs** — Managing the relationship between the mine and external stakeholders and generally covers the relationship with, Government, Community, and Media.

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- **Human Resources** — This function will be responsible for providing the framework under which employees are managed and includes; Recruitment and hiring, compensation, benefits, training and development, employee relations and compliance.
- **Project Control** — The core function of project control is to ensure projects are delivered in line with project schedules and within budget.
- **Project Execution** — Oversight of the delivery of project plans including timely delivery of project works. This includes co-ordination of contractors and consultants in line with the overarching project schedule.
- **Technical Services** — Many departments at the site will have technical services specific for the functional area and will include skills such as: Mining Engineering, geology, hydrology, Maintenance planning, mechanical engineering,

11.3 Working Schedules — Timing of Workforce

Pani will be committed with complying with all workplace regulations and will reinforce the regulations with their own policy and procedures to ensure the workplace is a safe place to work. This includes ensuring all employees work an acceptable roster.

Contractors shall be responsible for employing their own workers and establishing rosters and working conditions that align with the relevant government regulations and guidelines. Contractors shall where practical, employ from the local area.

Pani will implement working schedules based on position, point of hire, and work location and is outlined in Table 11-1.

Table 11-1 Proposed Rosters for Pani

Level	Fly In/Out – Camp	Non Fly Camp
AREA 1 – District of Pohuwato including Subdistrict Buntulia, Dengilo, Randangan, Marisa, Duhiadaa, Paguat Patilanggio and Mananggu.		
Senior Officer	6 weeks on/2 weeks off	5 days on; 2 days off
Officer		
Non-Staff		
AREA 2 – The remaining districts at Gorontalo Province, AREA 3 – All provinces inside of Sulawesi island. AREA 4 – All other provinces		
Senior Officer	6 weeks on/2 weeks off	6 weeks on/2 weeks off
Officer		
Non-Staff		

This complies with:

- Minister Decree of Manpower and Transmigration of Republic Indonesia (PERMEN 15 Year 2005) Regarding Working Time and Rest Time for General Mining Sector in Certain Operation Area.
- Government Regulation (PP No.35 Year 2021) Regarding Employment Agreement for a Specified Period of Time, Outsourcing, Working Time and Rest Time, and Termination of Employment.
- Labour Law No. 13 Year 2003

11.4 Assessment of Workforce

Workforce assessment must be aligned with the technical design and operating philosophy of the mine. Over-staffing can inflate operating costs and dilute accountability but also plays a part of a corporate citizen to ensure employment of

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local communities and personnel. An onboarding process has been developed for Pani to ensure consistency in the selection process. This onboarding process includes:

- Undertake job interview/assessment
 - o Skills appropriate for the task or supporting work history.
 - o Proximity to the mine site.
- Pre-Employment Assessment.

Many of the operations personnel will require on the job training and this will be provided by Pani to meet the needs of the business however there are a range of skills and qualifications that require formal education including Engineering, Surveying, Law, Commerce, Environment, Health and Safety. These specialised skills will be sourced from within Indonesia to meet the needs of the Pani project but more importantly it should be noted that many Indonesian universities are recognising the importance of mining within the region and have developed courses to prepare personnel for the mining industry.

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12 PROJECT INFRASTRUCTURE

12.1 Project Infrastructure Overview

The Pani Gold project will require a significant investment in infrastructure to ensure the project succeeds. This includes the upgrading of existing infrastructure as well as the development of new infrastructure. Infrastructure planning has been undertaken with consideration to existing regional infrastructure, local environmental impacts and constraints and the phased nature of the project development.

Existing regional infrastructure provides a foundation for project implementation, including grid power supply, public road access, port facilities, accommodation and regional services. However, additional project-specific infrastructure will be required to support construction, commissioning, and operational phases of the project.

Key infrastructure element for the Pani Project include, but are not limited to, power supply and distribution systems, site access roads, water supply and management infrastructure, processing infrastructure including the tailings storage facility, mining infrastructure, office blocks, workshops and amenities, accommodation and other supporting infrastructure.

As of January 2026, power supply, site access roads, mine infrastructure area (MIA), office blocks, accommodation, port facilities, bulk fuel storage and explosive magazine have been constructed to support the Heap Leach facility which is now in operation. Expansion of camp facilities is also underway and planned to be completed by early Q3 2026 in readiness for the CIL process plant construction. In addition to the CIL Plant complex, 150KV electrical switchyard expansion and additional non-processing infrastructures will be constructed to support mining & processing operation.

12.2 Power Supply

Power supply for the site is supplied from the local grid, which is owned and operated by the State-owned electrical utility company, PLN. A 13 km 150 kV overhead power transmission line connects the 150 kV Marisa substation to the site 150 kV switchyard. The site switchyard is to the south of the planned CIL Plant area. PLN own and operate the 150 kV infrastructure within the site switchyard to limit the possibility of impacting the operability and availability of the local transmission network. The 150 kVA grid power was energised on 1 October 2025.

The site switchyard includes 150/20 kV step-down transformers to reduce the supply voltage to 20 kV for transmission around site. For the heap leach operation, a single 30 MVA transformer covers the power requirements for the Heap Leach operation (10.3 MW). For the CIL operation, two 60 MVA transformers will be installed in duty/standby configuration. The site's peak requirement will be 63 MW when both the Heap Leach (10.3 MW) and CIL (52.7 MW) operations are running at maximum capacity.

A 20 kV main switch room is installed adjacent to the switchyard for onward reticulation of power to the site infrastructure.

12.3 Water Supply

Raw water supply for site is sourced from the Botudulanga river as well as rainwater collected in a series of dams for operational needs. The site is located in an area of high rainfall as discussed in Section 4.2 above. A river intake on the Botudulanga river is located to the south of the main gate which can extract a portion of water as required.

Excess water from the Heap Leach circuit due to rainfall will be bled off from the system and undergo detoxification before discharge to the environment as discussed in Section 10.4.3 above.

Raw water supply for the CIL Plant will be sourced from the river intake on the Botudulanga river, as well as the circulation of decant water from the tailing dam TSF01 and will be pumped to raw water tanks inside the CIL Plant complex. Fresh

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water from the tank will be reticulated throughout the plant via dedicated raw water pumps to the predominant user points. Water will be recycled and re-used within the CIL Plant as process water from the thickeners and tailings filters as well as the use of decant water from the tailing dam TSF01.

Two packaged water treatment plants, one at each location, provide the clean water requirements for the Pioneer Camp accommodation village and ADR Plant for the Heap Leach operation. The water treatment plants consist of a sand filter for water softening and UV light system for water sterilisation. Treated water pumps deliver water to all safety showers, the elution circuit, gland water for the slurry pumps, the changing/washing facilities, toilets and kitchen.

Two wastewater treatment plants, one at the Pioneer Camp accommodation village and one at the ADR Plant, treat the grey and black water. The wastewater treatment plants are standard domestic wastewater treatment systems, which are common to many mine sites in Indonesia. The plants have a combined treatment capacity for 3,000 people. For the other areas with less occupation, for example security office, satellite office, septic tanks are used.

Water supply for the Pioneer Camp accommodation facility is supplied from *Perusahaan Daerah Air Minum* (PDAM), a state-owned potable water supply utility company.

12.4 External and Internal Transportations

Transportation to the Pani Gold site makes use of public roads and the bespoke access road. The 8.9 km paved access road to site connects site with the city of Marisa, which was constructed in 2023 to support the Heap Leach operation. Access roads around site are being constructed to support the operation as it expands. The mining haul road to allow safe access for the mining operation between the Open Pit, waste areas and Heap Leach facility has been constructed, with additional roads being constructed in readiness for the CIL process plant construction expected to be completed by early Q3 2026.

12.5 Office and Living Facilities

The largest accommodation facility onsite is the Pioneer Camp, which is located north of the front gate, and adjacent to the Taluduyunu River. It occupies an area of 1.6 ha and can accommodate 1,038 people in containerised units. The complex also includes an administration building, warehouse, clinic, mosque, sports hall, laundry and mess facilities. Expansion of the accommodation facility is underway as of January 2026, and is expected to be completed by early Q3 2026, in readiness for CIL process plant construction contractor mobilisation from late Q3 2026. Permanent Camp facilities near the entrance to the Bypass Road are now being constructed with the intention of using them as future accommodation for personnel of the Pani mining & processing operation, with the 1st target occupation scheduled for Q4, 2026. This will leave the Pioneer Camp area for use by construction contractor personnel.

In addition to the office in the accommodation area, an office facility will be constructed to the west of the planned area for Filtered Tailings Facility Cell 1 to support the CIL mining and processing operation.

The site is fenced to clearly delineate the mine area to deter access by unauthorised personnel. A security office, complete with personnel gate and a double boom gate for vehicles is located at the entrance of the mine site.

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13 ENVIRONMENTAL STUDIES, PERMITTING, SOCIAL, AND OCCUPATIONAL HEALTH AND SAFETY

13.1 Permits Overview

Relevant Indonesian environmental and social regulations and legislations relevant to the Project include:

- Spatial Planning Act, No. 26/2007, amend by Government Regulation in Lieu of Law No. 2 of 2022 set in Law No. 6 of 2023. References the arrangement and management of spatial plans in Indonesia.
- Environmental Protection and Management Act, No. 32/2009, amend by Government Regulation in Lieu of Law No. 2 of 2022 set in Law No. 6 of 2023. Requires that the AMDAL assesses significant impacts on the environment of a planned activity, to be used as a prerequisite for making decisions to conduct business and/or activity and contained in a Business License.
- Local Government Act, No. 23/2014, amended through No. 2/2015, No. 9/2015 and amend by Government Regulation in Lieu of Law No. 2 of 2022 set in Law No. 6 of 2023. Local governments authority in terms of efficient use of natural resources and conservation efforts.
- Forestry Act, No. 41/1999, amended through No. 19/2004, and amend by Government Regulation in Lieu of Law No. 2 of 2022 set in Law No. 6 of 2023. Provision of approval to conduct business and/or activities in the forest area. This was recently amended by Law No. 2/2025.
- Mineral and Coal Mining Act, No. 4/2009, amended through No. 3/2020 and amend by Government Regulation in Lieu of Law No. 2 of 2022 set in Law No. 6 of 2023. Provision of the Mining Business License (IUP). This was recently amended by Law No.2 /2025 on The Fourth Amendment to Law No. 4/2009 concerning Mineral and Coal Mining.
- Water Resources Act, No. 17/2019, amend by Government Regulation in Lieu of Law No. 2 of 2022 set in Law No. 6 of 2023. Approval for the use of Water Resources for business activities. This was partially revoked by Law No. 32 of 2024: Revokes Article 33 and Article 69 letter (c).
- Waste Management Act, No. 18/2008. This was partially revoked by Law No., 32/2024 and Article 69 Letter ©.
- Natural Resources and Ecosystem Act, No.5/1990. This was amended by Law No. 32 of 2024.

The overview of main Mining Operating Licenses and Permits is discussed in Section 3.

13.2 Environmental, Social, and Occupational Health and Safety Review Objective

Environmental and social baseline data were collected between 2016 and 2022 as a series of technical studies were completed providing an ongoing assessment of key environmental and social components. This baseline information formed the basis for the environmental and social impact assessment for the Project and related management plans. These studies encompass the relevant elements of the Project.

13.3 Environmental and Social Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprised a review and inspection of the Project's environmental management performance against:

- GoI national and Regency environmental regulatory requirements; and

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- Equator Principles (World Bank/International Finance Corporation (IFC) environmental and social standards and guidelines) and internationally recognised environmental management practice.

13.4 Status of Environmental Approvals and Permits

13.4.1 Environmental Impact Assessment (AMDAL)

a. GSM:

- GSM received its initial Environmental Impact Assessment (AMDAL) approval through the Gorontalo Governor's Letter No. 305/22/VII/2016 dated 15 July 2016.
- GSM subsequently obtained an amendment to its Environmental Approval pursuant to the Decree of the Minister of Environment and Forestry No. 1528 of 2024. This decree amended the earlier Ministerial Decree No. 146 of 2024 concerning the Environmental Feasibility of the Development Plan for Gold and Associated Mineral (DMP) Mining Activities. The amendment was issued on 16 October 2024. GSM later received a second amendment to its Environmental Approval pursuant to the Decree of the Minister of Environment/Head of the Environmental Control Agency No. 2950 of 2025. This decree further amended the Ministerial Decree No. 146 of 2024 regarding the Environmental Feasibility of the Development Plan for Gold and Associated Minerals (DMP) Mining Activities. The second amendment was issued on 24 November 2025.

b. PETS:

- PT Puncak Emas Tani Sejahtera (PETS) received its initial AMDAL approval through the Pohuwato Regency Environmental Office under Approval No. 800/DLH-PHWT/SKKL/01/XI/2018 dated 19 November 2018, along with Environmental Permit No. 205/07/IL/DPM/XI/2018.
- An amendment to the AMDAL was prepared in 2022 and subsequently approved by the Ministry of Environment and Forestry (MoEF) through Decree No. SK.1208/MENLHK/SETJEN/PLA.4/12/2022 dated 2 December 2022. This approval was later amended on 9 May 2025 by MoEF Decree No. 797/2025.

c. PBT:

- PT Puncak Emas Buana Tani (PBT) obtained the initial Environmental Approval was granted on 31 January 2019 through the Decree of the Head of the Investment, Energy and Mineral Resources, and Transmigration Office of Gorontalo Province No. 02/DPMESDM-TRANS/IL/I/2019.
- An amendment to the Environmental Approval was issued on 8 January 2025 for an addendum to the processing and refining activities, based on the Decree of the Head of the Investment and One-Stop Integrated Service Office of Gorontalo Province No. 01/DPMPTSP/SKKL/I/2025.
- A further amendment was approved on 15 December 2025 through the Decree of the Head of the Investment and One-Stop Integrated Service Office of Gorontalo Province No. 500.16.7.2/DPMPTSP/SKKL/13/XII/2025. This amendment accommodates the Heap Leach Operation (10 MTPA) and the expansion of operational activities over approximately 720.71 hectares, including approval of the updated ANDAL and RKL-RPL documents.

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13.4.2 Government of Indonesia Feasibility Study (GoIFS)

GSM has the technical and economic feasibility approval for the Pani Gold Mine for a production rate of 3.75 Mtpa through the letter from Ministry of Energy and Mineral Resources of the Republic of Indonesia No. B-401/MB.04/DBM.PE/2023, dated 24 February 2023. The final approval through the letter from Ministry of Energy and Mineral Resources of the Republic of Indonesia No. B-821/MB.04/DJB.M/2024 dated 30 April 2024. PETS obtained the approval of the complete FS document for the Project based on the Approval Letter No. 540/DPMESDMTRANS/2037/VI/2018 (dated 8 June 2018), issued by the Investment Service of Energy and Mineral Resources and Transmigration of Gorontalo Province. A revision approval of GoIFS to address the mining production rate to 7.22 Mtpa has been obtained through the letter from Ministry of Energy and Mineral Resources of the Republic of Indonesia No. T-1335/MB.04/DJB.M/2025 dated August 2025. Following the transitional provisions under Government Regulation No. 96 of 2021 concerning the IUP Production Operation for Processing and/or Refining (IUP OP Khusus Pengolahan dan Pemurnian), PBT is required to convert its IUP OPK into an Industrial Business License (Izin Usaha Industri) which is under the authority of the Ministry of Industry (“MoI”). The related MoI regulation does not mandate the Company to obtain a GoIFS approval.

13.4.3 Forestry Permit (PPKH)

All activities of the project (including construction, operation and production) and advanced exploration have the following valid permit status for activities in the forest area:

a. GSM:

- PPKH Approval:
 - o KEPMEN LHK No. 1011/2024: Merger of PT GSM Forest Area to 1,788.63 Ha and extension of forest usage until 1 December 2049.
- Determination of Work Area — Forest Area Utilisation Approval (PAK IPPKH):
 - o PAK IPPKH OP (1st Stage): SK. 4119/MENLHK-PKTL/REN/PLA.0/6/2018, dated 22 June 2018.
 - o PAK IPPKH OP (2nd Stage): SK. 743/MENLHK-PKTL/REN/PLA.0/2/2021, dated 19 February 2021.
 - o PAK IPPKH OP (merged & replace the PAK 1st & 2nd stage): SK. 10830/2025, dated on 12 November 2025.
- Watershed Rehabilitation:
 - o Location Determination (1,100 Ha): SK. 6855/MENLHK-PDASHL/KTA/DAS.1/12/ 2017, dated 20 December 2017. 500 Ha of this watershed rehabilitation area has been handed over to the Government through the Minutes of Handover No. 082/GSM-JKT/XI/2022 dated 30 November 2022; and Minutes of Handover No. BA.45/PDASRH/KTA/DAS.1/11/2022 dated 30 November 2022.
 - o Location Determination (850 Ha): SK. 2303/MENLHK-PDASRH/KTA/DAS.1/3/ 2023, issued on 3 March 2023.

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b. PETS:

- PPKH Approval:
 - o 93.90 Ha: SK. 310/MENLHK/SETJEN/PLA.0/4/2019, valid 29 April 2019-3 September 2028.
- Determination of Work Area — Forest Area Utilisation Approval (PAK IPPKH):
- PAK IPPKH OP: SK. 8753/MENLHK-PKTL/REN/PLA.0/10/2019, obtained 11 October 2019. Watershed Rehabilitation
 - o Location Determination (104 Ha): SK. 5256/MENLHK-PDASHL/KTA/DAS.1/5/2019, obtained 31 May 2019. The rehabilitation has been completed and handed over to the Government through the Minutes of Handover No. 91/PETS/XI/2024 dated 20 November 2024; and Minutes of Handover No. BA.27/PDASRH/KTA /DAS.6.1/B/11/2024 dated 20 November 2024.

c. PBT:

- PPKH Approval:
 - o 289,08 Ha, No. SK. 188/MENLHK/SETJEN/PLA.0/3/2022 dated 4 March 2022 which is revoked and replaced by SK No. 831/2024 dated 10 July 2024 (514,33 Ha, the validity period is follow the IUP OPK expiry) Determination of Work Area — Forest Area Utilisation Approval (PAK IPPKH):
- Determination of Work Area — Forest Area Utilisation Approval (PAK IPPKH):
 - o PAK IPPKH OP: SK. 8753/MENLHK-PKTL/REN/PLA.0/10/2019, issued 11 October 2019.
- Watershed Rehabilitation:
 - o Location Determination (104 Ha): SK. 5256/MENLHK-PDASHL/KTA/DAS.1/5/2019, dated 31 May 2019.
 - o Location Determination (360 Ha): SK. 13455/MENLHK-PDASRH/KTA/DAS.1/12/2023, dated 27 December 2023.
 - o Location Determination (285 Ha): SK. 11880/2025, dated 24 December 2025.

13.4.4 Spatial Plan Conformity (PKKPR)

In accordance with the requirements of Government Regulation No. 21/2021, business activities must conform with the spatial plan requiring a PKKPR/KKPR (*Persetujuan/Konfirmasi Kesesuaian Kegiatan Pemanfaatan Ruang*) for onshore land area. The Company confirms that the Approval of Spatial Utilization Activities (*Persetujuan Kesesuaian Kegiatan Pemanfaatan Ruang/PKKPR*) applies exclusively to land classified as Non-Forest Areas (*Areal Penggunaan Lain/APL*) and does not apply to any forestry areas (*kawasan hutan*). Any utilization of forestry areas is subject to separate forestry permits such as the Forest Area Borrow-to-Use Permit (*Izin Pinjam Pakai Kawasan Hutan/IPPKH*) or the Approval for the Use of Forest Areas (*Persetujuan Penggunaan Kawasan Hutan/PPKH*) in accordance with applicable laws and regulations. Accordingly, PPKH/IPPKH should be referred to as the applicable spatial conformity approval for activities conducted within forestry areas.

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- GSM holds the PKKPR for the CoW area No. 02112210217504008 from the Ministry of Agrarian and Spatial Plan/Head of National Land Agency, Ministry of Investment/Head of Investment Coordinating Board, dated 2 November 2022.
- PETS holds the PKKPR for the IUP area No. 07032210217504001 from the Ministry of Agrarian and Spatial Plan/Head of National Land Agency, Ministry of Investment/Head of Investment Coordinating Board, dated 3 February 2022.
- PBT holds the PKKPR for the IUP area No. 14092110217504001 from Pohuwato Regent Head of Investment and one-stop integrated services, dated 14 September 2021.

13.4.5 Tailings Dam Facility Permit

The placement of wet tailings in the conventional tailing dams requires approval from MEMR and the Ministry of Environment and Forestry (MoEF). An AMDAL that includes tailings dam design, risk assessment, and monitoring plans is required for the permit applications. As further note, tailings dams are treated as water infrastructure under dam safety regulations, requiring periodic inspections and compliance with seismic and hydrological standards. Mining One has been advised by MGR that the process to get the permit is ongoing with expectation the permit for TSF Hulawa is to be granted in early Q2, 2026.

The FTF to place dry stacked tailings is considered a waste disposal method under ESDM regulations and hazardous and toxic materials under KLKH. Companies must demonstrate that filtered tailings meet stability and environmental criteria. Mining One has been advised that MGR has secured the permit for the use of FTF for the Project, namely PERTEK No. S.407/PSLB3/PLB3/PLB.3/7/2023 as discussed in Section 13.4.6.

13.4.6 Technical Approval (PERTEK)

The submission of AMDAL for the Project should be accompanied with the operation's relevant technical approvals which consist of approvals covering the wastewater compliance standard, the emission compliance standard, hazardous waste management, and traffic impact assessment (Andalalin). The Company confirms that currently the Technical Approval (Persetujuan Teknis/PERTEK) has been duly obtained for GSM and PBT, as set out below:

- Wastewater Discharge to the River. GSM hold the PERTEK for wastewater discharge to the surface water from CIL operation through the letter from Directorate General of Environmental Pollution and Degradation Control of MoEF, No. S.535/PPKL/PKL/PKL.4/7/2023, dated 21 July 2023. PBT hold the PERTEK for wastewater discharge to the surface water from domestic activity and ADR plant operation through the letter from Head of Environmental and Forestry Office No. 660/DLHK.P3K/398/XII/2024 dated 19 December 2024
- Tailings Disposal PERTEK. The PERTEK for hazardous waste management will be the mandatory administrative requirements for AMDAL submission for the Project. PERTEK No. S.407/PSLB3/PLB3/PLB.3/7/2023, issued on 10 July 2023 by KLKH grant a permit for GSM to store Hazardous and Toxic Tailings, in this context Dry Stacked Tailings.
- Air Emission Release. Directorate of Air Pollution Control of MoEF was provided in a letter No. S.417/PPU/PSPU/PKL.3/9/2022) dated 27 September 2022, stating that GSM is not required to have technical approval for emission release for the CIL operation. regarding heapleach processing and ADR plant air emission, PBT has obtained the approval through the letter from Head of Environmental and Forestry Office No. 660/DLHK.P3K/393/XII/2024 dated 18 December 2024.
- Traffic Impact Assessment. PGP is required to conduct a traffic impact assessment (Andalalin). The authority of Andalalin approval will depend on the type of road that will be utilised by PGP.

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- Hazardous Waste Management. The Company has to fulfil the Technical Details (Rincian Teknis) of a hazardous waste storage facility (TPS LB3) and include this document as part of the Environmental Approval for the Project.

13.4.7 Other Legislative and Regulatory Requirements

GoI regulations apply to many aspects of the project which are supported by guidelines and standards. These are addressed as relevant to the environmental and social aspects covered in the sections below (Sections 13.6 and 13.7).

13.5 Environmental and Social Impact Assessment

An Environmental and Social Impact Assessment (ESIA) is a process facilitating a systematic approach to predicting and characterising the environmental and social impacts likely to arise from the development of a specific project. The ESIA process is part of a continuous development of environmental and social management that continues throughout the mine life including exploration, construction, operation and closure. The ESIA process rates and ranks the impacts environmental and social impacts identified that may have bearing on the execution of the Project forming a basis for prioritisation and a method of assessing the effectiveness of proposed mitigation measures:

- Document the biophysical and socio-economic baseline conditions of the study area relative to project activities.
- Assist the Project engineering team by providing informed input from an environmental and social perspective into the Project design and development.
- Assess the environmental and social impacts that could result from the Project, including local and regional scale impacts as well as cumulative impacts.
- Identify environmental and social mitigation measures to prevent or minimise negative impacts (or to enhance positive impacts).
- Develop environmental and social management plans and associated monitoring plans for the proposed Project, based on these mitigation measures.

The assessment of impacts was based on the results of field studies, desktop analysis, modelling, professional expertise, and judgement. The significance of an impact is defined as a combination of the consequence of the impact occurring and the probability that the impact will occur. A confidence rating is applied to the significance of the impact dependent on how well the cause-effect relationship is understood.

Probability (chance) of the impact occurring	Consequence rating		Confidence
Improbable <30%	Not significant	0 to 2	High – well understood
Possible 30%-60%	Very low	3 to 4	Medium
Probable 60%-80%	Low	5 to 6	Low – poorly understood
Definite >80%	Medium	7 to 8	
	High	9	

Probability of Occurrence	Consequence Score				
	0 to 2	3 to 4	5 to 6	7 to 8	9
Improbable . . .	Negligible/Insignificant	Negligible/Insignificant	Low	Moderate	Major
Possible	Negligible/Insignificant	Negligible/Insignificant	Low	Moderate	Major
Probable	Negligible/Insignificant	Low	Moderate	Major	Major
Definite	Negligible/Insignificant	Low	Moderate	Major	Major

The significance of an impact is assessed without consideration of mitigation. Where mitigation options are available, the process is repeated following consideration of

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possible mitigation options with the resultant significance defined as the residual effect. Mitigation options that produce a more favourable residual effect will then be described in relevant environmental and socio-economic management plans for the Project.

Table 13-1 lists the impacts identified which are addressed in the relevant sections below.

Table 13-1 Potential Environmental and Social Impacts

Impact		
Environmental Component	Sub Category	Source of Impact
Pre-Construction Stage		
Community Perception	Negative community perception	Land acquisition
Community Unrest	Occurrence of community unrest	Overall pre-construction activities
Community Conflict	Occurrence of conflict potential	Pre-construction activities
Construction Stage		
Surface Water	Decrease of surface water quality	Discharge of domestic wastewater
Surface Water	Decrease of surface water quality	Land clearing, preparation and development of infrastructure
Ambient Air	Decrease of ambient air quality	Dust emissions from earthworks activities and vehicle movements on unpaved surfaces
Ambient Air	Deterioration of ambient air quality	Construction vehicle and equipment emissions
Noise Level	Increase in noise levels	Construction of the mine infrastructure
Biodiversity (Flora and Fauna)	Fragmentation and loss of vegetation	Clearing to accommodate construction
Biodiversity (Flora and Fauna)	Loss and degradation of wildlife habitat	Clearing to accommodate construction
Biodiversity (Flora and Fauna)	Increase of injury and mortality of wildlife	Land clearing and materials movement
Visual Amenity.	Visual impact as derivative impact of changes of land use and light exposure	Land clearing
Landscape and Soil	Landscape/land use change	Changing landscape from forest and former PETI area to become land infrastructure facilities
Landscape and Soil	Changes of soil quality	Potential contamination from hydrocarbons and chemical spill, and increase erosion rate
Employment Opportunity . . .	Increase of employment opportunity	Overall construction activities
Business Opportunities	Increase of business opportunities	Overall construction activities
Community Income	Increase of community income	Overall construction activities
Prostitution	Increasing prostitution	Overall construction activities
Community perception	Negative community perception	Overall construction activities
Community unrest	Community unrest	Overall construction activities
Community Health and Safety	Impact in community health and safety during construction stage	Overall construction activities
Community Conflict	Occurrence of conflict	Recruitment and employment of construction employee
Operation Stage		
Surface Water	Decrease of surface water quality	Project (Mining and Processing)
Surface Water	Decrease of surface water quality	Operation of basecamp
Surface Water	Decrease of surface water quantity	Extraction for project water supply
Surface Water	Disturbance to aquatic biota	Discharge water to environment
Groundwater	Changes in groundwater flow	Mine operation (dewatering and accumulation of mine materials)

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Impact		
Environmental Component	Sub Category	Source of Impact
Groundwater	Contaminants transfer to community water resources	Mine operation and rainwater infiltration within waste dump, TSF and heap leach facility into groundwater system may allow contaminants transfer
Air Quality	Deterioration of ambient air quality	Dust emissions from mining and activities at TSF
Air Quality	Deterioration of ambient air quality	Vehicle, equipment, and processing plant emissions
Noise Level	Increase in noise levels	Mining and processing activities
Biodiversity	Decrease plant productivity	Dust fall upon vegetation
Biodiversity	Increase injury and mortality of wildlife	Vehicular traffic
Visual impact	Disturbance of visual impact	Operation of surface infrastructure facilities
Landscape and Soil	Change of soil quality	Potential contamination of hydrocarbon and chemical spill, increase erosion rate
Stability and Vibration	Landslide	Overall mining activities
Stability and Vibration	Vibration	Blasting activities
Employment Opportunity . . .	Increase of employment opportunity	Project's operation activities
Business Opportunities	Increase of business opportunities	Project's operation activities
Community Income	Increase of community income	Project's operation activities
Prostitution	Increase of prostitution	Project's operation (migrant workers and availability of disposable cash)
Community perception	Negative perception	Project's operation activities
Community Unrest	Community unrest	Project's operation activities
Community Health and Safety	Impact in community health and safety	Project's operation activities
Community conflict	Conflict occurrence	Recruitment and employment of operation workforce
Post-Operation		
Employment Opportunity . . .	Decrease of employment opportunity	Project's post-operation activities
Business Opportunities	Decrease of business opportunities	Project's post-operation activities
Community Income	Decrease of community income	Project's post-operation activities
Community Perception	Occurrence of negative perception	Project's post-operation activities
Community Unrest	Potential community unrest	Project's post-operation activities

13.6 Environmental and Social Management

High-level environmental and social management plans have been developed to support the permitting and approvals process and guide the relevant studies required within these. Further detailed management plans will be developed prior to construction and operational stages of the project based on these additional assessments and stakeholder consultations.

13.6.1 Environmental Management Plan

The purpose of the Environmental Management Plan is to ensure the Company meets its environmental obligations through effective program design and execution using robust scientific processes and impact assessments.

Elements of the environmental management plans include:

- Mine Water Management Plan.
- Air Quality Management Plan.

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- Noise Management Plan.
- Biodiversity Management Plan.
- Waste Management Plan.

13.6.2 Mine Water Management Plan

This Project Water Management Plan applies to discharges and ambient surface water quality in streams and rivers influenced by the Project, both for project mine discharge and treated domestic wastewater discharge. Applicable national standards and international guidelines are applied that include:

- GoI Regulation (PP) No. 22/2021. Ambient Water Quality Standards.
- MoEF Regulation No. 202/2014 Discharge Standards for Copper and Gold Mines.
- MoEF Decree No 68/2016. Domestic wastewater standards. This was recently replaced by the Regulation of the Minister of Environment/Environmental Control Agency No. 11 of 2025 Concerning Wastewater Quality Standards and Wastewater Treatment Technology Standards for Domestic Wastewater.
- IFC EHS Guidelines for Mining. Mining Effluent Guidelines.
- IFC EHS Guidelines. General EHS Guidelines Treated Sanitary Sewage Discharge Guidelines.

The main objectives of the Water Management Plan are to:

- Manage 'contact water' that could potentially be affected by mining materials, heap leach facilities, waste dumps, and TSF in accordance with industry best management practices.
- Minimise alteration to the pre-development drainage network, and manage the volume of contact water, where possible.
- Minimise contact water infiltration to the groundwater system.
- Ensure that the quality of contact water discharged from the mine complies with applicable Indonesian regulatory and International Finance Corporation (IFC) requirements.
- Reduce the water inventory at the site through collection and off-site drainage of non-mine contact water.
- Reduce the consumptive use of freshwater by reusing mine contact water from surface and groundwater mine dewatering to avoid additional water taken from natural waterbodies, and reducing effluent treatment and discharge requirements.
- Maintain the physical integrity and stability of slopes and watercourses downstream of the mine site.
- Minimise any potential impacts to surface water in the receiving environment and comply with Indonesian ambient water quality standards.
- Provide an effective adaptive monitoring program to manage mine water quantity and quality and maintain compliance with regulatory requirements according to the Project approvals process.

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13.6.3 Air Quality Management Plan

The Air Quality Management Plan addresses management of air quality from an environmental and social (affected communities) perspective. The objectives of this plan are to minimise fugitive dust generated by the project activities and the emission of greenhouse gas (GHG) from both point sources (e.g. chimney) and non-point sources (e.g. vehicles). Occupational health and safety (OH&S) issues related to the workforce are not included and are addressed in a separate OH&S plan (Section 13.20). Relevant national standards and international guidelines for the Air Quality Management Plan are as follows:

- GoI Regulation (PP) No.22/2021 Appendix VII. Execution of environmental protection and management (ambient air quality standard).
- MoEF Regulation No.4/2014. Emission standards for stationary sources for mining activities.
- IFC general EHS guidelines. Ambient air quality guidelines; small combustion facilities emissions

13.6.4 Noise Management Plan

The Noise Management Plan addresses management of noise from an environmental and social (affected communities) perspective. The objectives of Plan are to provide management measures to reduce noise levels to ensure minimal impacts to local communities and fauna during all stages. Noise is generally used to describe sound that a listener finds disturbing, annoying, offensive, and in the extreme, can be physically painful. Relevant national regulations and international guidelines are as follows:

- MoEF Decree No.48 of 1996. National ambient noise standards.
- IFC general EHS guidelines. Noise level guidelines.

13.6.5 Biodiversity Management Plan

The purpose of the Biodiversity Management Plan is to implement a comprehensive biodiversity management strategy aimed at reducing potential negative impacts on the terrestrial flora and fauna and aquatic biota from mining operations. The main objectives of the Biodiversity Management Plan are to operate the Project in a manner that protects environmental values of terrestrial and aquatic biological resources, minimise any significant impact on any species, and restore any effects on biological diversity caused by the Project. Mitigation programs will be established to address impacts to biodiversity. Threatened, vulnerable and protected species are present within the project area as identified in the respective baseline studies (13.7.14 and 13.7.15). The applicable national standards and international guidelines are as follows:

- MoEF No.P.20/2018 as amended by No.P.106/2018. Types of protected plants and animals.
- International Union for Conservation of Nature (IUCN) Red List of Threatened Species. Global list of threatened species.
- The Convention on International Trade in Endangered Species (CITES). Species trade restriction (trade in wild animals and plants between countries).
- IFC performance standard 6. Biodiversity conservation and sustainable management of living natural resources.

13.6.6 Waste Management Plan

The Waste Management Plan presents the commitment to managing hazardous waste and non-hazardous waste streams resulting from the Project activities in accordance with applicable regulations and provides the strategy for waste minimisation. The Plan provides all personnel with the information necessary to manage waste streams

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generated following the Company's environmental policies regarding hazardous and non-hazardous wastes. Limited quantities of hazardous waste are expected to be generated over the life of the mine.

Specific objectives of the plan include:

- Ensuring sustained compliance with national regulations and international standards. Minimising waste generation and disposal to landfill.
- Maximising waste reuse, recovery and recycling through identification and implementation of appropriate disposal routes.
- Outlining actions and measures required for effective waste management.
- Creating an environment where site personnel and contractors are involved and encouraged to adopt correct waste management practices through education and other programs.

13.6.6.1 Hazardous Waste

Hazardous waste that will be generated by the Project include used oil, used fuel, used filter, used grease, used hose, used battery, used chemical container, used solid and liquid chemicals, electronic waste, residue from processing plant, assay laboratory, used rags, contaminated goods, and medical waste.

Indonesian regulations applicable to hazardous waste management constitute laws and the related regulations are stipulated at the national level, and IFC General EHS Guidelines for hazardous waste. The principal law which references statutory requirements for management of hazardous waste is GoI Act No. 32/2009 regarding Environmental Protection and Management. A comprehensive description of regulatory requirements for the management of hazardous waste is provided in GoI Regulation No.22/2021 and MoEF Regulation No.6/2021.

13.6.6.2 Non-Hazardous Waste

Regulations applicable to non-hazardous waste management constitute laws stipulated at national level and are consistent with IFC standards. These include:

- Presidential Regulation No. 97 Year 2017. Policy and national strategy for management of domestic waste.
- Minister of Public Works Regulation No.03/PRT/M 2013. Implementation of waste infrastructure and facilities for handling domestic waste.
- Government Regulation No. 81 2012. Description of the management procedures for domestic waste.
- MoEF No.13 2012. Guidance on the implementation of reduce, reuse, and recycle (3Rs) procedures.
- Minister of Home Affairs No.33 2010. Description of the principles for waste management.
- Law No. 18 2008. Waste management guidance.
- IFC Performance standard. General EHS Guidelines Environmental Waste Management.

Non-hazardous wastes categories are classified as organic, recyclable, reusable, and residual. Landfill will be the main option for non-hazardous waste disposal, which will be managed properly through waste segregation. Waste segregation will be conducted according to the Ministry of Public Works regulation No.03/PRT/M/2013-Appendix II.

