

## **MEDIA RELEASE:**

### **Productivity improvements drive MMG mining records in first quarter**

**30 April 2013**

MMG Limited (MMG) (Stock Code 1208.HK) continued to demonstrate improvements to mine productivity, with three operations achieving MMG ore mining records during the first quarter 2013.

Chief Executive Officer Andrew Michelmore said, "MMG is committed to improving the productivity of our operations, illustrated by these record movements in ore mined and continuing improvements in Asset Utilisation."

Production and cost guidance for 2013 has been maintained for all commodities across all sites, with the exception of copper production at Golden Grove.

Sepon mined 1.2 million tonnes of copper ore in the first quarter, a 36% increase on the previous quarter, while Kinsevere and Golden Grove moved 87% and 22% more ore respectively. This follows quarterly record ore movements achieved at Rosebery and Century in the previous quarter.

Kinsevere also achieved milling and production records for the quarter following improvements in power supply reliability and electrical integrity. Kinsevere produced 13,910 tonnes of copper cathode in the first quarter, a 14% increase compared to the prior quarter.

"We are pleased with the excellent results being delivered by Kinsevere, only a year after MMG's acquisition of the operation. We look forward to delivering strong results as we focus on sustaining nameplate capacity in line with our guidance," said Mr Michelmore.

Despite records in ore mined, overall production was lower following production records achieved in the previous quarter.

Total copper production for the first quarter 2013 of 42,535 tonnes was 7% below the fourth quarter 2012 but 48% above the same period in 2012 due to the inclusion of Kinsevere and improved production at Sepon.

Copper cathode production at Sepon was 13% lower than the previous quarter due to a planned shutdown involving scheduled maintenance of the copper processing plant.

Golden Grove copper production decreased 20% compared to the fourth quarter 2012 due to slower than expected ramp-up of processing copper oxide ore from the new open pit.

Total zinc production for the first quarter 2013 of 126,396 tonnes was 26% lower than the fourth quarter 2012, largely due to lower grade at Century as it begins to progress through the final stages of the mine plan.

Century concentrate sales were also impacted by delays to the shipment schedule due to the replacement of a rudder on MMG's transfer vessel, the MV Wunma.

Further improvements will be undertaken at Century to sustain the higher throughput rates and recoveries necessary for the operation to achieve its future production targets.

Rosebery zinc production was in line with all comparable periods, however lower head feed grade and recovery resulted in lower gold doré and copper production.

### **Development projects**

MMG's Dugald River development project made good progress in the first quarter with underground mine development reaching 6,090 metres, 30% ahead of schedule.

"MMG is committed to developing Dugald River and this project, once operational, will make an important contribution to our portfolio of operating assets," said Mr Michelmore.

Surface work also continued during the quarter with the construction of stockpile pads and bulk earthworks for the process plant area. Investigation of trial ore treatment at Century is underway to better understand metallurgical performance prior to construction of the Dugald River processing plant.

In March, MMG received an indicative non-binding commitment from China Development Bank to arrange and underwrite financing of the project, with financing arrangements expected to be completed in the second quarter 2013.

During the quarter, preliminary engineering for the Izok Corridor project's processing facility and associated infrastructure was completed as part of the project feasibility study. Practical value engineering initiatives are also being considered, such as potential modularisation of the mill, aimed at improving the project economics.

MMG received approval from the Canadian Minister for Aboriginal Affairs and Northern Development to proceed to the next stage of the environmental assessment and regulatory review process.

For further information please refer to the full MMG Limited First Quarter Production Report 2013.

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