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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)
(STOCK CODE: 1208)

**VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE
ACQUISITION OF THE TARGET COMPANY HOLDING
THE LAS BAMBAS PROJECT**

Joint Financial Advisers to the Company

BofA Merrill Lynch



Financial Adviser to CMN

Deutsche Bank 

Financing Advisers to the Company

ICBC International Capital Limited

BOCI Asia Limited

Financiers to the Company

China Development Bank

Industrial and Commercial Bank of China Limited

Bank of China Limited

THE ACQUISITION AND THE JV COMPANY

The Board is pleased to announce that on 13 April 2014, the Purchasers, the Company, the Sellers and the Sellers' Guarantor entered into the Share Purchase Agreement, pursuant to which, among other things, the Sellers have conditionally agreed to sell and the Purchasers have conditionally agreed to purchase the Sale Shares in consideration of the payment of the Cash Consideration by the Purchasers to the Sellers and the repayment of the Intragroup Loans by the Target Company and the Project Company to members of the Sellers' Group in accordance with the terms of the Share Purchase Agreement.

The Sellers and the Sellers' Guarantor are subsidiaries of Glencore Xstrata plc. The Target Company, through the Project Company, owns the Las Bambas Project in Peru. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Sellers, the Sellers' Guarantor and their respective ultimate beneficial owners is independent of the Company and its connected persons.

Each of the Purchasers is a wholly-owned subsidiary of the JV Company. The JV Company is a newly incorporated company established for the purpose of the Acquisition which is currently wholly-owned by MMG SA, being itself a wholly-owned subsidiary of the Company. Each of MMG SA, Elion Holdings and CITIC has agreed, pursuant to the Shareholders' Agreement entered into by them immediately before the execution of the Share Purchase Agreement on 13 April 2014, (a) to subscribe for new shares in the JV Company on or before Completion of the sale and purchase of the Sale Shares such that the JV Company will then become owned as to 62.5% by MMG SA, 22.5% by Elion Holdings and 15.0% by CITIC; (b) to provide further funding and financial support to the JV Company in proportion to their respective shareholdings so as to allow the JV Company to provide sufficient funds to the Purchasers to settle the Consideration under the Share Purchase Agreement and to complete the development of the Las Bambas Project; and (c) to grant the Call Options (which include the Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option) to each other and in the case of MMG SA and the Company, to grant the Listing Put Option to Elion Holdings and CITIC.

If the Share Purchase Agreement is terminated by the Sellers in the circumstances further described in the section headed "The Acquisition – Principal Terms of the Share Purchase Agreement – SPA Break Fee" in this announcement, the Purchasers shall be liable to pay the Sellers' Guarantor on behalf of the Sellers the SPA Break Fee.

OFFTAKE ARRANGEMENTS

Pursuant to the terms of the Shareholders' Agreement:

- (a) subject to (i) the Company obtaining the approval by the requisite majority of relevant shareholders of the Company where required under the Listing Rules; and (ii) the JV Company and its shareholders entering into an offtake agreement in accordance with the terms of the Shareholders' Agreement, each shareholder of the JV Company will be entitled to take a portion of the Products from the Las Bambas Project equivalent to its shareholding percentage in the JV Company;
- (b) for so long as Elion Holdings is a shareholder of the JV Company and is controlled by GXIIC, Elion Holdings has agreed to assign its pro-rata share of the Products from the Las Bambas Project under the Shareholders' Agreement to each of MMG SA and CITIC on an equal basis,

such that MMG SA and CITIC will be entitled to 73.75% and 26.25%, respectively, of the Products from the Las Bambas Project; and

- (c) as soon as reasonably practicable after the date of the Shareholders' Agreement, each of MMG SA and CITIC will execute the MMG Offtake Agreement and the CITIC Offtake Agreement, respectively, with the JV Company (on behalf of the Project Company), under which MMG SA and CITIC will acquire their respective portion of the Products from the Las Bambas Project during the life of the Las Bambas Project. Each of the MMG Offtake Agreement and the CITIC Offtake Agreement shall be in a form and content acceptable to the parties to such agreement, have the same terms and conditions as the other offtake agreement and include terms that reflect international terms for similar quality concentrates.

The Company and CMN, the controlling shareholder of the Company, have reached an understanding that MMG SA will, subject to it executing the MMG Offtake Agreement with the JV Company pursuant to the terms of the Shareholders' Agreement, enter into an offtake agreement with CMN to sell to CMN Products from the Las Bambas Project that MMG SA will take up under the MMG Offtake Agreement, for the entire life-of-mine term of, and on the same terms as, the MMG Offtake Agreement.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition and the Formation of the Joint Venture

As the Relevant Ratios in respect of the Acquisition and the Formation of the Joint Venture exceed 100%, the Acquisition and the Formation of the Joint Venture, together, constitute a very substantial acquisition for the Company and the transaction is, therefore, subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SPA Break Fee

As the Relevant Ratios in respect of the obligation of the Purchasers to pay the SPA Break Fee under the Share Purchase Agreement are more than 5% but less than 25%, the obligation to pay the SPA Break Fee, on its own, constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option

The Call Options include the Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option, each of which may be exercisable by any of MMG SA, Elion Holdings or CITIC, depending on who commits any of the events that would trigger such option under the Shareholders' Agreement.

Where the Call Options are exercisable at the discretion of Elion Holdings or CITIC, pursuant to Rule 14.74(1) of the Listing Rules, each of the Call Options will be classified as if it had been exercised at the time of grant. As neither the actual amount nor the maximum amount of the consideration payable on the exercise of any of the Call Options can be ascertained at the time of grant, pursuant to Rule 14.76(1) of the Listing Rules, each of the Call Options will be classified as at least a major transaction (disposal) for the Company, which will be subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Where the Call Options are exercisable at the discretion of the Company, the grant (at no cost) of these options to the Company will, pursuant to Rule 14.75 of the Listing Rules, be exempt from the notification, announcement and shareholders' approval requirements of Chapter 14 of the Listing Rules. The exercise of any of the Call Options by the Company, however, will be subject to the requirements under Chapter 14 and also Chapter 14A of the Listing Rules given that at the time when any of the Call Options is exercised by the Company, each of Elion Holdings and CITIC will have become a substantial shareholder of the JV Company and hence, a connected person of the Company. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the relevant requirements under Chapter 14 and 14A of the Listing Rules such that no approval by the Company's shareholders will be required at the time when the Company exercises any of the Call Options, on condition that (a) the Company seeks the prior approval by its shareholders of the exercise of the Call Options by the Company as a major transaction (acquisition) at the EGM and such approval is obtained; and (b) at the time when the Company exercises any of the Call Options, Elion Holdings or CITIC (as the case may be) would not be regarded as a connected person of the Company other than by virtue of its relationship with the JV Company.

The Listing Put Option

As the Listing Put Option is exercisable at the discretion of Elion Holdings or CITIC, pursuant to Rule 14.74(1) of the Listing Rules, the option will be classified as if it had been exercised at the time of grant.

As neither the actual value nor the maximum value of the shares of the relevant subsidiary of the Company proposing a listing of its shares can be ascertained at the time of grant, pursuant to Rule 14.76(1) of the Listing Rules, the Listing Put Option will be classified as at least a major transaction (acquisition) for the Company, which will be subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The Company will convene the EGM at which ordinary resolutions will be proposed to approve, among other things, the entry into and performance of the Share Purchase Agreement and the transactions contemplated thereby by the Purchasers and the Company and the entry into and performance of the Shareholders' Agreement and the transactions contemplated thereunder by MMG SA and the Company (including the Call Options and the Listing Put Option).

CMN has irrevocably undertaken to each Seller that it will procure Album Enterprises and Top Create to vote in favour of the resolutions to approve the Acquisition by the Purchasers and the entry into and performance of the Share Purchase Agreement by the Purchasers and the Company at the EGM.

GENERAL

Citi and Merrill Lynch have been appointed as the joint financial advisers, and ICBCI and BOCI have been appointed as the financing advisers, to the Company, Elion Holdings and CITIC in relation to the Acquisition. Deutsche Bank has been appointed as the financial adviser to CMN.

CDB will act as the mandated lead arranger for the syndicated facility to the Purchasers to finance the Acquisition. ICBC and BOC will participate in the syndicated facility.