13.6.7 Social Management Plan

The Social Management Plan puts measures in place for the avoidance, mitigation and management of the potential adverse social risks and impacts associated with Project

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activities. The Plan demonstrates the achievement of compliance with national regulation and international standards, minimisation of social impact to the surrounding communities, and outlines actions and measures required for effective community management. This describes:

- The mitigation, management, and monitoring measures developed within this ESIA and the AMDAL are implemented through a single reference point.
- The organisational and reporting structure to put in place, supplemented by training and hiring process to implement the plan.
- The management and mitigation measures to be implemented during the construction and operation stages, assigning responsibilities for their implementation and monitoring.
- The framework through which the detailed management plans can be implemented.
- The monitoring and review process for implementation of the management and mitigation measures and opportunities for continual improvement.

The Social Management Plan applies to Project Affected People (PAP) within two sub-groups:

- Directly Project Affected People (DPAP), being those belonging to economically and/or physically displaced households.
- Indirectly Project Affected People (IPAP), being all inhabitants of the villages not defined as DPAPs.

Priority as potential beneficiaries will be given to those people within households identified as vulnerable including, poor (below the official poverty threshold), single parent, those outside official work age (18 to 55); those who are differently abled, and others related to land acquisition and economic displacement impacts.

The ESIA (Section 13.5) identifies and rates the significance of various social impacts described in Sections 13.8 to 13.16. This process identifies several management, mitigation and monitoring measures integrated into detailed management plans.

13.7 Environmental Aspects

13.7.1 Climate

Available meteorological information consists of local and regional data. The local meteorological data is obtained from the rain gauge which is located at the Project site. The regional meteorological data is provided from the Climatology Agencies at Djalaluddin Gorontalo and Bone Bolango. Based on the climate classification by Schmidt and Fergusson (1951), the study area can be grouped into Type C climate, which is 'slightly wet' with a Q value of 0.41.

13.7.1.1 Rainfall

The rainfall pattern in the study area is equatorial (Type C, Schmidt and Fergusson (1951)), characterised by bimodal rainfall occurring as two peaks during the equinox. The dry season in the study area occurs from July to October, while the rest of the year is considered the rainy season. The available local rainfall record from the site covers the period between 2016 and 2023, with the average monthly rainfall being 225 mm ranging from zero in September 2019 to 519 mm in March 2023. Comparison with the continuous regional weather station data suggests the site receives higher average and peak rainfall.

13.7.1.2 Temperature, Humidity, Wind

Temperature data from the regional weather stations ranges from 31.5°C to 33.5°C maximum, and minimum temperatures from 22.6°C to 24°C. Relative humidity

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recorded is around 81.26% ranging from 75% in September to 84% in January. The wind direction in the Project area is predominantly from the north.

13.7.2 Landscape

The Project area landscape is typical of coastal volcanic areas in Indonesia ranging in altitude 47 to 788 meters above sea level (mASL). The site topography can be divided into the northern hilly terrain at Pani mountain ranging between 250 to 788 mASL with steep slopes varying between 20 to 90° resulting in steep to very steep terrain. Most of the future mine site lies within this area characterised by very steep rugged terrain. In the south part of the Project area, streams and rivers mostly drain in a southerly direction to the Taluduyunu River catchment, altitude varies between 47 to 250 mASL and slopes vary between 12° to 25°.

13.7.3 Soils

Soils within the Pani area are derived from geological units of the late Pleistocene Pani Volcano Rock Formation (Tppv), comprised of dacite, riodacite, andesite, tuff, agglomerate, and breccia volcano, and Bumbulan Formation (Tpb) consisting of granodiorite, granite, diorite, and quartz monzonite. The dominant soil parent material includes andesite and basalt, which are classified as alkaline parent materials, contrasting rocks such as dacite, riodacite, granodiorite, and granite with acid chemically characteristics. Soil distribution is divided into two categories; residual soils consist of weathered materials and transported soils carried and deposited elsewhere.

13.7.4 River Hydrology and Surface Water Resources

The Project area is situated in between the Taluduyunu and Botudulanga sub-catchments. The morphology of the Project site is characterised by hilly terrain to flatland area incised by small creeks draining generally in southerly and westerly directions into the Botudulanga River and Taluduyunu River. The upper part of the Taluduyunu River flows from north to south. The lower part of the Taluduyunu River is joined by the Botudulanga River, which flows from east to west. Several creeks on the Project site represent these sub-catchments, including Dulamayo River, Pomatoa Creek, Kolokoa Creek, Poladingo Creek, Puulo Creek, Paseda Creek, Ilota Kiri Creek, and Ilota Kanan Creek. The Taluduyunu and Botudulanga rivers join at the southwest of the site, then the Taluduyunu River continues to flow southwards and ultimately discharges to the sea at Marisa.

13.7.5 Groundwater Resource Potential

The Project area is situated in a poor regional aquifer system of fissured and porous nature. The Presidential Law of Indonesia No. 26 of 2011 applies to the Determination of Groundwater Basins that may have a water resource potential for the benefit of the community and environment. The Project area and its surroundings have not been determined to be in an existing groundwater basin. The Marisa and Soginti groundwater basins to the south of the Project are utilised as water sources by local people.

Baseline hydrogeological studies have been completed by Lorax in 2016, 2019 and 2022 and Supra in 2022 as well as the Pani Internal Environmental Monitoring completed in 2019 and 2022.

13.7.6 River Sediment Quality

River sediment quality assessments were conducted over similar periods and locations as the Lorax and Supra water quality surveys.

13.7.7 Groundwater Quality

Groundwater quality sampling has been completed on several occasions (BPPT 2013, Lorax 2017 and 2022 and Supra 2022) within the Project area for springs, monitoring wells, and community wells. In-situ measurements and laboratory analyses were conducted to gain representative water quality data as required by Minister of Health Regulation No. 2/2023 concerning Environmental Health. Limited sampling at three

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locations in 2013 indicated the water quality met all the standards set in the regulation. Later programs in 2017 and 2022 showed pH varied between slightly acidic to alkaline conditions ranging from pH 5.81 to 9.55 with three isolated locations having levels outside of the standard range (pH 6.5 to 8.5), at 9.55, 6.18 and 5.81, respectively. This is considered indicative of a naturally mineralised volcanic groundwater system resulting from localised mineralisation and may not be consistent with the overall geochemistry of the bedrock.

13.7.8 Spring Water Quality

The pH of spring water samples varied between neutral to slightly acid conditions (5.7 to 7.85). Measurements at locations with pH outside the standard range of pH 6.5-8.5 are considered indicative of a naturally mineralised volcanic groundwater system.

13.7.9 Surface Water Quality

Surface water monitoring has been conducted to determine water quality conditions in the Project and surrounding areas during both wet and dry seasons. Lorax completed a dry season survey in August 2016 and wet season surveys in December 2016, February 2019 and May 2022. Supra also conducted water quality sampling in 2022 for the Water Quality Baseline Study 2022 Report.

Surface water quality data were compared to the Government of Indonesia standard, within Regulation No. 22/2021, Appendix VI for Class II, regarding water quality management and contamination control for recreational activities, infrastructure, freshwater fish cultivation, cattle breeding, agricultural irrigation, and other uses.

13.7.10 Formation Geochemistry and Acid Generating Capacity

A total of 110 samples were collected for the geochemical assessment, including three metallurgical testing residues (pilot tailing) and 107 drill core samples (95 waste samples and 12 ore samples, cut off 0.2 g/t Au). All samples underwent acid-base accounting (ABA) and net acid generation (NAG) testworks. The ABA testwork includes paste pH, acid neutralisation capacity (ANC), total sulphur (ST), chromium-reducible sulphur (SCR), and total carbon (TC). A subset of sample was also tested for solid phase metal concentration and short-term metal leaching/water extract test to provide a preliminary indication of the leaching potential for the various environmental classes of mine rock.

The analysis of NAPP value versus NAG pH of the samples shows all oxidised samples have low potential to generate acidity and are categorised as NAF (except for one sample as 'uncertain'), and of the 43 collected transition and unoxidised samples, 9 samples are categorised as PAF, 8 of which having low potential.

13.7.11 Tailings Characterisation

A single pilot tailing sample of solid and liquid fractions underwent a tailings characterisation assessment and toxicological characteristic testworks (Lorax, 2022). The NAPP value for the tailings sample was -3.80 kg H₂SO₄ /t, indicating that the sample is non-acid forming (NAF). To increase the confidence in Acid Base Accounting (ABA) characteristics for the sample, the NAG pH value is used in association with the NAPP to classify the acid generating potential of the sample. From the test, the NAG pH was 5.03 and it confirmed that the sample was NAF.

13.7.12 Land Designation and Use

The Spatial Plan for the Pahuwato District for the period 2012 to 2032, consists of protected areas and cultivation areas. The protected areas consist of protection forest areas, locally protected areas, nature reserves, nature preservation, cultural heritage, areas prone to natural disasters, and geological protected areas. The cultivation area consists of areas of production forests, community forests, agricultural use areas, fishing, mining, industrial activities, tourism, residential use, and other designations. The land designation within the Project area is for limited production forest, for settlement/residential areas, and areas for agricultural use. These areas are already covered by borrow-to-use approvals (Section 13.4.3). Areas within the Project are also allocated for other purposes or non-forest area (10.85 ha).

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GoI has introduced a policy to suspend new licenses being issued for activities in selected primary forest and peat areas. No areas within the Project currently fall under this 'suspension' category.

13.7.13 Mine Closure and Reclamation

Mine Closure Plans (MCP) have been completed by GSM and PETS for their respective operations and submitted to MEMR in early 2025. The two documents are referred to as Laporan Rencana Pasca Tambang (Post-Mining Plan Reports). Once approved by the MEMR, the companies must provide cash deposits as a Closure Guarantee Bond to cover the costs of the mine closure program. The cash guarantees will be reimbursed to the companies as they demonstrate completion of the closure works and achievement of closure success criteria, described in the MCP. The MCP is required to be updated to accommodate any changes to the Project's FS.

A conceptual mine closure plan was developed for the project within the FS which have been developed to provide respective MCPs according to MEMR requirements (Section 13.18).

Following the amendment of FS, and to be consistent with the 5-year reclamation plan process, GSM and PETS will compile and submit amendments to their mine closure plan documents to the MEMR. Once completed and approved, GSM and PETS will also adjust the value of the closure guarantee based on revised closure costs as detailed in the updated plans.

13.7.14 Terrestrial Ecology

Baseline terrestrial flora and fauna surveys were conducted in 2016, 2019, and 2022 by Lorax, while the surveys in 2018 and 2022 were conducted by PGP for AMDAL studies and for the RKL-RPL implementation.

13.7.14.1 AMDAL and RKL-RPL Implementation Plan

Flora and fauna observations were conducted in 2018 in two different areas, north and south of the Project area. The northern site of Project areas covered four observation locations, while the southern site of Project areas covered 12 observation locations.

13.7.14.2 Impacts to Terrestrial Biodiversity (Flora and Fauna)

According to the ESIA (Section 13.4), the potential impacts on biodiversity associated with the construction and operation stages of the Project. Direct and indirect impacts are assessed in terms of the nature of the impact, the existing and planned mitigation measures, the potential significance of the impact to biodiversity, including priority ecosystem services, and the magnitude of the residual impact and significance after mitigation measures have been implemented.

13.7.15 Aquatic Ecology

Baseline data on aquatic ecology at the Project area obtained from monitoring campaigns conducted by Lorax in 2016, 2019, and 2022 at four locations. Types of aquatic biota assessed are plankton, benthic algae, macrobenthos and nekton (fish and crustacea). The surveys conclude that aquatic ecology is stable at most locations with minor signs of stress at a couple only.

13.7.15.1 Impacts on Aquatic Biota

According to the ESIA (Section 13.4), the potential impacts aquatic biota are generated from the discharge both domestic and mine wastewater to Taluduyunu River. The potential release of substances associated with wastewater discharge such as suspended solids and metals could affect aquatic ecosystems in Taluduyunu River.

13.7.16 Air Quality and Noise

Ambient air quality and noise monitoring has been conducted since 2015 to date within the Project area and surrounding settlements. The first survey was conducted in 2015

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for 2016 AMDAL study by PGP at 6 locations and continued in 2019 and 2022 for the RKL-RPL implementation. Lorax conducted an air quality and noise baseline survey in February 2019 and March 2022 at four locations, respectively.

The ambient air quality and noise monitoring data are assessed by comparing with national and international standards. These standards include the GoI Regulation No. 22 of 2021 regarding Execution of Environmental Protection and Management (Appendix VII on Ambient Air Quality Standard), Minister of Environment (MoE) Decree No. 48 of 1996 concerning noise level standard, as well as IFC's Environment, Health, and Safety (EHS) General Guidelines Table 1.1.1. on WHO Ambient Air Quality Guidelines and Table 1.7.1 on Noise Level Guidelines.

13.7.16.1 Impacts on Ambient Air Quality

According to the ESIA (Section 13.4), the potential impacts on air quality include airborne emissions and pollution generated during each stage of the mine cycle associated with drilling, blasting, hauling, collecting, and transporting mine material.

During the mining cycle, the ore extraction, generation of solid waste and ore processing, generate air pollution which has cumulative environmental and public health impacts. The mine waste spoils dumped over the ground contain small size particles that are easily dispersible by the wind.

13.7.16.2 Impacts on Ambient Noise Levels

According to the ESIA (Section 13.5), the potential impacts on noise level include blasting, crushing, conveyors, and processing plants. Noise pollution is one of the major impacts of mining activities. Blasting operations affect their surroundings in the form of ground vibration, air blast, and fumes.

13.8 Social Aspects

13.8.1 Administrative Setting

The Project is situated in Gorontalo Province covering an area of 11,260 km² and consisting of five regencies (Boalemo, Gorontalo, Pohuwato, Bone Bolango, and North Gorontalo Regency) and one city administration, (Gorontalo City). Pohuwato is the largest regency with an area of 4,244.31 km² is divided into 13 sub-districts, 105 villages, and 386 hamlets. The Project is situated in the Buntulia Sub-district on the eastern side of Pohuwato Regency, approximately 160 km west of Gorontalo City.

13.8.2 Demographics

The population of Pohuwato Regency is 147,689, 75,146 male and 72,543 female. On average, the population growth rate as of 2020 to 2021 for Pohuwato Regency is 1.15. In 2021, the population of Buntulia Sub-district was 12,362, approximately 8% of Pohuwato Regency's population and a population density of 32 pers/km².

There are seven villages in Buntulia Sub-district Buntulia Utara, Taluduyunu, Hulawa, Bantulia Tengah, Karya Indah, Sipatana, and Taluduyunu Utara. The male:female ratio in the Buntulia Sub-district is varied, which is male-dominated in certain areas and female-dominated in other areas. 95% of the population identify as Muslime with the remainder made up of Christian, Hindu, and Buddhist.

13.8.3 Socio-economics

A socio-economics baseline study conducted by MakkiMakki in June 2022 (Baseline Study on Socio-Economic Impact of Gold Mining Operation in Pohuwato, Gorontalo) identified that the majority of people in Buntulia Sub-district rely on mining to support the economy. The economic growth of Pohuwato Regency in 2021 was 2.2%, with unemployment decreasing from 3.1 % in 2020 to 2.45 % in 2021.

Much of the community chose artisanal illegal mining (PETI) as their livelihood even though they understand the risks of mining activities and the negative impacts of their activities. Income from mining activities is more lucrative compared to other activities

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such as agricultural sector. The agricultural sector in Buntulia Sub-district is extensive, however, the subsistence nature of the sector is not optimised to encourage the economic growth of the community.

13.8.4 Employment, Income and Business Opportunity

The Project will generate employment opportunities during the construction stage consisting of casual positions in a variety of unskilled, semi-skilled and skilled jobs. Peak labour needs during the construction stage are approximately 1,600 construction employees. The skilled workforce will comprise of a range of experts, engineers and inspectors who are drawn locally, nationally and in some cases internationally. The support workforce of unskilled workers will be drawn largely from the local workforce within the Pohuwato District. A quota of 20% of unskilled labour from the local workforce has been set, as committed to in the AMDAL and RKL-RPL approvals, provided individual applicants meet the required qualifications. The quota will be distributed across villages and sub-districts and is a means of ensuring that positive benefits associated with the Project are fairly dispersed.

As the employee requirement changes from the construction stage to operation stage the Project will generate employment opportunities within skilled and semi-skilled positions. The peak labour needs during the operation stage are estimated 3,288. The skilled workforce will comprise of a range of experts, engineers and inspectors who are drawn locally, nationally, and in some cases internationally. The priority for utilisation of local workforce will still be from the Pohuwato Regency. According to socio-economic information for the local community, the Human Development Index (HDI)'s in Pohuwato Regency is 65.80 meaning there is sufficient attention to implement human development (Section 13.8.2).

The positive impacts of employment opportunity will be supported by coordinating with the local government agencies related to workforce recruitment and by providing skills and training to facilitate engagement of the local community working at the Project.

13.8.5 Community Perception

The community within the Project area is predominately engaged in land-based livelihoods consisting of PETI and agriculture activities, as landowners, sharecroppers, or daily workers. The predominance of the unskilled sector across the local population means that households impacted through the physical displacement process may generally be sensitive to such impacts and have lower capacity to absorb and respond to these impacts than otherwise may be the case in more diverse and affluent societies. At this stage of this study no detailed socio-economic survey has been conducted to identify particularly vulnerable households, define household level livelihood approaches, and accurately determine appropriate entitlements.

Physical displacement of people within the Popaya and Butato Hamlets of Hulawa Village is required during the land acquisition for the mine construction. No detailed information exists regarding the total area needs to be acquired, the number of parcels, households impacted and ownership of the land. Economic displacement refers to the area where PETI is conducted scattered throughout the PGP area. PGP endeavours to acquire land based on voluntary transactions prior applying the requirements of IFC PS5.

13.8.6 Community Unrest and Conflict

The potential for community unrest is regarded because of negative community perception of the Project activities during all stages. According to the ESIA (Section 13.5), the potential impacts on community unrest are definite.

13.8.7 Community Engagement

A Community Engagement Management Plan will be developed to focus on the consultation and participation of affected communities, grievance mechanisms and reporting to the affected communities. The objectives of the community participation are to provide opportunity for people to be affected to get clear, accurate and comprehensive information about the proposed project and its anticipated environmental impacts.

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13.8.8 Community Employment and Income

The Community Employment and Income Management Plan describes how the Company/PGP will manage recruitment, employment, and income opportunities, with a focus related to local communities. The domination of land-based livelihoods (PETI), and general low education levels, access to project employment opportunities should give priority of unskilled jobs in the first place and secondly to other people in the surrounding communities during construction and operation stages.

13.8.9 Community Economic Management

The Community Economic Management Plan developed will benefit the local community from switching their current livelihood (e.g. farmers, PETI, and sharecroppers) to entrepreneur-based livelihood such as providing services (e.g. groceries, restaurants, salon, workshop, services, etc.). For example, those who receive compensation due to land acquisition will invest their compensation fund in a productive sector.

13.8.10 Community Education

The Community Education Management Plan will be required to align with the Project's operations commencement to meet the need for sufficient skilled and unskilled labour. Despite the priority of employing local villagers as the mines begin to develop, the education and health conditions of the people of Hulawa village will be a critical factor in providing the best labour for the mines. There is currently no social-economic profile of the villagers of Hulawa and it can be assumed there will be reliance on outside labour. Specific programmes for Educational Scholarship and Vocational Education and Training are required to ensure the Plan is implemented.

13.8.11 Community Health

The general health condition of local community around the Project area is determined according to secondary data from the Central Bureau of Statistics for Pohuwato Regency and Gorontalo Province. The most common disease in Pohuwato Regency was the common cold, with the number of cases ranging between 7,000 to 10,000 per year for the period 2017 to 2019. Other disease rates for Gorontalo Province in 2020 include TB (90% treatment rate), AIDS (49 cases), Leprosy (10/100,000 population), Malaria (1/100,000 population), and Dengue Fever (40/100,000 population).

According to the ESIA (Section 13.5), the potential impacts on community health are possible related to increased noise and dust emissions from construction and mining activities, including development of facilities and mobilisation of equipment and materials using public roads. There may be increased risk of communicable diseases from migrant workers (including STDs) and potential pandemics such as Covid-19, and improper domestic waste disposal and wastewater handling.

Health facilities in Pohuwato Regency are limited to one hospital located in Marisa Sub-district and two polyclinics. There are 16 public health centres, 27 subsidiary public health centres (Puskesmas Pembantu) which are spread over the regency, one medical clinic, 134 integrated health posts, and nine pharmacies. There is no maternity (mother and children) hospital in Pohuwato Regency. Within Buntulia Sub-district, there are one apothecary and two public health centres with no inpatient facilities.

The highest number of medical/health personnel in Pohuwato Regency are nurses and midwives (329 and 237 in 2022, respectively), while the lowest number of health personnel are dentists and medical laboratory technicians. Medical personnel across all disciplines have increased significantly over the period from 2017 to 2022 with a doubling of the number of doctors and dentists apparent.

13.8.12 Prostitution

The construction and operation of the Project is estimated to require a large workforce which will encourage migrating workers to move to the area. The migration of people

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will not only consist of the workforce but also people who are seeking employment in other business sectors which includes potential sex workers from other regions and provinces.

13.8.13 Community Health Management

The objective of the Community Health Management Plan is to avoid or limit the impacts on community health during all stages of the project. This is achieved through implementing targeted prevention programs to reduce impacts along with the implementation of an effective monitoring and evaluation program.

13.9 Other Aspects

13.9.1 Visual Amenity Impact

According to the ESIA (Section 13.5), potential impacts on visual amenity are expected during all stages of the project. The degrees of various impacts on visual amenity are variable (insignificant, minor, moderate and/or major) based on pre-mitigation conditions including project activities and involvement of community in the project activity. The significance rating will also consider the effectiveness of planned mitigation and management measures to be implemented.

13.9.2 Landscape and Soils

According to the ESIA (Section 13.5), potential impacts on landscapes are expected during all stages of the project.

13.9.3 Impacts to Stability and Vibration

13.9.3.1 Landslide due to Mining Activities

The landform within the Project area will be progressively developed through removal of overburden and waste rock, excavation of the mine pit, mine road construction, construction of the waste dump, heap leach, TSF, and other major infrastructure which could potentially cause landslides. Geotechnical studies carried out between 2012 and 2023 included the drilling, logging and testing of boreholes and test pits in various parts of the mine area. Additional boreholes are currently in progress to provide a more detailed geotechnical investigation. The material strength properties are based on engineering judgment, previous project experience, and confirmation through laboratory and in situ testing. The design approach applied to slopes is carried out by using FK (Safety Factor) as an indicator of slope stability and the analysis of the landslide probability considers the variations in the input parameters that produce a certain FK value. The slope stability analysis used refers to Ministry of Energy and Mineral Resources Decree No. 1827K/30/MEM/2018.

13.9.3.2 Vibration due to Blasting Activities

Blasting is required break hard rock that cannot be readily excavated or is considered uneconomical to excavate by free digging and ripping. It is estimated that 90% of the material in the GSM pit area and all material in PETS will require blasting. A safe distance when blasting is maintained in accordance with the provisions of the Minister of Energy and Mineral Resources Decree No. 1827 K/30/MEM/2018 (Guidelines for the Implementation of Good Mining Practices), namely 300 m distance for mining fleet and facilities and 500 m for humans from the outer limit of blasting area. Ground vibration can cause objects in nearby residences to rattle, however, structural damage is unlikely to occur due to distance and safe blasting design. Bench blasting and controlled blasting geometry is calculated to achieve a state where the energy produced is controlled.

13.9.4 Traffic Management

The Traffic Management Plan aims to address the impact of traffic on the community and differentiates between the construction and operation stages of the project.

13.9.5 Infrastructure Development Management Plan

The Infrastructure Development Management Plan will be based on consideration of the local socio-economic baseline condition and project needs to support local

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authorities in maintenance and improvement of local public infrastructure and services where good infrastructure provides mutual benefits both to the Project and local communities. This includes local road quality and access to the site, road safety, and solid waste management. The Plan will be implemented through a number of specific programs.

13.10 Mine Closure

Compilation of a Mine Closure Plan is required prior to start of construction activities as specified in the following regulations:

- GoI Regulation No. 78 2010. Reclamation and Post-Mine.
- MEMR Regulation No. 26 2018. Implementation of Good Mining Principles and Supervision of Minerals and Coal Mining.
- MEMR Decree No. 1827 K/30/MEM/2018 Appendix VI. Guidance Implementation of Reclamation, Post Mining and Post Operation in the Mineral and Coal.

The mandatory mine closure plan provides detailed technical assessments for facilities decommissioning and mine closure, post-mine environmental and social programs, including final reclamation and decommissioning of the mine site together with stipulation of closure success criteria. Physical removal of the infrastructure, topsoil spreading, and final revegetation will make up most of the closure activities. Water impacts from the discharge of the mine area are predicted to be controlled by surface runoff from rainfall with negligible impact when it discharges to the surrounding environment. Mine closure includes decommissioning, removal of infrastructure and equipment, and reclamation, with the use of native plant species to restore biodiversity as closely as possible to the pre-mining condition. A monitoring program is then developed to demonstrate success criteria have been met.

A Conceptual Mine Closure Plan was developed for the FS covering both GSM and PETS operations based on the mine plan. This assumes mining and ore processing will last for around 16 years (2025 to 2040), with seven years (2025 to 2031) of mining of the PETS pit area, 16 years (2025 to 2040) mining at the GSM pit area with CIL processing, and 10 years (2025 to 2035) for the heap leach processing at the PBT area. Mine closure activities will start immediately after CIL processing ceases. The objective of the mine closure plan is to guarantee a safe and environmentally sustainable post-mine site and a legacy of better and long-lasting socio-economic conditions in the affected communities.

Both the GSM and PETS post-mining work program includes reclamation of the mining areas, processing facilities, supporting facilities, and maintenance and monitoring. The post-mining plan document is a company commitment based on Decree of the Minister of Energy and Mineral Resources No. 1827K/30/MEM/2018. Mine Closure Plans (MCP) have been completed by GSM and PETS for their respective operations and submitted to MEMR in early 2025. Following approval of the respective Post-Mining Plan Reports, the companies must provide cash deposits as a Closure Guarantee Bond to cover the costs of the mine closure program. The cash guarantees will be reimbursed to the companies as they demonstrate completion of the closure works and achievement of closure success criteria, described in the MCP. The MCP is required to be updated to accommodate any changes to the Project's FS.

Following the amendment of FS, and to be consistent with the 5-year reclamation plan process, GSM and PETS will compile and submit amendments to their mine closure plan documents to the MEMR. Once completed and approved, GSM and PETS will also adjust the value of the closure guarantee based on revised closure costs mentioned in the updated plans.

The specific objectives of the mine closure plan are:

- To protect public and employee health, safety, and welfare.
- To mitigate negative impacts on the environment and affected communities.

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- To enhance positive impacts on the affected communities.
- To return the land to be compatible with its previous use (limited production forest), as practicable.
- To provide a mine closure plan that is appropriate for the environmental and social setting, nature and scale of the Project.
- To provide a technical basis on which the costs of mine closure can be estimated.

13.10.1 Site Reclamation

Site reclamation discussed in this section includes final grading and shaping of surfaces to be reclaimed, application of topsoil, revegetation, and establishment of water management structures around reclaimed areas. Site reclamation will need to satisfy both the requirements by MEMR, and MoEF for forest areas covered by the PPKH which need to be returned to the Government. These activities include:

- Ongoing reclamation process as areas become available.
- Removing and stockpiling of topsoil for subsequent reclamation of disturbed areas.
- Minimising any long-term visual impact by creating landforms that are compatible with the surrounding environment.
- Ensuring that reshaped land is formed to be geotechnically stable, adequately drained to minimise erosion and thereby suitable for the desired long-term land use.
- Revegetation prioritising native plant species that will control erosion, provide vegetative diversity and contribute to a stable environment compatible with the existing ecosystem.
- Preventing the introduction of noxious weeds and invasive species.
- Monitoring and maintenance of rehabilitated areas until they establish a self-sustaining condition or have achieved the closure success criteria.

The total disturbed area at closure is approximately 728 ha with the pit area 129 ha remaining as a void or pit lake and not be reclaimed, leaving a total land area to be reclaimed of 599 ha.

The development of the reclamation plan for heap leach areas would adhere to comparable guidelines similar to other land disturbance reclamation plans. Appropriate capping and surface runoff management would be implemented to ensure surface water and groundwater integrity. Specific cover designs will be applied on these areas to ensure minimum leaching and reduce leakage potential after closure. A drainage layer will be established on the heap leach areas followed by low permeable layer and then topsoil layer on top for plants growth medium.

Reclamation activities at the TSF will be selected depending on the characteristics of the pond, and on-site conditions of the supporting structures. TSF embankments will be constructed to remain geotechnically stable and rehabilitated including recontouring where necessary and practical, covered with topsoil and revegetated. The water management plan will ensure there will be no TSF overflow or seepage impacting the environment.

13.10.2 Topsoil Management

To achieve successful mine rehabilitation, a topsoil management plan is prepared to describe how topsoil will be recovered and conserved for rehabilitation use in a form that is as similar to its pre-mining condition as possible. A protocol for topsoil handling will be developed as an SOP for topsoil management.

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13.10.3 Infrastructure Decommissioning

Mine and processing infrastructure is decommissioned and removed with the main infrastructure and equipment being dismantled and removed. Where materials and equipment have a value these may be sold, reused or donated, and where not, disposed of appropriately on or off site. The general approach to decommissioning and removal of facilities, infrastructure, equipment and hazardous materials and chemicals.

13.10.4 Post-Mine Plan and Cost

A comprehensive post-mine social community program will be detailed in the mine closure plan which will be extensions of some of the social management programs implemented during the operations period, as well as closure-specific social management programs. These include programs related to health, education, infrastructure, cultural heritage, vocational training, and economic development.

The cost of mine closure activities focuses on post-mining work costs, including dismantling mining facilities and reclamation of former mined land. The calculated costs are those applicable in 2025 and will be calculated based on future cost reference (future value) in 2033, with an escalation rate based on the Bank Indonesia government bond interest rate of 5.75%.

- **GSM** — The revised cost estimate made up of direct costs of US\$2,985,000 and indirect costs of US\$408,965 totals US\$3,394,000. The future value is US\$9,284,800 equivalent to around US\$26,050/ha.
- **PETS** — The costs assume that there are no costs for reclamation of former mining facilities as these will be built and provided by PT GSM at the PT GSM Mining Permit (IUP) site. The revised cost estimate made up of direct costs of US\$396,160 and indirect costs of US\$54,270 totals \$450,430. The future values is US\$705,000 equivalent to around US\$15,000/ha.
- **PBT** — PBT holds an Industrial Business License which does not require the submission of Reclamation Plans or Post-Mining for industrial sites to the Ministry of Industry. A separate closure plan will be prepared for PBT facilities at a later date.

The conceptual mine closure costs reported in the Pani report were reviewed by the SME. On the basis that benchmark operations, SME have predicted higher closure costs, examples of some of the missing elements of closure that have not been included are:

- Engineering controls required to manage any pit lake overtopping and spillway discharges.
- Geotechnical controls required to ensure pit wall stability both internal and external to the final pit walls.
- Environmental controls and water treatment costs required to ensure any discharges meet appropriate standards.
- Monitoring and analytical provision to demonstrate compliance with regulatory requirements.
- Geotechnical and hydrogeological investigations to support numerical modelling for recovery of groundwater levels/pore pressures.
- Hydrochemical modelling for pit lake chemistry and water treatment requirement.

This list is non-exhaustive and subsequently there are significant costs that can be incurred during the closure of a mine. For the purpose of a CP report a closure allocation of \$50M has been included to ensure an adequate allocation is included in

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the financial analysis. This is high level and not a robust estimate, but it is in line with benchmark estimates assessed by SME.

13.11 Gap Analysis, Required Studies and Approvals

Additional environmental and social surveys and assessments were identified as information gaps during the FS some of which are required as mandatory for the operational permitting and approval of the project.

13.11.1 Regulatory Approvals

Section 13.4 details the regulatory approvals required. The following updates and additional documents are required to support the finalisation of main regulatory approvals:

- AMDAL. The AMDAL Addendum for Heap Leach Operation 8 MTPA is currently being prepared by GSM and is targeted for approval in Q3 2026.
- IUP and CoW. Once the heap leach facility is developed and operated, PBT will submit the application to the Ministry of Industry by the end of 2025 to obtain the IUI Industrial Business Permit for the operation.
- PPKH Forestry Permit. An extension of PPKH is required to include the proposed surface infrastructure areas within the PBT area not already covered in the approved PPKH. One of the requirements of a PPKH is the obligation to rehabilitate a forest area.
- TSF Dam safety permit. Technical design and specification of the tailings dam and associated facilities is required to obtain technical recommendation from the Dam Safety Committee (DSC) of the MPWH. A technical approval (PERTEK) for hazardous waste disposal activities is required from MoEF prior to the AMDAL Addendum submission for the Project.
- Wastewater discharge to the river. PBT will prepare the application of PERTEK for wastewater discharge from heap leach and adsorption, desorption and recovery (ADR) plant operation prior to the AMDAL Addendum submission for the Project.
- Air Emission Release. PBT will prepare the PERTEK application for air emission release for heap leach processing and ADR plant prior to the AMDAL Addendum submission for the Project.

Additional technical approvals (PERTEK) are required for other parts of the project as detailed in Section 13.4.6.

13.11.2 Environmental and Social Studies

The environmental and social studies required to develop the ESG framework for the project, meet regulatory approvals and contribute to the development of the relevant management plans include:

- Geochemical characterisation of waste rock and tailings.
- Environmental and Social Management System (ESMS).
- Biodiversity Action Plan (BAP).
- Stakeholder Engagement Plan (SEP).
- Land acquisition, relocation and resettlement.
- Cultural Heritage.

The cost of completing the additional studies is estimated at US\$290,000.

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13.12 Occupational Health and Safety

Occupational Health and Safety (OH&S) forms part of the Health Safety and Environmental Management System (HSEMS) requirements for MCG for the overall systematic management of health, safety and environmental performance. This provides the following outcomes:

- Providing a safe and healthy workplace.
- Preventing work related injuries and ill health.
- Proactively monitoring and improving HSE performance.
- Eliminating hazards and minimise HSE risks (including system deficiencies).
- Taking advantage of HSE opportunities and address management system non-conformities associated with its activities.
- Fulfilling HSE legal and other requirements.
- Integrate other aspects of health, safety and environment including worker wellness and wellbeing.
- Enhancement of environmental performance.
- Fulfilment of compliance obligations.
- Achievement of environmental objectives.
- Achievement of Health & Safety objectives

OH&S is covered in Section 4 of the FS and consists of the MCG corporate Health and Safety Policy together with Hazard Identification and Risk Assessment. This is supported by seven appendices containing safety standards applying to all MCG operations for the following matters:

- 001 Traffic Management Standard
- 002 Tyre Standard
- 003 Work At Height
- 004 Lifting Standard
- 005 Isolation Standard
- 006 HSE Management System Manual
- 007 Confined Space

13.12.1 OH&S Policy

The Project OH&S Policy is signed by the President Director and CEO. Each of Medeka's subsidiary operations adopts these policies without changes and is signed by a Director of the subsidiary company, the KTT of PGP. The OH&S policy shall be:

- Displayed in prominent locations in the workplace.
- Communicated during visitor inductions and general site inductions.
- Made available as an electronic or hardcopy document to relevant interested parties.
- Reviewed every year as a minimum.

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Identification of the source of the hazard or occurrence that can harm people, cause damage to the environment, or impact the community negatively includes:

- Source of hazard — people, machines and equipment, materials, methods, or environment.
- Type of hazard — unsafe action or unsafe condition.

13.12.2 Hazard Identification and Risk Assessment

Risk management is an interactive process to identify, evaluate, and resolve workplace hazards by eliminating or reducing the risk to the lowest level that acceptable and applicable. It encourages management to actively eliminate the risk of loss, make the risk management as a source of competitive advantage and company performance advantage. It also encourages all personnel in the company to act carefully in dealing with the risks, building the skill to communicate the understanding of risk and the importance of risk management. Hazard identification and risk management includes:

- Risk communication and consultation.
- Determination of risk context.
- Hazard identification and risk assessment.
- Risk control.
- Monitoring and review.

Communication and consultation are completed by internal and external parties at each step of risk management. The application of the Risk Rating provides a mechanism assess the priority of hazards to determine the appropriate controls and develop the necessary documentation.

13.12.3 Specific OH&S Matters

Where OH&S matters relate directly to the Project activities these are addressed in the Environmental Aspects sections above. For example, fugitive dust generated by the project activities and the emission of greenhouse gas (Section 13.6.3) are identified as specific issues that require the management of any resulting OH&S issues related to workforce and community health. Relevant management plans will be developed to ensure the risks associated with activities are adequately reduced or mitigated.

13.13 Evaluation of Environmental and Social Risks

The Environmental and Social Impact Assessment (ESIA) completed for the Project (Section 13.5) provides a structured process involving a systematic approach to predicting and characterising the environmental and social impacts likely to arise from the development and operation of the Project. The ESIA process rates and ranks the impacts environmental and social impacts identified that may have bearing on the execution of the Project forming a basis for prioritisation and a method of assessing the effectiveness of proposed mitigation measures. The impacts identified, their significance and mitigation are addressed in the relevant sections above.

With the exception of matters relating to land acquisition (Section 13.21.1), post-operational employment and business opportunities (Section 13.21.2), and community health (Section 13.21.3), none of the environmental and social aspects assessed as have an impact significance higher than moderate. In all cases, the application of suitable mitigation measures reduces the significance to low or insignificant.

