

MEDIA RELEASE:

Golden Grove delivers strong production in 2013

23 January 2014

MMG Limited (MMG) (HK.1208) today released its fourth quarter production report showing its Western Australian operation, Golden Grove recording a strong performance to close out the year.

Mining activity at Golden Grove focused on zinc in the fourth quarter 2013 after there was no zinc or HPM concentrate production in the third quarter and produced 15,761 tonnes.

The strong last quarter delivered annual zinc in zinc concentrate production of 23,619 tonnes, which exceeded guidance of 17,000–20,000 tonnes.

MMG Golden Grove General Manager, Pierre Malan said that overall the site was pleased to report a solid fourth quarter production performance helping achieve 2013 targets and setting a strong base for 2014.

“2013 was a challenging year, but our stringent focus on cost management, improved volume and outstanding safety performance have helped us achieve a solid annual performance and put us in a good position for 2014,” Mr Malan said.

“The site’s safety performance for the last quarter of 2013 was another exceptional one, with only one recordable injury being recorded. It drove the 12-month moving average total recordable injury frequency rate (TRIFR) per million hours worked down to an all-time low of 4.5,” he said.

Golden Grove’s annual copper production of 33,780 tonnes of copper in copper concentrate was within guidance of 30,000–35,000 tonnes and annual zinc in zinc concentrate production of 23,619 tonnes exceeded guidance of 17,000–20,000 tonnes.

Furthermore, actual C1 costs were favourable when compared to guidance. Actual copper C1 costs were US\$2.69/lb compared to guidance of US\$2.80–US\$3.10/lb and actual zinc C1 costs were US\$0.19/lb compared to guidance of US\$0.45–US\$0.55/lb.

Golden Grove will continue to source ore from both the open pit and via underground mining and expects to produce 24,000–27,000 tonnes of copper in copper concentrate and 50,000–55,000 tonnes of zinc in zinc concentrate in 2014. C1 costs are expected to be US\$2.65–US\$2.85/lb for copper and US\$0.30–US\$0.40/lb for zinc in 2014.

“While copper has been our focus during the past 12 months, Golden Grove will place more emphasis on zinc in 2014, with the re-opening of the Scuddles mine coming into realisation in the second half of 2014,” Mr Malan said.

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