

EMAS

PT Merdeka Gold Resources Tbk

Pani Gold Project Sets the Stage for Re-Rating

- Merdeka Gold Resources controls 7.0 Moz resources and targets ~500 koz/year peak output, positioning Pani among the largest gold mines in Southeast Asia.
- Gold's 37% YTD rally is reinforced by structural central-bank buying, led by China, with reserves expected to move toward 5,000+ tons, supporting long-term demand.
- IPO proceeds of US\$260m+ are fully allocated to fund heap leach completion, shareholder loan restructuring, and equity injections, securing the US\$246m start-up capex.
- At 28.3x forward P/E and Rp29-49 tn implied market cap, EMAS offers stronger forward margins (33.8% vs 19.7% sector) and global-scale production, setting the stage for a re-rating.

World-Class Resource Base

Merdeka Gold Resources (EMAS) is the vehicle for developing the Pani Gold Project in Pohuwato, Gorontalo. As of December 2024, resources total 292.4 million tonnes containing 7.0 million ounces of gold at 0.75 g/t, with proven and probable reserves of 77.5 million tonnes containing 1.9 million ounces at 0.78 g/t. The commercial case focuses on 190 million tonnes containing 5.3 million ounces at 0.86 g/t. Development is staged: a 7.0 Mtpa heap leach plant for first stacking in December 2025 to provide early cash flow, followed by a 7.5 Mtpa CIL plant debottlenecked to 12.0 Mtpa. Heap leach pits HL01 (~20 Mt) and HL02 (~16 Mt) will process oxide ore, while the CIL facility targets higher-grade primary ore, ultimately lifting output to ~500 koz/year at peak, placing Pani among the largest gold operations in Southeast Asia.

Bullish Gold Backdrop

Gold prices reaching record highs at ~USD3,680/oz, up 39.4% YTD, supported by Fed rate cut expectations, a weaker U.S. dollar, and persistent central-bank demand. China has been the anchor of this demand, purchasing **225 tons in 2023, 44 tons in 2024, and 21 tons so far in 2025**, taking official holdings to 2,300.4 tons, though still well below the ~5,000-ton benchmark analysts see as appropriate for its economic scale. With U.S. reserves steady at 8,133.5 tons and Poland also adding 287 tons since 2023, central banks are clearly accelerating de-dollarization after sanctions on Russia froze part of its reserves in 2022. Unlike past cycles where high prices curtailed official demand, today's systemic uncertainty has made gold a structural hedge. For MGR, this backdrop, combined with Indonesia's 150 kV PLN transmission line and proposed PSN designation, creates a more favorable setting to bring Pani into production.

IPO to Fund Completion

By June 30, 2025, heap leach construction was 67% complete (49% in March), while mine infrastructure was ~50% finished, targeting October completion. Mechanical completion is due in November, commissioning in December, and first gold pour in 1Q26. IPO proceeds are earmarked for project completion and balance sheet repair: USD20m equity injection into PBT, USD20m shareholder loan to PETS (5-year, Term SOFR +6.26%), and the remainder for repayment of USD260m MCG shareholder loans. The initial capital requirement of USD246m for mine and heap leach start-up is fully funded via equity, bank facilities, and shareholder loans, allowing EMAS to transition quickly from development to production mode.

Ramp-Up to Global Scale

From 2026-2028, the heap leach plant will contribute ~145 koz/year at ~82% recovery, delivering modest cash flow but still within a capex-heavy period. In early 2029, the 7.5 Mtpa CIL plant is expected to start up with ~93% recoveries, adding ~200 koz in its first year, lifting total output to ~350 koz. By 2033, after the CIL expansion to 12.0 Mtpa and USD290m of debottlenecking, Pani is projected to achieve ~500 koz/year peak output. Total capex spans USD246m for initial start-up, USD87m for heap leach expansions, USD40m for studies and optimization, USD617m for CIL construction (2027-2029), and USD290m for debottlenecking (2030-2033). Once completed, sustaining capex will ease and free cash flow should inflect positively, with AISC guided at below USD990/oz, placing Pani in the lower cost quartile globally.