The Circular containing, among other things, (i) further details on the Acquisition, the Share Purchase Agreement and the Shareholders' Agreement; (ii) financial information of the Target Group; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) a competent person's report on

the Ore Reserves and Mineral Resources of the Target Group prepared in accordance with the requirements under Chapter 18 of the Listing Rules; (v) a valuation report on the mineral assets of the Target Group prepared in accordance with the requirements under Chapter 18 of the Listing Rules; and (vi) the notice of the EGM will be sent to the Shareholders in due course. As it will take time to prepare the foregoing financial and other information for inclusion in the Circular, the Circular is expected to be despatched to the Shareholders on or before 30 June 2014.

It should be noted that as completion of the Acquisition is subject to a number of conditions (as further described in the section headed "The Acquisition – Principal terms of the Share Purchase Agreement – Conditions" in this announcement), which may or may not be fulfilled, the Acquisition may or may not proceed. The issue of this announcement does not in any way imply that the transactions contemplated under the Share Purchase Agreement will be completed. Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the shares of the Company.

INTRODUCTION

On 13 April 2014, the Purchasers, the Company, the Sellers and the Sellers' Guarantor entered into the Share Purchase Agreement, pursuant to which, among other things, (a) the Sellers have conditionally agreed to sell and the Purchasers have conditionally agreed to purchase the Sale Shares in consideration of the payment of the Cash Consideration by the Purchasers to the Sellers and the repayment of the Intragroup Loans by the Target Company and the Project Company to members of the Sellers' Group in accordance with the terms of the Share Purchase Agreement; (b) the Company has agreed to guarantee the due and punctual performance by the Purchasers of their obligations under the Share Purchase Agreement; and (c) the Sellers' Guarantor has agreed to guarantee the due and punctual performance by the Sellers of their obligations under the Share Purchase Agreement.

Each of the Purchasers is a wholly-owned subsidiary of the JV Company. The JV Company is a newly incorporated company established for the purpose of the Acquisition which is currently wholly-owned by MMG SA, being itself a wholly-owned subsidiary of the Company. Each of MMG SA, Elion Holdings and CITIC has agreed, pursuant to the Shareholders' Agreement entered into by them immediately before the execution of the Share Purchase Agreement on 13 April 2014, (a) to subscribe for new shares in the JV Company on or before Completion of the sale and purchase of the Sale Shares such that the JV Company will then become owned as to 62.5% by MMG SA, 22.5% by Elion Holdings and 15.0% by CITIC; (b) to provide further funding and financial support to the JV Company in proportion to their respective shareholdings so as to allow the JV Company to provide sufficient funds to the Purchasers to settle the Consideration under the Share Purchase Agreement and to complete the development of the Las Bambas Project; and (c) to grant the Call Options (which include the Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option) to each other and in the case of MMG SA and the Company, to grant the Listing Put Option to Elion Holdings and CITIC.

THE ACQUISITION

Principal terms of the Share Purchase Agreement

Date

13 April 2014

Parties

- (a) Minera Las Bambas S.A.C. and MMG Swiss Finance AG (as purchasers);
- (b) MMG Limited (as guarantor of the performance by the Purchasers of their obligations);
- (c) Xstrata South America Limited and Glencore Queensland Limited (as sellers); and
- (d) Glencore International AG (as guarantor of the performance by the Sellers of their obligations).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Sellers, the Sellers' Guarantor and their respective ultimate beneficial owners is independent of the Company and its connected persons.

Assets to be acquired

The Sale Shares, being the entire issued share capital of the Target Company which, through the Project Company, owns the Las Bambas Project.

Consideration

The Consideration consists of the Cash Consideration and the repayment of the Intragroup Loans.

- (a) Cash Consideration

The Cash Consideration is equal to:

- (i) US\$5,850,000,000 (equivalent to approximately HK\$45,630,000,000); plus
- (ii) the Net Asset Value; less
- (iii) the valuation date capitalised costs of mine, being US\$4,187,650,000 (equivalent to approximately HK\$32,663,670,000).

Before Completion, the Sellers shall notify the Purchasers the amount of the Sellers' reasonable estimate of the Net Asset Value determined in accordance with the terms of the Share Purchase Agreement, based on which the Purchasers shall pay the Cash Consideration in cash to the Sellers on Completion. Post-Completion adjustments for the difference between the Sellers' estimate of the Net Asset Value and the actual Net Asset Value will be made between the Sellers and the Purchasers.

(b) Repayment of the Intragroup Loans

On Completion:

- (i) the Purchasers will lend an amount to each of the Target Company and the Project Company equal to the portion of the Estimated Intragroup Loan Amount owed by the Target Company or the Project Company (as the case may be) to members of the Sellers' Group, which the Target Company and the Project Company will use to repay the Intragroup Loans to members of the Sellers' Group; and
- (ii) the Sellers will procure each relevant member of the Sellers' Group to repay any Estimated Intragroup Receivables to the Target Company and/or the Project Company.

Post-Completion adjustments will be made between the Sellers and the Purchasers if the amount of the Intragroup Loans and/or the Intragroup Receivables contained in the Completion Statement is greater or less than the amount of the Estimated Intragroup Loan Amount or the Estimated Intragroup Receivables (as the case may be), such that the difference will be paid by the Target Company and/or the Project Company to the relevant member of the Sellers' Group or by the relevant member of the Sellers' Group to the Target Company and/or the Project Company, as the case may be.

The Purchasers will finance the Consideration by a combination of (i) internal resources from equity contributions to be made by MMG SA, Elion Holdings and CITIC to the JV Company in proportion to their respective shareholdings in the JV Company in accordance with the terms of the Shareholders' Agreement; and (ii) external bank financing.

In relation to the external bank financing, the Purchasers have obtained a commitment letter from CDB to arrange a syndicated facility, subject to satisfaction of certain conditions and further negotiation and execution of definitive agreements on terms satisfactory to the Company and CDB. ICBC and BOC will participate in the syndicated facility to be arranged by CDB as the mandated lead arranger. It is expected that the syndicated facility will be secured by charges over the assets of the Las Bambas Project and the Purchasers, and will also be guaranteed on a several basis by CMN, GXIC and CITIC in proportion to the respective shareholdings held by MMG SA, Elion Holdings and CITIC in the JV Company. The syndicated facility will be provided to the Purchasers for the purpose of financing the Acquisition as well as the remaining capital expenditure required to develop the Las Bambas Project.

The pro-rata share of equity contribution to be made by MMG SA to the JV Company under the Shareholders' Agreement will be financed by a four-year term loan from Top Create, a shareholder of MMG and a wholly-owned subsidiary of CMN, on normal commercial terms (or better to the Company) where no security over the assets of the Group will be granted. Such loan will constitute a continuing connected transaction for the Company which will be fully exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.65(4) thereof.

Basis of determining the Consideration

The Consideration was agreed between the Purchasers and the Sellers on an arm's length basis as part of a two-stage confidential competitive bidding process conducted by the Sellers' Guarantor whereby (a) interested purchasers were required to submit non-binding indicative bids at the end of the first stage; and (b) selected bidders negotiated the sale and purchase agreement with the Sellers in the

second stage until submission of final offers capable of being executed at the end of the second stage and execution of the Share Purchase Agreement.

The Company took into consideration the following factors, among other things, in determining the final offer submitted to and agreeing the Consideration with the Sellers:

- (1) results of the due diligence and financial analysis conducted by the Company and its professional advisers based on information provided by the Sellers;
- (2) negotiations with the management and professional advisers of the Sellers as part of the competitive bidding process;
- (3) the scale and quality of the Mineral Resources and Ore Reserves of the Las Bambas Project, which is located in a well-established mining jurisdiction, and the project's forecast low cost position on the industry cost curve;
- (4) the Company's assessment of the prospects of the Las Bambas Project in particular, its substantial geological potential and exploration upside;
- (5) the unique opportunity to acquire a world-class copper asset; and
- (6) strategic benefits from a major and permanent presence in South America, strong compatibility with the Company's growth strategy, as well as the potential synergies as part of the Enlarged Group, as further explained in the section headed "Reasons for and Benefits of the Acquisition" below.

Conditions

Completion is conditional upon the satisfaction (or waiver in accordance with the terms of the Share Purchase Agreement as further described below) of the following Conditions:

- (a) the approval of the Acquisition by MOFCOM having been obtained;
- (b) the necessary confirmation and consent by ProInversion in relation to the qualifications of the Purchasers having been obtained;
- (c) the requisite majority of the relevant shareholders of the Company as required under the Listing Rules having approved the entry into and performance of the Share Purchase Agreement and the transactions contemplated thereby by the Purchasers and the Company; and
- (d) (i) the necessary approval by or registration with each of NDRC (or its local counterpart), MOFCOM (or its local branch) and the competent local branch of the State Administration of Foreign Exchange of the PRC of the transactions contemplated under the Share Purchase Agreement having been obtained or completed (as the case may be); and (ii) the necessary approval by MOFCOM of the formation of the JV Company by the Company, Elion Holdings and CITIC (or their respective subsidiaries) having been obtained.