The environmental and social aspects that have been assessed as having moderate impact significance are covered in the referenced sections and include the following:

- Surface water resources. Impacts on Surface Water Quantity
- Surface Water Quality. Effects of illegal mining activities

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- Terrestrial Ecology. Impacts to Terrestrial Biodiversity (Flora and Fauna) (Section 13.7.14.2).
- Air Quality. Impacts on Ambient Air Quality (Section 13.7.16.1)
- Impacts of Cessation of Operations (Section 13.10).
 - o Loss of employment opportunity.
 - o Loss of business opportunity.
- Community Perception (Section 13.10).
 - o Land acquisition and economic displacement.
 - o Influx of migrant workers.
 - o Mobilisation of equipment and materials.
 - o Noise, dust and disturbance from construction works.
- Community Unrest and Conflict (Section 13.11).
 - o Recruitment and employment of employees.
 - o Increased traffic and construction works.
 - o Safety, subsidence, failure, land and water pollution, increased noise level and air pollution, and tailings.
- Community Health (Section 13.16).
 - o Community safety related to mobilisation and demobilisation of equipment and materials using public roads.
 - o Increasing prostitution.
- Visual Amenity Impact (Section 13.17.1).
- Landscape and Soils (Section 13.17.2).
 - o Change of land use.
 - o Soil quality changes due to disruption of soil structure, potential contamination from hydrocarbons and chemical spills, and increased erosion rate.

The ESIA recognises that positive impacts result from the project activities. Environmental and social impacts that are considered positive include the following:

- Employment, Income and Business Opportunity (Section 13.9).
 - o Increase in employment opportunities.
 - o Increase in business opportunities.

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13.13.1 Environmental and Social Risks Related to Land Acquisition and Mine Activities

Major impacts on social risks relate to land acquisition centred around the removal of PETI activities and the displacement of households. These matters are relevant to community perception of the project and the potential for community unrest and conflict and are covered in detail in Sections 13.10 and 13.11. These include:

- Negative community perception and community unrest due to the land acquisition activities.
 - o Physical displacement of people within the Popaya and Butato Hamlets.
 - o Economic displacement within the area where PETI is conducted.
- Project construction activities.
- Concern for mining safety such as subsidence slope failure, potential for land and water pollution, disturbance by increase of noise level and potential air pollution, and concern over tailings.
- Mobilisation of equipment and materials.
- Influx of migrant workers.

In all cases, the application of suitable mitigation measures reduces the significance to moderate.

13.13.2 Post-operational Employment and Business Opportunities

Major impacts on social risks relate to post-operational employment and business opportunities. These include:

- Employment, Income and Business Opportunity (Section 13.9).
 - o Decrease in employment opportunities.
 - o Decrease in business opportunities.

In all cases, the application of suitable mitigation measures reduces the significance to moderate.

13.13.3 Impact on Community Health and Safety

Major impacts on social risks relate to community health and safety result from increasing prostitution due to increased numbers of migrant workers (Section 13.16.4). The application of suitable mitigation measures reduces the significance to moderate.

13.14 Environmental Compliance Obligations and Liabilities

In line with regulatory requirements, the following environmental compliance obligations are typically applicable and must be met:

- Forest Resource Provision (PSDH – *Provisi Sumber Daya Hutan*)
- Reforestation Fund (DR – *Dana Reboisasi*)
- Annual Forest Area Utilization Fee (PNBP – *Penggunaan Kawasan Hutan*)
- Reclamation Guarantee
- Mine Closure Guarantee
- Permitting Fees (including AMDAL/SKKL, Pertek, and SLO)

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The MGR Compliance team has confirmed that MGR has no environmental liabilities associated with non-compliance or environmental damage, and Mining One has no knowledge of any such liabilities.

14 CAPITAL EXPENDITURE AND OPERATING EXPENSES

All costs presented in this chapter are in real value.

14.1 Capital Expenditures

14.1.1 Summary

The estimation of capital expenditures (“CAPEX”) for the Pani Gold Project has been undertaken in accordance with industry-standard methodologies and consistent with the requirements of a Competent Person’s Report. The objective of this estimation is to provide a transparent, reasonable, and technically justified assessment of the costs required to bring the project into production, thereby supporting its inclusion in the document for MGR’s [REDACTED].

The methodology employed combines bottom-up estimation for major cost items (where detailed engineering data and quotations are available) with benchmarking and scaling techniques for ancillary facilities and infrastructure. Contingency factors have been applied to account for uncertainties inherent in early-stage project development, ensuring that the estimates remain conservative yet realistic.

This capital expenditure estimate represents a critical component of the Competent Person’s Report, ensuring that stakeholders, regulators, and potential investors are provided with a clear and defensible basis for evaluating the economic potential of the Pani Gold Project.

Most of CAPEX are estimated by internal MGR based derived from ongoing tender processes and others from previous studies. They are derived through a structured process that integrates engineering design, vendor quotations, benchmark data from comparable gold projects, and cost indices relevant to Indonesia and the broader Asia-Pacific region.

CAPEX estimates are divided into:

- Direct Costs — The costs represent the physical and operational components required to establish the project. These include:
 - o Mining: Expenditures for mine development, pre-stripping, equipment procurement, haul roads, and pit preparation.
 - o Heap Leach: Construction of heap leach pads, solution ponds, and associated processing facilities.
 - o CIL: Establishment of the CIL plant, including milling, leaching, adsorption, and recovery circuits.
 - o Site Infrastructure: Development of power supply, water management systems, tailings storage facilities, access roads, accommodation, and ancillary site facilities.
 - o Other: Miscellaneous direct costs not captured in the above categories, including environmental compliance measures and permitting-related infrastructure.
- Indirect Costs — The costs capture the supporting expenditures required to manage and deliver the project:
 - o Owners Costs: Costs incurred by MGR as the project owner, including project management, corporate support, permitting, and financing arrangements.
 - o General & Indirects: Engineering, procurement, construction management (EPCM), insurances, temporary facilities, and other indirect project delivery costs.

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- **Escalation and Contingency** — An allowance has been included to account for potential cost escalation due to inflation, market volatility, and unforeseen circumstances. Contingency factors are applied to mitigate risks associated with uncertainties in design, procurement, and construction. A 10% contingency has been incorporated into the CAPEX estimates.
- **Sustaining Capital** — This has been estimated to cover ongoing expenditures required to maintain operations throughout the mine life. This includes equipment replacement, infrastructure upgrades, and compliance-related investments. The sustaining CAPEX has been assumed at 1% to 2% per year of CAPEX spent.

The capital cost estimate for the project has been developed to a AACE class 3 estimate with a +15% to -5% accuracy and is summarised in Table 14-1.

Table 14-1 Capital Costs Summary

Capital Item	Cost Estimate <i>(USD Millions)</i>
Direct Cost	
Mining	50
Heap Leach	197
CIL	734
Site Infrastructure	240
Indirect Cost	
Owners Costs	196
General & Indirects	139
Escalation and Contingency	119
Sustaining Capital	274
Total Capital Costs	1,948

14.2 Operating Expenses

14.2.1 Summary

The objective of the operating cost estimate is to develop a forecast of the annual operating expenditures associated with the Pani Gold Project over the life of mine. This estimate provides a critical input to financial modelling and economic evaluation, serving as a reference framework for project feasibility and Ore Reserve reporting.

Mining One has prepared the cost estimates related to mining activities, including drilling, blasting, loading, hauling, and ancillary mine services. The remaining cost components, encompassing processing, tailings, and general and administrative (G&A) overheads, were provided by MGR. Mining One has undertaken a technical review of these inputs to assess the appropriateness of the assumptions, the consistency of the methodologies applied, and the adequacy of the level of detail to ensure compliance with the requirements of the JORC Code (2012) for the reporting of Ore Reserves.

The activity-based operating cost estimate has been structured into five principal categories, with defined battery limits to ensure clarity of scope:

- **Mining** — Includes all mining-related activities from initial land clearing and topsoil stripping through drilling, blasting, loading, hauling, and ore delivery up to the primary crusher feed point. Costs beyond the crusher feed (i.e., within the processing plant) are excluded.
- **Heap Leach Processing** — Covers all costs associated with ore processing via heap leach, commencing at the crusher discharge and extending through agglomeration, stacking, leaching, solution handling, and recovery circuits.

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- CIL Processing — Encompasses all costs related to ore treatment through the carbon-in-leach (CIL) facilities, beginning at the crusher discharge and including milling, leaching, adsorption, elution, electrowinning, and gold recovery.
- Tailings — Includes all costs associated with the handling, storage, and management of tailings generated from CIL processing, covering both wet tailings deposition and dry stacking operations.
- General and Administrative (G&A): Represents site overheads not captured within the above activity-based categories, including administration, camp services, security, and other general site support functions.

The summary of operating expenses over the mine life and Unit Cost per saleable gold ounce are presented in Table 14-2.

Table 14-2 Undiscounted Operating Expenses Summary

Activity-Based Costs	LoM Opex (USD M)
Mining	1,028
Heap Leach Processing	381
CIL Processing	1,279
Tailings	184
Site G&A	638
Total Operating Costs	3,509

14.2.2 Mining Costs

All mining-related activities, from land clearing and topsoil stripping through drilling, blasting, loading, hauling, and ore delivery to the primary crusher feed point, are classified as mining costs. To estimate these costs, Mining One developed a Microsoft Excel-based model informed by the technical assessment presented in this report, particularly the mine plan and mining parameters outlined in Section 9.6.

Mining operations are assumed to rely on equipment rented from PT Merdeka Mining Indonesia (“MMI”), a subsidiary of PT Merdeka Gold Resources, under both wet and dry hire arrangements. Supporting equipment such as cranes and personnel carriers are provided on a wet hire basis, while core production equipment, including excavators, dump trucks, graders, and dozers, is supplied under dry hire. MGR is responsible for fuel supply, supervision, ore grade control, site management, and technical services.

Blasting activities are contracted to PT Orica Mining Services, which provides bulk explosives, accessories, and down-the-hole blasting services.

Operating costs are categorized into fixed and variable components, further broken down by activity: drilling, blasting, loading, hauling, auxiliary services, labour, and grade control. Estimates are derived from first-principal calculations, incorporating inputs from current contracts, supplier quotations, original equipment manufacturers (OEM), benchmarking against comparable operations, data from MGR’s other mining projects, and Mining One’s internal database.

All mining-related activities from initial land clearing and topsoil stripping through drilling, blasting, loading, hauling, and ore delivery up to the primary crusher feed point are estimated as mining costs.

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Table 14-3 Undiscounted Life of Mine Mining Operating Expenses Summary

Mining Opex Component	Unit Rate	LoM Cost (US\$ Million)
Fixed		
Mining Fixed Costs	\$1.00 million/year	16.0
Drill and Blast Fixed Costs	\$2.01 million/year	30.1
Variable		
Drill Costs	\$0.19/t mined	66.6
Blast Costs	\$0.45/t mined	154.0
Load Costs	\$0.40/t mined	137.2
Haul Costs	\$1.11/t mined	380.7
Auxiliary	\$0.49/t mined	168.0
Labours	\$0.13/t mined	44.4
Grade Control Cost	\$0.09/t mined	30.8
Total Cost		1,027.8

14.2.3 Heap Leach Operating Costs

The operating cost estimates for heap leach operations are primarily derived from the Feasibility Study completed in FS 2024, prepared by NewPro, a consultant engaged by MGR to conduct the heap leach study. The engineering design undertaken provides sufficient detail to support an operational expenditure estimate with an accuracy range of +15%/-5%. These estimates have subsequently been updated to reflect supplier quotations and tender outcomes, as well as adjustments for increased production throughput. The original design throughput of 7 Mtpa has been scaled to 10 Mtpa, as presented in this report.

The operating costs for heap leach operations cover the following:

- A processing plant capable of reducing the ore to the desired size by means of crushing, screening and bulk material handling.
- A heap leach pad with stacking equipment, irrigation and collection systems.
- An ADR plant for gold recovery.

The process plant operating costs are broken down into several major components as follows:

- Labour — Labour rates are benchmarked against comparable projects in Indonesia, including other MGR operations, with workforce planning based on industry-standard productivity levels and a two-shift system of 12-hour shifts per day.
- Electrical power — The costs are calculated from installed capacities listed in the Mechanical Equipment List, applying usage factors according to equipment type and load profiles, multiplied by annual operating hours. A tariff of \$0.07 per kWh has been applied.
- Reagents and consumables — They are estimated based on metallurgical testwork or, where unavailable, inferred from ore mineralogy. Liner consumption is determined from abrasion and work index data, supported by engineering experience, while diesel usage is based on vendor specifications for diesel-fired equipment. Consumables such as lubricants are treated as fixed lump-sum costs. Cost inputs are derived from budgetary quotations, a fuel price of \$0.87/L, and historical data from comparable projects.
- Laboratory — The costs are estimated by modelling annual assay requirements, with unit costs benchmarked against typical values from other MGR operations.
- Maintenance materials are treated as fixed costs, reflecting dependency on operating hours rather than throughput. These costs are factored from capital

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expenditure allocations, with higher wear allowances applied to equipment such as crushers compared to ancillary services.

- Mobile equipment costs are based on wet hire rates, which include fuel, maintenance, insurance, and operators, sourced from quotations provided by local contractors. The required fleet, comprising excavators, dozers, graders, and other equipment, has been defined in line with operational needs for heap leach stacking. MGR has adopted a rental strategy for mobile equipment to minimise upfront capital expenditure.

The operating costs estimate for heap leach operations are summarised in Table 14-4.

Table 14-4 Undiscounted Life of Mine Heap Leach Operating Expenses Summary

HL Cost Item	Unit Rate	LoM Cost (<i>\$ Million</i>)
Fixed*		
Labour	\$7.42 M/year	49.7
Electrical Power	\$2.24 M/year	15.1
Reagents & Plant	\$0.94 M/year	6.4
Laboratory	\$0.09 M/year	0.6
Maintenance	\$4.49 M/year	30.1
Mobile Equipment	\$11.18 M/year	74.9
Power (Camp, Water Intake, and other infrastructures)	\$0.50 M/year	4.6
General	\$1.50 M/year	10.5
Variable		
Electrical Power	\$0.12/t leached	7.6
Reagents & Plant	\$2.88/t leached	181.4
Total Cost		380.8

* The unit rates are for nameplate operations

14.2.4 CIL Operating Costs

The cost estimates reflect the throughput of 12 Mtpa including the addition of a filter press for dry-stacked tailings (not included in FS 2024) as well as recent supplier quotations and tender outcomes, ensuring alignment with current market conditions.

CIL operating cost estimate is composed of the following elements:

- Labour (Processing & Maintenance) — Labour rates are benchmarked against actual costs at other MGR operations, adjusted for regional minimum wages. The labour roster and manpower requirements are based on five days on, three days off rotation for shift personnel and 12 hr per shift.
- Consumables — Consumption requirements are based on metallurgical testwork, reagent addition rates, and industry benchmarks. Costs are derived from recent supplier quotations.
 - o Wear liners (mills & crushers): Vendor data plus estimated freight to site.
 - o Grinding media: Testwork-based consumption, modelled by alteration type and oxidation state.
 - o Grinding wear liners (SAG & ball mills): Testwork-based consumption, modelled for Phase 1 and Phase 2 ore blends.
 - o Lime & cyanide: Consumption rates determined from testwork on Baganite samples.

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- o Other reagents: Based on MGR-supplied testwork and Lycopodium's project database.
- o Fuel: Diesel cost assumption of US\$0.87/L.
- o Power: Derived from mechanical equipment list, adjusted for load factor and utilisation. Unit cost: US\$0.070/kWh (grid supply). Rope conveyor generates power during continuous operation; this credit is incorporated into the estimate.
- Maintenance Materials — The costs are factored from the equipment supply capital cost. Allowances for maintenance of plant mobile equipment, and general maintenance have been made.

The operating costs estimate for CIL operations are summarised in Table 14-5.

Table 14-5 Undiscounted Life of Mine CIL Processing Operating Expenses Summary

CIL Cost Item	Unit Rate	LoM Cost <i>(\$ Million)</i>
Fixed:		
Labour	\$4.45 M/year	57.9
Power (excl. Crushing and Grinding)	\$5.86 M/year	76.2
Power (Camp, Water Intake, and other infrastructure)	\$1.11 M/year	12.0
Maintenance Materials	\$6.59 M/year	85.7
Laboratory	\$0.55 M/year	7.2
Variable:		
Operating Consumables	\$5.22/t milled	717.8
Power (excl. Crushing and Grinding)	\$0.44/t milled	60.1
Power (Crushing and Grinding)	\$1.76/t milled	241.4
Maintenance Materials	\$0.14/t milled	19.2
Laboratory	\$0.01/t milled	1.2
Total Cost		1,659.5

14.2.5 Tailings Operating Costs

Tailings processing for the Pani Project is classified into two categories: Wet Tailings and Filtered Tailings Facility (dry-stacked tailings). The associated costs for both tailings management methods are based on estimates prepared by MGR whereby technical inputs and validation of these cost estimates were provided by WSP-Golder, which assisted in the engineering and cost determination aspects of the tailings facilities.

The operating costs estimate for the operations of tailings facilities are summarised in Table 14-6.

Table 14-6 Undiscounted Life of Mine Tailing Facilities Operating Expenses Summary

	Unit Rate	LoM Cost <i>(\$ Million)</i>
Dry Stack	\$3.36/t tails	166.2
Wet Tailings	\$0.20/t tails	17.6
Total Cost		183.8

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14.2.6 Site General and Administration Operating Costs

The Site G&A costs encompass a range of essential support functions required to sustain operations. These costs are estimated based on a combination of existing running expenses, supplier quotations, benchmarking against other MGR operations, compliance with government regulations (e.g., Land and Building Taxes), and internal budget allocations.

The key components include:

- FIFO Expenses, covers estimated travel costs for site-based employees, including airfares and transit accommodations.
- Meal & Camp Services, includes meals, accommodations, and the maintenance of site facilities for site-based employees. These services are assumed to be provided by MGR's contractors.
- Business Development, encompasses corporate expenses related to oversight, project sustainability initiatives, and the engagement of business consultants.
- Commercial, responsible for all commercial activities at the operational site. Scope includes supporting supply chain operations (scheduling and shipping goods), rental or purchase of light vehicles, payment of land and building taxes, and computing software requirements. This includes Finance & Accounting Operations, tax reporting in compliance with Indonesian regulations.
- Environment, oversees the implementation of environmental sustainability measures in line with applicable government regulations.
- Training & Development, focuses on enhancing employee competencies through identifying training needs, designing programs, executing training sessions, and evaluating their effectiveness in improving performance and organizational outcomes.
- External Affairs, covers expenses for community development initiatives and maintaining relationships with government institutions at both central and local levels. Cost assumptions are based on internal MCG data and operational experience at other sites. External Affairs also implements programs to engage and support local communities surrounding the operational site.
- Health & Safety, includes costs associated with implementing and monitoring health and safety practices to ensure safe operational activities on-site.
- Human Resources & General Affairs, responsible for managing and sustaining site-based human resources, including employee compensation, training, and workforce development. General Affairs also oversees office administration, supplies, and logistics to support daily operations.
- Management, covers corporate expenses for management teams not directly involved in site operations.

The Site G&A over the life of mine are summarised in Table 14-7.

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Table 14-7 Undiscounted Life of Site G&A Expenses Summary

Site G&A Cost Item	LoM Cost (\$ Million)
FIFO Expenses	7.5
Meal & Camp Services	28.1
Commercial	418.2
Environment	19.4
Training & Development	21.7
External Affairs	60.4
Health & Safety	53.9
Human Resources & General Affairs	15.5
Management	13.2
Total Cost	637.9

15 ECONOMIC ANALYSIS

15.1 Metal Price

Gold prices have demonstrated a sustained upward trajectory over the past five years (Figure 15-1). At the end of 2019, gold price is closed at approximately US \$1,393/oz, reflecting a moderate recovery from levels observed in the mid-2010s. In 2020, amid global economic disruption from the COVID-19 pandemic and extensive monetary stimulus, prices rose sharply, averaging near US \$1,800/oz.

By 2024, gold continued its appreciation, closing the financial year (June 2025) at around US \$2,400/oz, supported by persistent inflationary pressures and heightened geopolitical uncertainty that reinforced safe-haven demand. This upward momentum extended through the end of calendar year 2025, with prices exceeding US \$5,000/oz for first time. At the time of preparing this report, the spot gold price is approximately US \$4,800/oz.



Figure 15-1 10-year Gold Price History

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Analysts maintain a broadly optimistic view of gold's trajectory. Record highs in late 2025 and early 2026 were supported by intensified global uncertainty, strong investor flows into gold-backed exchange-traded funds and continued central bank accumulation of reserves. Medium-term forecasts vary, with some scenarios projecting potential corrections toward US \$4,000/oz. However, major institutions such as Goldman Sachs and J.P. Morgan anticipate end-June 2026 prices in the range of US\$5,200-US\$5,400/oz.

Longer-term projections remain bullish. Several forecasts consistently point to gold reaching US \$7,000/oz by 2030. The *In Gold We Trust* report (2023) by Ronald-Peter Stoeferle and Mark Valek highlights structural changes in fiscal and monetary policy as key drivers of this trend, noting that persistent inflation and elevated central bank demand are expected to underpin the next phase of the gold bull market.

Although short-term volatility is expected, the gold price assumptions applied in the financial modelling of the Pani asset are regarded as robust, reflecting prevailing market conditions and consensus long-term outlooks. For the purpose of defining economic cut-off grades for the Project, a conservative price of US \$2,300/oz has been adopted, substantially below the current spot level of approximately US \$5,000/oz. This approach mitigates risk by ensuring project viability under lower price scenarios and provides a prudent basis for Ore Reserve estimation, avoiding the potential overstatement of Ore Reserves and mine life that could result from reliance on elevated spot prices.

15.2 Sales Contracts

In early March 2026, PT PETS (MGR's subsidiary) has signed a Gold Sales & Purchase Agreement (GSPA) with PT Antam Tbk, a state-owned enterprise and one of the leading Indonesian mining companies with a LBMA-accredited refinery. This agreement is valid for two years.

15.3 Tax and Royalties Obligations

There are several government related tax and royalty obligations of the business. This section of the report provides oversight of how tax and royalty regimes have been applied to the economic model for mining.

15.3.1 Company Tax

Company tax in Indonesia for a gold mine is based on the standard corporate income tax (CIT) framework. Gold mining companies operating in Indonesia are subject to corporate income tax at a rate of 22 percent. This 22% is applied to net taxable profits after allowable deductions, including operating costs, depreciation, and approved capital allowances.

GSM operates under a Contract of Work (CoW) regime rather than an Izin Usaha Pertambangan (IUP) licence. As such, the fiscal terms applicable to the Project are governed by the specific provisions of the CoW, which stipulate a corporate income tax rate of 35%. This rate differs from the prevailing corporate tax rates applicable to IUP holders under current Indonesian mining legislation. The economic evaluation presented in this report reflects the 35% corporate income tax rate in accordance with the CoW framework, together with other fiscal obligations defined under the contract, thereby ensuring consistency with the Project's legally binding fiscal regime.

For simplicity in the financial analysis, a split between different tax regimes for PETS and GSM is calculated using the pro-rate mining production in each particular year.

In addition to CIT, mining companies are liable for mineral royalties calculated on gross revenue.

15.3.2 Value Added Tax

Mining companies are also subject to value-added-tax (VAT), known as *Pajak Penghasilan Negara* or PPN on goods and services at the prevailing rate of 11.0%. These VAT's are not itemised in the financial model but are incorporated in working capital estimations for VAT in and VAT out movement, since VAT is refundable (refer to Section 15.4.3).

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15.3.3 Royalties

In 2025, Indonesia revised its royalty framework for gold and silver, directly affecting royalty payments for the Pani project. Government Regulation, PP No. 19 of 2025, introduced higher royalty rates and linked them to global Reference Mineral Price (HMA) levels. Under the previous regime (PP No. 26/2022), gold royalties ranged from 3.75% to 10.00%. The new regulation (PP No. 19/2025) increased this range to approximately 7% to 16%, depending on prevailing defined HMA. As a result, the assumptions used in the FS 2024 were impacted, requiring updates to the financials presented in this CP report.

For silver, the adjustment was simpler. The previous flat royalty of 3.25% was increased to 5.0%.

Table 15-1 Indonesian Gold Royalties pre and post Changes to Regulation PP No. 19/2025

HMA Gold Price (USD/oz)	Old Royalty Regime (PP No. 26/2022)	New Royalty Regime (PP No. 19/2025)
≤ \$1,300	3.75%	
> \$1,300 ≤ \$1,400	4.00%	
> \$1,400 ≤ \$1,500	4.25%	
> \$1,500 ≤ \$1,600	4.50%	7.0%
> \$1,600 ≤ \$1,700	4.75%	
> \$1,700 ≤ \$1,800	5.00%	
≥ \$1,800 < \$1,900	6.00%	10.0%
> \$1,900 ≤ \$2,000	8.00%	
≥ \$2,000 < \$2,200		11.0%
≥ \$2,200 < \$2,500		12.0%
≥ \$2,500 < \$2,700	10.00%	14.0%
≥ \$2,700 < \$3,000		15.0%
≥ \$3,000		16.0%

15.4 Technical and Economic Analysis

15.4.1 Economic Analysis Overview

Financial analysis has been undertaken to evaluate the economic viability of the Pani Project and provide an assessment of the project potential returns. This analysis is required to demonstrate the robustness of the project under defined assumptions, to support investment decisions, and to ensure compliance with industry reporting standards, e.g. JORC Code.

It should be emphasised that the economic analysis presented in this section is based on the results of the technical review provided in the previous sections together with key assumptions. The economic analysis is provided to support Ore Reserve estimations as required by JORC Code.

The financial evaluation model was prepared internally by MGR and subsequently subjected to an independent review by Mining One. This review focused on the reasonableness and completeness of the underlying assumptions. While conducted at a high level, the review is considered sufficient to support the findings and conclusions presented in this technical report.

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15.4.2 Principal Assumptions

The key inputs applied in the project economic analysis are outlined below:

- The economic evaluation presented in this report is expressed in real terms.
- All costs, revenues, and key parameter outputs are reported in USD, with an assumed exchange rate of IDR 16,580/USD. The assumed exchange rate is based on the six-month average middle rate published by Bank Indonesia (BI). The 2026 Budget exchange rate reflects the average for the period July 2025 to December 2025, being the applicable cut-off period adopted in preparation of the budget, which then adopted for the Financial Analysis prepared for this Report.
- Revenues are derived from gold and silver sales with the assumed prices are as follows:
 - o 2026: \$4,900/oz for Au and \$83.00/oz for Ag
 - o 2027: \$5,550/oz for Au and \$76.00/oz for Ag
 - o 2028: \$5,830/oz for Au and \$70.00/oz for Ag
 - o 2029: \$5,500/oz for Au and \$74.00/oz for Ag
 - o 2030 until the rest of mine life: \$5,150/oz for Au and \$71.00/oz for Ag

Sensitivity analysis has been performed against both higher and lower price scenarios.

The assumed gold and silver prices used in this analysis are based on the forecast prepared by CRU Consulting (“CRU”) in the report ‘*Gold [REDACTED] Industry Consultant, Prepared for PT Merdeka Copper Gold Tbk*’, issued in February 2026. CRU is a leading consultancy with recognized expertise in forecasting commodity prices, including gold and silver, supported by its in-depth analysis of global supply and demand trends. Mining One has relied on CRU’s forecast for the purposes of project financial analysis, acknowledging that CRU possesses greater expertise in commodity price forecasting than Mining One.

- Gold payable price is based on metal payability of 99.5% and gold revenue is net of realisation costs of 2.52 \$/oz.
- Silver payable price is based on metal payability of 98.4% and silver revenue is net of realisation costs of 2.52 \$/oz.
- CAPEX is based on feasibility study estimates and subsequent updates as the project has advanced. Costs include mine development, processing facilities, and supporting infrastructure, as discussed in Section 14.1.
- OPEX, detailed in Section 14.2, is estimated from comprehensive cost modelling covering mining, processing, and general & administrative activities.
- Mining and processing physicals are derived from the life-of-mine schedule, as presented in Section 9.6.
- Royalties and taxes are applied in accordance with prevailing Indonesian regulations, as discussed in Section 15.3.
- After-tax Net Present Value (NPV) has been calculated at discount rates between 5% and 10% in real term basis at 1% increment to reflect varying cost of capital scenarios.

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15.4.3 Working Capital

A simplified working capital structure was incorporated into the financial model to capture the movement in accounts payable and its impact on annual cash flows. The working capital was modelled based on the following assumptions:

- The First Initial Fill Items includes reagents and spare parts required for Heap Leach operations in 2026, and for CIL operations in 2027 and 2028.
- VAT at 11%, in line with regulation of PMK 131/2024, is applied when capital expenditures are committed. VAT refunds are scheduled 18 months after the VAT is incurred.
- A 60-day payment term was assumed during the ramp-up phase in 2026 for the account payable terms. From 2027 onwards, under steady-state operations, settlement is assumed at 30 days.
- Consistent with existing contractual arrangements, accounts receivable is assumed to be zero days. Under the contract, payments become due and must be settled in full by the buyer on the first business day following complete receipt of payment documentation.

15.4.4 Summary of the Cash flow Projection

For the economic analysis of the Project, the financial model was developed using discounted cash flow (DCF) techniques to calculate NPV and Internal Rate of Return (IRR). Cash flows were projected over the life of mine, incorporating revenues, operating costs, capital costs, royalties, and taxes.

The results indicate that the economic viability of the project is strong with an NPV ranging from \$6,018 million to \$7,991 million for discount rates between 5% and 10% respectively with a healthy IRR of 287%.

The key financial outcomes is summarised in Table 15-2, accompanied with the year to year details in Table 15-3, Table 15-4, and Table 15-5.

Table 15-2 Key Financial Outcomes

Key Financial Parameters	Unit	Value
Unit AISC (Including Royalties)	US\$/oz	1,632
– over LOM		
Unit AISC (Excluding Royalties)	US\$/oz	794
– over LOM		
NPV @ 5%	\$ million	7,991
NPV @ 6%	\$ million	7,530
NPV @ 7%	\$ million	7,106
NPV @ 8%	\$ million	6,715
NPV @ 9%	\$ million	6,353
NPV @ 10%	\$ million	6,018
Max Negative Cumulative Cash Flow . .	\$ million	-329
Payback from First Production	year	1.3
IRR	%	287%

Note: NPV and IRR are calculated to 1 January 2026. Costs incurred prior to this date are treated as sunk and excluded from the financial analysis for the reporting of Ore Reserve estimate.

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Table 15-3 Pani Gold Project Key Economic Outputs — Mining Physicals

Item	Unit	LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Mining Physicals																	
HL Pit																	
Ore Tonnes	kt	62,053	9,769	9,000	9,988	7,831	12,185	10,008	3,272	-	-	-	-	-	-	-	-
Gold Grade	g/t	0.64	0.59	0.73	0.52	0.56	0.63	0.73	0.79	-	-	-	-	-	-	-	-
Silver Grade	g/t	0.94	2.18	1.68	1.17	0.38	0.27	0.26	0.49	-	-	-	-	-	-	-	-
Contained Gold	koz	1,270	185	212	167	141	245	236	84	-	-	-	-	-	-	-	-
Contained Silver	koz	1,881	684	485	376	96	105	83	52	-	-	-	-	-	-	-	-
Waste Tonnes	kt	48,808	10,523	5,573	11,902	9,567	7,256	2,835	1,152	-	-	-	-	-	-	-	-
Total Material Tonnes	kt	110,861	20,293	14,573	21,889	17,398	19,440	12,843	4,424	-	-	-	-	-	-	-	-
CIL Pit																	
Ore Tonnes	kt	140,131	133	757	9,710	11,814	12,858	12,358	12,454	12,316	12,238	12,001	12,034	12,001	12,001	3,995	3,461
Gold Grade	g/t	0.86	1.44	1.42	0.83	0.85	0.93	0.95	0.87	0.81	0.83	0.84	0.84	0.90	0.87	0.77	0.61
Silver Grade	g/t	0.77	2.71	3.51	1.55	1.37	0.83	0.81	0.72	0.64	0.52	0.60	0.48	0.63	0.53	0.44	0.37
Contained Gold	koz	3,876	6	35	258	325	385	377	347	322	325	324	324	347	335	99	68
Contained Silver	koz	3,472	12	85	485	521	342	321	288	252	203	233	186	244	203	57	41
Waste Tonnes	kt	93,287	-	-	2,995	6,866	4,235	8,748	6,720	16,017	9,616	12,609	9,674	6,300	4,954	2,112	2,440
Total Material Tonnes	kt	233,417	133	757	12,704	18,681	17,093	21,106	19,174	28,333	21,854	24,610	21,708	18,301	16,955	6,107	5,901
Total and Averages																	
Ore Tonnes	kt	202,183	9,903	9,757	19,697	19,646	25,042	22,366	15,726	12,316	12,238	12,001	12,034	12,001	12,001	3,995	3,461
Gold Grade	g/t	0.79	0.60	0.79	0.67	0.74	0.78	0.85	0.85	0.81	0.83	0.84	0.84	0.90	0.87	0.77	0.61
Silver Grade	g/t	0.82	2.18	1.82	1.36	0.98	0.55	0.56	0.67	0.64	0.52	0.60	0.48	0.63	0.53	0.44	0.37
Contained Gold	koz	5,146	192	247	424	465	630	613	431	322	325	324	324	347	335	99	68
Contained Silver	koz	5,353	695	570	861	617	447	404	339	252	203	233	186	244	203	57	41
Waste Tonnes	kt	142,095	10,523	5,573	14,896	16,433	11,491	11,583	7,872	16,017	9,616	12,609	9,674	6,300	4,954	2,112	2,440
Total Material Tonnes	kt	344,278	20,426	15,330	34,594	36,079	36,533	33,949	23,598	28,333	21,854	24,610	21,708	18,301	16,955	6,107	5,901

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Table 15-4 Pani Gold Project Key Economic Outputs — Processing Physicals

Processing Physicals	Unit	LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
HL Plant																	
Ore Tonnes	kt	62,890	8,001	9,000	9,988	10,008	10,008	10,008	10,008	5,877	-	-	-	-	-	-	-
Gold Grade	g/t	0.64	0.64	0.73	0.53	0.51	0.60	0.74	0.75	-	-	-	-	-	-	-	-
Silver Grade	g/t	0.98	2.37	1.61	1.41	0.66	0.28	0.26	0.39	-	-	-	-	-	-	-	-
Contained Gold	koz	1,284	165	212	170	165	194	237	141	-	-	-	-	-	-	-	-
Contained Silver	koz	1,986	610	467	452	213	89	83	73	-	-	-	-	-	-	-	-
Recoverable Gold	koz	1,055	110	160	139	146	166	204	129	-	-	-	-	-	-	-	-
Recoverable Silver	koz	603	147	152	145	68	28	26	38	-	-	-	-	-	-	-	-
CIL Plant																	
Ore Tonnes	kt	137,400	-	-	9,866	12,001	12,001	12,001	12,034	12,001	12,001	12,001	12,034	12,001	12,001	3,995	3,461
Gold Grade	g/t	0.86	-	-	0.89	0.83	0.95	0.96	0.88	0.83	0.84	0.84	0.84	0.90	0.87	0.77	0.61
Silver Grade	g/t	0.77	-	-	1.76	1.32	0.83	0.82	0.72	0.65	0.52	0.60	0.48	0.63	0.53	0.44	0.37
Contained Gold	koz	3,820	-	-	283	322	367	371	340	318	322	324	324	347	335	99	68
Contained Silver	koz	3,397	-	-	559	509	320	315	280	250	201	233	186	244	203	57	41
Recoverable Gold	koz	3,541	-	-	262	298	340	344	315	295	299	301	300	322	311	92	63
Recoverable Silver	koz	2,378	-	-	392	357	224	221	196	175	141	163	130	171	142	40	29
Total and Averages																	
Ore Tonnes	kt	200,290	8,001	9,000	19,854	22,009	22,009	22,009	17,911	12,001	12,001	12,001	12,034	12,001	12,001	3,995	3,461
Gold Grade	g/t	0.79	0.64	0.73	0.71	0.69	0.79	0.86	0.83	0.83	0.84	0.84	0.84	0.90	0.87	0.77	0.61
Silver Grade	g/t	0.84	2.37	1.61	1.58	1.02	0.58	0.56	0.61	0.65	0.52	0.60	0.48	0.63	0.53	0.44	0.37
Contained Gold	koz	5,104	165	212	453	486	561	608	481	318	322	324	324	347	335	99	68
Contained Silver	koz	5,383	610	467	1,011	722	409	398	353	250	201	233	186	244	203	57	41
Recoverable Gold	koz	4,595	110	160	401	444	507	548	444	295	299	301	300	322	311	92	63
Recoverable Silver	koz	2,982	147	152	536	425	252	247	234	175	141	163	130	171	142	40	29
Gold produced	koz	4,585	108	159	400	443	505	545	443	295	299	301	300	322	311	92	63
Silver produced	koz	2,976	145	150	535	424	252	246	234	175	141	163	130	171	142	40	29

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Table 15-5 Pani Gold Project Key Economic Outputs — Detailed Cash Flow Projection