Valuation Edge

On analyst assumptions, EMAS trades at a forward P/E of 28.3x, modestly below the sector average of 31.8x, while delivering sector-leading profitability with a 33.8% net margin vs 19.7% peers. At IPO pricing, implied market cap falls in the Rp29-49 trillion range, making EMAS comparable in size to BRMS (Rp70 tn) and ANTM (Rp81.5 tn), but differentiated by margin strength and growth visibility. Globally, Pani's 6.9 Moz resource, ~500 koz/year peak production, and AISC ~USD900/oz rank it within the top 20 primary gold mines, alongside Herradura and Fruta del Norte, though with lower grades offset by scale and efficiency. With global gold demand underpinned by systemic central-bank buying, particularly China's path toward 5,000+ tons of reserves, EMAS offers a rare blend of local profitability leadership and world-class production scale, supporting upside potential for a re-rating once Pani ramps.

NOT RATED

IPO Information

IPO Price (Rp)	1,800-3,020
Share Out. (bn)	16.2
Market Cap (Rp tn)	29.1-48.9
Free Float (%)	10.0
Bookbuilding Period	8-10 Sept. 2025
Public Offering Period	17-19 Sept. 2025
Allotment Date	19 Sept. 2025
Distribution Date	22 Sept. 2025
Listing Date	23 Sept. 2025

Shareholders

Shareholders Before IPO	% Ownership
MCG	62.73
Winato Kartono	9.29
Garibaldi Thohir	6.90
Others (<5%)	11.1
Treasury Shares	9.95

Shareholders After IPO	% Ownership
MCG	56.46
Winato Kartono	8.36
Garibaldi Thohir	5.59
Treasury Shares	9.95
Others (<5%)	9.64
Public (IPO)	10.00

Company Description

EMAS's Company Profile

Merdeka Gold Resources, the gold-focused arm of Merdeka Copper Gold, is developing the Pani Gold Project in Gorontalo, one of Southeast Asia's largest undeveloped gold assets with 7.0 Moz resources and 1.9 Moz reserves. The staged development combines a 7.0 Mtpa heap leach starting 2026 and a 7.5 Mtpa CIL plant expanding to 12.0 Mtpa by 2033, driving peak output of ~500 koz/year at targeted AISC below USD990/oz.

Analyst

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Figure 1. Pani Gold Project overview

Key Metrics	Data
Contained gold resources	6.9 Moz
Indicated gold resources	5.5 Moz
Expected first gold production (heap leach)	2025
Expected gold production (carbon-in-leach)	2028
Peak annual gold production	500,000 oz (processing ~19.0 Mtpa of ore)
Tenement size with exploration potential	~5,000 Ha
Mine life	Multi-decade