ProInversion is party to the three main state agreements by which the Project Company holds the mining concessions and other project assets relating to the Las Bambas Project. Pursuant to those state agreements, the Purchasers must demonstrate to ProInversion that they have (a) financial capacity, measured as a minimum net worth of US\$100,000,000; and (b) technical capacity, measured

as mining operations or processing capacity of not less than 10,000 tonnes per day (either directly or indirectly through a subsidiary).

The Purchasers have agreed to use all reasonable endeavours to ensure the satisfaction of the Purchasers Conditions (as set out in paragraphs (c) and (d) above) as soon as possible after the date of the Share Purchase Agreement. The Sellers and the Purchasers have agreed to use all reasonable endeavours to satisfy the MOFCOM Condition and the ProInversion Condition (as set out, respectively, in paragraphs (a) and (b) above) as soon as possible after the date of the Share Purchase Agreement.

The Purchasers may waive in whole or in part the Purchasers Condition set out in paragraph (d) above. No party can waive the MOFCOM Condition or the ProInversion Condition without the prior written approval of the Sellers' Guarantor, the Purchasers and the Company. The Purchaser Condition set out in paragraph (c) above may not be waived by any party.

As at the date of this announcement, none of the Conditions has been satisfied or waived.

Termination

The Share Purchase Agreement may be terminated in the following circumstances:

- (a) if, on the Long Stop Date:
 - (i) any of the Purchasers Conditions have not been satisfied (or waived in accordance with the Share Purchase Agreement); and/or
 - (ii) a MOFCOM Termination Event or a ProInversion Termination Event has occurred,then the Sellers shall be entitled either to fix a new long stop date (which shall not be after 31 December 2014) or to terminate the Share Purchase Agreement without liability on their part;
- (b) if, at any time between the signing of the Share Purchase Agreement and Completion, it comes to the attention of the parties to the agreement that:
 - (i) there is no realistic prospect of any one (or more) of the Purchasers Conditions being satisfied before the then expected date of Completion (or, if there is at that time no scheduled date of Completion, before the Long Stop Date); or
 - (ii) an event that would on the Long Stop Date constitute a MOFCOM Termination Event or a ProInversion Termination Event has occurred in respect of which there is no realistic prospect of remedy before the then expected date of Completion (or, if there is at that time no scheduled date of Completion, before the Long Stop Date),other than as a result of a prospective breach of a fundamental warranty or the prospective occurrence of a material adverse change as at the then expected date of Completion (or, if there is at that time no scheduled date of Completion, as at the Long Stop Date), then the Sellers shall be entitled to terminate the Share Purchase Agreement without liability on their part;
- (c) if, on the Long Stop Date, the Purchasers Conditions have been satisfied (or waived in accordance with the Share Purchase Agreement) and no MOFCOM Termination Event or ProInversion Termination Event has occurred, but any other Condition has not been satisfied and an event has occurred, or facts or circumstances have arisen that, if not remedied before

Completion, would at Completion constitute a breach of a fundamental warranty (other than certain fundamental warranties the breach of which is of a minor and immaterial nature or relating to valid and non-frivolous or vexatious claims) or a material adverse change, then the Purchasers shall be entitled to terminate the Share Purchase Agreement without liability on their part;

- (d) if, at any time between the signing of the Share Purchase Agreement and Completion, it comes to the attention of the parties to the agreement that an event has occurred, or facts or circumstances have arisen that, if not remedied before Completion, would at Completion constitute a breach of a fundamental warranty (with no realistic ability for such event, facts or circumstances to be remedied prior to the then expected date of Completion or, if there is at that time no scheduled date of Completion, prior to the Long Stop Date), then the Purchasers shall be entitled to terminate the Share Purchase Agreement without liability on their part;
- (e) if, at any time between the signing of the Share Purchase Agreement and Completion, it comes to the attention of the parties to the agreement that an event has occurred, or facts or circumstances have arisen that, if not remedied before Completion, would at Completion constitute a material adverse change (with no realistic ability for such prospective material adverse change to be remedied prior to the then expected date of Completion or, if there is no scheduled date of Completion, prior to the Long Stop Date), then the Purchasers shall be entitled to terminate the Share Purchase Agreement without liability on their part;
- (f) if, on the Long Stop Date:
 - (i) the Purchasers Conditions have all been satisfied; and
 - (ii) no MOFCOM Termination Event or ProInversion Termination Event has occurred; and
 - (iii) the MOFCOM Condition or the ProInversion Condition has not been satisfied,

then the Sellers or the Purchasers shall be entitled to give notice to the other to terminate the Share Purchase Agreement without liability on any party to the Share Purchase Agreement.

SPA Break Fee

If the Share Purchase Agreement is terminated by the Sellers pursuant to paragraph (a) or (b) in the sub-section headed "Termination" above other than where all of the following circumstances persist:

- (a) the sole event, fact or circumstance giving rise to the Sellers' right to terminate the Share Purchase Agreement is (i) the non-satisfaction of a Purchasers Condition or a Purchasers Condition having no realistic prospect of satisfaction; or (ii) the occurrence of an event that would on the Long Stop Date constitute a MOFCOM Termination Event or a ProInversion Termination Event which has no realistic prospect of remedy; and
- (b) it could reasonably be concluded that the predominant cause of the matter referred to in (a) above is that an event has occurred, or facts or circumstances have arisen that, if not remedied before Completion, would at Completion constitute a breach of a fundamental warranty or a material adverse change and there is no realistic prospect of such event, fact or circumstance being remedied in sufficient time prior to the then expected date of Completion (or if there is no scheduled date of Completion, prior to the Long Stop Date) such that it could not reasonably be concluded that the predominant cause of the matter referred to in (a) is the occurrence of such event or the arising of such facts or circumstances; and

- (c) in the case of events, facts or circumstances that, if not remedied before Completion, would at Completion constitute a breach of a fundamental warranty, if the relevant event or facts or circumstances have occurred or arisen (as the case may be), the Purchasers would have been entitled to terminate this Agreement,

then the Purchasers shall be liable to pay the Sellers' Guarantor on behalf of the Sellers the SPA Break Fee of US\$250,000,000 (equivalent to approximately HK\$1,950,000,000).

The SPA Break Fee was determined after an arm's length negotiation between the Company and the Sellers as part of the competitive bidding process and in line with market precedents, by reference to, among others, the amount of the fee, the irrevocable undertaking given by CMN to each Seller to procure Album Enterprises and Top Create to vote in favour of the resolutions to approve the Acquisition by the Purchasers and the entry into the Share Purchase Agreement by the Purchasers and the Company (see below), the Company's confidence in obtaining the requisite regulatory approvals, confirmations and consents for the Acquisition and the Directors' view of the benefits of the Acquisition to the Company and the Shareholders as a whole.

Completion

Completion will take place on the last business day of the calendar month during which notification is given of the fulfillment of the last Condition (other than any condition that has been waived in accordance with the terms of the Share Purchase Agreement), provided that if such notification is given later than the 14th day of that month, then Completion will take place on the last business day of the following calendar month.

Guarantee

The Company has unconditionally and irrevocably guaranteed to the Sellers the due and punctual performance by the Purchasers of all their obligations under the Share Purchase Agreement.

The Sellers' Guarantor has unconditionally and irrevocably guaranteed to the Purchasers the due and punctual performance by the Sellers of all their obligations under the Share Purchase Agreement.

Transitional Services Agreement

Upon Completion, Inversiones, a subsidiary of the Sellers' Guarantor and the Project Company will enter into a transitional services agreement, pursuant to which Inversiones will:

- (a) for the period of four months from the date of Completion (which may be extended subject to Inversiones' agreement), provide services to the Project Company on a transitional basis in respect of various corporate support services for a fee in order to facilitate the full handover of information technology systems and other corporate functions, procedures and processes associated with the Las Bambas Project to the Purchasers; and
- (b) for a period ending on the earlier of the commissioning of the Las Bambas Project plant and 31 December 2015, provide training to the operational personnel of the Las Bambas Project to enable them to gain necessary skills to operate and maintain the project plant. Inversiones' obligation to provide the foregoing training is subject to obtaining the mutual agreement of the parties in respect of the terms pursuant to which such training will be provided. The parties have agreed to negotiate in good faith to finalise such terms prior to the expiry of the original four-month term of the transitional services agreement.