Detailed Cash Flow Analysis	Unit	LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Metal Price Assumptions																	
Gold Price	US\$/oz	5,251	4,900	5,550	5,830	5,500	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150
Gold Payable Price	US\$/oz	5,222	4,876	5,522	5,801	5,473	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124
Silver Price	US\$/oz	72	83	76	70	74	71	71	71	71	71	71	71	71	71	71	71
Silver Payable Price	US\$/oz	68	82	75	69	73	70	70	70	70	70	70	70	70	70	70	70
Revenue																	
Gold Revenue	US\$M	23,943.1	528.6	877.0	2,319.5	2,421.4	2,585.9	2,793.9	2,268.3	1,511.6	1,531.0	1,540.0	1,536.8	1,647.6	1,590.9	469.6	321.0
Silver Revenue	US\$M	203.6	11.5	10.9	35.5	29.8	16.9	16.6	15.7	11.8	9.5	11.0	8.8	11.5	9.6	2.7	1.9
Total Revenue	US\$M	24,146.7	540.1	887.9	2,355.0	2,451.2	2,602.8	2,810.5	2,284.1	1,523.4	1,540.5	1,551.0	1,545.5	1,659.1	1,600.5	472.2	322.9
Royalties																	
Gold royalty	US\$M	3,830.9	84.57	140.33	371.12	387.43	413.74	447.02	362.93	241.85	244.97	246.41	245.88	263.61	254.55	75.13	51.36
Silver royalty	US\$M	10.2	0.58	0.54	1.77	1.49	0.85	0.83	0.79	0.59	0.47	0.55	0.44	0.57	0.48	0.13	0.10
Total royalty	US\$M	3,841.1	85.15	140.87	372.89	388.92	414.58	447.85	363.72	242.44	245.44	246.95	246.32	264.19	255.03	75.27	51.46
Operating Costs (Opex)																	
Opex for Mining	US\$M	1,027.8	74.6	53.8	108.6	105.3	103.3	98.0	73.9	78.1	65.2	65.3	57.8	52.0	47.3	22.3	22.2
Opex for Processing HL	US\$M	380.8	47.8	53.4	58.4	58.4	58.4	58.4	45.9	—	—	—	—	—	—	—	—
Opex for Processing CIL	US\$M	1,278.6	—	—	92.7	108.9	108.9	108.9	109.3	109.4	109.4	109.4	109.6	109.4	109.4	48.8	44.8
Opex for Tailings	US\$M	183.8	—	—	8.3	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	13.4	11.6
Opex for G&A	US\$M	637.9	26.0	32.0	55.4	56.7	59.2	62.7	54.6	39.8	40.3	40.5	40.5	42.4	41.5	24.3	22.0
Total Operating Costs	US\$M	3,508.9	148.5	139.2	323.4	344.3	344.8	343.0	298.7	242.4	229.9	230.2	223.0	218.9	213.3	108.8	100.6
Earnings before Depreciation/Amortisation	US\$M	16,796.7	306.5	607.8	1,658.7	1,718.0	1,843.4	2,019.6	1,621.7	1,038.5	1,065.2	1,073.8	1,076.2	1,176.0	1,132.2	288.1	170.9
Depreciation and Amortization (D/A)	US\$M	1,948.3	53.8	106.2	169.2	162.9	159.3	160.9	146.3	103.8	93.3	84.1	78.6	71.2	64.8	59.2	434.8
Taxable Income	US\$M	14,848.4	252.7	501.7	1,489.5	1,555.1	1,684.1	1,858.7	1,475.4	934.8	972.0	989.8	997.7	1,104.8	1,067.3	228.9	263.8
Income tax rate	%	22%	22%	22%	25%	26%	26%	26%	30%	27%	29%	28%	28%	26%	28%	29%	25%
Income tax payable	US\$M	4,061.0	55.6	111.2	369.2	410.6	442.0	480.9	446.1	253.4	283.8	277.3	276.6	290.1	298.3	66.0	—
Profit after tax	US\$M	10,787.4	197.1	390.4	1,120.3	1,144.5	1,242.1	1,377.8	1,029.3	681.4	688.1	712.4	721.1	814.7	769.0	162.9	263.8
Net Profit after adding back D/A	US\$M	12,735.7	250.9	496.6	1,289.4	1,307.4	1,401.4	1,538.8	1,175.6	785.2	781.4	796.5	799.6	886.0	833.9	222.1	170.9
Unken Capital	US\$M	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Expansion Capital	US\$M	1,414.6	296.0	721.7	144.0	55.5	45.5	42.6	89.4	—	—	—	20.1	—	—	—	—
Sustaining Capital	US\$M	273.6	3.2	3.5	20.0	20.8	21.5	22.2	23.2	19.6	19.6	19.6	20.0	20.0	20.0	20.0	20.0
Working Capital	US\$M	0.0	—23.2	75.7	17.1	22.5	3.9	0.6	0.1	6.1	8.5	0.7	0.4	0.1	1.5	3.1	23.0
Mine Closure	US\$M	50.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17.00
Residual Value	US\$M	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cash flow																	
Accumulated cash flow	US\$M	10,997.4	25.1	304.2	1,108.3	1,253.6	1,338.3	1,474.6	1,063.2	771.6	770.3	777.5	759.2	865.8	815.3	172.1	156.9
Unit AISC (including Royalties)	US\$/oz	1,632	2,080	1,719	1,704	1,639	1,516	1,463	1,515	1,672	1,627	1,618	1,604	1,531	1,544	2,560	2,988
Unit AISC (Excluding Royalties)	US\$/oz	794	1,295	832	772	760	695	642	694	850	805	797	783	710	723	1,739	2,167

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15.4.5 Sensitivity Analysis

A sensitivity analysis was conducted to evaluate the impact of key technical and economic parameters on the financial performance of the Pani Project. The objective of this analysis is to assess the robustness of project economics under varying assumptions and to identify the parameters that exert the greatest influence on NPV and IRR. The parameters tested include gold price, CAPEX, OPEX, head grade, plant throughput, and metallurgical recovery.

Each parameter was varied within a reasonable range, at + 30%, relative to the base case assumptions used in the Financial Assessment:

- Gold price scenarios were selected to reflect both conservative long-term planning assumptions and current market conditions.
- CAPEX and OPEX were adjusted to account for potential cost escalation or efficiency gains.
- Grade, throughput, and recovery were varied to reflect operational uncertainties and potential improvements in mine and plant performance.

The resulting changes in NPV were calculated to quantify the sensitivity of project economics to each parameter, as presented in Figure 15-2.

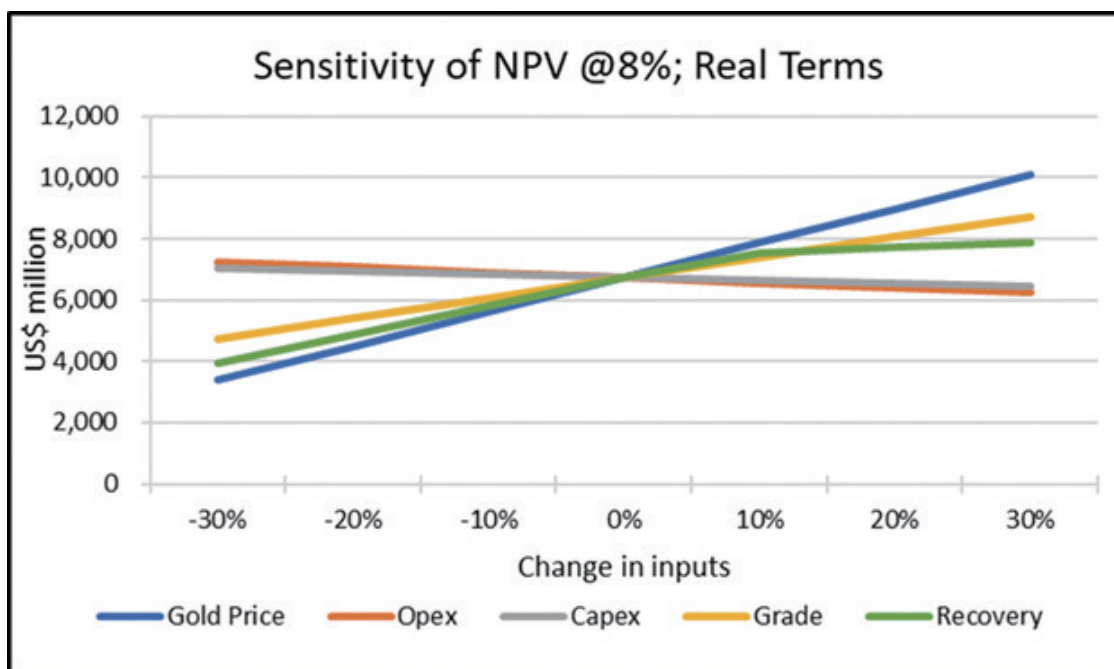


Figure 15-2 NPV Sensitivity

The sensitivity analysis demonstrates that gold price, grade, and recovery are the most influential parameters affecting project economics. OPEX also has a material impact, while CAPEX and throughput exert relatively lower influence. These findings emphasize the importance of conservative gold price assumptions, rigorous grade control, and continuous improvement in metallurgical performance.

Overall, the Pani Project exhibits robust economics across a range of scenarios. While short-term volatility in gold price and operating costs may affect returns, the project remains resilient under conservative assumptions. The sensitivity analysis confirms that the adopted base case assumptions provide a prudent foundation for financial modelling, while also highlighting the potential upside under favourable market and operational conditions.

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16 RISK ASSESSMENT

16.1 Overview

As with many new mining projects the development of the Pani Gold Project involves a range of technical, operational, environmental, social and commercial risks that have the potential to impact the project. The risks are varied and can range from simple production impacts, cost impacts or technical impacts to the project. Throughout the duration of the project studies a risk assessment was maintained and continually updated to reflect the risks associated with the commencement of operations these risks identify potential road bumps for the project lifecycle, from construction and commissioning through to steady-state operations.

A risk assessment was conducted during the 2024 Feasibility Study. This risk assessment has been reviewed and updated for inclusion in this competent persons’ report using qualitative and semi-qualitative methodology, consistent with industry-standard risk management frameworks. Risks are ranked based on their assessed likelihood and consequence.

The Risk Assessment has been done in accordance with Guidance Note 7 from the Hong Kong Stock exchange which has been summarised and provided diagrammatically below. The adopted risk ranking matrix specific to investment is provided in Table 16-2.

Table 16-1 CPR Risk Matrix

		Likelihood of Risk (within 7 years)		
		UNLIKELY	POSSIBLE	LIKELY
Consequence of Risk . . .	MINOR	LOW	LOW	MEDIUM
	MODERATE	LOW	MEDIUM	HIGH
	MAJOR	MEDIUM	HIGH	HIGH

MINOR RISK — the factor, if uncorrected, will have little or no effect (<10%) on project cash flow performance.

MODERATE RISK — the factor, if uncorrected, could have a significant effect (10% to 20%) on the project cash flow and performance unless mitigated by some corrective action.

MAJOR RISK — the factor poses and immediate danger of a failure, which if uncorrected, will have a material effect (>20%) on the project cash flow and performance and could potentially lead to project failure.

16.2 Risk Assessment Results

An overview of the risks is outlined in Table 16-2.

Table 16-2 Project Risk Assessment Overview

HAZARD/ISSUE	CONSEQUENCE	LIKELIHOOD	RISK RATING
Geology and Resource Estimation			
Underestimation of deleterious materials . .	MODERATE	UNLIKELY	LOW
Historical drill holes misinform interpretation	MINOR	POSSIBLE	LOW
Mining and Ore Reserves			
Poor production against plan	MINOR	POSSIBLE	LOW
Lack of rock material to build TSF	MODERATE	UNLIKELY	LOW
Insufficient area for waste dump	MODERATE	UNLIKELY	LOW
Supply Disruption or unavailability of Mining Equipment	MINOR	UNLIKELY	LOW

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HAZARD/ISSUE	CONSEQUENCE	LIKELIHOOD	RISK RATING
Geotechnical and Hydrogeology			
Failure of the heap leach stack	MODERATE	POSSIBLE	MEDIUM
Multi-bench wall failure of pit wall	MODERATE	UNLIKELY	LOW
Land slide due to seismic/hydro factors close site access	MINOR	POSSIBLE	LOW
Stability of Exploration sites	MINOR	POSSIBLE	LOW
Water for Mining and Mineral Processing Plant	MODERATE	UNLIKELY	LOW
Sedimentation runoff	MINOR	POSSIBLE	LOW
Processing and Metallurgy			
Tailings Filtration and Filtered Tailings Facility underperform	MODERATE	POSSIBLE	MEDIUM
Actual tailings dry density realised below target	MODERATE	POSSIBLE	MEDIUM
Availability of Construction Clay for TSF	MINOR	UNLIKELY	LOW
Crushing and Comminution production impacts	MINOR	POSSIBLE	LOW
Lack of ore feed	MINOR	UNLIKELY	LOW
Tailing management cost and budget	MINOR	POSSIBLE	LOW
Delays in AMDAL approval for TSF	MODERATE	UNLIKELY	LOW
Insufficient Tailing Storage for LOM	MODERATE	UNLIKELY	LOW
Heap Leach Gold recovery underperform	MINOR	POSSIBLE	LOW
Surface and Groundwater Contamination	MINOR	POSSIBLE	LOW
Environmental and Social Risks			
Hazard material handling	MINOR	POSSIBLE	LOW
Disruptions with Pani village resettlement	MINOR	POSSIBLE	LOW
Impact on Biodiversity	MINOR	POSSIBLE	LOW
Climate Change	MINOR	POSSIBLE	LOW
Closure Costs exceeds estimate	MINOR	POSSIBLE	LOW
Scope of Closure increases	MINOR	POSSIBLE	LOW
Negative community perception impacts business	MINOR	POSSIBLE	LOW
Disruptions to power supply	MINOR	POSSIBLE	LOW
Road incidents due to increase traffic	MINOR	POSSIBLE	LOW
Health impacts on community	MINOR	POSSIBLE	LOW
Financial			
Underestimation of costs or cost inflation	MINOR	LIKELY	MEDIUM
Securing of CAPEX	MODERATE	UNLIKELY	LOW
Legal			
Licencing dispute	MODERATE	UNLIKELY	LOW
Land acquisition is disrupted due to external factors	MODERATE	UNLIKELY	LOW
Future permitting for construction and mining is not granted due to external factors	MODERATE	UNLIKELY	LOW
Fail to meet regulatory consent conditions.	MODERATE	UNLIKELY	LOW
Gold theft – illegal mining	MINOR	POSSIBLE	LOW
Anti mining protests by NGO	MINOR	POSSIBLE	LOW
Relocation of artisanal miners creates conflict	MINOR	POSSIBLE	LOW
Impact of mercury in ecosystem from illegal mining.	MINOR	POSSIBLE	LOW
Cyanide contamination from site operations	MINOR	UNLIKELY	LOW
Management			
Seismic/Earthquake activity	MODERATE	POSSIBLE	MEDIUM
Fire damage	MODERATE	UNLIKELY	LOW
Disputes over profit sharing	MINOR	UNLIKELY	LOW
Uncontrolled access to mining lease by third parties	MINOR	POSSIBLE	LOW
Shortfall in Emergency Response Team capabilities	MINOR	UNLIKELY	LOW
Fit for Work (Fatigue)	MINOR	POSSIBLE	LOW
Conflict between workers	MINOR	POSSIBLE	LOW
Harm to people during construction	MINOR	POSSIBLE	LOW
Illegal miners intrude the active Pit	MINOR	POSSIBLE	LOW

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17 CONCLUSIONS AND RECOMMENDATIONS

The following conclusions and recommendations have been made based on the observations made by the respective subject matter experts who provide this information to support the already comprehensive study and execution program that has been undertaken at the Pani Project. Overall, the project is considered robust.

17.1 Resource Estimation

The Competent Person for Mineral Resources Estimate completed a due diligence review of the August 2024 MRE during mid-2025, with several recommendations put forward including the addition of Measured material where the estimate performance was particularly robust and drilling density was high. This was the key change between the original Q2 2024 MRE released in August 2024 and the September 2025 MRE (refer to Table 7-1). A further revision was made to the September 25 MRE in terms of depletion as of 31 December 2025, resulting in the Dec-25 MRE which this report is based on.

A review was carried out to validate that the classification of materials was supported by model performance and data density.

The latest topography file used to deplete the MRE as of 31 December 2025 was independently applied to the resource model to verify depletion quantities. The topography surface yielded consistent depleted tonnage and grade quantities as reported by MGR and noted in this report.

The Mineral Resource Statement presented in this report represents the Mineral Resource prepared for Pani in accordance with the JORC Code 2012. In the opinion of Mining One, the Mineral Resource reported herein is a reasonable representation of the global gold and silver Mineral Resource at Pani Gold Project given the current level of sampling and geological understanding.

Given the high density of data at Pani, the Competent Person suggests comparing an ordinary kriged estimate into parent cells at the SMU scale rather than using localised uniform conditioning. This may yield similarly robust results, while significantly simplify the estimation process and decreasing processing time. Mining One have been informed that the MGR geology team are in agreement and are actively investigating these proposed adjustments for future resource updates.

17.2 Mining and Ore Reserves

Open pit mining activities commenced at Pani Gold mine in the last quarter of 2025. During this period, the operation has demonstrated capacity to operate more efficiently than predicted in the Feasibility Study. The mine has reviewed its strategy to deploy larger fleet for HL mining which is an improvement to considerations in the Feasibility Study.

The competent person has reviewed the methodology adopted in obtaining optimal open pit to guide mine design, the Modifying Factors applicable to the Mineral Resources, the input assumptions for developing and the practicality of mining to mine designs and has assessed these to be suitable for the purposes of estimating Ore Reserves. Additionally, the competent person has generated its own independent LoM plan schedule based on Measured and Indicated Mineral Resources to estimate Ore Reserves.

As of the effective date of 31 December 2025, the Ore Reserves for Pani Gold Mine open pit consists of 203.1 Mt of ore at an average gold grade of 0.79 g/t for 5.2 Moz of contained gold and an average silver grade of 0.84 g/t for 5.5 Moz of contained silver. The Ore Reserve can support a mine life of approximately 15 years.

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The competent person notes that the Ore Reserve estimate is constrained or limited by total available capacity for storing tailings for which Technical Studies have been completed to at least a PFS level. There is opportunity to increase the Ore Reserve estimate when additional studies for storing tailings are completed to at least, a PFS level.

17.3 Processing and Metallurgy

The Pani Gold Project will be developed in two stages, an initial Heap Leach operation followed by a Carbon-in-Leach operation in 2028. The Heap Leach facility has been constructed and irrigation commenced on 27 January 2026, with first gold production planned for Q1 2026. The Heap Leach facility will ramp up from 8 to 10 Mtpa by 2028. A total of 62.9 Mt is planned to be stacked until mid-2032. The CIL Plant is planned to be constructed in 2026-2027 with first gold planned for 2028. The CIL Plant is designed to treat up to 12 Mtpa and a total of 140 Mt is planned to be processed until 2040.

The Heap Leach and CIL process flowsheets are conventional processes that are widely used in the industry. Testwork to support the process plant engineering and designs have been conducted to a good standard by reputed engineering companies. Further testwork including variability testing is recommended in the future to check geometallurgical variability and confirm comminution and recovery performance.

To achieve and maximise the tailings stored in TSF Hulawa, it is recommended to implement supernatant pond water management and tailings deposition strategies during operation to maximise tailings consolidation so that the target dry density is achieved. At an assumed dry density of 1.5 t/m³, the TSF can store 88.1 Mt of tailings.

17.4 Environmental and Social

The Environmental and Social Impact Assessment (ESIA) (Section 13.5) identifies and characterises the environmental and social impacts likely to arise from the development and operation of the Project and rates the significance of each impact. Mitigation measures are identified to reduce the significance of the impacts which in most cases reduces those identified as moderate to low, and those identified as major to moderate. It is recommended that the studies, strategies and management plans identified to mitigate the significance of impacts are completed in advance of mine construction and operations. These include:

- Infrastructure Development Management Plan.
- Traffic Management Plan.
- CSR program.
- Community Health Management Plan.
- Land acquisition and economic displacement strategies.
- Dust and emissions control planning.
- Noise Management Plan.
- Education Scholarship and Vocational Education and Training Programs.

17.5 Mine Economy

Pani Gold mine is entering the early production phases, with the CIL project under development. Development of the project will require significant capital investment to unlock its potential. Ignoring sunk capital investments to date, discounted cash flow (DCF) analysis suggests strongly positive IRR and NPV at discount rate of 8-10% with payback period of less than 2 years.

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17.6 Risk

A previous high-level risk assessment was prepared during the FS 2024 and was considered to have been completed to a high standard, during the CPR review in early 2026 it was noted that the original risk assessment had not been updated since the FS 2024. The risks were subsequently updated by the Subject Matter Experts to inform the CPR report.

It is recommended that the Pani project revisit the FS 2024 and CPR risk assessments and update the project risk assessment and undertake, as a minimum, annual reviews of this risk assessment.

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18 CLOSURE

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4	I. Ludjio	Director	[●]	20-Mar



APPENDIX 2A

Compliance with HKEX

Chapter 18 Mapping

HKEX Chapter 18 Elements		Report Section Reference
18.01	DEFINITIONS AND INTERPRETATIONS	
CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES		
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter	
18.03	A Mineral Company must:—	
	1) establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either:—	3.1
	a) through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or	
	<i>Note: ‘control over a majority’ means an interest greater than 50%</i>	
	b) through adequate rights (arising under arrangements acceptable to the Exchange), which give it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;	
	2) establish that it has at least a portfolio of:—	
	a) Indicated Resources; or	7.11
	b) Contingent Resources, identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	3) if it has commenced production, provide an estimate of cash operating costs including the costs associated with:—	14.2
	a) workforce employment;	
	b) consumables;	
	c) fuel, electricity, water and other services;	
	d) on and off-site administration;	
	e) environmental protection and monitoring;	
	f) transportation of workforce;	
	g) product marketing and transport;	
	h) non-income taxes, royalties and other governmental charges; and	
	i) contingency allowances;	
	<i>Note: A Mineral Company must:</i> • set out the components of cash operating costs separately by category; • explain the reason for any departure from the list of items to be included under cash operating costs; and • discuss any material cost items that should be highlighted to investors.	
	4) demonstrate to the Exchange's satisfaction that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include: —	15.4
	a) general, administrative and operating costs;	
	b) property holding costs; and	
	c) the cost of any proposed exploration and/or development; and	
	<i>Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.</i>	

HKEX Chapter 18 Elements		Report Section Reference
	5) ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has sufficient available working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.	
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.	Not Applicable
	<i>Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.</i>	
CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS		
18.05	In addition to the information set out in Appendix D1A, a Mineral Company must include in its listing document:—	
	1) a Competent Person's Report;	Whole Report
	2) a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;	2.4
	3) the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;	3
	1) a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;	Not Applicable
	2) disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and	16
	3) if relevant and material to the Mineral Company's business operations, information on the following:—	16
	a) project risks arising from environmental, social, and health and safety issues;	
	b) any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
	c) compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
	d) sufficient funding plans for remediation, rehabilitation and, closure and removal of facilities in a sustainable manner;	
	e) environmental liabilities of its projects or properties;	13.4
	f) its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
	g) its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
	h) any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
Additional disclosure requirements that apply to certain new applicant Mineral Companies		
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.	Not Applicable
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or	8 & 9.6

HKEX Chapter 18 Elements		Report Section Reference
	rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.	
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.	Not Applicable
RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS		
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must:—	Not Applicable
	1) comply with Chapter 14 and Chapter 14A, if relevant;	
	2) produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;	
	<i>Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.</i>	
	3) in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and	
	4) comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.	
	<i>Note: Material liabilities that remain with the issuer on a disposal must also be discussed.</i>	
Requirements that apply to listed issuers		
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.	Not Applicable
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company	Not Applicable
Requirements that apply to Mineral Companies and listed issuers		
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.	Not Applicable
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.	Not Applicable
CONTINUING OBLIGATIONS		
Disclosure in reports		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.	Not Applicable
Publication of Resources and Reserves		
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.	Not Applicable
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.	Not Applicable

HKEX Chapter 18 Elements		Report Section Reference
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.	Not Applicable
	<i>Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.</i>	
STATEMENTS ON RESOURCES AND/OR RESERVES		
	Presentation of data	
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.	7 & 8
	Basis of evidence	
18.19	All statements referring to Resources and/or Reserves:—	
	1) in any new applicant listing document or circular relating to a Relevant Notifiable Transaction, must be substantiated in a Competent Person's Report which must form part of the document; and	Whole Report
	2) in all other cases, must at least be substantiated by the issuer's internal experts.	Not Applicable
	Petroleum Competent Persons' Reports	
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix D3.	Not Applicable
	Competent Person	
18.21	A Competent Person must:—	
	1) have a minimum of five years experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;	2.7
	2) be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and	2.7
	3) take overall responsibility for the Competent Person's Report.	18
18.22	A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must:—	2.11
	1) have no economic or beneficial interest (present or contingent) in any of the assets being reported on;	
	2) not be remunerated with a fee dependent on the findings of the Competent Person's Report;	
	3) in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and	
	4) in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.	
	Additional requirements of Competent Evaluators	
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must:	Not Applicable
	1) have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);	

HKEX Chapter 18 Elements		Report Section Reference
	2) have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and	
	3) hold all necessary licences.	
	<i>Note: A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.</i>	
	Scope of Competent Persons' Reports and Valuation Reports	
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must: —	2.2
	1) be addressed to the Mineral Company or listed issuer;	2.1
	2) have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and	2.4
	3) set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.	2.2
	Disclaimers and Indemnities	
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.	2.3
18.26	The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.	2.9
	Obligations of sponsor	
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.	Not Applicable
REPORTING STANDARD		
	Mineral reporting standard	
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.	Noted
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either:—	
	1) under:	
	a) the JORC Code;	2.2
	b) NI 43-101; or	
	c) the SAMREC Code,	
	as modified by this Chapter; or	
	2) under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.	Not Applicable
	<i>Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.</i>	
18.30	A Mineral Company must ensure that:—	

HKEX Chapter 18 Elements		Report Section Reference
	1) any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;	9 - 16
	2) estimates of mineral Reserves and mineral Resources are disclosed separately;	7.11; 8.5
	3) Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;	8
	4) for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves:—	15.4.2
	a) the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and	
	b) if a contract for future prices of mineral Reserves exists, the contract price is used; and	
	5) for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.	15.4.5
	Petroleum reporting standard	Not Applicable
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.	Not Applicable
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves either:—	Not Applicable
	1) under PRMS as modified by this Chapter; or	
	2) under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.	
	<i>Note: A Reporting Standard applied to specific assets must be used consistently.</i>	
18.33	A Mineral Company must ensure that:—	
	1) where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;	8; 9
	2) if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;	15.4
	3) Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;	9
	4) if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30(5)	15.1 -15.4
	<i>Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.</i>	
	5) if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;	Not Applicable
	<i>Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and</i>	

HKEX Chapter 18 Elements		Report Section Reference
	<i>graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.</i>	
	5) economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and	Not Applicable
	6) where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.	Not Applicable
	Mineral or Petroleum Asset Valuation Reports	Not Applicable
18.34	A Mineral Company must ensure that:—	
	i). A Mineral Company must ensure that:—	
	ii). the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;	
	iii). if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and	
	iv). in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.	



APPENDIX 02B

Guide for New Listing Applicants (Nov 2023)

Mapping of Chapter 2.6, 4 – Competent Persons’ Report



Guide for New Listings Applicants – Competent Persons’ Report		Report Section Reference
i).	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	8.3, 9.1, 9.5, 15.4
ii).	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	Not Applicable
iii).	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	10
iv).	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant’s principal Mineral or Petroleum Assets;	4.1
v).	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	8, 9
vi).	Whether the historical or expected improved recovery rate is used for estimating the net present value (“NPV”), and the basis on which the discount rates are considered appropriate;	15.4
vii).	If the Competent Person did not conduct a site visit, the applicant should disclose in the “Business” section of the listing document the basis on which the Reserves/Resources, cost forecasts and other data relating to the mines/oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	Not Applicable
viii).	All material risks mentioned in the CPR should be disclosed in the “Risk Factors” section of the listing document.	16



APPENDIX 06A

2012 JORC – Pani Mineral Resource and Ore Reserve

Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	A total of 1,776 valid drillholes extracted from database, and total of 1,551 diamond drill holes for 252,091m and 159,775 assays records from various drilling campaigns were used in the Pani Mineral Resource Estimate (MRE). The more recent historical drilling is reported within either PT. Puncak Emas Tani Sejahtera (PETS) or Gorontalo Sejahtera Mining (GSM) tenements. The historical drilling conducted by Utah International (7 holes), BHP - Utah JV (22 holes), Newcrest Nusa Sulawesi (28 holes) and KUD (Dharma Tani Marisa) - Paramount Joint Venture (JV; 16 holes) have been excluded from the MRE because these holes do not intersect any mineralisation or they did not pass internal validation checks. <u>Historical PETS before 2019</u> <u>Channel Sampling</u> Historical channel sampling of surface exposures was conducted together with geological mapping programs throughout the history of the project, and consisted of: - Collection of 2,514 channel samples. - Samples were collected from 10cm wide by 10cm deep channels at 1m or 2m length depending upon the lithology. - The sampled material was mixed, coned and quartered, with samples consisting of two-quarter samples from opposite sides of the cone. - Channel samples did not form part of the dataset on which the current MRE is based. <u>Diamond Drilling</u> Diamond drilling on a nominal 50m by 50m grid was used to obtain sub-surface samples. Infill drilling of the 50m x 50m pattern with offset centres has resulted in a 35m x 35m coverage in the more densely drilled regions. Drilling within the PETS area consisted of: 137 drill holes (HQ) for 26,017.5m and sampled on 1m intervals guided by the lithology, alteration, oxidation and structural logging. - Samples were cut in half along the core axis and the right-hand side sampled.



Criteria	JORC Code Explanation	Commentary
		The 137 drill holes were resampled in 2022 to improve the sampling and assaying methodologies. At the time of the MRE, 100% of the Au assays from the 2022 resampling program were received and 50% of the multielement data was received. <u>Historical GSM before 2019</u> A total of 668 diamond holes for 104,842.50m were used in the MRE from the GSM project area drilled by J Resources since 2011. The diamond drill hole spacing ranged from 25m by 25m to 15m by 25m in the more densely drilled areas. Sampling included: • Core sampling on intervals averaging 1m guided by lithology, alteration, oxidation and structural logging. • The core was cut along orientation lines and one side of the core was consistently sampled. • The core sizes ranged from PQ, HQ to NQ. • No adjustments or calibrations were made to any assay data used in reporting. <u>GSM and PETS under Merdeka after 2019</u> The reported samples were obtained through diamond drilling methods collected from campaigns completed since December 2019 until August 2024. The sampling includes: • Total of 781 diamond drill holes for 126,611m. • Core was sampled on 2 m intervals and was drilled using PQ3 and HQ3 core sizes. • The core was sampled as half-core cut parallel to the orientation line, and the right-hand side of the core was consistently sampled. • No adjustments or calibrations were made to any assay data used in reporting
	• <i>Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used</i>	<u>Historical PETS before 2019</u> • The historical drilling (HQ) was conducted using triple-tube diamond core drilling to improve core quality. • The diamond drill core was sawn in half with one side of the core being consistently sampled. <u>Historical GSM before 2019</u>



Criteria	JORC Code Explanation	Commentary
		- The historical drilling was conducted using triple-tube diamond core drilling to improve core quality. The larger core size (PQ) was drilled to improve the core quality near the surface. - The diamond drill core was sawn in half with a consistent side of the core being routinely sampled. <u>GSM and PETS under Merdeka after 2019</u> - PQ core was drilled from the collar to a nominal depth to improve the quality of the core and provide enough samples for metallurgical test work. - The diamond drill core was sawn in half with the right-hand side downhole being routinely sampled.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 metre samples from which 3 kilograms was pulverised to produce a 30 grams charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<u>Historical PETS before 2019</u> The diamond drill core was sampled on approximately 1m intervals guided by geological logging. The sample preparation and assaying were conducted at PT SGS Indo Assay Laboratories, Manado. The sample preparation involved: - Crushing the half core (~3kg) to 75% -25mm. - Riffle splitting and crushing 1kg to 75% passing at 2mm. - Pulverising of the 1kg to 85% -75µm. - A 200g sample split was taken and the pulp residue was stored. Samples were assayed for: - Au: 50g fire assay. - Multielement: 3 or 4 acid digest with ICP OES finish. - No adjustments or calibrations were made to any assay data used in reporting. The 137 drill holes from the PETS IUP were resampled in 2022 to ensure sample preparation and assaying were representative of the mineralisation. At the time of the MRE, 50% of the PETS multi-element assays were based on the 2022 resampling program and all the 50g FA results were received for Au. <u>Historical GSM before 2019</u> Core sample intervals average 1m in the mineralised zones and the sample length was guided by lithology, alteration, oxidation and structural logging. The unmineralised



Criteria	JORC Code Explanation	Commentary
		intervals were sampled at 2m. Sample preparation was conducted at Intertek Manado Sample preparation facility or by SGS managed site preparation facility (post 2016). The Intertek Manado sample preparation procedure has not been confirmed. The SGS preparation included: • Half core samples (3 to 7kg) were weighed and dried at 105°C for 8 hours. • The dried sample was crushed using a jaw crusher followed by a Boyd / Roller crusher to 90% passing at 3mm. • A nominal 1kg was split and pulverised using an LM2® pulveriser to 90% passing at -75µm. • A 250g sample split (pulp) was sent to the laboratory for analysis and the pulp residue was stored. Samples were assayed for: • Au: 50g fire assay. • Multielement: XRF, 2 or 3 acid digest with ICP OES finish. • No adjustments or calibrations were made to any assay data used in reporting. • No multielement data was used to estimate the economically significant variables (i.e. Au). <u>GSM and PETS under Merdeka after 2019</u> The core was sampled at 2m intervals. The samples were prepared by PT Intertek at either their Manado or Marisa preparation laboratories or at the BSI sample preparation facility at Tujuh Bukit (PDH131 to PDH147). The sample preparation included: • Core samples were weighed, dried at 105°C for 12 to 24 hours and weighed. • Pre-crushed to 6mm using Terminator Jaw crusher and then crushed to 2mm at a 95% passing using a Boyd Crusher with a rotary splitter. • A 1.5kg split of the crushed material was pulverised to P95% at 75µm size. • A barren wash is pre-crushed, crushed and pulverised after each sample. • A representative 250g split of pulverised material is transported directly from the preparation facilities to Geoservices Jakarta for analysis.



Criteria	JORC Code Explanation	Commentary
		- Short Wave InfraRed (SWIR) data is collected using a TerraSpec device on some of the core and assay pulps. The TerraSpec is calibrated before each session. No SWIR data is used in the estimation of the economic variables. - Handheld XRF measurements on pressed pellet pulps commenced on the 30th of September 2022. A total of 11,318 samples were measured using an XRF X-550 on selected samples from representative sections. The XRF was calibrated every day before measurements. - LIBS measurements on pressed pellet samples started on the 21st of September 2022. A total of 8,595 samples were measured as at 05/12/2023 using a LIBS Z-300 on selected samples from representative sections. The LIBS was calibrated every day before measurements.
Drilling Techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<u>Historical PETS before 2019</u> - A total of 137 diamond drill holes for 26,017.5m of drilling is being reported currently. Drilling is based primarily on HQ3 size. - Historical reports indicated the drilling was conducted using triple tube diamond drilling methods. - Drillhole depth varied from 57.8m to 410.8m. <u>Historical GSM before 2019</u> - A total of 668 diamond drill holes totalling 104,842.50m were used in the MRE. The core sizes ranged from PQ, HQ and NQ using triple tube drilling methods. - Core was oriented wherever possible using Orishot / Proshot and marked at the drill site to provide a consistent orientation. - Drillhole depth varied from 14.75m to 415m. <u>GSM and PETS under Merdeka after 2019</u> - A total of 781 diamond drill holes for 126,611m was used in the estimate and the drilling was based on triple tube PQ3 and HQ3 size. - Where possible, all core was orientated every run using a Suntech orientation tool. Downhole surveys were conducted with a REFLEX EZ TRAC every 25m to 50m downhole.

Criteria	JORC Code Explanation	Commentary
		The calibration of all downhole tools was reviewed and calibrated bi-weekly. Downhole survey tools were supplied by IMDEX.
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<u>Historical PETS before 2019</u> - Core recovery and drill metreage was recorded at the drill site before the core was transported to the core shed. - The recovery was equivalent to the length of the core recovered and storage as a percentage of the drill run. - No grade was assigned to intervals of core loss and core loss was treated as a null value. <u>Historical GSM before 2019</u> - Core recoveries were monitored, recorded and stored within the sampling database. The core recovery was monitored at the rig by a geotechnician. The recovery was measured in the core tube by the driller and a marker was inserted into the core tray to mark any core loss. All core was laid out at the rig in ½ PVC pipe for inspection. - Depths were measured and checked against marked depths on the core blocks. Sample recovery was stored in the RQD logging table. - No grade was assigned to intervals of core loss and core loss was treated as a null value. <u>GSM and PETS under Merdeka after 2019</u> - Measurements of core loss and recovery were made at the drill rig by geotechnical logging technicians and stored in a Geobank Database. Core was marked up relative to core blocks, making allowance for any sections of lost core. - All core loss was clearly identified in the core trays by inserting a length of yellow plastic matching the area of core loss and marked as “core loss”. - No grade was assigned to intervals of core loss and core loss was treated as a null value.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<u>Historical PETS before 2019</u> Historical drilling was conducted using triple tube diamond drilling methods to maximise sample recovery.