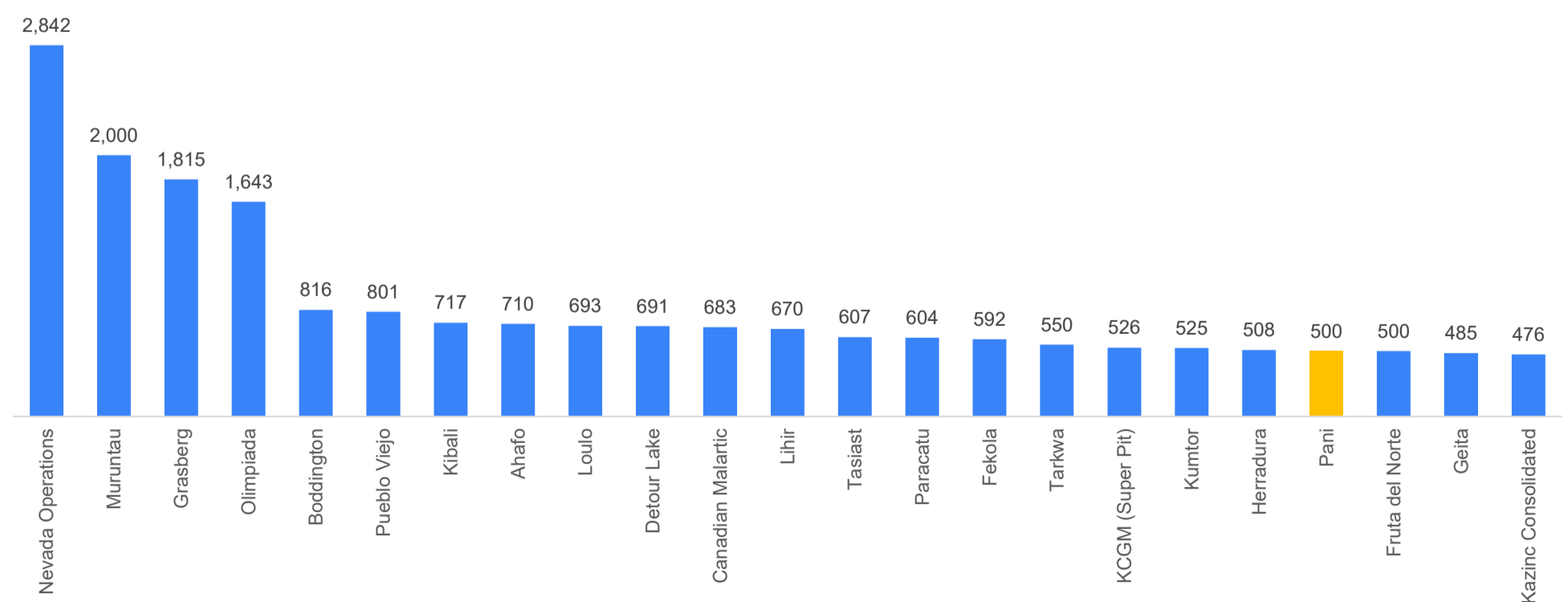
Source: MDKA, Ajaib Research

Figure 3. Pani Gold Key Operational Metrics

Metric	Value
Ore mined	191 Mt
Peak processing capacity	19.0 Mtpa
Average gold recoveries	~90%
Peak gold production	500,000 oz/year

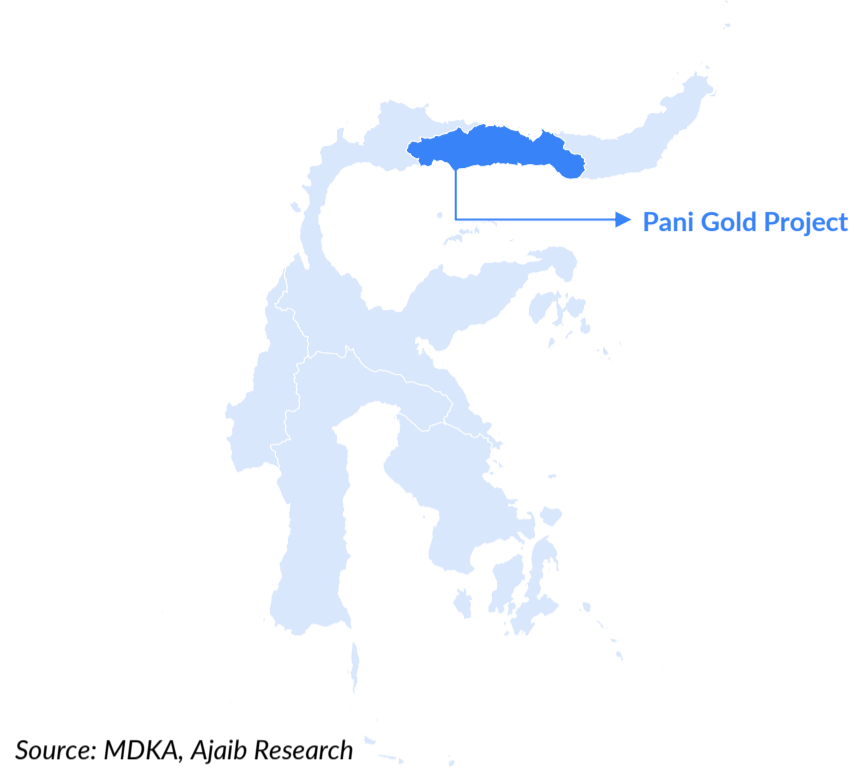
Source: MDKA, Ajaib Research

Figure 6. Top Global Primary Gold Mines (Production, koz p.a.)