THE JV COMPANY AND SHAREHOLDERS' AGREEMENT

The JV Company is a newly incorporated company established for the purpose of the Acquisition which is currently wholly-owned by MMG SA, being itself a wholly-owned subsidiary of the Company. Pursuant to the Shareholders' Agreement, MMG SA, Elion Holdings and CITIC have conditionally agreed that on or prior to the date of Completion, each of them will subscribe for new shares in the JV Company such that the JV Company will then become owned as to 62.5% by MMG SA, 22.5% by Elion Holdings and 15.0% by CITIC. The JV Company will remain a subsidiary of the Company upon completion of such subscription.

Principal terms of the Shareholders' Agreement

Date

13 April 2014

Parties

- (a) the Company;
- (b) MMG SA;
- (c) Elion Holdings;
- (d) CITIC;
- (e) GXIIC; and
- (f) the JV Company.

GXIIC, through its wholly-owned subsidiary, is interested in certain non-voting convertible redeemable preference shares in a subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Elion Holdings, CITIC and GXIIC and their ultimate beneficial owners is independent of the Company and its connected persons.

Effective date of formation of joint venture

The parties will not have any obligation to proceed with the Formation of the Joint Venture and, in particular, will not have any obligation to provide funding to the JV Company under the Shareholders' Agreement (except the SPA Break Fee) unless and until:

- (a) the outbound investment project approval by NDRC (or its local counterpart) in relation to the transactions contemplated by the Shareholders' Agreement has been obtained;
- (b) the outbound investment approval by MOFCOM (or its local branch) in relation to the transactions contemplated by the Shareholders' Agreement has been obtained;
- (c) the approval of the Formation of the Joint Venture under the Shareholders' Agreement by MOFCOM has been obtained; and

- (d) the approval by the requisite majority of the relevant shareholders of the Company as required under the Listing Rules of (i) the entry into and performance of the Share Purchase Agreement and the transactions contemplated thereunder by the Purchasers and the Company; (ii) the entry into and performance of the Shareholders' Agreement and the transactions contemplated thereunder by MMG SA and the Company; and (iii) the entry by the relevant member of the JV Group into an offtake agreement with CITIC as contemplated under the Shareholders' Agreement have been obtained.

Obligations to fund the Acquisition

All funding required by the JV Company for the Acquisition will be financed, on or prior to Completion, in the following manner:

- (a) to the maximum extent possible, by financing from third party financial institutions to the JV Group; and
- (b) any portion of the funding not satisfied by third party financing referred to in (a) above will be funded by MMG SA, Elion Holdings and CITIC in proportion to their respective shareholdings in the JV Company as shareholder equity, provided that the total aggregate amount of funding that MMG SA, Elion Holdings and CITIC are required to provide as shareholder equity for the Acquisition shall not exceed US\$3.56 billion (equivalent to approximately HK\$27.77 billion).

For further details of the funding arrangements, please refer to the section headed "The Acquisition – Principal terms of the Share Purchase Agreement – Consideration" in this announcement.

If a Contribution Default Event occurs in respect of MMG SA, Elion Holdings or CITIC, each of the non-defaulting parties will have the right to acquire from the defaulting party all of its shares in and the shareholder's loan provided to the JV Company for an amount equal to the sum of all subscription funds contributed by the defaulting party as at the date of the Contribution Default Event (the "**Contribution Default Call Option**").

"**Contribution Default Events**" includes:

- (i) (in respect of MMG SA, Elion Holdings or CITIC) on or before a certain specified date, MMG SA, Elion Holdings or CITIC (as the case may be) (1) has notified the other parties that its application for SAFE Approval has been rejected or has not notified the JV Company and the other parties that it has obtained the SAFE Approval; and (2) has not provided satisfactory evidence to the other parties that it has sufficient funds to comply with its obligations under the Shareholders' Agreement without the need for further SAFE Approval;
- (ii) (in respect of MMG SA only) (1) the Company does not obtain the approval by the requisite majority of the relevant shareholders of the Company as required under the Listing Rules of (x) the entry into and performance of the Share Purchase Agreement and the transactions contemplated thereunder by the Purchasers and the Company; (y) the entry into and performance of the Shareholders' Agreement and the transactions contemplated thereunder by MMG SA and the Company; and (z) the entry by the relevant member of the JV Group into an offtake agreement with CITIC as contemplated under the Shareholders' Agreement prior to the Long Stop Date; (2) all the approvals set out in paragraph (a) to (c) under the sub-section headed "Effective date of formation of joint venture" above have been obtained; and (3) a Contribution Default Event has not occurred in relation to Elion Holdings or CITIC;

- (iii) (in respect of MMG SA, Elion Holdings or CITIC) MMG SA, Elion Holdings or CITIC (as the case may be) fails to comply with its obligations under any financing agreements in relation to any third party financing for the Acquisition, its obligations to provide financial support under such financing agreements or its obligations to make capital contribution to fund the Acquisition under the Shareholders' Agreement.

Obligations with respect to the SPA Break Fee

If Completion does not occur as a result of the Purchasers or the Company being in breach of, or default under, its obligations under the Share Purchase Agreement after the occurrence of a Contribution Default Event, the defaulting party must reimburse the JV Company all of the SPA Break Fee and other losses incurred, and indemnify the other parties to the Shareholders' Agreement, the JV Company and its subsidiaries for any losses they incur, as a result of Completion not taking place.

If Completion does not occur for any reason (other than as a result of a Contribution Default Event), then each of MMG SA, Elion Holdings and CITIC will, in proportion to their respective shareholdings in the JV Company, reimburse the JV Company any SPA Break Fee and other losses incurred, and indemnify the JV Company and its subsidiaries for any losses they incur, as a result of Completion not taking place.

Business of the JV Group

The JV Group will principally be engaged in:

- (a) the performance of the obligations of the Purchasers under the Share Purchase Agreement;
- (b) after Completion, the development and operation of the Las Bambas Project; and
- (c) the conduct of any other business as determined by the JV Board or shareholders of the JV Company in connection with the Las Bambas Project.

Each shareholder of the JV Company has an unrestricted right to engage in any activities outside the scope of the Las Bambas Project or the business of the JV Company.

Arrangements during the period between signing of the Shareholders' Agreement and Completion under the Share Purchase Agreement

During the period between signing of the Shareholders' Agreement and Completion under the Share Purchase Agreement, all major decisions regarding the Acquisition must be approved by the unanimous decision of the management committee consisting of three members appointed by each of MMG SA, Elion Holdings and CITIC prior to any action or decision being taken by the parties to the Shareholders' Agreement or any member of the JV Group. The Company will lead and represent the parties to the Shareholders' Agreement and the Purchasers and members of the JV Group in relation to the Purchasers' obligations under the Share Purchase Agreement and the negotiation of any financing agreements. All costs and liabilities incurred by the Company in relation to any actions undertaken will be borne by each of MMG SA, Elion Holdings and CITIC in proportion to their respective shareholdings in the JV Company.

Board of directors

The JV Company will have a maximum of six directors. Each shareholder of the JV Company is entitled to nominate one director in respect of every 15% of the shares in the JV Company held by it out of the total number of shares of the JV Company in issue from time to time.

At each meeting of the JV Board, each director is entitled to the number of votes that the total number of shares in the JV Company held by the shareholder nominating such director bears to the number of directors appointed by such shareholder who attend the board meeting or sign the relevant written resolutions (as the case may be) and who are entitled to vote on the relevant resolution.

Resolutions of the directors of the JV Company will be decided by a simple majority of the votes cast, except for certain reserved matters set out in the Shareholders' Agreement, which will require the approval of such number of directors of the JV Company that together hold more than 85% of the total voting entitlement of all directors entitled to vote.

Cash Calls

The JV Board may make a cash call for, and the shareholders of the JV Company must contribute on a pro-rata basis, additional capital (whether by way of subscription for shares in the JV Company by the shareholders or by way of shareholder's loans, as determined by the JV board) to the JV Company from time to time contemplated by the development plan and an approved work programme and budget for the Las Bambas Project.

If the JV Board intends to make a cash call for additional capital after the commencement of commercial production of the Las Bambas Project, the amount of which, when aggregated with the amount of prior cash calls made in the same financial year, exceeds an amount equal to 50% of all distributions made by the JV Company to its shareholders in the previous financial year (a "**Restricted Cash Call**"), each shareholder of the JV Company will have the right to elect whether to participate in the Restricted Cash Call.