Criteria	JORC Code Explanation	Commentary
		- Geotechnicians at the drill sites would instruct drill teams to reduce sample lengths if the measured core loss was deemed a concern. <u>Historical GSM before 2019</u> - Historical drilling was conducted using triple tube diamond drilling methods to maximise sample recovery. <u>GSM and PETS under Merdeka after 2019</u> - Core recovery is maximised by using triple drilling methods, drilling PQ core from the collar location and reducing the drill runs to 1.5m. - Core recovery is recorded for every run with an average recovery used for the intervals.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<u>Historical PETS before 2019</u> - Overall recoveries were greater than ~95% and it was assumed no bias was expected to be associated with core loss. <u>Historical GSM before 2019</u> - The average recovery for the project area was greater than ~97% and it is assumed no bias was expected to be associated with core loss. <u>GSM and PETS under Merdeka after 2019</u> - The average recovery for the project area was greater than ~98%. No specific study had been conducted to determine if there was a relationship between core loss and grade. A scatter plot analysis suggested there is no observable trend. Globally, the core recoveries were generally high and it was assumed core loss was not material.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<u>Historical PETS before 2019</u> - The drill core had been geologically and geotechnically logged to support the MRE and mining studies. <u>Historical GSM before 2019</u> - Standard operating procedures using J Resources logging codes were used for the logging of diamond core samples.



Criteria	JORC Code Explanation	Commentary
		- All diamond core holes had been geologically logged for lithology, oxidation type, alteration type, density of veins and fractures, mineral type, mineral occurrence and intensity. - Geotechnical data comprising core size, core recovery, Rock Quality Designation (RQD), core orientation and number of fractures were routinely recorded. - The geological logging is suitable for MRE, mining and metallurgical studies <u>GSM and PETS under Merdeka after 2019</u> - All drill core is geologically, geotechnically and structurally logged. Logging fields include (but are not limited to) lithology, alteration, mineralisation, structure, RQD and defect angles. - Standard nomenclature is used for logging and codes or abbreviations are input directly into computerised logging sheets. - A rock board has been established at the core processing facility to promote consistent and correct logging. - The company uses Geobank Mobile by Micromine as the front-end data entry platform to the SQL backend. - Starting in December 2022, Equotip readings were collected at 10cm intervals which were averaged and reported at 1m intervals. - Logging is of a suitable standard to allow for MRE, mining and metallurgical studies.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<u>Historical PETS before 2019</u> - Lithology and alteration logging is qualitative in nature. Quartz veins, fracture intensity, oxidation and percentage sulphides logging are quantitative in nature. - The orientation of fabrics and structural features have been recorded and are quantitative. - All core is photographed. <u>Historical GSM before 2019</u> - The majority of geological and geotechnical logging is qualitative except for measured fields for structure, RQD and fracture frequency.



Criteria	JORC Code Explanation	Commentary
		- All core was photographed. <u>GSM and PETS under Merdeka after 2019</u> - The majority of geological and geotechnical logging is qualitative in nature except for measured fields for structure (α and β), RQD and fracture frequency which is quantitative. - All core is photographed.
	<i>The total length and percentage of the relevant intersections logged.</i>	<u>Historical PETS before 2019</u> - All drill core has been geologically logged. <u>Historical GSM before 2019</u> - All drill core has been geologically logged. <u>GSM and PETS under Merdeka after 2019</u> - All drill core has been geologically logged. - Logging is of a suitable standard to allow for detailed geological and resource modelling.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<u>Historical PETS before 2019</u> - The diamond drill core (HQ diameter) is halved using a core saw. - Duplicate samples were taken, approximately 1 in 30 samples. In this case, the core was cut into three pieces to allow duplicate sampling and the retention of archival material. The portion retained was small, so the primary sample and the duplicate were close to half core. <u>Historical GSM before 2019</u> - Standard operating procedures were used for diamond core sub-sampling. Mineralised zones were sampled to 1m and unmineralised zones were sampled to 2m. The actual length honours lithological, alteration and mineralisation boundaries. - Core was cut along the orientation line and half core samples were submitted for analysis unless a field duplicate was required, in which case quarter-core samples were submitted. <u>GSM and PETS under Merdeka after 2019</u> - Core was longitudinally cut with a saw and half core samples were collected at two (2) intervals. When facing downhole, the right hand side of the core was

Criteria	JORC Code Explanation	Commentary
		routinely sampled under geological supervision.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	N/A
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<u>Historical PETS before 2019</u> The sample preparation and assaying were conducted at PT SGS Indo Assay Laboratories. The sample preparation involved: - Crushing the half core (~3kg) to 75% -25mm - Riffle splitting and crushing 1 kg to 75% passing at 2mm. - Pulverising of the 1kg to 85% -75 µm. - A 200g sample split is taken, and the pulp residue is stored. The 137 drill holes were resampled in 2022 to evaluate the sampling preparation and assaying methodologies. Refer to PETS & GSM 2022 section for further details. At the time of the MRE all of the PETS assays were based on the 2022 resampling program. <u>Historical GSM before 2019</u> Sample preparation was conducted at Intertek Manado Sample preparation facility or by SGS managed site preparation facility (post 2016). The Intertek Manado sample preparation procedure had not been confirmed and it was assumed to meet industry standards. The SGS preparation included: - Half core samples (3 – 7 kg) weighed and dried at 105°C for 8 hours. - The dried sample was crushed using a jaw crusher followed by a Boyd / Roller crusher to 90% passing at 3mm. - A nominal 1kg was split was pulverised using an LM2® pulveriser to 90% passing at -75µm. - A 250g sample split (pulp) is sent to the laboratory for analysis and the pulp residue is stored. The preparation of the samples was deemed appropriate for MRE and economic evaluation of the project. <u>GSM and PETS under Merdeka after 2019</u>

Criteria	JORC Code Explanation	Commentary
		The samples were prepared by PT Intertek at either their Manado or Marisa preparation laboratories. The sample preparation included: • Core samples are weighed, dried at 105°C for 12 to 24 hours and weighed. • Pre-crushed to 6mm using Terminator Jaw crusher and then crushed to 2mm at a 95% passing using a Boyd Crusher with a rotary splitter. • A 1.5kg split of the crushed material is pulverised to P95% at 75µm size. • A barren washed is pre-crushed, crushed and pulverised after each sample. • A representative 250g subsample of pulverised material was transported directly from the preparation facilities to Geoservices Jakarta for analysis.
	• <i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i>	<u>Historical PETS before 2019</u> The QAQC procedures implemented included: • Inserting certified reference materials (CRM) at a rate ranging from 2% to 4%. • Field or core duplicates were performed at a rate of approximately 2%. • Insertion of blank material occurred at a rate ranging from 1% to 2%. • Pulp duplicates were submitted to a secondary laboratory for analysis at a rate of approximately 2.5%. • Historical documentation indicated size analysis was conducted at a rate of 5% for the primary crushing and pulverising stages, however no results were documented. <u>Historical GSM before 2019</u> The QAQC procedures implemented included CRM, blanks and duplicates: • CRM's were inserted at a rate of 5%. • Blanks were inserted at a rate of 2.5%. • Duplicate checks of the pulverised material (5%) and coarse residue (2.5%) were submitted to a second or umpire laboratory. • Quarter core duplicates were conducted at a rate of



Criteria	JORC Code Explanation	Commentary
		2.5%. - The grind size analysis of the pulverised material was conducted at a rate of 5%. <u>GSM and PETS under Merdeka after 2019</u> QAQC protocols included the insertion of CRM (commercial and matrix-matched), duplicates and blanks. Matrix matched CRM's were created by OREAS and were used since November 2022. The samples were submitted to the laboratory for analysis in batches of 45 samples containing: 2 x CRM or an insertion rate of 5% 2 x coarse (2mm) duplicates or an insertion rate of 5% 1 x coarse blank or an insertion rate of 2.5% - External checks and blind resubmissions of pulp duplicates to an umpire laboratory were conducted at a rate of 5%. Analysis of QAQC results suggested sample assays were with acceptable tolerances.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<u>Historical PETS before 2019</u> - Field or core duplicates at a rate of approximately 2%. - Pulp duplicates were submitted to a secondary laboratory for analysis at a rate of approximately 2.5%. <u>Historical GSM before 2019</u> - Duplicate sampling and assaying was conducted at a rate of 5% for pulverised material and 2.5% for coarse (2mm) duplicates. <u>GSM and PETS under Merdeka after 2019</u> - Duplicate sampling and assaying was conducted at a rate of 5% using coarse (2mm) duplicates. - Duplicate pulverised material was inserted at rate of 5% and submitted to a secondary / umpire laboratory.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Disseminated gold mineralisation ranged from very fine to coarse grain size. Sample size (1m to 2m half core) and partial sample preparation protocols were considered appropriate for this style of mineralisation.



Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<u>Historical PETS before 2019</u> Au analysis carried out by PT SGS Indo Assay Laboratories: - Au by 50g fire assay with AAS finish. - Ag, Cu, Pb, Zn, As, S by 4 acid digests with ICP-OES finish; selected intervals. - S by combustion furnace; selected intervals. Quality control procedures included the use of standards, blanks and duplicates as well as the use of an external umpire laboratory. The drill holes from the PETS IUP were resampled in 2022 to ensure that the sample preparation and assaying were appropriate for the style of mineralisation. At the time of the MRE the PETS assays were based on the 2022 resampling program. <u>Historical GSM before 2019</u> Au analysis carried out by PT Intertek and PT SGS Indo Assay Laboratories. - Au by 50g fire assay with AAS finish. - Ag, Cu, Pb, Zn, As, S by 4 acid digest with ICP-OES finish; selected intervals. - S by combustion furnace; selected intervals. Quality control procedures included the use of standards, blanks and duplicates as well as the use of an external umpire laboratory. <u>GSM and PETS under Merdeka after 2019</u> The preparation and assay laboratories are internationally certified (ISO 17025) laboratories and hold an Indonesian Accreditation Certificate (KAN). The methodology employed for the main elements of interest are summarised below. - Gold was analysed by 50g fire assay with determination by AAS. - Silver, post 20th of March 2023, is determined using two-acid digestion (not aqua regia) followed by an AAS finish to lower the lower detection limit to 0.1g/t. - A multielement suite was analysed using four-acid digestion with an ICP-OES finish.

Criteria	JORC Code Explanation	Commentary
		- All work had been completed at Geoservices Jakarta. - The bulk nature of the sample size (2m) and partial preparation procedures (total crush to P95 -2mm, 1.5kg split pulverised to P95 – 75µm size) was considered appropriate for this style of mineralisation. Four acid total dissolution was used for assaying.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<u>Historical PETS before 2019</u> - Nil <u>Historical GSM before 2019</u> - Spectral tools were used historically and these results were not used in the current MRE process. <u>GSM and PETS under Merdeka after 2019</u> - SWIR data was collected on some of the core and assay pulps. The TerraSpec device was routinely calibrated before starting to analyse the samples. - Handheld XRF measurements on press pulp pellets commenced on the 30th of September 2022. A total of 11,318 samples were measured as of the 24 August 2024 using a XRF X-550 on selected samples from representative sections. The XRF was calibrated every day before measurements. - LIBS measurements on press pulp pellet samples were started on the 21st of September 2022. Total of 8,595 samples were measured as of the 24 August 2024 using a LIBS Z-300 on selected samples from representative sections. The LIBS was calibrated every day before measurements. - These tools were not used in the current MRE process.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<u>Historical PETS before 2019</u> - Quality control procedures included the use of standards, blanks and duplicates as well as the use of an external umpire laboratory. The QAQC indicated these were inserted at a rate of 5%. - QAQC analyses indicated the assay results to be within acceptable tolerances and this is reflected in the classification of the resource. <u>Historical GSM before 2019</u> - QAQC protocols included the insertion of CRMs at a rate of 5%, blanks were inserted at a rate of 2.5%.

Criteria	JORC Code Explanation	Commentary
		duplicate checks of the pulverised material (5%) and coarse residue (2.5%) were submitted to a second or umpire laboratory. Quarter core duplicates were conducted at a rate of 2.5% and grind size analysis of the pulverised material was conducted at a rate of 5%. - QAQC analyses indicate the assay results to be within acceptable tolerances and this is reflected in the classification of the resource. <u>GSM and PETS under Merdeka after 2019</u> - QAQC protocols included the insertion of OREAS (2019 - current) and OREAS Mine Match (November 2022) standards, duplicates and blanks. Samples were submitted to the laboratory for analysis in batches of 45 samples comprising: 40 x 2m composite core samples, 2 x standards (6%), 2 x coarse duplicates (6%), and 1 x coarse blank (3%). Analyses of laboratory replicate assays and duplicate assays showed a high degree of correlation. - QAQC analyses indicated the assay results to be within acceptable tolerances and this was reflected in the classification of the resource. - The relatively lower reliability of silver CRM results is attributed to the low-grade CRM utilised in the Pani Project, which may lead to a potential risk of inhomogeneity in the CRM. A low silver grade CRM was required, as it aligns with the global silver grade of the resource and is considered fit for purpose. These biases are interpreted to be associated with the low grade levels and inherent material inhomogeneity near the analytical detection limit. In contrast, high grade silver CRMs demonstrate good analytical performance. The Competent Person does not consider this to be a material issue, particularly given that the vast majority of the contained resource metal value is attributed to gold.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections had been verified by senior Merdeka personnel and a selection verified by the Competent Person for Mineral Resources during the site visit.
	<i>The use of twinned holes.</i>	A campaign of twin holes had been carried out in 2013 in the PETS area for metallurgical sampling (leaching tests). These holes were not used for the estimate.

Criteria	JORC Code Explanation	Commentary
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<u>Historical PETS before 2019</u> - Primary data was collected using a set of standard Excel templates on laptop computers. The information was sent to Jakarta Office, collated, compiled and stored in the central workstation and company server. <u>Historical GSM before 2019</u> - The data entry of primary data had been checked and loaded into a sampling spreadsheet. - Expedio Pty Ltd independently audited the data management and database practices. <u>GSM and PETS under Merdeka after 2019</u> - Primary assay data was received from the laboratory in soft-copy digital format and hard-copy final certificates. Digital data was stored on a secure SQL server on-site with a backup copy off-site. Hard-copy certificates were stored in the Jakarta office and scanned hard copy certificates stored on a server.
	<i>Discuss any adjustment to assay data.</i>	There were no adjustment to assay data used in the estimate.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<u>Historical PETS before 2019</u> - Hole collar locations were surveyed by P.T. Global Survey of Indonesia using Total Station (Sokkia) with expected accuracy of $\pm 10\text{mm}$. - Downhole surveys were regularly conducted at 25m, 75m and 125m depths and continued at 50m intervals for deeper holes with a Gen4 Proshot (Boart Longyear). <u>Historical GSM before 2019</u> - Site preparation was undertaken if required and location and azimuth re-planned and/or re-surveyed. The planned dip was set using clinometers. When the drill rig was in position, the location and azimuth were rechecked using a GPS and/or Total Station before the commencement of drilling. - At the completion of the holes, the collars were surveyed using a Total Station instrument and entered into the drill database. It was assumed the expected accuracy was $\pm 10\text{mm}$. - Downhole surveys were regularly conducted using Reflex EX-Shot or a Gen4 Proshot Hire Kit.



Criteria	JORC Code Explanation	Commentary
		<u>GSM and PETS under Merdeka after 2019</u> - Drill hole collars were surveyed using a Total Station (IM101 from SOKKIA) and the expected accuracy was ± 2 mm. - Downhole surveys were conducted with a REFLEX EZ TRAC every 25m to 50m downhole. The downhole survey tool was calibrated bi-weekly. - At the end of the drilling program in 2024, the downhole survey was captured using a Champ Magshot. All initial downhole surveys were recorded at 25m with every subsequent survey at 50m intervals.
	<i>Specification of the grid system used.</i>	The Grid System used was WGS84 UTM 51 North.
	<i>Quality and adequacy of topographic control.</i>	- The topographic surface is surveyed by LIDAR and supplemented by Total Station and DGPS surveys. The LIDAR survey was completed in December 2022, and the expected vertical accuracy is ± 0.1 m, and the expected horizontal accuracy is ± 0.15 m. - An updated topography survey was conducted at the end of August 2024 and most recently on 31 December 2025, the latter of which was used for Mineral Resource reporting.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	<u>Historical PETS before 2019</u> - The PETS area is drilled to approximately 80m x 80m and approximately 35m x 35m centre within the more densely drilled area. - Drillhole location and inclination varied depending on topographical features and ground conditions, however generally dipped 60 degrees towards the southeast. <u>Historical GSM before 2019</u> - The diamond drilling drill hole spacing ranged from 25m by 25m to 15m by 25m in the more densely drilled areas. - Drillhole location and inclination varied depending on topographical features and ground conditions. <u>GSM and PETS under Merdeka after 2019</u> - The drill hole spacing ranged from 150m x 150m to approximately 20m x 20m within the more densely drilled areas of the GSM IUP. The PETS IUP was



Criteria	JORC Code Explanation	Commentary
		drilled to approximately 80m x 80m to 40m x 40m in the densely drilled areas. Drillhole location and inclination varied depending on topographical features and ground conditions. Multiple drill holes were drilled from a single drill pad resulting in surface “fan” drilling.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	- The drill hole spacing within most of the mineralised area was appropriate to define the geological and grade continuity of the mineralised system. - The resource classification considers the different degrees of geological and grade continuity.
	<i>Whether sample compositing has been applied.</i>	- The reported exploration results have been composited (i.e. length weighted composites) with no grade capping applied. - Drill holes have been composited (i.e. length weighted) to 2m for the Mineral Resource estimate.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<u>Historical PETS before 2019</u> - The drill holes were oriented perpendicular to the orientation of the mineralised trend. Structural logging based on oriented core indicates that the mineralisation controls are largely perpendicular to drill directions. Variographic analysis confirms the principal directions of the mineralisation is perpendicular to the drilling orientation. <u>Historical GSM before 2019</u> - Drill spacing is largely dependent on land status and accessible sites. Drill spacing varies from 20m to 30m on east-west sections that are nominally spaced at 25m apart. Due to the steep topography, several holes have been drilled from a single pad. These holes are drilled at various orientations to achieve the desired drill spacing at the target depth. <u>GSM and PETS under Merdeka after 2019</u> - Sampled drill holes were designed in 3D to intersect mineralisation at a range of orientations to assess and accommodate the potential orientation of mineralisation and structures while maintaining appropriate spacing between holes. The orientation of samples relative to structural controls is not

Criteria	JORC Code Explanation	Commentary
		considered to introduce a sampling bias.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<u>Historical PETS before 2019</u> - The orientation of sampling is appropriate and achieves unbiased sampling of the possible structures identified. <u>Historical GSM before 2019</u> - The orientation of sampling is appropriate and achieves unbiased sampling of the possible structures identified. <u>GSM and PETS under Merdeka after 2019</u> - No bias based on hole orientation is known to exist.
Sample security	<i>The measures taken to ensure sample security.</i>	<u>Historical PETS before 2019</u> - The chain of custody was managed by One Asia. Samples are stored on-site and delivered by One Asia personnel to the assay laboratory. Whilst in storage, they are kept in a locked core house. <u>Historical GSM before 2019</u> The measures taken to ensure security for samples used for analysis and QAQC include the following: - Chain of Custody was documented (historic Table 1) by J Resources and both SGS and Intertek (ITS) laboratories reported on delivery and receipt of sampled material. - All samples are transported in plastic wrapping and nailed-shut boxes. The samples remain in the custody of JRN to Gorontalo airport and are then airfreighted to the laboratory. - Upon receipt of samples, SGS and ITS confirm each batch of samples has arrived, with its tamper-proof seal intact at the allocated sample preparation facility. - Any damage to or loss of samples within each batch (e.g., total loss, spillage or obvious contamination) is reported. A list of the effect sample and nature of the problems was supplied to J Resources. - As a further check, samples are weighed before dispatch and again on receipt at the laboratory with the weights compared to ensure sample integrity. <u>GSM and PETS under Merdeka after 2019</u> - All core samples are bagged separately into calico



Criteria	JORC Code Explanation	Commentary
		bags and dispatched to the off-site sample preparation facilities operated by Intertek in the nearest town. - Sample transport from site to the preparation facilities is carried out using land transport (dedicated box truck), which is sealed at site using commercial seals provided by Intertek. Sample receipt at preparation facilities is completed by Intertek staff. The Marisa and Manado ITS sample preparation facilities are located in dedicated compounds with 24 hour security guards. After sample preparation, 250g sub-samples are securely packed and couriered via air freight to Geoservices Jakarta for analysis. - A total of 88,734.45 metres of core samples was burnt due to fire accident. The detailed list is presented in the subsequent appendix.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<u>Historical PETS before 2019</u> - A review of the sampling techniques and data was carried out by SRK Consulting as part of the resource estimate conducted in 2014. The database was considered to be of sufficient quality to carry out resource estimation. <u>Historical GSM before 2019</u> - Cube Consulting reviewed the standard operating procedures for diamond core sampling and discussions with the site Geologists confirmed that these were understood and being followed. - An audit of the entire J Resources drill hole database conducted by Expedio in January 2018 found no material issues affecting resource estimation. <u>GSM and PETS under Merdeka after 2019</u> - Dr François-Bongarçon (Agoratek International) is engaged in conducting regular reviews and audits of sampling, QAQC, site and external laboratories, as well as training and improvement initiatives. He reviewed the sampling protocol for Pani samples in June 2022. - RSC conducted a review of the December 2022 and March 2023 MRE processes. No critical issue was identified. All conclusions and recommendations were reviewed and are implemented or being implemented if deemed material.



Criteria	JORC Code Explanation	Commentary
		- Mining One Consultants conducted a review of the March 2023 MRE process. No moderate and high risk was identified. - Mining One Consultants completed a site visit in January 2026 and review of the 31 December 2025 MRE, datasets and associated processes. No material issues or risks were identified.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- In 1994, the Government of Indonesia issued a Kuasa Pertambangan (“KP”) mining licence, covering an area of one square kilometre (100 hectares), to a local cooperative KUD Dharma Tani Marisa (“KUD”). - The KP licence was reissued as an IUP operation and production license (316/13/XI/TAHUN2009) in November 2009, under the 2009 Mining Law. The licence of KUD Dharma Tani was transferred to PT. Puncak Emas Tani Sejahtera (PETS) based on Gorontalo Governor Decree no 351/17/IX/2015 and 30/DPM-ESDM-Trans/Per-IUP-OP/IV/2020. - The PETS IUP operation and production is valid to 23rd November 2032 and extendable for another 10 years. Merdeka acquired majority control of PETS in December 2017. - PT Gorontalo Sejahtera Mining (PT GSM) holds the Contract of Work executed on 20 July 1994. The Contract of Work has been adjusted based on the Decree of the Minister of Energy and Mineral Resources No. 457.K/30/DJB/2017 dated 13 December 2017 regarding the Adjustment of the Contract of Work Activity Stage to Become the Production Operation Activity Stage. The Contract of Work operation and production is valid until 1st December 2049. The CoW covered an area of 14,570 hectares across three blocks, with Pani Block covering 7,385.71 hectares.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Early work by the Dutch in the 19th century at Pani included the driving of short adits under the NNE trending Pani Ridge. PT Tropic Endeavour undertook systematic reconnaissance stream sediment geochemistry, follow up soil and rock sampling and regional geological mapping in the early 1970's, outlining three high-grade zones at Pani Ridge. Utah International (who



Criteria	JORC Code Explanation	Commentary
		acquired Tropic Endeavour's assets and was in turn purchased by BHP) undertook further sampling and mapping in 1981-1982. BHP drilled 7 holes during this time. Four holes were drilled on Pani Ridge and 3 more on G. Baganite-Nanasi Ridge. BHP returned in 1984 drove other three adits in an effort to overcome the grade discrepancies and dug a series of costeans parallel to the NE trending mineralised fractures at Pani Ridge. Adits obtained higher grades than adjacent drill holes but still the deposit was considered to be uneconomic and subsequently closed down again. They returned in 1987, carried out channel sampling, step trenches across the ridge and concluded a NNE strike of mineralisation from the geochemical results rather than geological observations. Extensive systematic surface campaigns were carried out as well within a 3 km radius of Pani Ridge. That campaign included ridge and spur soil auger lines, outcrop and float sampling for Au, Ag and Sb determinations and trenching across ridge tops. In 1990, BHP began to drill 22 diamond holes, all but one oriented in an effort to traverse the assumed NNE strike mineralisation but again failed to clearly determine the mineralisation. In 1993 or 1994 a local cooperative, KUD Dharma Tani, acquired a small scale mining permit of 1 square kilometre over Pani Ridge and Gunung Baganite. The KUD optioned its rights to PT Pertiwi in 1996, who then optioned the project to Paramount Ventures, which drilled 29 holes in the area to confirm the BHP results and at the same time expand potential resources to include Gunung Baganite and Masina. In August 2009, One Asia acquired an option over the Pani property from PT Prima Mineralindo Nusantara. One Asia drilled a total of 137 drill holes for 26,017.5 m. PT Merdeka acquired the PETS IUP in 2018 and has drilled a total of 100 holes for 31,390.15 m. Newcrest was granted a 5th generation Contract of Work (CoW) through its subsidiary PT. Newcrest Nusa Sulawesi (NNS) in 1994 over the Pani project area but excluding the KUD block. NNS flew Heli-borne magnetic-radiometric as well as completing regional stream sediment, pan concentrate, BLEG, ridge-spur soil; rock outcrop and float surveys. Prospects were delineated through 28 diamond scout holes drilled at Kolokoa, Lone Pine, Masina, Wadi, Tembaga South, Tembaga Central, Totimbuwale South, Jahiya Besar, Ilota, Nanasi Ridge and Langge. The total drilling was 4,437.5m. Newcrest dropped the project to focus on Halmahera around the time of the Asian financial crisis.



Criteria	JORC Code Explanation	Commentary
		In 2002, Havilah Pty. Ltd and Arafura Rejeki Alam acquired the whole interests of PT. NNS and renamed the property to PT. Gorontalo Sejahtera Mining (PT. GSM). After mandatory relinquishment, PT. GSM CoW retained four (4) separated blocks: Pani and Totopo in Gorontalo Province; Bulagidun partly in Central Sulawesi and Bolangitang block in North Sulawesi. No activities were recorded to 2005. Avocet Mining Plc acquired PT GSM in 2007. Work was only done in the Totopo Block which was then relinquished in 2010, whilst Pani had no recorded work other than field visits. PT. J Resources Nusantara (JRN) acquired PT GSM from Avocet in 2011 and drilled a total of 684 holes for 106,660.7 m. Merdeka acquired ownership of PT GSM in December 2021.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	- Low sulphidation epithermal gold deposit - Middle to Late Cenozoic magmatic arc - Gold mineralisation is associated with open space oxide - sulphide fracture fillings, stockwork veins, and narrow mosaic hydrothermal breccia within dominantly silica altered host rock.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>	Not applicable. Exploration results are not being reported as the report relates to Mineral Resources and Reserves.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Not applicable. Exploration results are not being reported as the report relates to Mineral Resources and Reserves.



Criteria	JORC Code Explanation	Commentary
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Holes reported are drilled at various angles to assess and accommodate mineralised geometry. Some holes are drilled sub parallel to the long axis of mineralisation.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to the main sections of the report and appendices.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Not applicable. Exploration results are not being reported as the report relates to Mineral Resources and Reserves.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All historical drill intercepts if shown have been reported by Merdeka Copper Gold.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	- Other recommendations are: - Field mapping to map regional structures and mineralisation. - Trenching whenever possible to increase the understanding of the mineralisation. - Geological mapping of new road cuts. - Drill testing the geological ‘dome’ extents and peripheral satellite deposits.



Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code Explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	- Core logging is completed at the site core yard using project-specific logging codes directly into a Toughbook. Data is then transferred to the server and loaded directly into the site database. Assay results are currently received from the laboratory in digital format. Once data is finalised it is transferred to a Geobank database. - Geological databases are managed by a dedicated geological database team in the Mineral Resource Group based in the Jakarta head office, who conduct regular reviews, spot checks and training with site database personnel. Data checking including the current and historic data.
	Data validation procedures used.	- An Access database with all relevant data was extracted from the Company SQL Geobank database on the 8th of August 2024. - Separate Datamine files, for collars, downhole surveys, assays, alteration, density, lithology, oxidation and veining were exported from the Access database and combined in Datamine to make a single drill hole file. - The data was imported into Datamine and underwent various validation checks including: - Checking for duplicate drill hole names and duplicate coordinates in the collar table. - Checking drill hole names are consistent. - Checking for missing drill holes in the collar, survey, assay, and other tables based on drill hole names. - Checking for survey inconsistencies, including dips and azimuths <0°, dips >90°, azimuths >360° and negative depth values. - Checking for inconsistencies in the “From” and “To” fields of the assay and all other tables. The inconsistency checks included identifying negative values, overlapping intervals, duplicate intervals, gaps and intervals where the “From” value is greater than “To” value. - Ranking of historical and current assay method were checked carefully. - Elevation of each collar was also validated. Deviations from Lidar topography were accepted up to 10m due to the irregular and steep topography. - Additional checks were conducted by the companies Database



Criteria	JORC Code Explanation	Commentary
		manager which included: - o All of the J Resource assay information was re-imported into the database. - o Assays used for the estimation were re-checked specifically. - o Random manual checks were performed after data import. • All data was clean and able to be imported and de-surveyed in Datamine software. Visual validation by section for obvious trace errors.
Site Visits	• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> • <i>If no site visits have been undertaken indicate why this is the case.</i>	The Competent Person completed a site visit in January 2026. During the site visit, the following was completed: • Inspection of diamond core drilling, logging, sampling and associated assay data. • Inspection of surface activity including active open pit production areas, blast hole drilling and sampling and diamond drilling. • Inspection of core yard facilities. • Numerous discussions were held with geologists to understand the geology of the deposit and drilling/sampling processes. • The core shed was clean and well-organised, and related procedures were being followed. Data collection systems were found to be consistent with industry good practice. Furthermore, geological controls to the mineralisation were sufficiently understood to enable a Mineral Resource to be reported in accordance with the JORC Code.
Geological interpretation	• <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	• A Geological Matrix Analysis (GMA) has confirmed previously reported observations that mineralisation is a low sulphidation epithermal mineralisation. Gold Mineralisation is associated with quartz ± pyrite ± goethite veins, silica alteration and goethite alteration and the tenor of the gold mineralisation increases as the silica alteration and frequency of veining or veinlets increase. In addition, indicator iso grade shells models were generated at different cut-off grades to create more homogeneous domains than in the June estimate. • Silver domains were separated from gold domains. Silver mineralisation has no correlation, uncovered to date, with any geological parameters. It is assumed that silver deposited at lower temperature than gold in the periphery of the gold mineralisation.



Criteria	JORC Code Explanation	Commentary
	<i>Nature of the data used and of any assumptions made.</i>	No material assumptions have been made which may materially affect the MRE reported herein.
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	- Alternative interpretations are not likely to materially impact the global MRE. - The current drilling programs are confirming the boundary location within acceptable tolerance based on the classification of the MRE. The geometry and understanding of the mineralisation will increase as the spatial drill hole density increases.
	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	The final estimation domains were based on a Geological Matrix Analysis (GMA) conducted in 2020, 2022, 2023 and updated in August 2024 (using data extracted on 24/08/2024). Mineralisation is associated with quartz ± pyrite veins, silica alteration and goethite alteration, and the tenor of the gold mineralisation increases as the silica alteration and frequency of veining or veinlets increases. The selection criteria for the estimation domains are outlined below: - Mineralised Waste Domain (1000): Internal mineralised waste domain delineating zones of <0.1g/t Au and no veining. - Mineralised Domain (3000): ≥ 1 logged vein per metre or a gold threshold of ≥ 0.1g/t based on economic compositing routine and inside 0.1g/t iso-grade shells. - Higher-Grade Mineralised Domain (5000): ≥ 5 logged veins per metre or a gold threshold at ≥ 0.5g/t based on economic compositing routine, and also based on occurrences of crackle – mosaic hydrothermal breccias and inside 0.5g/t iso-grade shells The domains illustrate the strong correlation between the spatial density of quartz veining and the gold grade. In addition of the GMA, the model of interpreted structures planes and 0.5ppm au indicator was also used to improve the mineralisation shapes and increase the stationarity inside the domain. The selection criteria for silver domains are: - Low grade silver ≥ 0.6g/t - High grade silver ≥ 2.0g/t The estimation domains were interpreted initially in Leapfrog and then on 20 m and 10 m spaced east-west sections in Datamine. The mineralised waste encompasses the low grade, which in turn encompasses the higher-grade domain.