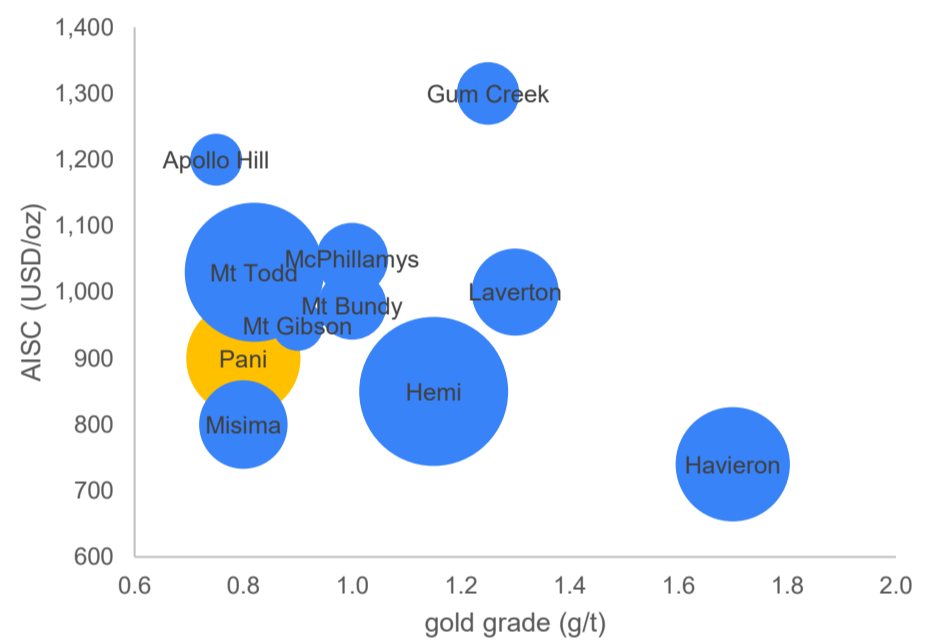
Source: MDKA, Ajaib Research

Figure 2. Pani Gold Project Location



Source: MDKA, Ajaib Research

Figure 5. Global Gold Grade vs AISC Comparison



Source: MDKA, Ajaib Research
*Bubble size reflect the quantity of contained resource

Figure 7. EMAS's Financial Projection Scenario

Year	Scenario	Sales Volume (koz)	ASP (USD/oz)	Revenue (USDm)	Cash Cost (USD/oz)	Cash Cost Total (USDm)	Net Income (USDm)	P/E
2026	bear	90	3,000	270	850	76.5	135	22.5
	base	100	3,200	320	800	80.0	168	18.2
	bull	100	3,300	330	800	80.0	175	17.5
2027	bear	110	3,000	330	850	93.5	166	18.4
	base	130	3,200	416	800	104	218	14.0
	bull	130	3,300	429	850	110.5	223	13.7
2028	bear	120	3,000	360	850	102.0	181	16.9
	base	145	3,200	464	800	116	244	12.5
	bull	145	3,300	478.5	850	123.3	249	12.3
2029	bear	300	3,000	900	850	255.0	452	6.8
	Base	350	3,200	1,120	750	263	588	5.2
	bull	350	3,300	1155	750	262.5	625	4.9

Source: Ajaib Research

Figure 8. EMAS's FY26F Peers Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	PEG (%)	NPM (%)	EPS Growth (%)
BRMS	70.0	37.7	2.0	22.6	10.6
PSAB*	14.9	50.5	111.5	11.2	101.8
ARCI*	21.1	27.9	44.7	24.2	1,026.0
ANTM	81.5	14.6	8.5	7.0	-2.6
EMAS	29.1-48.8	28.3	N.A	33.8	N.A
Sector Average		31.8	41.7	19.7	284.0

Source: Bloomberg, Ajaib Research

*TTM

Rating for Sectors:

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”

Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

Analyst Certification:

The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

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