If:

- (a) a shareholder fails to obtain the PRC regulatory approval required for it to satisfy a cash call for additional capital within a specified period of time; or
- (b) a shareholder elects not to participate in a Restricted Cash Call,

then each of the other shareholders who are participating in the cash call will have the right to elect to contribute the portion of the cash call that was to be contributed by the non-contributing shareholder, in return for the transfer by the non-contributing shareholder to it of such number of shares in the JV Company and such portion of the shareholder's loan provided by the non-contributing shareholder to the JV Company as is equivalent, based on an aggregate fair value to be determined by an independent expert to be appointed by the contributing shareholder(s), to the portion of the cash call that the contributing shareholder has funded in place of the non-contributing shareholder (the "**Non-participation Call Option**").

If a shareholder fails to satisfy, in whole or in part, a cash call for additional capital made by the JV Board (other than a Restricted Cash Call in which it has elected not to participate in accordance with the Shareholders' Agreement), then each of the other shareholders may elect to contribute the unpaid sum on behalf of the defaulting shareholder and the amount of such unpaid sum will be taken to

constitute a debt owing by the defaulting shareholder to the shareholder contributing the unpaid sum on behalf of the defaulting shareholder.

Transfer Events

If a Transfer Event occurs in relation to a shareholder of the JV Company, each of the other shareholders will have the right to acquire from that shareholder a proportionate number of its shares in and a proportionate amount of its shareholder's loan to the JV Company for an amount equal to (in the case of any Transfer Event set out in paragraphs (a) to (e) below) 95% or (in the case of any Transfer Event set out in paragraphs (f) to (h) below) 100% of the fair value of those shares and shareholder's loan as determined by an independent expert to be appointed by the JV Company (the "**Transfer Event Call Option**").

"**Transfer Events**", in relation to a shareholder of the JV Company, includes:

- (a) disposal of any shares in or any shareholder's loan provided to the JV Company in breach of the terms of the Shareholders' Agreement;
- (b) in the case of Elion Holdings or CITIC only, upon the occurrence of a change of control (as defined in the Shareholders' Agreement) of that shareholder;
- (c) where a prior shareholder of the JV Company has transferred its shares in and shareholder's loan to the JV Company to an affiliate (as defined in the Shareholders' Agreement), the transferee ceasing to be an affiliate of that prior shareholder without first transferring those shares and shareholder's loans back to that prior shareholder or another affiliate of that prior shareholder in accordance with the Shareholders' Agreement;
- (d) any material breach of the Shareholders' Agreement, which breach is not remedied within a specified period of time or is committed within six months of remedying the same breach;
- (e) failure to repay the debt owing to the other shareholder(s) arising as a result of its failure to satisfy a cash call for additional capital made by the JV Board in accordance with the Shareholders' Agreement;
- (f) non-participation in a Restricted Cash Call on three or more separate occasions and in relation to the first two occasions, one or more of the other shareholders have contributed in full the relevant amount of the Restricted Cash Calls;
- (g) that shareholder being prohibited from being a shareholder of the JV Company by a change in any law;
- (h) winding up, appointment of receiver or insolvency in respect of that shareholder or any ultimate holding company or parent undertaking of that shareholder.

Listing of a subsidiary of the Company

If any subsidiary of the Company proposes to seek a listing of its shares on an internationally recognized stock exchange and such subsidiary directly or indirectly holds shares in the JV Company, each of Elion Holdings and CITIC will have the right to participate in such proposed listing.

If both of Elion Holdings and CITIC express an intention to participate in the proposed listing, then the Company and MMG SA shall procure the listing of the shares in the JV Company instead.

If only Elion Holdings or CITIC intends to participate in the proposed listing, then the relevant subsidiary may proceed with the proposed listing and Elion Holdings or CITIC (as the case may be) will have the right to participate in the proposed listing by transferring to the relevant subsidiary its shares in the JV Company and the shareholder's loan provided by it to the JV Company in exchange for the issue of new shares in the relevant subsidiary, the number of which will be determined by reference to a valuation, to be conducted by an independent expert agreed by the parties, of the fair value of the shares in the JV Company held by and the shareholder's loan to the JV Company provided by Elion Holdings or CITIC (as the case may be) and the fair value of the shares of the relevant subsidiary (the "**Listing Put Option**").

Elion Holdings shall no longer be entitled to the rights and benefits under the Listing Put Option upon GXIIC ceasing to hold or control, directly or indirectly, a majority of the voting rights exercisable at shareholder meetings of Elion Holdings or otherwise ceasing to Control (as defined in the Shareholders' Agreement) Elion Holdings.

CITIC shall no longer be entitled to the rights and benefits under the Listing Put Option upon CITIC Group Corporation ceasing to hold or control, directly or indirectly, a majority of the voting rights exercisable at shareholder meetings of CITIC or otherwise ceasing to Control (as defined in the Shareholders' Agreement) CITIC.

Guarantee

The Company will guarantee to each of the other parties to the Shareholders' Agreement the prompt performance by MMG SA of all its obligations under the Shareholders' Agreement.

GXIIC will guarantee to each of the other parties to the Shareholders' Agreement the prompt performance by Elion Holdings of all its obligations under the Shareholders' Agreement.

OFFTAKE ARRANGEMENTS

Offtake arrangements between the JV Company and its shareholders

Pursuant to the terms of the Shareholders' Agreement:

- (a) subject to (i) the Company obtaining the approval by the requisite majority of relevant shareholders of the Company where required under the Listing Rules; and (ii) the JV Company and its shareholders entering into an offtake agreement in accordance with the terms of the Shareholders' Agreement, each shareholder of the JV Company will be entitled to take a portion of the Products from the Las Bambas Project equivalent to its shareholding percentage in the JV Company;
- (b) for so long as Elion Holdings is a shareholder of the JV Company and is controlled by GXIIC, Elion Holdings has agreed to assign its pro-rata share of the Products from the Las Bambas Project under the Shareholders' Agreement to each of MMG SA and CITIC on an equal basis, such that MMG SA and CITIC will be entitled to 73.75% and 26.25%, respectively, of the Products from the Las Bambas Project;
- (c) as soon as reasonably practicable after the date of the Shareholders' Agreement, each of MMG SA and CITIC will execute the MMG Offtake Agreement and the CITIC Offtake Agreement, respectively, with the JV Company (on behalf of the Project Company), under which MMG SA and CITIC will acquire their respective portion of the Products from the Las Bambas Project

during the life of the Las Bambas Project. Each of the MMG Offtake Agreement and the CITIC Offtake Agreement shall:

- (i) be in a form and content acceptable to the parties to such agreement;
- (ii) have the same terms and conditions as the other offtake agreement; and
- (iii) include terms that reflect international terms for similar quality concentrates addressing (without limitation) committed quantities for the life of the Las Bambas Project, quality/specifications, price, metal payments, treatment and refining charges, quality allowances, shipment schedules, delivery (incorporating Incoterms® 2010 (ICC Publication No 715e) or later version of Incoterms® as published by International Chamber of Commerce, CIF (Cost, Insurance and Freight) or CFR (Cost and Freight)), quotational period, payment terms and other usual conditions (including those dealing with weights and assays, title and risk, insurance requirements and termination and suspension rights).

It is typical in the mining industry for partners in a joint venture formed to explore or exploit a mine to take shares of the offtake from the mine. It is also common practice for such offtake arrangements to be for the life of the mine.

Life-of-mine sales arrangements play an important role in the Group's business and have been beneficial to the Shareholders over the life of the arrangements. The proposed offtake arrangements between the JV Company and its shareholders in respect of the Las Bambas Project production will assist in minimizing the risk of the Project Company by securing a stable customer base and revenue contribution, as well as minimizing costs associated with marketing of the products and negotiating sales contracts regularly as terms of the agreement are on a long-term basis.

The offtake arrangements contemplated under the Shareholders' Agreement help the Project Company secure long-term sales arrangements for its production output, thereby reducing its business risk given the volatility in the global commodity demand. They also provide the shareholders in the JV Company with an assured right to the production output of the Las Bambas Project, in recognition of the significant capital commitments and investment risk borne by them.

Offtake arrangement between MMG SA and CMN

The Company and CMN have reached an understanding that MMG SA will, subject to it executing the MMG Offtake Agreement with the JV Company pursuant to the terms of the Shareholders' Agreement, enter into an offtake agreement with CMN to sell to CMN Products from the Las Bambas Project that MMG SA will take up under the MMG Offtake Agreement, for the entire life-of-mine term of, and on the same terms as, the MMG Offtake Agreement.

