



Lion Selection Group



ASX RELEASE: LSX

4 February 2021

Pani Arbitration Initiated with J Resources: US\$500-\$600m Compensation Claim

The Pani Joint Venture (Lion 33%, Merdeka Copper Gold 67%) recently initiated arbitration action against J Resources in relation to a claim of non-compliance with the terms of the November 2019 J Resources agreement to combine the two Pani tenements into one ownership group. This agreement remains incomplete due to the lack of regulatory approvals and approval from J Resources' secured lenders. The Pani Joint Venture is seeking compensation in the range of US\$500 – US\$600 million or specific performance to complete the transaction.

Neither party has terminated the J Resources Agreement, and Lion remains hopeful that the parties involved can avoid a drawn out arbitration process and close the deal as originally intended.

Further detail of the Singapore International Arbitration Center action is attached.

No: 013/MDKA-JKT/CORSEC/II/2021

3 February 2021

To:

**Executive Chairman of Capital Market Supervision
 Financial Services Authority of the Republic of Indonesia (“OJK”)**

Gedung Soemitro Djojohadikusumo
 Jl. Lapangan Banteng Timur No. 2-4
 Jakarta 10710

Attn. : **Director of Real Corporate Sector Financial Assessment**

Re. : **Disclosure of Material Information or Facts of PT Merdeka Copper Gold Tbk**

Dear Sirs or Madam,

In reference to the provisions under Financial Services Authority (*Otoritas Jasa Keuangan*) Regulation No. 31/POJK.04/2015 on the Disclosure of Material Information or Facts by Issuers or Public Companies (“**POJK No. 31/2015**”), and the Decision of Board of Directors of PT Bursa Efek Indonesia No. Kep-306/BEJ/07/2004 dated 19 July 2004 regarding Regulation Number I-E on the Obligation to Submit Information (“**BEI Rule No. I-E**”), we hereby submit the disclosure report of material information or facts as follows:

Name of Issuer : PT Merdeka Copper Gold Tbk. (“the **Company**”)
 Main Business Activities : Trade, mining, construction, transportation and services.
 Telephone : 021-29880393
 Facsimile : 021-29880392
 E-mail address : corporate.secretary@merdekacoppergold.com

1.	Date of event	1 February 2021
2.	Type of Material Information or Facts	<p>On 1 February 2021, one of the Company’s subsidiaries, PT Pani Bersama Tambang (“PBT”) has received the Response to the Notice of Arbitration document from PT J Resources Nusantara (“JRN”).</p> <p>The Response to the Notice of Arbitration document was submitted by PT J Resources Nusantara in relation to the SIAC Case No. ARB001/21/ARK between PBT and JRN at the Singapore International Arbitration Center (SIAC) where PBT is the Claimant party against JRN as the Respondent party regarding the implementation of the Conditional Shares Sale and Purchase Agreement dated 25 November 2019 as amended on 16 December 2019.</p>
3.	Description of Material Information or Facts	<p>a. <u>Type of the Case:</u> The arbitration lawsuit at the Singapore International Arbitration Center (SIAC) filed by PBT as a Claimant against JRN as a Respondent.</p> <p>b. <u>Parties to the Case:</u> (1) PT Pani Bersama Tambang as the Claimant;</p>

		<p>(2) PT J Resources Nusantara as the Respondent.</p> <p>c. <u>Status of the Case:</u></p> <p>On 1 February 2021, one of the Company's subsidiaries, PBT, has received the Response to the Notice of Arbitration document from JRN.</p> <p>The Response to the Notice of Arbitration document was submitted by JRN in relation to the SIAC Case No. ARB001/21/ARK between PBT and JRN at the Singapore International Arbitration Center (SIAC) where PBT is the Claimant party against JRN as the Respondent party regarding the implementation of the Conditional Shares Sale and Purchase Agreement on 25 November 2019 as amended on 16 December 2019 ("CSPA"). With the submission of the Response to the Notice of Arbitration, the arbitration proceeding will begin soon.</p> <p>In the said arbitration, PBT claims that JRN has failed to comply with its obligations to fulfill the conditions precedents required for the completion of the CSPA and requested the Singapore International Arbitration Center (SIAC) to decide that JRN must fulfill all its obligations under CSPA or pay compensation to PBT in the amount of around USD 500 million - USD 600 million. Neither party has terminated the CSPA.</p> <p>d. <u>Location of the Case:</u></p> <p>The case is examined by the arbitral tribunal in Singapore by the Singapore International Arbitration Center (SIAC).</p>
4.	<p>The impact of event, material information or facts on the Company's operational, legal, financial condition, or business continuity activities</p>	<p>This case does not have a negative or detrimental impact on PBT and does not affect the business continuity and operations of the PT Merdeka Copper Gold Tbk group.</p>
5.	<p>Other information</p>	<p>-</p>

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Kawasan Epicentrum, HR. Rasuna Said
Jakarta 12960, Indonesia
T: +62 21 2988 0393
F: +62 21 2988 0392



In evidence thereof, this letter is drawn up to OJK. We hereby thank you for your cooperation and understanding.

Best regards,
PT MERDEKA COPPER GOLD TBK

Gavin Arnold Caudle
Director

Copied into:
Head of Group Company Assessment Division I PT Bursa Efek Indonesia