

## **MEDIA RELEASE:**

### **MMG copper production increases 4% in first half**

**17 July 2014**

MMG Limited (MMG) (1208.HK) today released its second quarter production results reporting a 4% increase in year-to-date copper production compared to 2013.

The company produced 92,512 tonnes of copper in the first half 2014, with Kinsevere year-to-date production 13% higher than the same period last year due to sustainable throughput and increased copper feed grades.

MMG CEO Andrew Michelmore said, "Kinsevere continues to deliver excellent results achieving half year records in processing, production and sales."

Sepon maintained strong performance in the first half 2014 producing 42,748 tonnes of copper cathode, 1% below the first half 2013.

"The continued focus on asset utilisation at Sepon has resulted in a strong operating performance with a higher proportion of LME A grade copper," said Mr Michelmore.

First half copper production at Rosebery increased 57% compared with 2013 while Golden Grove first half copper production decreased 2%.

Year-to-date zinc production of 270,201 tonnes was 4% lower than 2013 driven by lower mining grades at Century as it progresses through the final stages of the mine plan.

Golden Grove zinc production was 48% higher than the first half 2013 due to the zinc focused mine plan for 2014.

Rosebery first half zinc production was lower than the same period last year due to geotechnical restrictions within the intended mine plan which have now been re-sequenced to target higher grade zones of zinc.

The LME cash price for zinc was US\$1.00/lb at the end of the second quarter 2014, 11% higher compared to the end of March.

"We believe the current sentiment in zinc reflects the increasing uncertainty of future supply with the market starting to factor in the closure of several large scale assets, including our own Century mine," said Mr Michelmore.

#### **Dugald River**

MMG continues to make good progress on its trial stoping program at Dugald River with a total of eight trial stopes successfully mined and backfilled during the second quarter 2014.

The stoping trial seeks to determine the accurate stope design parameters and productivity assumptions for Dugald River leading up to the assessment of future options for the project.

## Las Bambas

MMG and its joint venture partners, a wholly-owned subsidiary of Guoxin International Investment Corporation Limited and Citic Metal Co. Ltd, continue to work through the various approvals and conditions relating to the purchase of Las Bambas.

"Today's production report further demonstrates our strong operational capability providing us with the right foundation on which we can grow our business" said Mr Michelmore. "With funding arrangements now in place, we are very close to completing the acquisition of Las Bambas."

MMG's shareholders are invited to vote to approve the transaction and proposed offtake agreement at an extraordinary general meeting to be held on Monday 21 July 2014. MMG's majority shareholder, CMN, has irrevocably committed to vote in favour of the transaction.

The acquisition is on track to be completed in the third quarter 2014.

Annual production and cost guidance has been reviewed and MMG now expects to produce 177,000–190,000 tonnes of copper and 575,000–600,000 tonnes of zinc in 2014.

	2Q 14	2Q 14 vs 2Q 13	2Q 14 vs 1Q 14	1H 14	1H 14 vs 1H 13
<b>COPPER CATHODE (tonnes)</b>					
Kinsevere	16,702	5%	-1%	33,550	13%
Sepon	19,961	-13%	-12%	42,748	-1%
<b>Total</b>	<b>36,663</b>	<b>-5%</b>	<b>-7%</b>	<b>76,298</b>	<b>4%</b>
<b>COPPER (contained metal in concentrate, tonnes)</b>					
Golden Grove	6,358	-16%	-28%	15,192	-2%
Rosebery	407	-	-34%	1,022	57%
<b>Total</b>	<b>6,765</b>	<b>-15%</b>	<b>-28%</b>	<b>16,214</b>	<b>0%</b>
<b>ZINC (contained metal in concentrate, tonnes)</b>					
Century	110,891	-13%	-2%	223,584	-4%
Golden Grove	11,600	144%	n/a	11,600	48%
Rosebery	25,665	-34%	-35%	35,017	-12%
<b>Total</b>	<b>148,156</b>	<b>-11%</b>	<b>2%</b>	<b>270,201</b>	<b>-4%</b>
<b>LEAD (contained metal in concentrate, tonnes)</b>					
Century	21,348	47%	70%	33,908	76%
Golden Grove (HPM)	1,007	31%	n/a	1,007	-4%
Rosebery	4,439	-23%	-26%	10,423	-7%
<b>Total</b>	<b>26,794</b>	<b>27%</b>	<b>44%</b>	<b>45,338</b>	<b>35%</b>

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**English language**

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