Market demand for the Products, the majority of which is copper concentrates, could be subject to significant cyclical fluctuations driven by changes in economic conditions worldwide. It will be beneficial to the Group to secure a sales agreement for the Products it may take up under the life-of-mine offtake arrangement between MMG SA and the JV Company, thereby significantly reducing its exposure to fluctuations in demand for the entire life of the Las Bambas Project.

China is a large and rapidly growing importer of copper concentrates. CMN has a long history of importing copper concentrates into China and as a large metal trader in China, has well established relationships with both private and state-owned Chinese copper smelters (i.e. buyers of copper concentrates). Due to factors such as mine locations and long term contractual arrangements in place,

the major portion of the Group's current sales are made to markets other than China. However, where sales are made to China, these are often made through or to CMN. It is the Directors' view that CMN would be better placed to procure on-sale of the copper concentrates of the Las Bambas Project in China, and all or a significant part of the copper concentrate output of the Las Bambas Project is expected to be sold to customers in China.

It is also expected that by having a back-to-back offtake arrangement with CMN, the Group will be able to mitigate its market risk around placing the copper concentrates from the Las Bambas Project into the PRC metals market without having to incur marketing costs.

The Company will comply with the requirements under Chapter 14A of the Listing Rules, where applicable, at the time when the offtake agreements mentioned above are entered into.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is consistent with the Group's vision, growth strategy and positive long-term view of copper. The Acquisition delivers on the Group's vision of strengthening the Group's business in the base metal sector and, in view of the scale and quality of the resources of the Las Bambas Project, it represents a unique and valuable opportunity for the Group to acquire a world-class and high-quality copper asset with unexplored prospective ground holdings. The Acquisition is expected to significantly increase the Group's business scale and bring long-term and strategic benefits to the Group.

The Acquisition is a unique opportunity to acquire a world-class copper asset

The Las Bambas Project is a large, scalable, long-life development project with prospective exploration options. Located in Cotabambas, Apurimac Region of Peru, the project is at an advanced stage of construction since it was approved in June 2012. The Las Bambas Project is a series of open pit mines which will use a conventional concentrator plant with processing capacity of 140 thousand tonnes per day. In its first full year of operation it will be one of the top three copper producers in the world and is currently one of the largest copper projects in construction on a copper resource basis. The Las Bambas Project is expected to produce in excess of two million tonnes of copper concentrates each year for the first five years of operation. The estimated mine life is in excess of 20 years. The Las Bambas Project is expected to be in the first quartile of the cost curve once nameplate capacity is achieved. The Board is of the view that the Las Bambas Project has significant upside exploration potential, as a significant proportion of the licensed tenement remains unexplored with limited exploration and drilling since 2010.

World-class mining assets such as the Las Bambas Project are scarce and typically tightly held by the major mining companies. The sale of the asset was a primary condition MOFCOM placed on Glencore International plc for its approval of the merger between Glencore International plc and Xstrata plc. The Board is of the view that the opportunity to acquire such a world-class asset in an established mining jurisdiction is unique.

The Las Bambas Project has significant reserves and resources of copper, gold, silver and molybdenum. Based on the Sellers' JORC-compliant statement, as of 31 December 2013, the Las Bambas Project had total reserves of 6.9 million tonnes of contained copper, 1.8 million oz of contained gold, 112.5 million oz of contained silver and 19 thousand tonnes of contained molybdenum, and total resources (inclusive of reserves) of 10.5 million tonnes contained copper, 2.4 million oz of contained gold, 166.2 million oz of contained silver and 281 thousand tonnes of contained molybdenum.

The Acquisition will enable the Enlarged Group to establish a strong platform in the highly prospective and well-established South American mining region

Upon completion of the Acquisition, which the Company expects to occur in the third quarter 2014, the Enlarged Group will establish a major and permanent presence in Peru, one of the most prospective mining regions in the world. According to the Ministry of Energy and Mines of Peru, Peru has the world's second largest copper reserves and was the third largest copper producer in the world in 2012. There is a significant presence in the region of other major global mining companies with a projected US\$57 billion pipeline of new mining investment in Peru. The Enlarged Group will seek to maintain and attract local workforce to operate the Las Bambas Project. The Board understands the Government of Peru and the leadership of the Apurimac region to be supportive of continued mining investment. The Enlarged Group will seek to build long-term partnerships in the region to create positive outcomes for local communities and the Enlarged Group.

The Acquisition is consistent with the Group's vision, growth strategy and positive long-term view of copper

The Acquisition will further advance the Group's objective to maximize shareholder returns by discovering, acquiring, developing and sustainably operating resources projects around the world. The Group's growth strategies primarily focus on identifying opportunities to extract potential from existing assets, pursuing organic growth opportunities through projects and exploration pipelines; and pursuing external growth such as targeting value-focused acquisitions. The Acquisition leverages on the Group's strength as an operator of large open pit mines, and its commitment to world-class standards in safety, health and environment. The Board is of the view the Acquisition represents a significant step to achieve the Group's objective to be recognized among the world's top mid-tier base metals mining companies.

The Company takes a long-term positive view of copper market fundamentals. The Board is of the view that the Group can benefit from the favorable copper market fundamentals when the Las Bambas Project starts production, and to this end intends to conduct an extensive exploration drilling program upon completion of the Acquisition.

The Acquisition is transformational to the Group and creates long-term value for its stakeholders

The Acquisition will reposition the Group in relation to the world's largest copper producers with exposure to other base metals. The scale of the copper resources and production of the Las Bambas Project is significantly larger than that of the Group. Coupled with the Company's positive view of copper market, the Acquisition will significantly increase the copper production and Ore Reserves of the Group and is expected to create long-term value for the Shareholders.

The Acquisition will significantly enhance the Company's growth profile. The Company's share of the production of the Las Bambas Project is expected to be almost 1.5 times of the Group's existing copper production once ramp up is complete. The copper resources of the Las Bambas Project of 10.5 million tonnes represent more than double of the Group's existing copper resources of 3.9 million tonnes.

The Board is confident that future opportunities can be created through (i) the Enlarged Group's new platform in Peru, a highly prospective mining region; (ii) the exploration upside potential of the Las Bambas Project; and (iii) the Company's enhanced sector positioning which will better position it to compete for assets and participate in future industry consolidation.

The Directors, including the independent non-executive Directors, consider that each of the Share Purchase Agreement and the Shareholders' Agreement (including the Call Options and the Listing Put Option) are on normal commercial terms which are fair and reasonable and the entry into each of the Share Purchase Agreement and the Shareholders' Agreement (including the Call Options and the Listing Put Option) is in the interests of the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition and the Formation of the Joint Venture

As the Relevant Ratios in respect of the Acquisition and the Formation of the Joint Venture exceed 100%, the Acquisition and the Formation of the Joint Venture, together, constitutes a very substantial acquisition for the Company and the transaction is, therefore, subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SPA Break Fee

As the Relevant Ratios in respect of the obligation of the Purchasers to pay the SPA Break Fee under the Share Purchase Agreement are more than 5% but less than 25%, the obligation to pay the SPA Break Fee, on its own, constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option

The Call Options include the Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option, each of which may be exercisable by any of MMG SA, Elion Holdings or CITIC, depending on who commits any of the events that would trigger such option under the Shareholders' Agreement.

Where the Call Options are exercisable at the discretion of Elion Holdings or CITIC, pursuant to Rule 14.74(1) of the Listing Rules, each of the Call Options will be classified as if it had been exercised at the time of grant. As neither the actual amount nor the maximum amount of the consideration payable on the exercise of any of the Call Options can be ascertained at the time of grant, pursuant to Rule 14.76(1) of the Listing Rules, each of the Call Options will be classified as at least a major transaction (disposal) for the Company, which will be subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Where the Call Options are exercisable at the discretion of the Company, the grant (at no cost) of these options to the Company will, pursuant to Rule 14.75 of the Listing Rules, be exempt from the notification, announcement and shareholders' approval requirements of Chapter 14 of the Listing Rules. The exercise of any of the Call Options by the Company, however, will be subject to the requirements under Chapter 14 and also Chapter 14A of the Listing Rules given that at the time when any of the Call Options is exercised by the Company, each of Elion Holdings and CITIC will have become a substantial shareholder of the JV Company and hence, a connected person of the Company. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the relevant requirements under Chapter 14 and 14A of the Listing Rules such that no approval by the Company's shareholders will be required at the time when the Company exercises any of the Call Options, on condition that (a) the Company seeks the prior approval by its shareholders of the exercise of the Call Options by the Company as a major transaction (acquisition) at the EGM and such approval is obtained; and (b) at the time when the Company exercises any of the Call Options, Elion Holdings or

CITIC (as the case may be) would not be regarded as a connected person of the Company other than by virtue of its relationship with the JV Company.