Criteria	JORC Code Explanation	Commentary
		To ensure Exploratory Data Analysis (EDA) and variographic analysis are appropriate, Pani was separated into four “sub-domains” or regions. The current estimates The sub-domains are: - GSM Northern (~>62,150 mN and < 388,250 mE) - GSM Southern (~<62,150 mN and < 388,250 mE) - PETS area (~ >388,250 mE)
	<i>The factors affecting continuity both of grade and geology.</i>	- The gold mineralisation is associated with the intrusive rhyodacite dome and infill drilling may result in changes to the mineralisation domains. - The degree of post mineralisation structural influence may change as the drill hole spacing decreases. - The principal plane defined in the Au variographic analysis for PETS dipped moderately towards the Northwest with plunge to the Northeast. GSM South dipped moderately towards Northwest and plunge moderately to Northeast. In contrast GSM North, dipped to Southwest with plunge goes to Southeast. - Silver was estimated inside domains by applying omni directional variography. - At this stage, the factors controlling gold grade continuity are not well understood. There is a clear association of mineralisation with vein stockwork, but the stockwork geometry and orientations require further analysis.
Dimensions	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The mineralisation at Pani sits between the surface and approximately 500m below the surface. It is roughly circular in plan with a diameter of approximately 1,000m and is contained within an intrusive rhyodacite dome complex (‘Baganite Dome’).
Estimation and modelling technique	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software</i>	- The MRE includes Aug/t, Agg/t, Bulk Density, S%, Fe%, Ca%. S% and equotip. S%, Fe%, Ca% and Equotip are not reported but were estimated to validate the location of the oxidation boundaries. - Drill hole data was selected within mineralised domains and composited to 2m downhole intervals in Datamine software. - The composited data was imported into Supervisor software for statistical and geostatistical analysis. The analysis showed for Au, Ag, S, Ca, Fe, and bulk density, different planes of maximum continuity throughout the Pani mineralised system and the domains were sub-domained into the GSM northern



Criteria	JORC Code Explanation	Commentary
	<i>and parameters used.</i>	(~>62,150 mN and < 388,250 mE), GSM southern (~<62,150 mN and < 388,250 mE), and PETS (~ >388,250 mE) • Hard boundaries were used for the mineralised waste domains (1000) for Au and mineralisation domain for Ag (1000, 731 to 733 and 751 to 753). • Semi soft domain for gold is applied on primary domain 3000 and 5001 to 5005, combined with soft boundary within the subdomains. • S%, Ca% and Fe% are estimated using soft boundary along ore block. • Density and Equotip are estimated using soft boundary through alteration domains. • To ensure the Au grade continuity was honoured, the variograms principal plane of maximum continuity for each sub-domain was defined by combining the primary estimation domains (i.e. 1000, 3000, 5001 to 5005). Variography was performed on data transformed to normal scores, and the variogram models were back-transformed to original units. The Gaussian anamorphosis used for the normal scores transform was subsequently used for the discrete Gaussian change of support model required for Uniform Conditioning. The variogram models had an interpreted nugget effect ranging from 8 % to 46 %, and the direction of maximum continuity ranged from 200 m to 250 m. • Omni directional gaussian variograms were modelled for Ag, S, Ca, Fe, bulk density and equotip. The modelled variograms were back transformed into the original units for estimation. The Ag variograms were modelled with interpreted nuggets ranging from 6% to 29%, and range varying from 90 to 325m. • The panel estimates used capping and 'distance limited capping' techniques, where uncapped or higher capped composites are used for a very local estimate, and distance threshold capping is used beyond this local distance (i.e. 20 m). The thresholds were based on inflections and discontinuities in the histograms, log-probability plots, and metal quantities above thresholds. Refer to the relevant section below. • Kriging neighbourhood analysis was conducted to optimise the search neighbourhoods. The first pass search neighbourhood used a minimum of 6 to 16 and a maximum of 16 to 20 (2 m composite) samples per panel estimate. The second pass sample number were change into 6 to 14 and the search neighbourhood increased twice. The third pass both sample number reduced, into 2 to 22 and search neighbourhood



Criteria	JORC Code Explanation	Commentary
		increase three times. - The search ellipse radius was based on the variogram ranges and were orientated to the principal direction defined during the variographic analysis. - The block size was limited to half the drill hole spacing or 40m (X) × 40 m (Y) × 10 m (Z) and 20 m (X) × 20 m (Y) × 5 m (Z) within the well-drilled GSM area. A sub-blocking dimension of 5 m (X) × 5 m (Y) × 2.5 m (Z) was used to honour the interpreted volume for both the waste and mineralised parent block dimensions. - Ordinary kriging was used to estimate the various panel size for all estimation domains (1000, 3000, 5001 to 5005, 731 to 733 and 751 to 753). Localised Uniform Conditioning (LUC) was implemented for the mineralised domains (3000 and 5001 to 5005) for Au to predict the grade tonnage at mining-related supports. - The UC process applies a change of support correction (discrete Gaussian model) based on the composite sample distribution and variogram model, conditioned to the Panel grade estimate, to predict the likely grade tonnage distribution at the SMU selectivity (5 m (X) × 5 m (Y) × 2.5 m (Z)). UC was performed with 30 polynomial, and it is applied on the back transform variogram in supervisor and transformation in datamine. - UC was performed within the mineralised domains (3000 and 5001 to 5005) for Au. The localisation step (LUC) was run for these domains and the resulting SMU was exported to Datamine. - Wireframing was completed using Leapfrog and Datamine RM Studio software 2.1.1.125, while estimation was completed in Datamine Studio RM Advanced Estimation. - Variography and data analysis was completed using Supervisor 9.0. - The estimates have been validated by comparing composite data with block model grades for all domains statistically and using swath plots. The visual comparison was also undertaken onscreen by comparing block grades and composites. The estimate validated well, given the geological and grade continuity.
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral</i>	Comparison of the Au MRE with an internal estimate conducted in March 2024 at ≥0.2, ≥0.3, ≥0.4, ≥0.5 and ≥0.6 gram per tonne thresholds shows similar results with differences in both tonnes and grades less or equal to -1% and 3%, respectively. The



Criteria	JORC Code Explanation	Commentary
	<i>Resource estimate takes appropriate account of such data.</i>	difference has been attributed to the additional drilling (176 holes), and changes on software, capping, variogram, and contact scenario used in estimation. There is no mining production to date to make a comparison.
	<i>The assumptions made regarding recovery of by-products.</i>	No assumptions have been made regarding the recovery of by-products.
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	- Total sulphur (S), calcium (Ca), and iron (Fe) were estimated using Ordinary Kriging, and the estimation panel size depended on the available information. The estimate was performed within the sub-domains defined for the Au estimate. Variograms and search neighbourhood were omni-directional. - No deleterious elements have been identified at Pani to date and have therefore not been estimated in the resource, however this should be continuously monitored as production progresses.
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	Quantitative kriging neighbourhood analysis was performed to optimise the block dimensions. The block size was limited to half the drill hole spacing or 40 m (X) × 40 m (Y) × 10 m (Z) and 20 m (X) × 20 m (Y) × 5 m (Z) within the well-drilled GSM and PETS area. A sub-blocking dimension of 5 m (X) × 5 m (Y) × 2.5 m (Z) was used to honour the interpreted volume for both the waste and mineralised parent block dimensions.
	<i>Any assumptions behind modelling of selective mining units.</i>	The selective mining units used in the LUC estimate was 5 m (X) × 5 m (Y) × 2.5 m (Z) and was used in order to allow for reblocking as required at 5m, 7.5 m or 10 m size. A SMU size optimisation study is planned for 2025.
	<i>Any assumptions about correlation between variables.</i>	All variables are treated in the univariate sense for estimation.
	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	- The construction of the domains was based on geological and grade relationships, as outlined previously in this table. - The block model is assigned unique domain codes corresponding to the mineralisation wireframes. Domains were estimated using composite with a corresponding domain code (1000, 3000, 5001, 5002, 5003, 5004, 5005, 700, 731,731,733, 751,752,753). - Domain boundaries were treated as hard boundaries and boundaries between sub-domain were treated as soft boundaries for domain 1000 at gold and all domain for silver. - Domain boundaries were treated as semi soft boundaries and boundaries between sub-domain were treated as soft



Criteria	JORC Code Explanation	Commentary
		boundaries for domain 3000 and 5001 to 5005 at gold.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	- The panel estimates used capping and ‘distance limited capping’ techniques, where uncapped or higher capped composites are used for a very local estimate, and distance capping is used beyond this local distance (i.e. 20 m). These thresholds were based on inflections and discontinuities in the histograms, log-probability plots, and metal quantities above thresholds. - The capping thresholds for Au ranged from 2 g/t to 35 g/t globally and the distance capping ranged from 1.2 to 18 g/t. For Ag the global caps ranged from 15 g/t to 45 g/t, and the distance capping ranged from 2 g/t to 22 g/t. In some domains no capping was deemed necessary. For S, the global caps ranged from 0.7% to 1.0 % and the distance capping ranged from 0.2% to 0.5%. For Ca, the global caps ranged from 2.15% to 3.2%, and the distance capping ranged from 0.4% to 0.7%. For Fe, the global capping value used for all four subdomains was 3.5% to 4% and there is no distance capping applied.
	<i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	The process of validation includes standard model validation using visual and numerical methods: - Statistically comparing the estimated block grades against the average capped composites, average capped declustered (40 m x 40 m x 20 m) and moving window average capped composites were completed for all domains. To exclude the impact of grade extrapolation, additional restrictions were placed on the analysis whereby only those blocks with a composite within were reported. This analysis was further expanded to include blocks directly informed by samples within, plus a one-block buffer. - Swath plots of the estimated block grades and composite mean grades are generated by eastings, northings and elevations and reviewed to ensure acceptable correlation, - The block model estimates are checked visually against the input composite/drill hole data. - Given the drill hole spacing and the estimation domains spatial characteristics, stationarity and domain construction, the panel estimates were deemed acceptable.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	Tonnages are estimated on a dry basis.



Criteria	JORC Code Explanation	Commentary
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	- The Mineral Resource is reported above an Au cut-off grade of 0.20 grams per tonne and above a RPEEE shell at US\$ 2,300. - The current studies suggest a cut-off grade of heap leach processing are: 0.20 g/t Au – 0.25 g/t Au for oxide, 0.21 g/t Au – 0.28 g/t Au for transition and 0.35 g/t Au - 0.49 g/t Au for fresh oxidation domain. - For the CIL processing route has a cut-off grade of 0.40 g/t Au for all domains.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	The Pani Gold Project is assumed to be mineable using open pit methods. For the proposed surface operations, the geometry, grade, indicative geotechnical properties, and size of the resource suggest an amenability to open pit mining method based on the defined SMU with no internal selectivity.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	Initial studies have shown that the Pani ore can be processed through a conventional crush/grind/CIL and Heap leach circuit at site to produce a gold ore.



Criteria	JORC Code Explanation	Commentary
Environmental factors or assumptions	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	It is assumed that there will be no significant environmental impediments to further developing the project.
Bulk density	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i>	Bulk density determinations were routinely collected every 10 m down hole and based on a sample length of 0.1 m. The bulk density measurements are considered representative of the in-situ bulk density and are evenly distributed throughout the mineralised domains.
	<i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</i>	Bulk density determinations were routinely collected from diamond core at selected intervals throughout the entire drill hole, with sample lengths typically 0.1 metres. Measurements were calculated using the water immersion or Archimedes method. Samples were first dried and the density was calculated by measuring the weight in air, the weight in water and then calculated by the weight in air divided by the weight in water.



Criteria	JORC Code Explanation	Commentary
	<i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials</i>	- Density was estimated using Ordinary Kriging (OK) with a three-pass omni-directional search strategy. Density domains were based on alteration domains. Extreme density values were capped and panels that were not estimated due to being too distant from sufficient bulk density data to meet minimum estimation criteria, were assigned the median density for the corresponding domain. - A global capping value of 3 was applied to the silica clay alteration domains.
Classification	<i>The basis for the classification of the Mineral Resources into varying confidence categories.</i>	The Mineral Resource has been classified following due consideration of all criteria contained in Section 1, Section 2 and Section 3 of JORC 2012 Table 1. The classification of the Mineral Resource considered the quantity and quality of the composites, the quality and quantity of density data, drill hole spacing, and the quality of the block grade estimates. The following approach was adopted when classifying the Mineral Resources: - The drill hole spacing within each domain was separately reviewed. - The block model was coloured by slope of regression ('SOR') for Au, which was considered to give the clearest and most constrained information on the quality of the estimate. - The sample spacing was then compared to the SOR for Au. SOR values of >0.45 generally correlated with areas drilled out on a 40 m x 40 m pattern or denser. - Strings were digitised around areas with a 40 m x 40 m drill hole spacing and a SOR > 0.45 Strings were digitised to define the classified volumes based on: - Measured Mineral Resource: A nominal drill spacing of 20 m N x 20 m E, supported by a kriging slope of regression >0.7 for gold, and is constrained within the US\$2,300 economic pit shell and the mineralised estimation domains. - Indicated Mineral Resource: A nominal drill spacing of 40 mN x 40 mE, a kriging slope of regression of >0.5, above the constraining economic pit shell at US\$ 2,300/oz Au and within the mineralised estimation domains (3000 and 5000). - Inferred Mineral Resource: Material within the mineralised estimation domains, above the constraining economic pit shell at US\$2,300/oz Au and regionals with adequate drill hole spacing.



Criteria	JORC Code Explanation	Commentary
		Surface stockpiles as of 31 December 2025 were classified as Measured based on: - Grades informed by grade control data during mining activities - Tonnages using surveyed volumes - Data internally cross checked to reconciliation results
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	All available data was assessed and the Competent Person's relative confidence in the data was used to assist in the classification of the Mineral Resource.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The current classification assignment appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	- Previous MREs (Q2 2023 and Q4 2023) have been audited by independent third parties (RSC Mining and Mineral Exploration, Mining One Consultants). - The Q2 2024 and 31 December 2025 MREs have been subjected to Merdeka's internal peer review processes and were reviewed by Mining One Consultants.
Discussion of relative accuracy/confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy	- The Mineral Resource accuracy is communicated through the classification assigned to this Mineral Resource. - The MRE has been classified in accordance with the JORC Code (2012 Edition).



Criteria	JORC Code Explanation	Commentary
	<i>and confidence of the estimate.</i>	
	<i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i>	The Mineral Resource statement relates to a global tonnage and grade estimate. Grade estimates have been made for each block in the block model.

Section 4: Estimation and Reporting of Ore Reserves

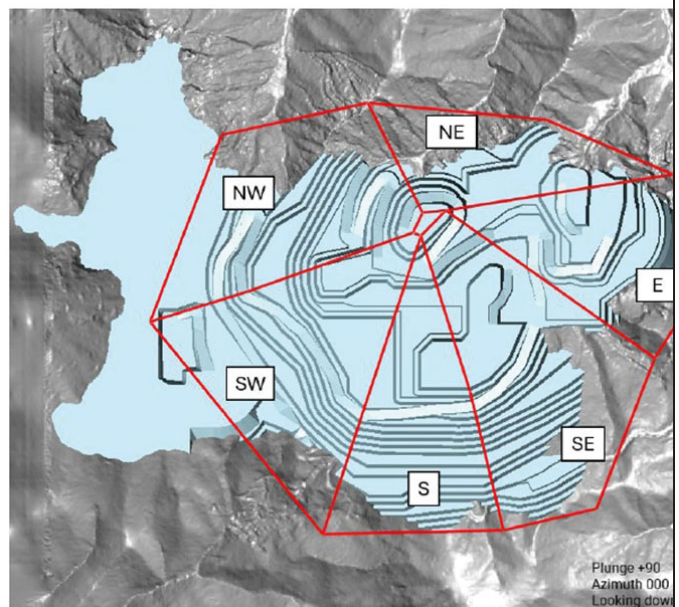
Criteria	JORC Code Explanation	Comments
Mineral Resource Estimate for Conversion to Ore Reserves	<i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>	The Mineral Resource estimate has been prepared by Mr Alex Lukomskyj of Mining One Consultants. The Mineral Resource was reported as of 31 December 2025. The Mineral Resources are reported inclusive of the Ore Reserves.
Site Visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i>	Ivan Ludjio, the Competent Person for Ore Reserves Estimate, FAusiMM CP (Mining), visited Pani project areas on in 2023 and 2024. During the visit, Mr Ludjio inspected the locations of the proposed open pits, waste dump, infrastructure area, and tailing dam locations. The visit also consisted of discussions with relevant people associated with Ore Reserves modifying factors including but not limited to exploration program, geology, grade control, permitting status, mine planning, metallurgy, tailings and waste storage, environmental and social disciplines. The outcomes from the visits have confirmed a common understanding of assumptions, calculation of the cut-off grades and the development of the Life-of-Mine plan.
Study Status	<i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert</i>	Pani Gold Project lies within two mining tenements, PT Puncak Emas Tani Sejahtera (PETS) IUP and PT Gorontalo Sejahtera Mining (GSM) Contract of Work. Mining operation commenced in October 2025. Various studies have been conducted for individual concession by PT Merdeka Gold Resources. and previous owners. The subsequent Ore Reserves Estimate was reported independent to each other.



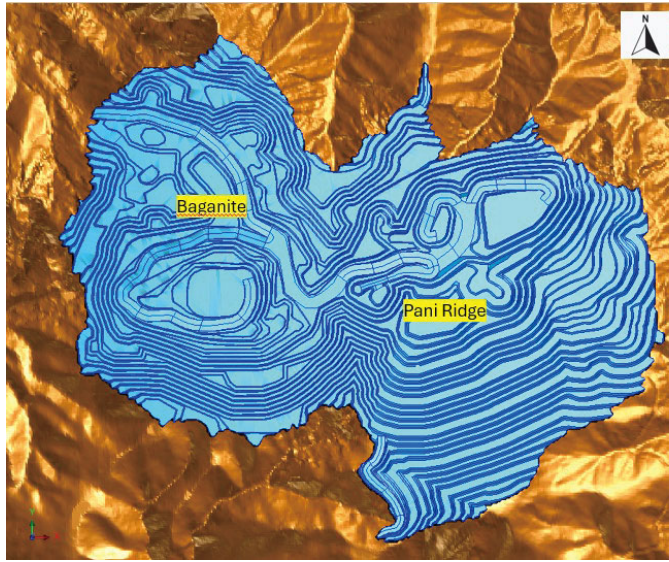
Criteria	JORC Code Explanation	Comments																					
	<i>Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i>	The parameters underpinning this estimate were developed with contributions from MGR personnel and external technical consultants engaged directly by the Company. Feasibility Study completed in 2024 is used as a main basis of this Ore Reserves Estimate with some updated information including but not limited to additional resource drill data, metallurgical recoveries, construction schedule, exchange rates, mining operating costs, etc. The Ore Reserves has been estimated by PT Mining One Indonesia after reviewing relevant Technical Studies and generating a life of mine schedule guided by inputs taken from documents reviewed. The project financial evaluation has been prepared by PT Mining One in collaboration with PT Merdeka Gold Resources Tbk.																					
FS Grade Cut-off Parameters	<i>The basis of the cut-off grade(s) or quality parameters applied</i>	Different gold cut-off grades have been applied to address the different ore recovery by oxidation and mining areas. The differences in ore processing costs and processing recoveries drive the cut-off grades for the project. No allowance has been made for silver credits in calculating the cut-off grade. Estimated heap leach gold and silver processing recoveries vary by oxidation type and the metallurgical zones where Baganite materials have a recovery that is less than Pani Ridge materials. This results in different cut-off grades to define ore. The CIL estimated gold and silver processing recovery is applied to the mining area outside of Heap Leach pit. <table><tr><th colspan="4">Cut-off Grade Summary</th></tr><tr><th>Oxidation Type</th><th>Heap Leach Baganite Area (g/t Au)</th><th>Heap Leach Pani Ridge Area (g/t Au)</th><th>CIL (g/t Au)</th></tr><tr><td>Oxide</td><td>0.20</td><td>0.20</td><td rowspan="4">0.24</td></tr><tr><td>Transition</td><td>0.23</td><td>0.20</td></tr><tr><td>Fresh</td><td>0.40</td><td>0.29</td></tr><tr><td>Lapilli Tuff</td><td colspan="2">0.20</td></tr></table> No Inferred Mineral Resources material has been included in pit optimisation and/or Ore Reserves reporting. It is regarded as waste in this study. In practice it will be drilled out and added to the Measured and Indicated Resources and the schedule as soon as expedient. For the cost assumptions please see the “Costs” section. For the price assumptions please see the “Revenue factors” section.	Cut-off Grade Summary				Oxidation Type	Heap Leach Baganite Area (g/t Au)	Heap Leach Pani Ridge Area (g/t Au)	CIL (g/t Au)	Oxide	0.20	0.20	0.24	Transition	0.23	0.20	Fresh	0.40	0.29	Lapilli Tuff	0.20	
Cut-off Grade Summary																							
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Transition	0.23	0.20																					
Fresh	0.40	0.29																					
Lapilli Tuff	0.20																						
Mining Factors or Assumptions	<i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to</i>	Due to the shallow nature of deposit, only surface mining was considered.																					

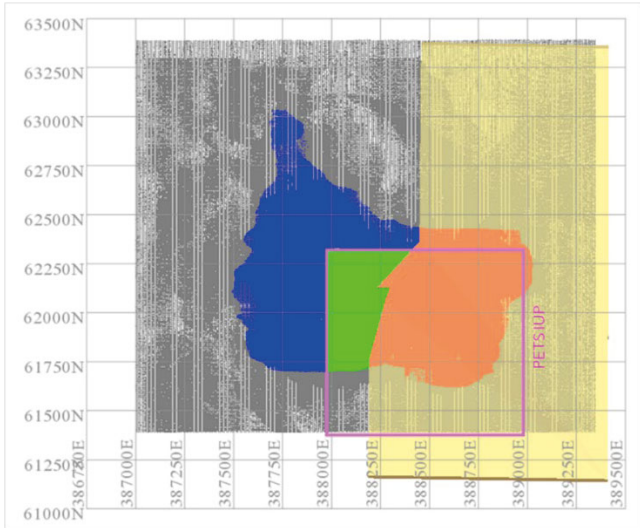


Criteria	JORC Code Explanation	Comments
	<i>convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> <i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> <i>The mining dilution factors used.</i> <i>The mining recovery factors used.</i> <i>Any minimum mining widths used.</i> <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> <i>The infrastructure requirements of the selected mining methods.</i>	The method for Ore Reserves estimation included: pit optimisation, pit designs, strategic and tactical life of mine schedule, capital and operating cost estimation, and finally, economic evaluation (prepared by MGR). Other non-mining modifying factors including processing, environmental, social, and legal aspects were provided by MGR and other consultants engaged by MGR. The study assumed the operation would be conducted as owner mining employing conventional excavator – truck combination. Heap leach stacked method (HL), and Carbon-In-Leach (CIL) will be used to process the ore from the mine to produce gold and silver. Most ore mined from the pit will be fed to plant directly, but relatively small ROM stockpiles near the HL and CIL ore crushers are used to decouple crushing from ore mining. All costs associated with this have been allowed for. Note: Not all Measured and Indicated Mineral Resources above economic cut-off grade within the design are converted to Ore Reserves due to constraint in TSF capacity that is at pre-feasibility or better test work levels. Additional testing and design work is underway to increase capacity. Dilution Modelling The regularisation process in block model increases dilution by combining the small blocks in the resource model to larger blocks used in the mine planning model. This process produces a tonnes weighted average grade that reduces the granularity of the results, i.e. dilution happens due to block model edge zones with zero or low grade being merged into blocks above the cut-off grade. Subsequently, the averaged metal grade is considered as a diluted grade. When the diluted grade drops below economic cut-off grade, the block is categorised as waste and ore losses occur. Due to this regularisation process, no further ore losses and mining dilution applied in pit optimisation and the subsequent mine planning. Pit Slopes The updated geotechnical recommendation is to have either an access ramp, or a 20m geotechnical / safety berms along the south and southeast slopes. The ramp option is preferred because this can be used for geotechnical monitoring and installation of instrumentation as well as to contain possible failure material. It is recommended to mine the near surface bench at 50 ° to accommodate potentially weaker unconsolidated near surface material.

Criteria	JORC Code Explanation	Comments																																																	
		Geotechnical Zone  Recommended Slope Angle and Configurations <table><tr><th>Design Sector</th><th>Pit Wall dip direction °</th><th>Overall Slope Angle °</th><th>Inter Ramp Angle °</th><th>Minimum Berm Width m</th><th>Bench Angle °</th><th>Bench Height m</th></tr><tr><td>Northeast</td><td>188</td><td>40</td><td>45</td><td>7.5</td><td>65</td><td>15</td></tr><tr><td>Northwest</td><td>117</td><td>35</td><td>45</td><td>7.5</td><td>65</td><td>15</td></tr><tr><td>Southwest</td><td>60</td><td>35</td><td>45</td><td>7.5</td><td>65</td><td>15</td></tr><tr><td>South*</td><td>360</td><td>40</td><td>45</td><td>7.5</td><td>65</td><td>15</td></tr><tr><td>Southeast</td><td>326</td><td>40</td><td>45</td><td>7.5</td><td>65</td><td>15</td></tr><tr><td>East</td><td>278</td><td>40</td><td>45</td><td>7.5</td><td>65</td><td>15</td></tr></table> <i>*20m wide geotechnical/safety berms, or an access ramp, recommended</i> <i>Lay the upper 15m high bench to 50° for all design sectors.</i> <i>Source: Geotechnical, Hydrogeological, and Hydrological Study for Pani Gold Project (PETS Pit) for GolFS, Doc. No. PS132997-012-R-Rev1, WSP - Golder (PT Geotechnical & Environmental Services Indonesia), 20 Aug 2024.</i> Pit Optimisation The pit optimisations were undertaken using 3DS Dassault's Whittle™ Optimisation software using the regularised block model of 10 m(N) x 10 m(E) x 7.5 m(Z). The pit optimisation was undertaken to define the economic pit shell to supply ore for Heap Leach with targeted total ore equivalent to Heap Leach pad capacity (referred as HL Pit). The pit optimisation for the CIL was undertaken with the depletion of ore within the Heap Leach Ultimate Pit design.	Design Sector	Pit Wall dip direction °	Overall Slope Angle °	Inter Ramp Angle °	Minimum Berm Width m	Bench Angle °	Bench Height m	Northeast	188	40	45	7.5	65	15	Northwest	117	35	45	7.5	65	15	Southwest	60	35	45	7.5	65	15	South*	360	40	45	7.5	65	15	Southeast	326	40	45	7.5	65	15	East	278	40	45	7.5	65	15
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		The Silver (Ag) recovery has not been included as the mining optimisation input factor. Pit Designs Final pit designs incorporating further practical mining considerations, such as minimum mining width, in-pit ramp network, and geotechnical design criteria were carried out using the selected shells from pit optimisation. The subsequent pit cutbacks were designed to address the life of mine mining sequence. The ramp design criteria for HL Pit were designed to accommodate standard running operation for an Articulated Dump Truck and minimizing the Haul Road construction volume. The HL Pit Haul Road designed for a 60t size road specification (e.g. Volvo A60H or equivalent) with 20m wide road (truck running width 14m) with the road gradient a maximum of 10% for ultimate pits. Pioneer roads to begin mining can be as steep as 25 percent. The CIL Pit haul road designed with 30m wide road (running width is 23m) and 10% gradient to accommodate a larger Rigid Dump Truck 100t size for the Pit (e.g. Cat 777 or equivalent). The pre-strip of CIL pit will utilise the 60t Articulated Dump Truck. Surpac Open Pit module was used to generate all pit designs. Ultimate HL Pit Design – HL03 Ultimate Enlarged 

Criteria	JORC Code Explanation	Comments
		Ultimate CIL Pit Design – CIL 05 Ultimate*  Mine Scheduling The Strategic Mine Schedule is initially developed to determine the mine sequence and the nominated total material moved per each period to optimise project return. The strategic mine schedule is further detailed in Tactical Mine Schedule utilising Alastri™ software. The software comprises Haul Infinity module where the truck haulage is simulated to estimate the truck productivity and fuel burn. Heap Leach operations were commissioned in the last quarter of 2026 with irrigation commencing in January 2026. The HL OPP is located south of the pit, within PBT IUP area. Mainly Oxide and Transition ores ore will be hauled and stacked to Heap Leach Pad. The CIL ore processing is scheduled to commence in 2028 with nameplate production of 12 Mtpa. Colluvium material is scheduled to be treated through the CIL and Mineralized Waste will be dumped as waste material.
Metallurgical Factors or Assumptions	• <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied</i>	The heap leach stacked method (HL) operations and Cyanide-in-Leach (CIL) is proposed for the project. Heap Leach Operation Two zones of HL recovery have been determined for ore blocks in the pit depending on location - Pani Ridge Heap Leach Zone and Baganite Heap Leach Zone. The test work to date showed Pani Ridge ore leaches much better than Baganite ore due to lower silica content. Hence, Pani Ridge ore has higher processing recovery than Baganite ore. A solid, 'sol_define_pets_for_heapleach_recovery.dxf', was provided to Mining One to identify Pani Ridge heap Leach Zone.

Criteria	JORC Code Explanation	Comments																								
	and the corresponding metallurgical recovery factors applied. - Any assumptions or allowances made for deleterious elements. - The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. - For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	Processing Zones for Mine Planning Purpose  Grey : Waste blocks Blue : Mineralised blocks (Au > 0.01 g/t) outside PETS IUP, designated potentially for CIL process. Green : Mineralised blocks (Au > 0.01 g/t) within PETS IUP and Baganite Heap Leach Zone. Red : Mineralised Blocks (Au > 0.01 g/t) within PETS IUP, Pani Ridge Heap Leach Zone Brown : Solid for Heap Leach Ore Blocks ('sol_define_pets_for_heapleach_recovery.dxf') NewPro has designed the heap leach process plant. The plant comprises a three-stage crushing circuit producing a 19 mm (100% passing 19 mm) which has lime added as a neutralising binder and stacked on heaps using truck dumping and spreading. Gold is recovered from solution using a pressure carbon in column system, elution and electrowinning before smelting into doré bars. Randall Pyper of Kappes Cassiday and Associates prepared the processing recovery estimation for the Project Heap Leach operations that used in this Ore Reserves Estimate, as described in the Leach Performance section of the feasibility study Metallurgical Basis of Design section. Heap Leach processing recovery, split into two different zones (Baganite and Pani Ridge), are: Heap Leach Processing Recovery* <table><tr><th>Zone / Oxidation Type</th><th>Unit</th><th>Gold</th><th>Silver</th></tr><tr><td colspan="4">Pani Ridge Zone</td></tr><tr><td>Oxide</td><td>%</td><td>86.9</td><td>42.0</td></tr><tr><td>Trans</td><td>%</td><td>85.0</td><td>43.0</td></tr><tr><td>Fresh</td><td>%</td><td>50.0</td><td>42.0</td></tr><tr><td colspan="4">Baganite Zone</td></tr></table>	Zone / Oxidation Type	Unit	Gold	Silver	Pani Ridge Zone				Oxide	%	86.9	42.0	Trans	%	85.0	43.0	Fresh	%	50.0	42.0	Baganite Zone			
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		<table><tr><td>Oxide</td><td>%</td><td>70.0</td><td>49.0</td></tr><tr><td>Trans</td><td>%</td><td>62.0</td><td>50.0</td></tr><tr><td>Fresh</td><td>%</td><td>36.0</td><td>52.0</td></tr><tr><td>Lapilli Tuff</td><td>%</td><td>75.0</td><td>26.0</td></tr></table> <i>*Source: Heap Leach Performance section of the feasibility study Metallurgical Basis of Design section with additional Metallurgical Test in May 2024</i> CIL Operation Graham Brock from the Leo Consulting prepared the Processing recovery estimation for the Carbon-in-leach (CIL) project. Combining Gravity and CIL metallurgical test recovery results from Baganite and PETS zones give an equation as per following: <i>Residue Grade = 0.0084 (head grade) + 0.0066</i> Using CIL results only without gravity gold recovery the combined data set gives the following equation. <i>Residue Grade = 0.0645 (head grade) - 0.0016</i> These equations provide the following information <table><tr><th rowspan="2">Head Grade</th><th colspan="2">GRG + CIL</th><th colspan="2">CIL Only</th><th colspan="2">Recovery Estimate</th></tr><tr><th><u>Residue Grade</u> g/t Au</th><th><u>Recovery</u> %</th><th><u>Residue Grade</u> g/t Au</th><th><u>Recovery</u> %</th><th>Average of GRG and CIL</th><th>Less 3% Recovery</th></tr><tr><td>0.30</td><td>0.009</td><td>97.0</td><td>0.018</td><td>94.1</td><td>95.6</td><td>92.6</td></tr><tr><td>0.50</td><td>0.011</td><td>97.8</td><td>0.031</td><td>93.9</td><td>95.9</td><td>92.9</td></tr><tr><td>0.75</td><td>0.013</td><td>98.3</td><td>0.047</td><td>93.8</td><td>96.1</td><td>93.1</td></tr><tr><td>1.00</td><td>0.015</td><td>98.5</td><td>0.063</td><td>93.7</td><td>96.1</td><td>93.1</td></tr><tr><td>1.25</td><td>0.017</td><td>98.6</td><td>0.079</td><td>93.7</td><td>96.2</td><td>93.2</td></tr></table> Further metallurgical test indicates that the recovery above 1.25 g/t Au should be capped at 92.7%. Silver recovery is variable compared to the gold recovery. Using similar data to the <i>estimation of gold recovery, the average silver recovery showed an averaged value of 74%. Allowing for operational matters, a silver recovery of 70% is recommended.</i> The Mine Planning used the Heap Leach processing recovery estimation provided by MGR before the final processing recovery from Randall has been released for the mine scheduling purposes. The difference between the estimation and final processing recovery has been identified, analysed and found to make no material difference.	Oxide	%	70.0	49.0	Trans	%	62.0	50.0	Fresh	%	36.0	52.0	Lapilli Tuff	%	75.0	26.0	Head Grade	GRG + CIL		CIL Only		Recovery Estimate		<u>Residue Grade</u> g/t Au	<u>Recovery</u> %	<u>Residue Grade</u> g/t Au	<u>Recovery</u> %	Average of GRG and CIL	Less 3% Recovery	0.30	0.009	97.0	0.018	94.1	95.6	92.6	0.50	0.011	97.8	0.031	93.9	95.9	92.9	0.75	0.013	98.3	0.047	93.8	96.1	93.1	1.00	0.015	98.5	0.063	93.7	96.1	93.1	1.25	0.017	98.6	0.079	93.7	96.2	93.2
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Environmental	<i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites.</i>	The current environmental permits include: <u>GSM CoW:</u> ► Environmental Permit (IL) (305/22/VII/2016), obtained on 15 July 2016																																																																



Criteria	JORC Code Explanation	Comments
	<i>status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i>	▶ GSM Addendum AMDAL – No. 146 year 2024 – obtained on 5 February 2024 ▶ Reclamation Plan Approval (RR) T-No. 383/MB.07/DJB.T/2025 dated 3 March 2025 with a validity period from 2024 to 2028. (931/37.06/DJB/2019) valid from 8 May 2019 until 8 May 2023 (the renewal is in process) ▶ Forestry Borrow and Use Permit (IPPKH) including: ▶ IPPKH for Operation Production for 999,90 Ha (1st stage) (SK. 63/1/IPPKH/PMDN/2017) valid from 3 Jul 2017 until 15 Aug 2024 ▶ Working Area Permit (Penetapan Area Kerja / PAK IPPKH OP 1st stage) (SK. 4119/MENLHK-PKTL/REN/PLA.0/6/2018), obtained on 22 June 2018 ▶ Determination of Watershed Rehabilitation Location (1100 Ha) (6855/Menlhk-PDASHL/KTA/DAS.1/12/2017), obtained on 20 December 2017 ▶ IPPKH Expansion for Operation Production for 787.67 Ha (2nd stage) (SK. 302/Menlhk/Setjen/PLA.0/4/2019) valid from 24 Apr 2019 until 1 Dec 2049 ▶ Working Area Permit (Penetapan Area Kerja / PAK IPPKH OP 2nd stage) (SK. 743/MENLHK-PKTL/REN/PLA.0/2/2021), obtained on 19 February 2021 ▶ Determination of Watershed Rehabilitation Location (850 Ha) (2303/Menlhk- PDASRH/KTA/DAS.1/3/2023), obtained on 3 March 2023 ▶ Extension and Merger of IPPKH for Gold Production Operation Activities and Supporting Facilities in the name of GSM to an area of 1,788.63 Ha. ▶ Working Area Permit (Penetapan Area Kerja / PAK PKKH OP 1.788,63 Ha) (SK. 10830/2025), obtained on 12 November 2025. PETS IUP: ▶ Reclamation Plan Approval (RR) (050/DPMESDM-TRANS/229/VII/2018) from 25 July 2018 -until 9 July 2023 (renewal process underway) ▶ Forestry Borrow and Use Permit (IPPKH) including: ▶ Approval of Use of Forest Areas for Production operation of PT PETS (93,90 Ha) (310/MENLHK/SETJEN/PLA.0/4/2019) valid from 29 April 2019 until 3 September 2028



Criteria	JORC Code Explanation	Comments
		▶ Working Area Permit (Penetapan Area Kerja / PAK IPKKH OP) (SK. 8753/MENLHK-PKTL/REN/PLA.0/10/2019), obtained on 11 Oct 2019 ▶ Determination of Watershed Rehabilitation Location (104 Ha) (5256/Menlhk- PDASHL/KTA/DAS.1/5/2019), obtained on 31 May 2019 ▶ Determination of Environmental Feasibility of ANDAL (SKKL) (SK.39/SET.KPA/SK/IX/2018), obtained on 13 September 2018 ▶ Environmental Permit (205/07/IL/DPM/XI/2018), obtained on 23 November 2018 ▶ Environmental Permit (1st Addendum) (SK.1208/Menlhk/Setjen/Pla.4/12/2022), obtained on 02 December 2022 ▶ Environmental Permit (2nd Addendum) (SK.797/2025), obtained on 9 May 2025 ▶ Permit for Surface Water Utilisation of PT PETS (1382/KPTS/M/2022), obtained on 22 October 2022
Infrastructure	• <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i>	Power Supply The Pani gold mine is less than 15 km from PLN's (the Indonesian national power supplier) 150KV main substation. In the North Sulawesi and Gorontalo regions, PLN has an electricity surplus of 200 MW, which is more than sufficient for the electricity needs of the Pani gold mine of 63 MW during maximum production capacity when the heap leach operation (10.3 MW) and CIL operation (52.7 MW) are running in parallel. A Memorandum of Understanding (MoU) was signed between Merdeka and PLN on August 8th, 2022, for the supply of 30MVA of electrical power for the heap leach operation and followed up with the signing of the Electricity Sale and Purchase Agreement on 24 August 2023. An amendment to the agreement will be made in the future to increase power requirements when the CIL plant comes online. PLN has started, in late Q4 2023, with the permitting, design, and construction of a 13 km 150KV Transmission Line consisting of 38 Towers. The target is to energize this 150 KV line in late Q3 2025. Fuel Supply Vendors shall establish a bio-diesel bulk fuel storage facility of 1,000 kL capacity, dispensing fuel to all operational vehicles and satellite fuel storage facilities at the processing plants and within the mining pit development.



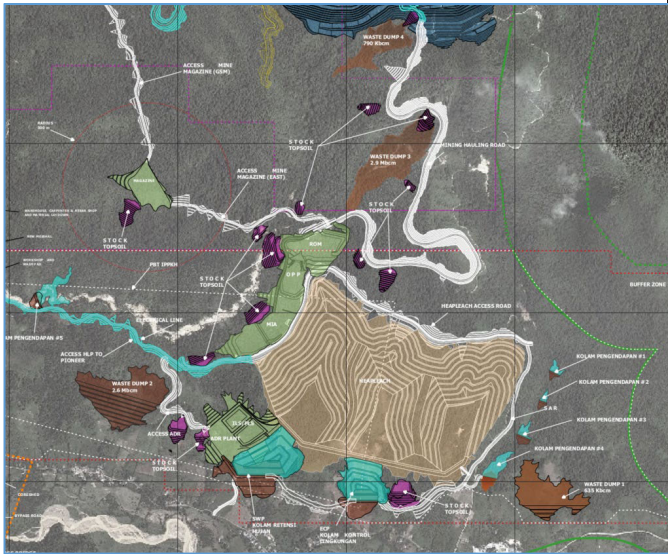
Port Infrastructure

Pani Gold Mine operation will utilize the existing Bumbulan port (owned and operated by the local government), located 13 km from the Pani site. Bumbulan port is a conventional cargo port with a draft depth of 6 - 7 m, with long side dock facilities of around 120 m with a width of 7 m. Loading and unloading activities at Bumbulan are usually commodity goods with vessels under GT1000.

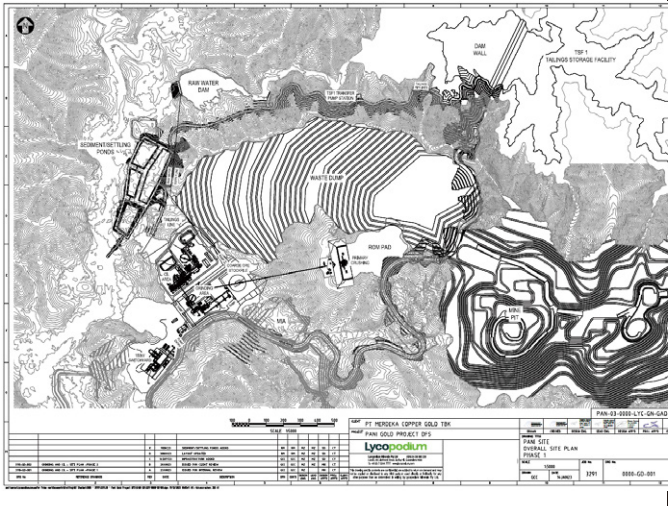
An LCT landing facility is currently being constructed at Bumbulan area. The facility is a combined design between jetty deck on pile and causeway with a depth of -3.5 m

LWS. The ship that is planned to dock is a 1200 DWT LCT type ship. The LCT landing facility will significantly reduce the logistic transport duration and cost for delivering the construction & mining heavy equipments, the crushers, processing plant components, and the electrical transformers.