The Listing Put Option

As the Listing Put Option is exercisable at the discretion of Elion Holdings or CITIC, pursuant to Rule 14.74(1) of the Listing Rules, the option will be classified as if it had been exercised at the time of grant.

As neither the actual value nor the maximum value of the shares of the relevant subsidiary of the Company proposing a listing of its shares can be ascertained at the time of grant, pursuant to Rule 14.76(1) of the Listing Rules, the Listing Put Option will be classified as at least a major transaction (acquisition) for the Company, which will be subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE GROUP

Formed in 2009, the Company employs over 9,000 people and has operations across three continents.

The Company is one of the world's largest producers of zinc and produces significant amounts of copper, lead, gold and silver.

The Company owns and operates the Century, Golden Grove and Rosebery mines in Australia; the Kinsevere mine in the Democratic Republic of Congo; and is in partnership with the Government of Laos, owning and operating the LXML Sepon mine.

At Dugald River in Queensland, Australia, the Company is developing a high-grade zinc-lead-silver deposit and has significant exploration, prospects and partnerships in Australia, Africa and the Americas.

The controlling shareholder of the Company is CMN, which indirectly owns approximately 73.69% of the Shares in issue as at the date of this announcement. The remaining Shares in issue are held by public shareholders including global resources and investment funds.

The Group serves as the overseas platform for non-ferrous mineral investments of the CMC Group and focuses on mineral resources located outside China.

INFORMATION ON CMN

CMN is wholly-owned by CMCL, which in turn, is owned as to approximately 88.40% by CMC.

CMN is one of the largest state-owned enterprises in the mining sector in China. It is engaged in the exploration, development, mining, processing and sale of a wide range of non-ferrous metals, including tungsten, rare earth, copper, alumina, lead and zinc.

INFORMATION ON THE SELLERS AND THE SELLERS' GUARANTOR

The Sellers are subsidiaries of the Sellers' Guarantor, which is, in turn a subsidiary of Glencore Xstrata plc, a company which has a primary listing on the London Stock Exchange and a secondary listing on The Stock Exchange of Hong Kong Limited and JSE Limited.

Glencore Xstrata plc is one of the world's largest global diversified natural resource companies. It is an integrated producer and marketer of commodities with a portfolio of diverse industrial assets. Its diversified operations comprise over 150 mining and metallurgical sites, offshore oil production assets, farms and agricultural facilities.

INFORMATION ON THE TARGET GROUP

The Target Company

The Target Company is incorporated under the laws of Peru with the authorisation to engage in mining activities in Peru. As at the date of this announcement, the Target Company is wholly-owned by the Sellers.

Based on the due diligence materials reviewed by the Purchasers, the Target Company has, in addition to its shareholding in the Project Company, also held shareholdings in a number of other subsidiaries, all of which are engaged in business activities or hold investments unrelated to the Las Bambas Project. In preparation for the disposal of the Target Company, the Sellers have procured the Target Company to divest its shareholdings in those unrelated subsidiaries so that on Completion, the Target Company's sole asset will be its shareholding in the Project Company. The divestment has been completed and took effect in November 2013.

The Project Company

The Project Company is incorporated under the laws of Peru with the authorisation to engage in mining activities in Peru. As of the date of this announcement, 99.99% of the issued share capital of the Project Company is held by the Target Company, with the remaining 0.01% being held by certain minority shareholders including former employees.

Based on the due diligence materials reviewed by the Purchasers, the Project Company has not, at any time, had any investment other than the Las Bambas Project, with the exception of a temporary investment in a company which was transferred out of the Target Group in July 2013.

The Las Bambas Project

The Las Bambas Project is a large, scalable, long-life copper development project with prospective exploration options. Located in Cotabambas, Apurimac Region of Peru, the Las Bambas Project is at the advanced stage of construction since it was approved in June 2012. The Las Bambas Project has significant reserves and resources of copper, gold, silver and molybdenum. Three primary deposits have been identified to date: Ferrobamba, Chalcobamba and Sulfobamba.

MMG SA, Elion Holdings and CITIC, through the Purchasers, will assume responsibility for project capital expenditure from 1 January 2014. The estimated mine life is in excess of 20 years. The Las Bambas Project is a series of open pit mines which will use a conventional concentrator plant with processing capacity of 140 thousand tonnes per day.

Information on Ore Reserves and Mineral Resources

According to a JORC-compliant statement provided by the Sellers, which the Company has not independently verified, the Ore Reserves and Mineral Resources of the Las Bambas Project (comprising the three deposits at Ferrobamba, Chalcobamba and Sulfobamba) as of 31 December 2013 is set out below:

	Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves
Mt	450	500	950
Copper (%)	0.66	0.79	0.73
Gold (g/t)	0.06	0.06	0.06
Silver (g/t)	3.1	4.2	3.7
Molybdenum (%)	0.002	0.002	0.002

	Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Resources	Inferred Mineral Resources
Mt	490	720	1,210	500
Copper (%)	0.64	0.68	0.66	0.50
Gold (g/t)	0.06	0.05	0.05	0.03
Silver (g/t)	3.0	3.5	3.3	2.4
Molybdenum (%)	0.017	0.017	0.017	0.015

The JORC-compliant statement provided by the Sellers is available on the website of Glencore Xstrata plc at <http://www.glencorexstrata.com/assets/Investors/GLEN-2013-Resources-Reserves-Report.pdf>. The assumptions used in preparing the statement in respect of the Ore Reserves and Mineral Resources of the Las Bambas Project as at 31 December 2013 are set out on page 12 of the statement. To the best knowledge of the Company, the statement in respect of the Ore Reserves and Mineral Resources of the Las Bambas Project as at 31 December 2013 was prepared by the internal expert of the Sellers' Group, who is a member of the Australasian Institute of Mining and Metallurgy.

The Circular will include, among other things, a competent person's report on the Ore Reserves and Mineral Resources of the Target Group prepared by a competent person qualified under Chapter 18 of the Listing Rules to be engaged by the Company. Such report will be prepared in accordance with the requirements of Chapter 18 of the Listing Rules. Shareholders and potential investors should note that the estimate of the Ore Reserves and Mineral Resources of the Target Group as set out in such report may differ from those referred to above, and should therefore exercise caution in relying on the Ore Reserves and Mineral Resources of the Target Group referred to above.

Mining concessions

The Project Company is the current registered holder of 41 mining concessions comprising the Las Bambas Project and related assets, which allow it to carry out exploration and exploitation activities within the area established in those concessions. The mining concessions cover an aggregate area of approximately 35,000 hectares.

Generally, mining concessions in Peru are irrevocable, as long as the concession holders pay an annual fee and achieve minimum production levels as set forth by applicable laws (or otherwise pay penalties). Based on the due diligence materials reviewed by the Purchasers, the mining concessions held by the Project Company were valid as of December 2013.

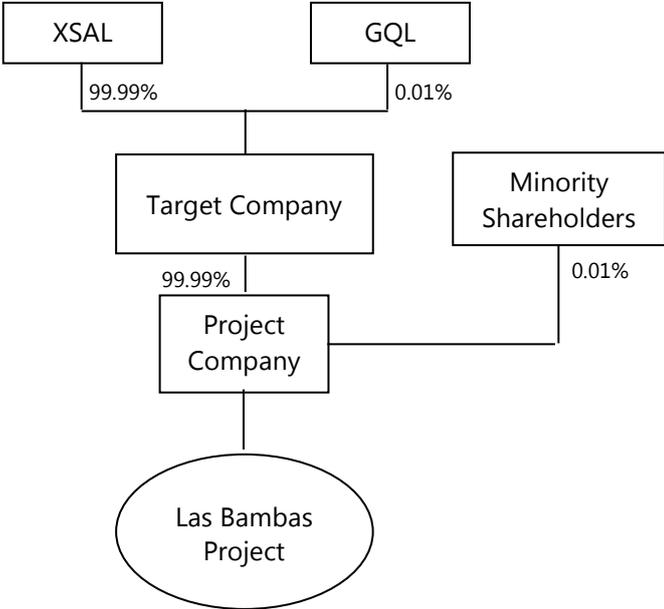
Financial information

Based on the Target Company’s audited financial statements as of and for the year ended 31 December 2012 prepared in accordance with International Financial Reporting Standards, the net loss before and after income tax and extraordinary items of the Target Company for the year ended 31 December 2012 was US\$454,000 and US\$263,000, respectively. Based on the Target Company’s audited financial statements as of and for the year ended 31 December 2013 prepared in accordance with International Financial Reporting Standards, the net profit before and after income tax and extraordinary items of the Target Company for the year ended 31 December 2013 was US\$97,283,000 and US\$97,280,000, respectively, which, to the best knowledge of the Company, related predominantly to dividend income paid in cash during the year to the Target Company by one of its subsidiaries which was unrelated to the Las Bambas Project and was divested by the Target Company in November 2013. The dividend was then paid by the Target Company to its then shareholders. As at 31 December 2013, the Target Company had a net asset value of US\$1,320,109,000.