Heap Leach Infrastructure Area



CIL Infrastructure Area





Criteria	JORC Code Explanation	Comments
Costs	<i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> <i>The methodology used to estimate operating costs.</i> <i>Allowances made for the content of deleterious elements.</i> <i>The source of exchange rates used in the study.</i> <i>Derivation of transportation charges.</i> <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> <i>The allowances made for royalties payable, both Government and private.</i>	All costs were estimated in USD with an exchange rate of IDR 16,580/USD. The assumption is based on the average for the period July 2025 to December 2025, being the applicable cut-off period adopted in preparation of this report. A cash flow model was produced based on the mining and processing activities. Mining One work in collaboration with MGR to prepare the inputs for cash flow models with the inputs are derived from the combination of FS 2024, recent quotes / contract tenders, and benchmarking with other operations. The Ore Reserves estimation has been based on the abovementioned costs.
Revenue Factors	<i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products</i>	The pit optimisation was iterated for the gold price of \$2,300/oz. Silver, although modelled in the resource model, was assumed not realise any revenue in generating the optimal open pit. A 16% gold royalty, as per government regulation PP No. 19/2025, is included in the Ore Reserve estimate. For the economic analysis, the assumed gold and silver prices used are based on the forecast prepared by CRU Consulting in the report ‘Gold [REDACTED] Industry Consultant, Prepared for PT Merdeka Copper Gold Tbk’, issued in February 2026. Gold payable price is based on metal payability of 99.5% and gold revenue is net of realisation costs of 2.52 \$/oz. Silver payable price is based on metal payability of 98.4% and silver revenue is net of realisation costs of 2.52 \$/oz.
Market Assessment	<i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these</i>	The market assessment was conducted by CRU Consulting and reported in ‘Gold [REDACTED] Industry Consultant, Prepared for PT Merdeka Copper Gold Tbk’, issued in February 2026.



Criteria	JORC Code Explanation	Comments
	<i>forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>	
Economic	<i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs</i>	All costs used in the generation of the Ore Reserves have been derived from first principles, supplier quotes, experiences from other MDKA mine sites, and industry benchmarks. The Ore Reserves financial model demonstrates the mine has a positive NPV.
Social	<i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i>	Statutory requirements for the Project are based on current Indonesian environmental and social laws, regulations, and international standards and guidelines. Extensive environmental and social baseline studies have been conducted at the Project site between 2016 and 2022. These studies have documented the seasonal variability in key environmental components as well as provided an understanding of the social setting for the Project. This baseline information formed the basis for the environmental and social impact assessment for the Project and related management plans. The environmental and social components of the Pani Gold Project DFS are aligned with International Finance Corporation (IFC) guidelines for good international industry practice (GIIP). In managing environmental and social issues associated with the project, MGR is committed to complying with the applicable environmental and social standards and guidelines established by the World Bank Group (WBG) and the IFC as they relate to the Equator Principles (2020).
Other	<i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> <i>Any identified material naturally occurring risks.</i> <i>The status of material legal agreements and marketing arrangements.</i> <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and</i>	The Ore Reserves are estimated based on the operations within PETS IUP and GSM COW. The nominated waste dump, Waste Dump 1, to place all waste from HL and CIL pits are located at GSM COW. The Mineralized waste material will be placed in the Waste Dump 2. Mine Industrial Area is proposed to be located at PBT IUP. Heap Leach Infrastructure is proposed to be located at PBT IUP.



Criteria	JORC Code Explanation	Comments
	<i>government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent</i>	
Classification	<i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i>	The Ore Reserves classification is based on the 2012 JORC Code. The basis for the classification was the Mineral Resources classification and the economic cut-off grades. All Measured and Indicated Resources above the nominated economic cut-off grades within the ultimate pit design were reported as Proven and Probable Ore Reserves respectively. The Ore Reserves do not include any Inferred Mineral Resources. The Competent Person believes the Ore Reserves declared are an accurate representation for the Pani Gold Project.
Audits or Reviews	<i>The results of any audits or reviews of Ore Reserve estimates</i>	This Ore Reserves Statement has been prepared by Mr. Ievan Ludjio of PT Mining One Indonesia, Competent Person, in consultation with the technical team of MGR. Internal peer review has been conducted as part of PT Mining One Indonesia's company policy. No external audits have been completed for this Ore Reserve estimate.
Discussion of Relative Accuracy/ Confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative</i>	The study is conducted at Feasibility Study with the exceptions as follows: - Heap Leach Infrastructure and Heap Leach Pad Geotechnical Study is at PFS level - Pit Geotechnical Study is at PFS level - Studies on Tailings storage facility (TSF) and filtered tailings facility (FTF) are at a PFS level.



Criteria	JORC Code Explanation	Comments
	<i>discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> <i>• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>• Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> <i>• It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	

APPENDIX IV SUMMARY OF THE CONSTITUTION OF THE COMPANY, CORE SHAREHOLDER PROTECTION STANDARDS AND THE INDONESIAN COMPANIES LAW

GENERAL PROVISIONS

The Articles of Association of our Company serve as our principal governance document and are legally binding on our Company itself, its shareholders, members of the Board of Directors ("BOD") and Board of Commissioners ("BOC"). In accordance with Indonesian Companies Law, the Articles of Association regulate the Company's organizational structure, decision-making procedures, and internal conduct. They establish the rights and obligations of each member of the BOD, BOC and shareholders, and provide the legal basis for corporate actions, including shareholder meetings, director appointments, and changes in capital. As such, any action taken by our Company or its BOD, BOC and shareholders must be consistent with the provisions of our Company's Articles of Association, and any breach may give rise to legal consequences under the Indonesian Companies Law. As the main purpose of this summary is to provide an overview of the Articles of Association, it may not necessarily contain all information that is important for prospective investors.

OBJECTIVES AND PURPOSE OF THE COMPANY

The purpose and objective of our Company is to engage in holding company activities and management consulting activities.

To achieve the above objectives and purposes, our Company may carry out the following main business activities:

- (i) Holding company activities, including ownership and/or control of its subsidiaries; and
- (ii) Other management consulting activities, where the main activities (as relevant) are to provide advice, guidance and operational assistance on business and other organizational and management issues, such as strategic and organizational planning, financial decisions, marketing objectives and policies, planning, human resource practices and policies, scheduling and production control.

To achieve the objectives and purposes and to support the main business activities of our Company as described above, our Company may carry out the following supporting business activities:

- (i) Services provided as advisors and negotiators in designing company mergers and acquisitions;
- (ii) Providing services including advisory assistance, guidance and operational assistance for business and other organizational and management issues, such as strategic and organizational planning; financial decisions; marketing objectives and policies; human resource planning, practices and policies; production scheduling and control planning, including advisory assistance, guidance and operational assistance for various management functions, management consulting on agronomy and agricultural economics in the field of agriculture and similar fields, the design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, advice and assistance for businesses and community services in planning, organizing, efficiency and supervision, management information and others. This includes infrastructure investment study services.

CAPITAL AND SHARES

Our current authorised capital is IDR3,000,875,976,000.00 which is divided into 20,005,839,840 shares with nominal value IDR150 per share. Our issued and paid-up capital are 14,731,366,060 shares with nominal value IDR2,209,704,909,000.00.

We only recognise one individual or one legal entity as the owner of a single share. If, for any reason, a share becomes jointly owned by several persons, they must appoint in writing one of them or another individual as their joint proxy. Only the appointed proxy shall be entitled to exercise the legal rights attached to the share. Until this requirement is fulfilled, the joint owners are not entitled to vote at the general meeting of shareholders, and dividend payments on the share will be suspended.

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Each shareholder is required to comply with our Articles, all resolutions lawfully adopted at the general meeting of shareholders, and applicable laws and regulations. As our shares are listed on the Indonesia Stock Exchange ("**IDX**"), the rules of the IDX shall apply.

CHANGE OF CAPITAL STRUCTURE

Our Company may change its capital structure as long as it complies with the following provisions:

- Shares that are still in reserve will be issued according to the Company's capital needs, at the time and in the manner, price and conditions determined by the BOD based on the approval of the general meeting of shareholders ("**GMS**") and compliance with applicable capital market regulations. The BOD is authorized to implement such issuance and to determine the timing, manner, price, and other terms and conditions thereof within the limits approved by the GMS, with due regard to the provisions contained in the articles of association, the Indonesian Companies Law, regulations and laws applicable in the capital market sector, including regulations governing capital increases without pre-emptive rights and regulations of the "**IDX**" where the Company's shares are listed.
- Each additional issued share in reserve must be fully paid up. Payment for shares in forms other than cash, whether tangible or intangible assets, must comply with the following provisions: (i) the asset to be used as capital contribution must be disclosed to the public concurrently with the announcement of the GMS regarding such contribution; (ii) the asset used as capital contribution must be appraised by an appraiser registered with the Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**") and be supported by an independent fairness opinion in connection with such non-cash capital contribution, and must not be pledged in any way; (iii) approval must be obtained from the GMS with the applicable quorum, as relevant; (iv) if the asset used as capital contribution is in the form of the Company's shares listed on the IDX, its price must be determined based on fair market value; and (v) if the contribution originates from retained earnings, share premium, the Company's net profit, and/or other equity components, such retained earnings, share premium, net profit, and/or other equity components must be included in the latest annual financial statements audited by an accountant registered with OJK with an unqualified opinion or an equivalent result.
- An increase in authorized capital that results in issued and paid-up capital being less than 25% (twenty-five percent) of the authorized capital may be carried out provided that: (i) approval has been obtained from the GMS to increase the authorized capital; (ii) approval has been obtained from the Indonesian minister in charge of governmental affairs in the legal sector; (iii) the increase in issued and paid-up capital so that it becomes at least 25% (twenty-five percent) of the authorized capital must be carried out within a maximum period of six months after obtaining approval from the Indonesian Minister as referred to in item (ii); (iv) if the increase in paid-up capital as referred to in item (iii) is not fulfilled, then the Company must amend its Articles of Association so that the paid-up capital becomes at least 25% (twenty-five percent) of the authorized capital, within two months after the period in item (iii) is not fulfilled, and the Company is obliged to obtain approval from the Indonesian Minister in charge of governmental affairs in the legal sector for the reduction of the authorized capital; and (v) the GMS approval as referred to in item (i) also includes approval to amend the Articles of Association as referred to in item (iv).

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- The increase in paid-up capital becomes effective upon the occurrence of the payment, and the shares issued shall have the same rights as other shares of the same classification issued by the Company, without the prejudice to the Company's obligation to submit notification to the Indonesian minister in charge of governmental affairs in the legal sector.

TRANSFER OF SHARES

In the event of a change in ownership of a share, the original owner registered in the Shareholders Register shall continue to be deemed a shareholder until the new shareholder has been recorded in the Company's Shareholders Register, without prejudice to the approvals required from the relevant authorities and applicable laws and regulations, as well as the rules of the IDX where the Company's shares are listed.

Any transfer of rights over shares must be evidenced by documents signed by or on behalf of the party transferring the rights and by or on behalf of the party receiving the transfer of rights over the shares concerned. The share transfer documents must comply with the regulations in the capital market sector applicable in Indonesia, where the Company's shares are listed, without prejudice to the provisions of applicable laws and regulations. Further, the form and procedure for transferring rights over shares traded on the capital market must comply with the laws and regulations in the Indonesian capital market sector.

The BOD may refuse to register the transfer of rights over shares in the Company's Shareholders Register if the procedures required under the Company's Articles of Association and/or applicable laws and regulations are not fulfilled, or if any condition or approval required to be given to the Company by the competent authority or other party is not met. If the BOD refuses to record the transfer of rights over shares, within 30 (thirty) days from the date the registration request is received by the Company's BOD, the BOD must send a notice of refusal to the party intending to transfer its rights. With respect to the Company's shares listed on the stock exchange in Indonesia, any refusal to record the transfer of rights over shares must comply with the laws and regulations in the capital market sector and the rules of the IDX where the Company's shares are listed.

GENERAL MEETING OF SHAREHOLDERS

Annual GMS ("AGMS")

The AGMS is a meeting of shareholders held annually and must be convened within a maximum period of six months after the end of the financial year or within another time limit under certain conditions as stipulated by the OJK.

During the AGMS, the following matters must be presented to and/or approved by the shareholders at the meeting:

- (i) the annual report reviewed by the BOC and the ratification of the financial statements;
- (ii) the report on supervisory duties by the BOC;
- (iii) the determination of profit allocation, if the Company has positive retained earnings balance;
- (iv) (taking effect upon or prior to the Listing) the appointment, removal, and determination of the remuneration of a registered public accountant; and
- (v) resolutions on other GMS agenda items duly submitted in accordance with the provisions of the Articles of Association.

Extraordinary GMS ("EGMS")

An EGMS may be convened at any time as needed to discuss and decide on meeting agenda items, except for those agenda items intended for the AGMS, while observing applicable laws and regulations as well as the Articles of Association.

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Notice and Invitation of GMS

Prior to issuing a notice and invitation of GMS to the Company’s shareholders, the Company must first submit a notification of the GMS agenda to OJK no later than 5 (five) business days, excluding the date of the announcement, prior to the GMS announcement date. The meeting agenda must be disclosed clearly and in detail. In the event of any changes to the agenda, the Company is required to submit such changes to the OJK no later than the date of the GMS invitation.

The BOD must announce the GMS to the Company’s shareholders no later than 14 (fourteen) days, excluding the date of the announcement and the date of invitation of GMS, prior to the GMS invitation date. Subsequently, the Company must send out an invitation for the GMS no later than 21 (twenty-one) days before date of the GMS, excluding the date of invitation and the date of the GMS.

Quorum of GMS

In convening a GMS, the Company must ensure that the required quorum is met for the GMS to be validly held and for its resolutions to be adopted. Under the Company’s Articles of Association, such quorums in general are as follows:

First GMS		Second GMS		Third GMS	
Attendance	Approval of Resolutions	Attendance	Approval of Resolutions	Attendance	Approval of Resolutions
More than 1/2 of the total number of shares with valid voting rights	More than 1/2 of the total number of shares with valid voting rights that are in attendance	Minimum of 1/3 of the total number of shares with valid voting rights	More than 1/2 of the total number of shares with valid voting rights that are in attendance	Determined by OJK upon the Company’s request	Determined by OJK upon the Company’s request

Furthermore, the Company’s Articles of Association set out the attendance quorum and voting quorum for GMS attended by the Company’s independent shareholders (also known as “Independent GMS”), as follows:

First Independent GMS		Second Independent GMS		Third Independent GMS	
Attendance	Approval of Resolutions	Attendance	Approval of Resolutions	Attendance	Approval of Resolutions
More than 1/2 of the total number of shares with valid voting rights held by independent shareholders	More than 1/2 of the total number of shares with valid voting rights owned by independent shareholders	More than 1/2 of the total number of shares with valid voting rights held by independent shareholders	More than 1/2 of the total number of shares with valid voting rights owned by independent shareholders in attendance	Determined by OJK upon the company’s request	More than 50% of the total number of shares owned by independent shareholders in attendance

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In addition, the Articles of Association also specifically regulates the attendance quorum and voting quorum of the GMS for an agenda item relating to (i) the transfer of Company assets amounting to more than 50% (fifty percent) of the Company's net assets, whether in 1 (one) transaction or several transactions that are related to one another or not and/or (ii) the encumbrance of Company assets as security for indebtedness amounting to more than 50% (fifty percent) of the Company's net assets, whether in 1 (one) transaction or several transactions that are related to one another or not, shall be as follows:

First GMS		Second GMS		Third GMS	
Attendance	Approval of Resolutions	Attendance	Approval of Resolutions	Attendance	Approval of Resolutions
At least $\frac{3}{4}$ of the total number of shares with valid voting rights	More than $\frac{3}{4}$ of the total number of shares with valid voting rights that are in attendance	At least $\frac{2}{3}$ of the total number of shares with valid voting rights	More than $\frac{3}{4}$ of the total number of shares with valid voting rights that are in attendance	Determined by OJK upon the company's request	Determined by OJK upon the company's request

Moreover, the Articles of Association also specifically regulates the attendance quorum and voting quorum of the GMS for an agenda item relating to any amendment to the Articles of Association that requires the approval of Indonesian Minister in charge of governmental affairs in the legal sector, except for amendments to the Articles of Association for the purpose of extending the term of its existence, shall be resolved as follows:

First GMS		Second GMS		Third GMS	
Attendance	Approval of Resolutions	Attendance	Approval of Resolutions	Attendance	Approval of Resolutions
At least $\frac{2}{3}$ of the total number of shares with valid voting rights	More than $\frac{2}{3}$ of the total number of shares with valid voting rights that are in attendance	At least $\frac{3}{5}$ of the total number of shares with valid voting rights	More than $\frac{1}{2}$ of the total number of shares with valid voting rights that are in attendance	Determined by OJK upon the company's request	Determined by OJK upon the company's request

In general, any amendment to the provisions of the Articles of Association relating to a change in the Company's name and/or registered domicile, the Company's purposes and objectives and business activities, the term of existence of the Company, the amount of authorised capital, a reduction of issued and paid-up capital, and a change in the Company's status from a private company to a public company or vice versa, shall require the approval of Indonesian Minister in charge of governmental affairs in the legal sector.

Appointment of Proxy

Shareholders may grant authority to another party, by way of a power of attorney, to attend and/or vote at the GMS in accordance with the provisions of the applicable laws and regulations. Members of the Board of Directors, members of the Board of Commissioners, and employees of the Company may act as proxies at the GMS, except in the case of granting electronic powers of attorney. However, any votes they cast as proxies at the GMS shall not be counted in the voting process. In the event that the principal attends the GMS in person, the authority of the proxy to vote on behalf of the principal shall be deemed revoked.

An electronic proxy holder must have legal capacity, must not be a member of the Board of Directors, a member of the Board of Commissioners, or an employee of the Company, and must be registered in the electronic GMS system or in a system provided by the Company, if the Company uses such system.

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Convening of GMS

A GMS may be convened upon the request of: (i) one or more shareholders jointly representing at least $\frac{1}{10}$ (one-tenth) or equivalent to 10% (ten percent) of the total shares with voting rights, unless the Articles of Association stipulate a smaller amount; or (ii) the BOC. The request to hold a GMS must be submitted to the BOD by registered mail accompanied by the reasons and must not conflict with applicable laws and regulations as well as the Company's Articles of Association. The registered mail submitted by the shareholders must be copied to the BOC.

One or more shareholders jointly representing $\frac{1}{20}$ (one-twentieth) or equivalent to 5% (five percent) of the total shares with voting rights issued by the Company may propose GMS agenda items in writing to the GMS organizer no later than seven days before the GMS invitation is issued.

The Company must provide the GMS agenda materials to shareholders, which can be accessed and downloaded through the Company's website and/or e-GMS platform from the date of the GMS invitation until the date of the GMS, unless an earlier date is stipulated under applicable laws and regulations.

VARIATION OF RIGHTS

Dividend Rights, including Time Limits on Dividend Rights

The Company must deliver dividends, bonus shares, or other rights related to share ownership to the Indonesian Central Securities Depository for shares in Collective Custody at the Indonesian Central Securities Depository, which will then forward the dividends, bonus shares, or other rights to the [REDACTED] Bank and Securities Company for the benefit of each account holder at the respective [REDACTED] Bank and Securities Company.

The Company must deliver dividends, bonus shares, or other rights related to share ownership to the [REDACTED] Bank for shares in Collective Custody at the [REDACTED] Bank that form part of the mutual fund portfolio in the form of a collective investment contract and are not included in Collective Custody at the Indonesian Central Securities Depository.

The deadline for determining the Securities Account holders entitled to receive dividends, bonus shares, or other rights related to share ownership in Collective Custody shall be set by the GMS, provided that the [REDACTED] Bank and Securities Company must submit a list of Securities Account holders along with the number of Company shares owned by each account holder to the Indonesian Central Securities Depository no later than the date used as the basis for determining shareholders entitled to receive dividends, bonus shares, or other rights, which shall then be submitted to the Company no later than one business day after such date.

The Company may distribute interim dividends before the end of the Company's fiscal year in accordance with applicable laws and regulations. However, in the event that at the end of the relevant financial year, the Company incurs a loss, the shareholders who have received such interim dividends shall be required to return the dividends to the Company pursuant to Indonesian laws.

Profits distributed as dividends that are not claimed within five years after being made available for payment shall be transferred to a special reserve fund designated for that purpose. Dividends in this special reserve fund may be claimed by the entitled shareholders before the five-year period expires by presenting proof of entitlement to the dividend acceptable to the Company's BOD. Dividends not claimed after a period of ten years shall become the property of the Company.

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Voting Rights

If there are fractional nominal shares, the holders of such fractional shares shall not be granted individual voting rights, unless the holders of fractional shares, either individually or jointly with other holders of fractional shares of the same share classification, hold a nominal value equal to one full share of that classification. These holders of fractional shares must appoint one among them or another person as their joint proxy, and the appointed or authorized person shall be entitled to exercise the rights granted by law over such shares.

Shareholders with voting rights who attend the GMS but do not cast a vote (abstain) shall be deemed to have cast the same vote as the majority of shareholders who voted.

Rights to the Distribution of Remaining Assets in the Event of Liquidation

If the Company is dissolved, including dissolution based on a resolution of the GMS or a court decision, liquidation must be carried out by a liquidator or curator. The liquidator must comply with applicable legal requirements. The remaining liquidation proceeds must be distributed to the shareholders, each receiving a portion in proportion to the fully paid nominal value of the shares they hold.

Pre-emptive Rights

The Company may increase its issued and paid-up capital through a rights issue by offering Pre-emptive Rights to all shareholders of the Company. Pre-emptive Rights may be transferred and traded. Payment for shares in forms other than cash in connection with the Company's capital increase through the granting of Pre-emptive Rights must comply with the requirements stipulated in the subsection above (titled "**Change of Capital Structure**").

BOARD OF DIRECTORS

The Company shall be managed and led by a BOD consisting of two or more members. If more than one member of the BOD is appointed, one of them may be designated as President Director. Members of the BOD are appointed by the GMS, each for a term commencing from their appointment until the closing of the fifth annual GMS thereafter, without prejudice to the right of the GMS to dismiss them at any time. Upon the expiration of their term, such members may be reappointed by the GMS.

The BOD shall have the right to represent the Company inside and outside the courts in all matters and circumstances, bind the Company to other parties and other parties to the Company, and perform all acts, whether related to management or ownership, subject to the following limitations: (i) borrowing or lending money on behalf of the Company (excluding withdrawals of Company funds from banks) in amounts exceeding the value determined by the BOC; and (ii) establishing a new business or participating in another company (initial participation), whether domestically or abroad, must first obtain written approval from the BOC.

Two members of the BOD acting jointly shall have the right and authority to act for and on behalf of the BOD and represent the Company.

The division of duties and authorities among members of the BOD shall be determined by the GMS. If the GMS does not determine such division, it shall be set out pursuant to a resolution of the BOD.

Without prejudice to the responsibilities of the BOD, the BOD may grant written power of attorney to one or more attorneys-in-fact to, for and on our behalf, carry out certain legal actions as specified in the relevant power of attorney.

If a member of the BOD has a conflict of interest with the Company, the Company shall be represented by another member of the BOD. If all members of the BOD have a conflict of interest with the Company, then in such case the Company shall be represented by the BOC or another party appointed by the GMS who does not have a conflict of interest with the Company, without prejudice to the provisions in the Company's Articles of Association.

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The term of office of a member of the BOD ends if (i) the term of office expires and is not reappointed; (ii) resigns in accordance with the provisions of this Article of Association; (iii) passes away; (iv) is dismissed based on a resolution of the GMS; (v) is declared bankrupt or placed under guardianship by a court decision; and (vi) no longer meets the requirements under applicable laws and regulations. In the event, that a member of the BOD resigns, the Company is required to convene a GMS to approve such resignation within 90 days since the resignation letter is received.

The BOD is authorised to represent the Company in and outside the court, to bind the Company with third parties, and to carry out all actions relating to the management and ownership of the Company. However, any borrowing or lending of funds on behalf of the Company (excluding withdrawals of bank deposits) exceeding the limit determined by the BOC, as well as the establishment of new businesses or first-time participation in other companies, whether domestically or overseas, shall require prior written approval from the Board of Commissioners.

In addition, any transfer, release of rights, or encumbrance of assets exceeding 50% of the Company's total net assets in one fiscal year, whether conducted in one or more related or unrelated transactions, must be approved by the GMS.

BOARD OF COMMISSIONERS

The BOC shall consist of at least two or more members (one of whom may be appointed as President Commissioner), including Independent Commissioners, with the number adjusted to comply with the requirements under applicable capital market laws and regulations. Members of the BOC are appointed by the GMS for a term commencing from their appointment until the closing of the fifth annual GMS thereafter, without prejudice to the right of the GMS to dismiss them at any time. Upon the expiration of their term, such members may be reappointed by the GMS.

The BOC supervises management policies, the general course of management, both concerning the Company and its business, provides advice to the BOD, and performs other duties as stipulated in the Company's Articles of Association. During the Company's business days and hours, the BOC shall have the right to enter the Company's buildings, premises, or other places used or controlled by the Company and shall have the right to inspect all books, letters, and other evidence, inventory, examine and verify the cash position, and other matters, as well as the right to be informed of all actions taken by the BOD. In carrying out its duties, the BOC shall have the right to obtain explanations from the BOD or any member of the BOD regarding all matters required by the BOC. A member of the BOC appointed by the BOC may preside over the GMS.

The term of office of a member of the BOC ends if (i) the term of office expires and is not reappointed; (ii) resigns in accordance with the provisions of this Article of Association; (iii) passes away; (iv) is dismissed based on a resolution of the GMS; (v) is declared bankrupt or placed under guardianship by a court decision; and (vi) no longer meets the requirements under applicable laws and regulations.

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CORE SHAREHOLDER PROTECTION STANDARDS

Rule 8.14A of the Listing Rules requires that a listed issuer’s memorandum and articles of association (or equivalent document) shall (i) conform with the relevant parts of Appendix A1 to the Listing Rules and the related guidance materials in Chapter 2.1 of the Guide for New Listing Applicants, and (ii) on the whole, not be inconsistent with the Listing Rules and the laws of the place where the listed issuer is incorporated or otherwise established.

Rule 19C.02A(b) provides that the Stock Exchange reserves the right, in its absolute discretion, to refuse a listing of securities of an overseas issuer if in its opinion that, among other things, the overseas issuer’s primary listing is or is to be on an exchange that cannot provide the shareholder protection standards that are at least equivalent to those provided in Hong Kong.

The Company is incorporated in Indonesia and is primarily listed on the IDX, therefore the Company is subject to, among other things, the Indonesian Companies Law and the regulations from the OJK. Set out below is a discussion on the core shareholder protection standards offered under the Company’s Articles and the Indonesian laws and regulations (the “**Domestic Standards**”), which includes any proposed measures to address any differences between the Domestic Standards and Listing Rules (the “**Proposed Measures**”) that we consider material to our Shareholders and potential investors and as required under Appendix A1 to the Listing Rules.

Under Indonesian laws and the Articles, there is a quorum requirement on each and every resolution under the GMS and in the event that the required attendance quorum is not met with for a resolution, there is a relevant “fall-back” mechanisms where the resolutions/GMS may be reconvened for up to two times with an adjusted attendance quorum and/or approval threshold (the “**Fall-back Mechanism**”). For the avoidance of doubt, the Fall-back Mechanism would only apply in circumstances that the attendance quorum is not met and would not apply if the voting approval threshold was not met, i.e. if the attendance quorum was met but the resolution did not receive enough votes for approval, the Fall-back Mechanism would not be applicable.

Set out below is an illustration on the Fall-back Mechanism for items requiring ordinary resolutions under the Articles (the “**Ordinary Resolution Item(s)**”). The Fall-back Mechanism is two-fold (i.e. there could be a maximum of three GMS to determine a resolution) and the OJK, being the primary regulator of listed issuers in Indonesia, would have the ultimate authority to consider and determine the attendance quorum and the approval threshold in case the attendance quorum is not satisfied at both the first and second GMS.

Initial Requirement (“First GMS”)		1st Fallback (“Second GMS”)		2nd Fallback (“Third GMS”)	
Attendance Quorum	Approval threshold	Attendance Quorum	Approval threshold	Attendance Quorum	Approval threshold
more than 1/2 of total shares with valid voting rights present or represented	more than 1/2 of the voting rights present	at least 1/3 of the total shares with valid voting rights present or represented	more than 1/2 of the voting rights present	determined by the OJK upon the Company’s request	determined by the OJK upon the Company’s request

Therefore, in the event that the second GMS was unable to reach the necessary attendance quorum, the Company must consider whether to continue pursuing such resolutions/agenda items, and if so, it will have to submit an application to the OJK under Article 21 of OJK Regulation No. 15 of 2020 concerning Planning and Conduct of the General Meeting of Shareholders of a Public Company (“**OJK Regulation No. 15/2020**”) to determine the attendance quorum and approval threshold requirement for the Third GMS. Such application should contain (i) the attendance quorum requirements for the GMS as stipulated in the Articles; (ii) the list of attendance of shareholders in the First GMS and Second GMS; (iii) the total shareholders entitled to attend the First GMS and Second GMS; (iv) efforts that have been undertaken by the Company to fulfil the attendance quorum requirement for the Second GMS; and (v) any proposed attendance quorum for the Third GMS and the justification for

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such proposed attendance quorum. Once such application is made to the OJK, the attendance quorum and approval thresholds for the Third GMS will be determined by the OJK, which aims to balance the need to ensure the smooth operation of such Indonesian public companies, and the interests of the investors. For the avoidance of doubt, none of the resolutions previously proposed by the Company required a Second GMS nor a Third GMS since it became a public company in Indonesia.

In addition, the OJK Regulation No. 45 of 2024 on the Development and Strengthening of Issuers and Public Companies requires controlling shareholders of an Indonesian listed issuer to be responsible for its attendance in a GMS convened by the issuer (“**GMS Attendance Responsibility**”). Failure to comply with such requirement constitutes a breach on the controlling shareholder’s part and could result in enforcement actions and sanctions, including a formal warning letter and a monetary fine.

Given MCG held approximately 63.33% of our total issued and paid-up share capital as at the Latest Practicable Date and is our controlling shareholder under the Indonesian laws, its attendance is required for all GMS convened by the Company under the GMS Attendance Responsibility. Therefore, the Fall-back Mechanism would not be triggered, unless the MCG is not permitted to vote or is required to either abstain or vote against in a resolution under Indonesian laws or the Listing Rules, or that the attendance threshold of a GMS is higher than MCG’s holding in our total issued and paid-up share capital.

Notwithstanding its GMS Attendance Responsibility under the Indonesian laws, the Company and MCG propose to undertake to the Stock Exchange that, upon the Listing, for so long as the HDRs of the Company remain [REDACTED] on the Stock Exchange (the “**Quorum Undertakings**”):

- a) remain the majority shareholder of the Company (i.e. holding more than 50% of the Company’s voting interests and any pledges made by MCG shall not affect its voting rights in such shares, subject to the prevailing Indonesian laws and regulations);
- b) comply with the GMS Attendance Responsibility by attending all GMS of the Company (subject to any resolutions that only Independent Shareholders (as defined under Indonesian laws) could attend); and
- c) in the event that, for any reason, the attendance quorum of the Second GMS was not met, the Company will request for a determination from the OJK on the attendance quorum and the approval threshold for resolution to proceed to the third GMS.

Appointment and Removal of Directors

Paragraph 4(2) of Appendix A1 to the Listing Rules requires that any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the first annual general meeting of the issuer after his appointment and shall then be eligible for re-election.

Paragraph 4(3) of Appendix A1 to the Listing Rules further requires that where not otherwise provided by law, the members in general meeting shall have the power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his term of office.

Pursuant to Article 17(2) and 20(3) of the Articles (as amended), members of our Board of Directors and Board of Commissioners shall be appointed by the General Meeting of Shareholders, each for a term commencing from their appointment until the closing of the third subsequent annual GMS, without prejudice to the right of the GMS to dismiss them at any time as an Ordinary Resolution Item.

We believe that the Domestic Standards, taken together with the Quorum Undertakings, comply with the shareholder protection standards under Paragraphs 4(2) and 4(3) of Appendix A1 to the Listing Rules.

APPENDIX IV SUMMARY OF THE CONSTITUTION OF THE COMPANY, CORE SHAREHOLDER PROTECTION STANDARDS AND THE INDONESIAN COMPANIES LAW

Annual general meetings

Paragraph 14(1) of Appendix A1 to the Listing Rules requires that an issuer must hold a general meeting for each financial year as its annual general meeting. Generally, an issuer must hold its annual general meeting within six months after the end of its financial year.

Article 11(3) of our Articles, together with Article 78(2) of Indonesian Companies Law as well as Articles 2(2) and 2(3) of OJK Regulation No. 15/2020, stipulate that an annual general meeting of shareholders must be held no later than 6 (six) months after the end of the financial year, or within any other time limit under certain conditions as stipulated by the OJK. Such provisions provide that the OJK will have the statutory power, in certain circumstances, to grant an extension for Indonesian public companies to convene annual GMS beyond the required six-month period after the end of the financial year. According to our Indonesian legal adviser, such statutory power would only be exercised in extraordinary circumstances, and historically has only been exercised due to the COVID-19 epidemic.

We believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 14(1) of Appendix A1 to the Listing Rules.

Notice of general meetings

Paragraph 14(2) of Appendix A1 to the Listing Rules requires that an issuer must give its members reasonable written notice of its general meetings. "Reasonable written notice" normally means at least 21 days for an annual general meeting and at least 14 days for other general meetings. This is unless it can be demonstrated that reasonable written notice can be given in less time.

Article 17(1) of OJK Regulation No. 15/2020 stipulates that an Indonesian public company must publish the GMS invitation on its website and the website of IDX and KSEI no later than 21 clear days before the GMS date, stating, among other things, the date of the GMS and its venue, the GMS agenda, an explanation on each of the items to be transacted in the GMS, the entitlement of the shareholders who can attend the GMS and information and instructions for shareholders to grant proxy through electronic GMS. The Company is of the view that such GMS invitation would serve the same purposes and is equivalent to "written notice" under paragraph 14(2) of Appendix A1 of the Listing Rules.

We believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 14(2) of Appendix A1 to the Listing Rules.

Right to speak and vote at the general meeting

Paragraph 14(3) requires that members must have the right to (1) speak at a general meeting; and (2) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

Article 13(9) of our Articles (as amended) allows that during the GMS, our shareholders have the right to speak, express opinions and/or ask questions at the GMS and vote on each agenda of the GMS in accordance with the prevailing laws and regulations, including the requirements and regulations of the capital market authorities that the Company is subject to.

We believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 14(3) of Appendix A1 to the Listing Rules.

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Restriction on shareholder voting

Paragraph 14(4) of Appendix A1 to the Listing Rules requires that where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The relevant requirement under the Hong Kong Listing Rules requiring shareholders to abstain to vote lies in Rule 2.15 of the Listing Rules which requires that any shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting.

Pursuant to Indonesian laws, certain resolutions may only be attended and approved by "Independent Shareholders" (the "**Independent Shareholders Approval Matters**"), including but not limited to, conflict of interest transactions and certain affiliated party transactions under Indonesian laws. For more details on the Independent Shareholders Approval Matters, please see "—Independent Shareholders Approval Matters" in this Appendix. In Independent Shareholders Approval Matters, any shareholder that does not fall within the criteria of independent shareholder cannot be counted in the attendance quorum and vote in the Independent Shareholders Approval Matters, and under OJK Regulation 42/2020, an "independent shareholder" means a shareholder that: (a) does not have any personal economic interest in relation to a specific transaction; and (b) is not a Director, a Commissioner, a principal shareholder (being, generally, a party that owns, directly or indirectly, at least 20% of the voting rights of all shares with voting rights issued by a public company), a controller or any of their affiliates.

Therefore, while the Independent Shareholders Approval Matters cover an extensive array of matters to enhance protection of the interest of the minority shareholders, the Domestic Standards did not specify the procedures to disregard any improper votes made by shareholder in contravention of such requirement or restriction. Therefore, the Company undertakes to implement the following measures so long as the HDRs of the Company remain listed on the Hong Kong Stock Exchange:

- (a) the Company shall expressly remind the shareholders in the GMS Invitation that pursuant to the Listing Rules, any shareholder with a material interest in the transaction is required to abstain from voting;
- (b) during the GMS, the chairman of GMS prior to each voting session shall expressly remind that any shareholder with a material interest in the transaction is required to abstain from voting pursuant to the Listing Rules;
- (c) the compliance adviser and the legal adviser shall be appointed by the Company to review the votes counted by the local share registrar and to confirm with the Company that they are not aware of any such votes of shareholders that would otherwise be required to abstain for having material interest in the transaction or arrangement; and
- (d) if it was discovered by the Company or other professional parties before or during the GMS that any shareholder is not an independent shareholder or had falsely declared his or her independence or otherwise voted when he/she should not have been counted in the attendance quorum or voted pursuant to the Listing Rules, the votes would shall be disregarded and not counted for the relevant agenda items at the GMS.

Based on the above, the Company submits that the proposed measures to address the shortfalls from the core shareholders protection standards are legal, valid and enforceable and, with the implementation of such measures, the shortfalls will not affect the Company's compliance with the Core Shareholder Protection Standards or other Listing Rules.

Right to convene an extraordinary general meeting

Paragraph 14(5) of Appendix A1 to the Listing Rules requires that members holding a minority stake in the total number of issued shares must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital of the issuer.

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Article 11(8) of our Articles and the Indonesian laws require that a GMS may be convened upon the request of: one or more shareholders jointly representing at least 1/10 (one-tenth) or 10% of the total shares with voting rights; or the Board of Commissioners.

We believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 14(5) of Appendix A1 to the Listing Rules.

Use of Technology

Paragraphs 14(6) of Appendix A1 to the Listing Rules requires that an issuer must ensure that its constitutional documents enable the holding of general meetings which members can attend virtually with the use of technology; and where members can cast votes by electronic means.

Article 11(12) of our Articles and the OJK Regulation No. 16 of 2020 on Electronic Conduct of the General Meeting of Shareholders of a Public Company enables the Company to conduct the GMS electronically by using an e-GMS platform provided by an e-GMS service provider (in Indonesia) or a system provided by the Company that is in compliance with the applicable laws, regulations, and capital market rules.

We believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 14(6) of Appendix A1 to the Listing Rules.

Variation of Rights

Paragraph 15 of Appendix A1 to the Listing Rules requires that a super-majority vote of the issuer's members of the class to which the rights are attached shall be required to approve a change to those rights. A "super-majority vote" means at least three-fourths of the voting rights of the members holding shares in that class present and voting in person or by proxy at a separate general meeting of members of the class where the quorum for such meeting shall be holders of at least one third of the issued shares of the class. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a "super-majority vote" is deemed to be achieved.

Article 45 of OJK Regulation No. 15/2020 requires that if an Indonesian public company has more than one class of shares, a GMS for an agenda relating to amendments to share rights may only be attended by shareholders of the affected share class, subject to the following conditions: (i) the GMS may be convened if at least 3/4 of the total shares of the affected share class are present or represented, unless the articles of association of such public company require a higher quorum; and (ii) such resolutions should be approved by more than 3/4 of the voting shares present at the GMS, unless the articles of association of such public company require a higher approval threshold.

As confirmed by the Company's Indonesian legal adviser, the aforementioned requirements would only apply if an Indonesian public company had two class of shares, which is not the case of the Company's current circumstances. As the Company intends to only maintain one class of shares, it undertakes to the Stock Exchange that for so long as the HDRs of the Company remain listed on the Stock Exchange, it will maintain only one single class of shares and therefore the aforementioned requirements will not be triggered for the Company.

Based on the above, the Company submits that the proposed measures to address the shortfalls from the core shareholders protection standards are legal, valid and enforceable and, with the implementation of such measures, the shortfalls will not affect the Company's compliance with the Core Shareholder Protection Standards or other Listing Rules.

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Amendment of Constitutional Documents

Paragraph 16 of Appendix A1 to the Listing Rules requires that a super-majority vote of the issuer’s members in a general meeting shall be required to approve changes to an issuer’s constitutional documents, however framed. A “super-majority vote” means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.

Set out below is an illustration on our Articles’ provision (as amended and in effect upon or prior to the [REDACTED]) on the attendance quorum and the approval thresholds regarding resolutions on the amendment of our constitutional documents, taking into the Fall-back Mechanism.

	Initial Requirement (First GMS)		1st Fallback (Second GMS)		2nd Fallback (Third GMS)	
	Attendance Quorum	Approval threshold	Attendance Quorum	Approval threshold	Attendance Quorum	Approval threshold
Changes to constitutional documents	at least 2/3 of total shares with valid voting rights present or represented	more than 2/3 of total shares with valid voting rights present or represented	at least 3/5 of total shares with valid voting rights present or represented	more than 1/2 of the voting rights present	determined by the OJK upon the Company’s request	determined by the OJK upon the Company’s request

Notwithstanding “super-majority vote” under the Hong Kong Listing Rules generally means at least three-fourths of the total voting rights of shareholders, the Company is of the view that while the approval threshold falls short of the general threshold of three-fourths under the core standard, it would fall within the exemption under Note 1 to such standard that on top of the approval threshold, the requirement under our Articles also impose an attendance quorum requirement that requires the attendance of at least 2/3 of the total shares with valid voting rights to be present or represented in the initial requirement and at least 3/5 of the total shares with valid voting rights to be present or represented in the Second GMS. Such additional attendance quorum is more stringent than the requirements in Hong Kong, which imposes no specific quorum requirement and the attendance quorum applicable. Furthermore, certain resolutions considered as more important under the Indonesian laws would require an additional approval from the Minister of Law, other than receiving the shareholders’ approval. According to the Article 21 of Indonesian Companies Law, amendments to the Articles of Association that require approval from the Minister of Law are amendment concerning:

- the name of the Company and/or the domicile of the Company;
- the purposes, objectives, and business activities of the Company;
- the duration of the Company’s establishment;
- the amount of authorized capital;
- the reduction of issued and paid up capital; and/or
- the change of the Company’s status from a private company to a public company or vice versa.

Based on the above, we believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 16 of Appendix A1 to the Listing Rules.

Appointment, Removal and Remuneration of Auditors

Paragraph 17 of Appendix A1 to the Listing Rules requires that the appointment, removal and remuneration of auditors must be approved by a majority of the issuer’s members or other body that is independent of the board of directors.

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Pursuant to the Article 11(4) of our Articles, the appointment, removal and determination of the remuneration of a registered Public Accountant shall be voted in an annual GMS of the Company.

Based on the above, we believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 17 of Appendix A1 to the Listing Rules.

Proxies and Corporate Representatives

Paragraph 18 of Appendix A1 to the Listing Rules requires that every member shall be entitled to appoint a proxy who needs not necessarily be a member of the issuer and that every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer.

Article 14(1) of the our Articles provides that our Shareholders may grant a power of attorney to another party by means of a proxy letter to attend and/or vote at the GMS in accordance with the provisions of applicable laws and regulations. Article 24 (4) of OJK Regulation No. 14/2025 provides that shareholders or proxies of shareholders of an Indonesian public shareholders may attend either physically or electronically through the e-GMS system. In addition, according to Article 30(3) OJK Regulation No. 15/2020, the proxy holder must be legally competent, and not be a Director, Commissioner, or an employee of the Indonesian public company.

Therefore, the pursuant to the Articles and above OJK regulations, every shareholder shall be entitled to appoint a proxy to attend and vote at any GMS and there are no regulatory provisions under the applicable Indonesian laws and regulations and the Articles which may restrict a duly authorized representative to represent a corporate shareholder in a GMS. There are also no restrictions that restrict a corporation to execute a form of proxy under the hand of a duly authorized officer. However, under the Indonesian laws, the proxy holder must not be a Director, Commissioner, or an employee of the Indonesian public company, which constitute an additional requirement in addition to the thresholds in the core standard.

As confirmed by the Company's Indonesian legal adviser, the Company is of the view that the rationale to restrict any power of attorney to be given to a director, commissioner or employee of the Company is to enhance and ensure the independence of the proxy. In particular, any proxy provided to such insiders of the Company may be restricted to attend and vote in the GMS for certain resolutions, including the Independent Shareholders Approval Matters and may therefore not be able to cast the vote on behalf of the shareholders. Therefore, while the scope of power of attorney that could be given under the Indonesian laws differ from the core standard, such restriction is in place to protect the interest of the Company's shareholders as a whole and is more stringent than the core standard.

Based on the above, we believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 18 of Appendix A1 to the Listing Rules.

HKSCC's Right to Appoint Proxies or Corporate Representatives

Paragraph 19 of Appendix A1 to the Listing Rules requires that HKSCC must be entitled to appoint proxies or corporate representatives to attend the issuer's general meetings and creditors meetings and those proxies or corporate representatives must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote. Where the laws of an overseas jurisdiction prohibit HKSCC from appointing proxies/ corporate representatives enjoying the rights described by this paragraph, the issuer must make the necessary arrangements with HKSCC to ensure that Hong Kong investors holding shares through HKSCC enjoy the rights to vote, attend (personally or by proxy) and speak at general meetings.

Pursuant to the Article 14(1) of the our Articles and Article 23 of OJK Regulation No. 15/2020, Shareholders may grant a power of attorney to another party by means of a proxy letter to attend and/or vote at the GMS in accordance with the provisions of applicable laws and regulations. Therefore, all of our Shareholder shall be entitled to appoint a proxy to

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attend and vote at any GMS. As stipulated in the section headed “ [REDACTED]” in this [REDACTED], are not Shareholders. Indonesian law governs the rights of Shareholders. Because the [REDACTED] or its nominee will be the holder of record for the Shares represented by all outstanding HDSs, Shareholder rights, including the right to appoint a proxy to attend and vote at our GMS, rest with such holder of record. HDR Holders, including [REDACTED], only have the contractual rights set forth on their behalf under the [REDACTED] and must rely on the [REDACTED] to exercise on the rights attaching to the Shares on their behalf.

The HDR provides that (1) as to voting, the [REDACTED] will pass information from the Company on resolutions and voting procedures through to the HDR holders, who will be entitled to appoint as proxy and instruct the [REDACTED] as to the exercise of voting rights pertaining to the shares represented by the HDRs and the [REDACTED] will, in turn, vote or cause to be voted such shares according to the instructions and (2) as to attendance at the GMS, to the extent permitted by the Company and applicable laws and subject to the arrangement by the Company, HDR holders may be provided the opportunity to attend the GMS as observers, but may not attend the GMS in the capacity of a Shareholder, and will not be able to vote in person at such meeting as Shareholders.

[REDACTED]

Based on the above, the Company submits that the proposed measures to address the shortfalls from the core shareholders protection standards (including a HDR Holder’s right to [REDACTED]) are legal, valid and enforceable and, with the implementation of such measures, the shortfalls will not affect the Company’s compliance with the Core Shareholder Protection Standards or other Listing Rules.

Inspection of Branch Register

Paragraph 20 of Appendix 3 to the Listing Rules requires that the branch register of members in Hong Kong shall be open for inspection by members but the issuer may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance.

Section 631 of the Companies Ordinance applies to the register of members of a company instead of the HDR register. Hence, since the Listing only involves the issuance of HDRs in Hong Kong, the requirement under section 631 of the Companies Ordinance shall not be applicable. Rule 19B.13 of the Hong Kong Listing Rules also provides that an issuer is not required to keep a register in Hong Kong of holders of the shares represented by [REDACTED] receipts. Under applicable law and regulations in Indonesia, there is no prohibition for the HDR register to be kept in Hong Kong and open for inspection by the HDR holders.

Pursuant to, among other things, the [REDACTED], the Company’s [REDACTED] will be kept with the [REDACTED] in Hong Kong during the period where the HDRs of the Company remain listed on the Hong Kong Stock Exchange.

Based on the above, the Company submits that the proposed measures to address the shortfalls from the core shareholders protection standards are legal, valid and enforceable and, with the implementation of such measures, the shortfalls will not affect the Company’s compliance with the Core Shareholder Protection Standards or other Listing Rules.

Voluntary Winding Up

Paragraph 21 of Appendix 3 to the Listing Rules requires that a super-majority vote of the issuer’s members in a general meeting shall be required to approve a voluntary winding up of an issuer. A “super-majority vote” means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.

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Article 16 (1) and Article 13 (3) of our Articles and Article 43 of OJK Regulation No. 15/2020 provides that the quorum for attendance and approval regarding voluntary winding-up shall be as follows:

	Initial Requirement (“First GMS”)		1st Fallback (“Second GMS”)		2nd Fallback (“Third GMS”)	
	Attendance Quorum	Approval threshold	Attendance Quorum	Approval threshold	Attendance Quorum	Approval threshold
Voluntary winding-up . . .	at least 3/4 of total shares with valid voting rights present or represented at the GMS	more than 3/4 of total shares with valid voting rights present	at least 2/3 of total shares with valid voting rights present or represented at the GMS	more than 3/4 of total shares with valid voting rights present	determined by the OJK upon the Company’s request	determined by the OJK upon the Company’s request

As the domestic standards provide that any resolutions regarding voluntary winding-up of the Company require a quorum requirement of shareholders representing at least 3/4 of the total issued shares, and approval threshold of more than 3/4 of the shares present at the GMS in terms of the First GMS, and a quorum requirement of shareholders representing at least 2/3 of the total issued shares, and approval threshold of more than 3/4 of the shares present at the GMS in terms of the Second GMS, such provision enhances the protection of the interest of the all shareholders as a whole by requiring a high attendance quorum and a high threshold to pass such resolutions. Given MCG’s attendance as required under the GMS Attendance Responsibility and the Quorum Undertakings, the likelihood of progressing to the Third AMS and requiring the OJK’s determination on such meeting’s attendance quorum and approval threshold is very low.

Based on the above, we believe that the Domestic Standards comply with the shareholder protection standard under Paragraph 21 of Appendix A1 to the Listing Rules.

SUMMARY OF INDONESIAN COMPANIES LAW

1. Introduction

In general, an Indonesian limited liability company (*perseroan terbatas* or “**company**”) is primarily governed by Indonesian Companies Law, together with its implementing regulations, the Indonesian Civil Code for general principles and sectoral regulations (including capital markets and investment regulations). Set out below is a summary of certain provisions of Indonesian Companies Law. This does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2. Incorporation

A company is established by at least two founding shareholders pursuant to a notarial deed of establishment in Indonesian language, which must be approved by the Minister of Law. A company obtains its legal entity status upon the issuance of such approval. A company must have at least a Board of Directors and a Board of Commissioners.

3. Share Capital

Indonesian law recognizes authorized capital, issued capital, and paid-up capital. A company issues shares to evidence ownership and shares may be classified (for example, with or without voting rights or with special rights) if so provided in the articles of association and permitted by law. Shares must be fully paid upon issuance. At least twenty-five percent (25%) of the company’s issued and subscribed shares must be fully paid up in accordance with statutory requirements, and payment must be completed upon issuance (i.e. prior to the Minister of Law receipt of notification to the changes of the articles of association is received). A shareholder is entitled to the rights and benefits attached to the shares upon such shareholder is recorded in the shareholders’ register maintained by the company or, in the case of a public company, the share registrar.

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4. Dividends and Distributions

Dividends may be declared out of the company's net profits following the allocation of statutory reserves and subject to approval by the GMS. Interim dividends may be distributed by resolution of the Board of Directors with approval of the Board of Commissioners, provided that such distribution does not cause the company's net assets to fall below the paid-up capital plus statutory reserves and subject to subsequent ratification at the next GMS.

In the event that at the end of the relevant financial year, the Company incurs a loss, the shareholders who have received such interim dividends shall be required to return the dividends to the Company.

5. Shareholders' Suits

Indonesian Companies Law recognizes that shareholders are entitled to seek judicial protection where corporate actions cause unfair prejudice. A shareholder may file a claim against the company if the shareholder suffers loss as a result of acts of the GMS, the Board of Directors, or the Board of Commissioners that are considered unfair and without reasonable justification. Such claim must be submitted to the district court whose jurisdiction covers the company's registered domicile, ensuring that disputes are resolved before the court competent over the company's seat of management.

6. Protection of Minorities

Minority shareholder protections include rights to: receive notice and attend the GMS; request the company to purchase their shares in specific circumstances prescribed by law; challenge certain corporate actions that are unlawful or prejudicial; and demand information to the extent provided in the articles of association and law. Certain quorum and voting requirements are designed to protect minority interests in fundamental transactions. In the context of public companies, additional protection is provided through the requirement that specific transactions or corporate actions be approved by independent shareholders, ensuring that decisions with potential conflicts of interest cannot be determined solely by controlling shareholders.

7. Disposal of Assets

There are no general statutory prohibitions on a company disposing of assets in the ordinary course of business. However, Indonesian Companies Law and, where applicable, capital market regulations prescribe approval thresholds for material transactions, conflicts of interest transactions, and affiliated transactions. Directors must discharge their fiduciary duties and act in good faith, with due care, for a proper purpose, and in the interests of the company when approving assets disposals.

8. Accounting and Auditing Requirements

Companies must maintain proper accounting records that present fairly their financial position and results of operations. Financial statements should be prepared in accordance with Indonesian Financial Accounting Standards. Public companies and certain regulated entities are subject to mandatory annual audits by public accountants and periodic reporting to regulators.

9. Register of Shareholders

A company must maintain a shareholders' register recording ownership and changes thereof. For public companies, shares are typically scripless and administered through the central securities depository and share registrar. The shareholders' register is not generally a matter of public record, although certain ownership disclosures are mandated for public companies.

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10. Shareholders' Meeting and Voting Procedure

Indonesian Companies Law requires certain corporate actions to be approved by shareholders through a GMS, which must be convened and conducted in accordance with statutory requirements on notice, quorum, agenda disclosure, and voting.

For private companies, shareholders' resolutions are generally passed based on the quorum and voting thresholds prescribed under the Indonesian Companies Law and the company's articles of association. Votes are typically counted on a one-share-one-vote basis, unless otherwise provided in the articles of association. The chairman of the meeting is responsible for ensuring that votes are properly cast, counted, and recorded, and the resolutions adopted at the meeting must be documented in minutes, which in certain cases are required to be notarized and reported to the relevant authorities.

Public companies are subject to additional procedural and disclosure requirements under capital market regulations. Shareholders' meetings of public companies must comply with prescribed rules on meeting announcements, attendance lists, quorum, and voting procedures, including mechanisms for electronic participation and voting where applicable. Votes are counted and recorded in detail, including votes in favor, against, and abstentions, and the results must be disclosed to the public and reported to the capital market authority. Certain resolutions may also require the involvement of independent shareholders or separate voting thresholds, depending on the nature of the corporate action.

In both private and public companies, shareholders who attend and vote at the meeting are recorded in the attendance register, and voting results form an integral part of the official minutes of the meeting. These records constitute formal evidence of shareholder approval and may be relied upon for regulatory filings, implementation of corporate actions, and the exercise or enforcement of shareholders' rights.

Under Indonesian Companies Law, quorum and approval thresholds of the GMS varies. In general, a GMS may proceed if shareholders holding more than $\frac{1}{2}$ (one-half) of all voting shares are present or represented, with resolutions passed by a simple majority unless the law or the articles require more. For certain matters (i.e. amendments to the articles and major reorganizations), the meeting generally requires the presence of at least $\frac{2}{3}$ (two-thirds) of all voting shares and approval by at least $\frac{2}{3}$ (two-thirds) of votes cast. For corporate actions such as mergers, consolidations, acquisitions, spin-offs, petitions for bankruptcy, extension of the company's term, and dissolution, the law sets a higher bar of at least $\frac{3}{4}$ (three-quarters) of all voting shares must be present or represented, and resolutions pass with at least three-quarters of the votes cast. The Indonesian Companies Law permits companies to adopt stricter thresholds in their articles of association.

11. Independent Shareholders Approval Matter

Certain corporate resolutions may only be attended and approved by independent shareholders. An independent shareholder is a shareholder who has no personal economic interest in relation to a specific transaction and who is not a member of the BOD, not a member of the BOC, not a principal shareholder, and not a controller, and who is also not an affiliate of a member of the BOD, a member of the BOC, a principal shareholder, or a controller.

Pursuant to Indonesian laws, certain resolutions may only be attended and approved by "Independent Shareholders", including:

- (a) conflict of interest transaction, being a transaction where there is a difference between the economic interest of the public company and the personal economic interest of members of the BoD or BoC, the principal shareholder, or the controller that may cause potential loss to the public company;
- (b) affiliated party transaction which also constitutes a material transaction requiring prior approval from shareholders (e.g., exceeding the applicable 50% materiality threshold);

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- (c) affiliated party transaction or material transaction which may potentially affect the continuation or going concern of the Company;
- (d) non-pre-emptive capital increase;
- (e) affiliated party transaction which, based on OJK's assessment on a case-by-case basis, is considered to require independent shareholder approval;
- (f) voluntary go private/delisting by a public company; and
- (g) the liability of controller of a public company for losses suffered by the public company.

Any shareholder who does not meet the criteria of an Independent Shareholder may not be counted toward the attendance quorum nor exercise voting rights in respect of such matters. Pursuant to OJK Regulation No. 42 of 2020, an Independent Shareholder is a shareholder who has no personal economic interest in the relevant transaction and is not a member of the Board of Directors or Board of Commissioners, a principal shareholder, a controller, or any of their respective affiliates.

12. Points in the Articles of Association Requiring Approval of the Minister of Law

Under the Indonesian Companies Law, amendments to a company's articles of association are subject to the approval of the Minister of Law if they relate to any of the following matters:

- (i) the company's name and/or registered office (domicile);
- (ii) the company's purposes, objectives, and business activities;
- (iii) the duration of the company's establishment;
- (iv) the amount of the company's authorized capital;
- (v) any reduction of the issued and paid-up capital; and
- (vi) any change in the company's status from a private company to a public company, or vice versa.

Amendments to the articles of association that do not fall within the categories above are not subject to ministerial approval and are effective upon notification to, and receipt by, the Minister of Law.

13. Subsidiary Owning Shares in Other Entities

As a general principle, a company may hold shares in another company subject to cross-ownership restrictions and sectoral rules. In the context of public companies, regulations restrict certain cross-shareholding and require compliance with disclosure, affiliated transaction, and conflict-of-interest provisions. Directors of any subsidiary considering an acquisition of shares in its parent must observe fiduciary duties and applicable restrictions.

14. Mergers and Consolidations

Indonesian law permits mergers and consolidations pursuant to statutory procedures, including: directors' proposals, disclosure to employees and creditors, creditor objection periods, shareholder approvals meeting prescribed quorum and voting thresholds, and filings with authorities. The surviving or resulting company assumes assets and liabilities by operation of law. Public companies are subject to additional capital market requirements, including disclosure and, where applicable, independent party opinions.

APPENDIX IV SUMMARY OF THE CONSTITUTION OF THE COMPANY, CORE SHAREHOLDER PROTECTION STANDARDS AND THE INDONESIAN COMPANIES LAW

Corporate reconstructions such as spin-offs, changes in status, or reorganization may be undertaken subject to procedures similar to those for mergers and consolidations, including corporate approvals, creditor notifications, and regulatory filings. Court involvement is not generally required for corporate reconstructions unless mandated by specific statutes (for example, in insolvency or suspension-of-payment proceedings).

15. Restructuring

Companies facing financial distress may seek restructuring through consensual workouts, suspension-of-debt payment proceedings (penundaan kewajiban pembayaran utang), or bankruptcy proceedings under the Bankruptcy Law, as well as out-of-court mechanisms with creditors and stakeholders. Commencement of court-supervised processes triggers statutory stays and procedural safeguards as provided by law.

16. Liquidation

A company may be liquidated by shareholder resolution or by court order in cases specified by law. Upon liquidation, a liquidator is appointed to collect and recording assets, settle creditors' claims according to statutory priorities, distribute any remaining assets to shareholders in accordance with their rights, and conduct required notifications and filings, culminating in deregistration upon completion.

17. Stamp Duty on Transfers

Indonesia imposes stamp duty on certain documents and instruments as prescribed by statute. The applicability and amount depend on the nature of the document and the prevailing stamp duty regime. Share transfers may attract administrative fees or taxes depending on the form of transfer and whether the company is public or private, securities market transfers are generally effected through the depository and brokerage system.

18. Exchange Control

Foreign exchange activities in Indonesia generally operate under a free foreign exchange regime pursuant to Law No. 24 of 1999 on Foreign Exchange Flow and Exchange Rate System, although Bank Indonesia retains authority to introduce prudential and macro stability measures, including restrictions on offshore Rupiah transactions and documentation requirements for certain foreign currency purchases. Indonesian currency regulations require the use of Rupiah for most onshore cash and non cash transactions, subject to limited exemptions, and impose prohibitions on dual pricing. Compliance with underlying transaction requirements, reporting rules, and Bank Indonesia's supervisory measures is mandatory, and violations may result in administrative or criminal sanctions depending on the nature of the breach.

19. General

Assegaf Hamzah & Partners, the Company's legal adviser on the laws of the Republic of Indonesia, have sent to the Company a letter of advice summarising certain aspects of the Indonesian Companies Law. This letter is available for inspection as referred to in the paragraph headed "Documents delivered to the registrar of companies and on display" in Appendix VI to this document. Any person wishing to have a detailed summary of the Indonesian Companies Law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was incorporated under the laws of the Republic of Indonesia as a limited liability company on 20 November 2015 under the name “PT Pani Bersama Jaya.” The Company was renamed “PT Merdeka Gold Resources Tbk” on 12 June 2025 pursuant to Deed No. 64/2025. The Company is domiciled in South Jakarta, Indonesia, with its registered office at Treasury Tower Lantai 67, District 8, SCBD Lot 28, Jl. Jend. Sudirman No. 52-53, Jakarta 12190, Indonesia. Our Company is a public limited liability company (Perseroan Terbatas Terbuka or “Tbk”) and is subject to the relevant laws of Indonesia, including Law No. 40 of 2007 on Limited Liability Companies (as amended) and Law No. 8 of 1995 on Capital Markets (as amended). A summary of our Articles of Association as amended and effective at or before [REDACTED] is set out in Appendix IV.

Our Company is engaged in the mining sector, with a focus on gold resources. The Company’s primary asset is the Pani Gold Mine located in Gunung Pani, Desa Hulawa, Kabupaten Pohuwato, Provinsi Gorontalo, Sulawesi, Indonesia. The mine contains Mineral Resources of 7.0 million ounces of gold, including Ore Reserves of 5.2 million ounces of gold, positioning it as one of Indonesia’s largest primary gold mines. Access to the mine is via a three-hour drive from Gorontalo Airport or the nearby Bumbulan Port, 12 km away, supporting logistics and personnel mobilization.

Our registered place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 6 March 2026 with the Registrar of Companies in Hong Kong. Ms. Sau Mei Ng has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

2. Changes in the Share Capital of Our Company and Subsidiary

Upon incorporation on 20 November 2015, our Company had an authorized share capital of 10,000 shares with a nominal value of Rp1,000,000 per share (total nominal value Rp10,000,000,000). The issued and fully paid-up capital was 2,500 shares (total nominal value Rp2,500,000,000), held as follows: PT Pani Bersama Emas (2,499 shares, 99.96%) and Januarius Felix Lumban Gaol (1 share, 0.04%).

The following sets out the changes in our Company’s issued share capital within the two years immediately preceding the date of this document:

- (a) On 25 September 2024, pursuant to Deed No. 84/2024, the Company’s authorized capital was increased to Rp 3,000,871,057,046.23, and the share capital was classified into Series A, Series B, and Series C shares.
- (b) In preparation for the [REDACTED] in IDX, the Company undertook the following capital restructuring steps in 2025: (i) Unification of Share Classes: Pursuant to Deed No. 64/2025, the Series A, Series B, and Series C shares were converted into a single class of ordinary shares with equal rights. (ii) Stock Split: Pursuant to Deed No. 58/2025, the nominal value of the Company’s shares was changed from Rp 19,524,750 per share to Rp 150 per share. (iii) Share Buyback: Pursuant to Deed No. 62/2025, the shareholders approved the buyback of all shares owned by PT Permata Alam Kapital (1,448,866,615 shares post-split). These shares are currently held as treasury shares.

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- (c) On 12 June 2025, the shareholders ratified the capital contributions made by the founding shareholders pursuant to Deed No. 64/2025, confirming that all issued shares were fully paid up based on the MGR Group’s consolidated financial statements for the year ended 31 December 2024, audited by KAP Tanubrata Sutanto Fahmi Bambang & Partners (member firm of BDO International) with Independent Auditor’s Report No. 00172/2.1068/AU.1/05/0119-8/1/III/2025 dated 26 March 2025.
- (d) On 12 June 2025, the Company changed its name from PT Pani Bersama Jaya to PT Merdeka Gold Resources Tbk pursuant to Deed No. 64/2025, as approved by the Minister of Law and Human Rights of the Republic of Indonesia under Decree No. AHU-0038611.AH.01.02.TAHUN 2025 dated 13 June 2025, and registered under No. AHU-0130816.AH.01.11.TAHUN 2025 dated 13 June 2025.

3. Changes in the Share Capital of Our Subsidiaries

The following sets out significant changes in the share capital or equity structure of our subsidiaries during the two years immediately preceding the date of this document:

- PT Puncak Emas Tani Sejahtera: The Company, via PT Puncak Emas Gorontalo, completed the acquisition of PT Puncak Emas Tani Sejahtera on 27 June 2024, becoming the holder of 99.99% effective ownership.
- PT Pani Industri Jaya: The Company established PT Pani Industri Jaya on 15 August 2024, a subsidiary with 99.96% effective ownership.
- PT Mentari Alam Persada: The Company subscribed shares in the reorganization of PT Mentari Alam Persada, completed on 18 December 2024, resulting in the Company holding an effective ownership of 99.99%.
- PT Pani Industri Nusantara: The Company, via PETS and PT Gorontalo Sejahtera Mining (“GSM”), established PT Pani Industri Nusantara (“PIN”) on 24 January 2025, a subsidiary with 99.99% effective ownership.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiary within the two years preceding the date of this document and are or may be material:

- (a) the [REDACTED];
- (b) [●]

2. Intellectual Property Rights of the Group

As of the Latest Practicable Date, we have not owned and used any intellectual property in the form of trademark, copyright, patent, industrial design, geographical indications, plant variety, layout design of integrated circuits and trade secrets in Indonesia.

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STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, COMMISSIONERS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Interests of our Directors and Commissioners in our Shares,

Based on information available to the Company, the interests of our Directors and Commissioners in our Shares as at 28 February 2026 is as follows:

Name of Director/ Commissioner	Nature of interest	Number of Shares	Approximate percentage of shareholding interests (%)
Mr. Santoso Kartono ⁽¹⁾	Beneficial interest	185,041,495	1.26%
Mr. Winato Kartono	Beneficial interest	548,772,817	3.73%

Notes:

- (1) Mr. Winato Kartono and Mr. Santoso Kartono are Commissioners of our Company. Mr. Santoso Kartono is the brother of Mr. Winato Kartono.

2. Directors and Commissioners’ Service Contracts

Each of our Directors and Commissioners has entered into a service contract with our Company on [●]. Pursuant to our Articles of Association, the term of service of the Directors and Commissioners shall be [three] years. The principal particulars of these service contracts are (a) for a term of [three] years commencing from their respective effective date of appointment until the day on which the next general meeting of the shareholders for re-election of Directors and Commissioners is held, and (b) are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed above, none of our Directors and Commissioners has entered, or has proposed to enter, a service contract with any Member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors and Commissioners’ Remuneration

The aggregate remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid to our Directors and Commissioners for each of the three years in the period ended 31 December 2025 were approximately US\$166,068, US\$159,581 and US\$154,420 respectively. The Company has not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors.

Save as disclosed in the section headed “Directors, Senior Management and Commissioners — Compensation Of The Board Of Directors And The Board Of Commissioners” and the above, no other amounts have been paid or are payable by us to our Directors and Commissioners for each of the three years in the period ended 31 December 2025.

Our Independent Commissioners [have been] appointed for a term of [three] years. The Company intends to pay a Commissioner’s fee of US\$[●] per annum to each of the independent Commissioners, respectively. Save for the Commissioner’s fees, none of our independent Commissioners is expected to receive any other remuneration for holding his or her office as an independent Commissioner.

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Under the arrangements currently in force as of the date of this document, the aggregate amount of remuneration payable by our Group to our Directors and Commissioners for the year ending 31 December 2026 will be approximately US\$155,000. There was no arrangement under which a Director or Commissioner has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this document.

4. Directors and Commissioners’ Competing Interests

Save as disclosed in the sections headed “Directors, Senior Management and Commissioners” and “Relationship with our Controlling Shareholders”, none of our Directors and Commissioners are interested in any business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the business of the Group.

5. Personal guarantees

The Directors and Commissioners have not provided personal guarantees in favor of lenders in connection with banking facilities granted to us.

6. Agency fees or commissions received

Save in connection with the [REDACTED], none of our Directors and Commissioners, nor any of the parties listed in the paragraph headed “D. Other Information — 5. Qualification of Experts” in this Appendix had received any commissions, discounts, agency fees, brokerages or other special terms in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiary within the two years preceding the date of this document.

7. Related party transactions

During the two years preceding the date of this document, we have engaged in the material related party transaction as described in the Accountant’s Report and the [REDACTED] set out in Appendix I and Appendix II to this document.

8. Disclaimers

Save as disclosed in this document:

- (a) none of the Directors and Commissioners nor any of the persons listed in the paragraph headed “D. Other Information — 5. Qualification of Experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any Member of the Group, or are proposed to be acquired or disposed of by or leased to any Member of the Group;
- (b) none of the Directors and Commissioners nor any of the persons listed in “— D. Other Information — 5. Qualification of Experts” below is materially interested in any contract or arrangement with the Group subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to the business of the Group as a whole; and
- (c) save in connection with [REDACTED] Agreements, none of our Directors and Commissioners nor any of the persons listed in “— D. Other Information — 5. Qualification of Experts” below (i) is interested legally or beneficially in any of our Shares or any share in any of our subsidiary; or (ii) has any right (whether legally enforceable or not) to [REDACTED] or to nominate persons to [REDACTED] securities in any member of our Group.

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D. OTHER INFORMATION

1. Estate duty

Our Directors and Commissioners have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiary.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in “Business — Legal Proceedings and Compliance”, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors and Commissioners to be pending or threatened by or against the Group, that would have a material adverse effect on its business, financial condition or results of operations.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the [REDACTED] of, and permission to [REDACTED], the HDRs [REDACTED] as mentioned in this document (including any HDRs which may be [REDACTED] pursuant to the exercise of the [REDACTED]).

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Hong Kong Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$800,000 for acting as the sponsor for the [REDACTED].

4. No Material Adverse Change

Our Directors and Commissioners confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2025 (being the date to which the latest audited consolidated financial statements of the Group were prepared).

5. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this document:

Name	Qualification
UBS Securities Hong Kong Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
BDO Limited	Certified Public Accountants and Public Interest Entity Auditor
Assegaf Hamzah & Partners	Legal adviser to the Company as to Indonesian law

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Name	Qualification
PT Mining One Indonesia	Competent person (with the meaning of Chapter 18 of the Hong Kong Listing Rules)
CRU Group	Industry Consultant

6. Consents of Experts

Each of the experts as referred to in the paragraph headed “— 5. Qualifications of Experts” in this Appendix has given and has not withdrawn their consent to the issue of this document with the inclusion of their reports and/or letters and/or legal opinions (as the case may be) and references to their names included in the form and context in which they are respectively included.

As at the Latest Practicable Date, none of the experts named above has any shareholding interests in our Company or any of our subsidiary or the right (whether legally enforceable or not) to [REDACTED] or to nominate persons to [REDACTED] securities in our Company or any of our subsidiary.

7. Promoters

Our Company has no promoter for the purpose of the Hong Kong Listing Rules. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

8. Preliminary Expenses

The Company did not incur any material preliminary expenses.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

12. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) neither we nor our subsidiary has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or our subsidiary is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any Member of the Group;
 - (iv) no commission has been paid or payable (except commission to sub-[REDACTED]) to any persons for [REDACTED], agreeing to [REDACTED], procuring [REDACTED] or agreeing to procure [REDACTED] of any shares of our Company or our subsidiary;
 - (v) no founder, management or deferred shares of our Company or our subsidiary have been issued or agreed to be issued; and
 - (vi) there is no arrangement under which future dividends are waived or agreed to be waived.
- (b) Save as disclosed in this document, none of the persons named in the paragraph headed “— D. Other Information — 6. Consent of Experts” in this Appendix is interested beneficially or otherwise in any shares of any Member of the Group or has any right or option (whether legally enforceable or not) to [REDACTED] or nominate persons to [REDACTED] any securities in any Member of the Group;

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- (c) Our Directors and Commissioners confirm that:
 - (i) there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this document; and
 - (ii) our Company has no outstanding convertible debt securities or debentures.
- (d) The English version of this document shall prevail over the Chinese version.

APPENDIX VI	DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND DOCUMENTS ON DISPLAY

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) a copy of each of the material contracts referred to in the section headed “Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts” in Appendix V to this document;
- (b) the written consents referred to in the section headed “Statutory and General Information — D. Other Information — 6. Consents of Experts” in Appendix V to this document; and

[REDACTED]

2. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of our Company at <https://merdekagoldresources.com/> for a period up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report for the years ended 31 December 2023, 2024 and 2025 prepared by BDO, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the years ended 31 December 2023, 2024 and 2025;
- (d) the report on the [REDACTED] of our Group prepared by BDO, the text of which is set out in Appendix II to this document;
- (e) the letter of advice prepared by Assegaf Hamzah & Partners, our Indonesia legal advisor, summarizing the constitution of our Company and certain aspects of the Indonesian Companies Law referred to in Appendix IV to this document;
- (f) the Indonesia legal opinions issued by Assegaf Hamzah & Partners, our Indonesia Legal Advisor, in respect of certain general corporate matters of our Group in Indonesia;
- (g) the industry report issued by CRU in Appendix III to this document;
- (h) the material contracts referred to in the section headed “Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts” in Appendix V to this document;
- (i) the written consents referred to in the section headed “Statutory and General Information — D. Other Information — 6. Consents of Experts” in Appendix V to this document;
- (j) the service contracts and letters of appointment referred to in the section headed “Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Directors and Commissioners’ Service Contracts” in Appendix V to this document;
- (k) the Indonesia Companies Law; and

[REDACTED]