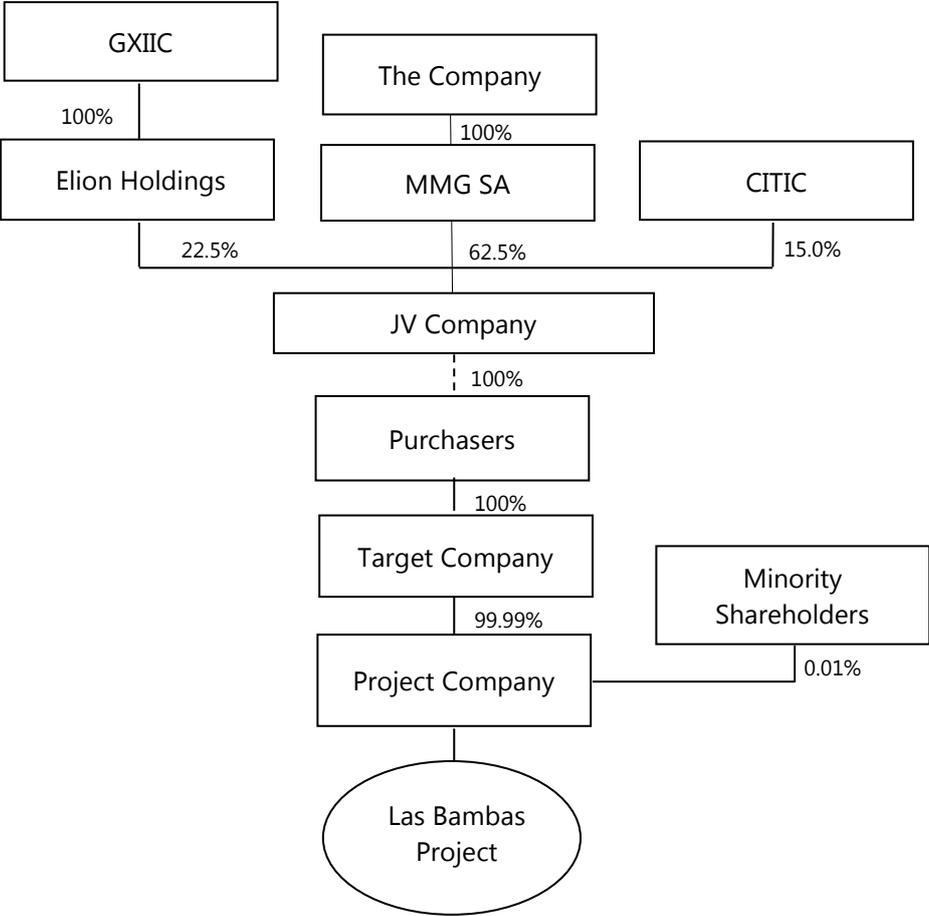
Based on the Project Company’s audited financial statements as of and for the year ended 31 December 2012 prepared in accordance with International Financial Reporting Standards, the Project Company did not record any profit or loss for the year ended 31 December 2012. Based on the Project Company’s audited financial statements as of and for the year ended 31 December 2013 prepared in accordance with International Financial Reporting Standards, the net loss before and after income tax and extraordinary items of the Project Company for the year ended 31 December 2013 was US\$26,000 and US\$18,000, respectively. As at 31 December 2013, the Project Company had a net asset value of US\$1,319,464,000.

Shareholding structure of the Target Group

As at the date of this announcement



Immediately upon Completion



INFORMATION ON ELION HOLDINGS AND CITIC

Elion Holdings

Elion Holdings is a wholly-owned subsidiary of GXIIC. GXIIC is a financial investment company registered in Hong Kong.

GXIIC, through its wholly-owned subsidiary, is interested in certain non-voting convertible redeemable preference shares in a subsidiary of the Company issued in August 2013.

CITIC

CITIC is wholly-owned by CITIC Group Corporation, one of China’s largest transnational conglomerates engaged in financial services (including banking, securities, insurance and trust services), resources and energy, real estate and civil infrastructure, engineering contracting, manufacturing and other businesses. CITIC is principally engaged in the import and distribution of niobium products, iron ore, coal, and non-ferrous metals such as copper and concentrate, trading of steel products, and investment in diversified areas.

EGM

The Company will convene the EGM at which ordinary resolutions will be proposed to approve, among other things, the entry into and performance of the Share Purchase Agreement and the transactions contemplated thereby by the Purchasers and the Company and the entry into and performance of the Shareholders' Agreement and the transactions contemplated thereunder by MMG SA and the Company (including the Call Options and the Listing Put Option).

CMN has irrevocably undertaken to each Seller that it will procure Album Enterprises and Top Create to vote in favour of the resolutions to approve the Acquisition by the Purchasers and the entry into and performance of the Share Purchase Agreement by the Purchasers and the Company at the EGM.

GENERAL

Citi and Merrill Lynch have been appointed as the joint financial advisers, and ICBCI and BOCI have been appointed as the financing advisers, to the Company, Elion Holdings and CITIC in relation to the Acquisition. Deutsche Bank has been appointed as the financial adviser to CMN.

As disclosed above, CDB will act as the mandated lead arranger for the syndicated facility to the Purchasers to finance the Acquisition. ICBC and BOC will participate in the syndicated facility.

The Circular containing, among other things, (i) further details on the Acquisition, the Share Purchase Agreement and the Shareholders' Agreement; (ii) financial information of the Target Group; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) a competent person's report on the Ore Reserves and Mineral Resources of the Target Group prepared in accordance with the requirements under Chapter 18 of the Listing Rules; (v) a valuation report on the mineral assets of the Target Group prepared in accordance with the requirements under Chapter 18 of the Listing Rules; and (vi) the notice of the EGM will be sent to the Shareholders in due course. As it will take time to prepare the foregoing financial and other information for inclusion in the Circular, the Circular is expected to be despatched to the Shareholders on or before 30 June 2014.

It should be noted that as completion of the Acquisition is subject to a number of conditions (as further described in the section headed "The Acquisition – Principal terms of the Share Purchase Agreement – Conditions" in this announcement), which may or may not be fulfilled, the Acquisition may or may not proceed. The issue of this announcement does not in any way imply that the transactions contemplated under the Share Purchase Agreement will be completed. Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Acquisition"	the proposed acquisition of the Sale Shares by the Purchasers from the Sellers under the Share Purchase Agreement;
"Ag"	silver;

"Album Enterprises"	Album Enterprises Limited, a wholly-owned subsidiary of CMN and a controlling shareholder of the Company holding approximately 43.04% of the issued share capital of the Company as at the date of this announcement;
"associate"	has the meaning ascribed thereto under the Listing Rules;
"Au"	gold;
"Board"	the board of Directors;
"BOC"	Bank of China Limited;
"BOCI"	BOCI Asia Limited;
"Call Options"	the Contribution Default Call Option, the Non-participation Call Option and the Transfer Event Call Option;
"Cash Consideration"	the cash consideration payable by the Purchasers to the Sellers as part of the consideration for the Sale Shares under the Share Purchase Agreement as described in the section headed "Acquisition – Principal terms of the Share Purchase Agreement – Consideration" in this announcement;
"CDB"	China Development Bank;
"Circular"	the circular to be issued to the Shareholders by the Company in accordance with the Listing Rules in respect of, among other things, the Acquisition, the Share Purchase Agreement and the Shareholders' Agreement;
"Citi"	Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL 240992);
"CITIC"	CITIC Metal Co., Ltd., a company incorporated in the PRC with limited liability;
"CITIC Offtake Agreement"	the offtake agreement to be entered into between CITIC and the JV Company pursuant to the terms of the Shareholders' Agreement, further details of which are set out in the section headed "Offtake Arrangements" in this announcement;
"CMC"	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company;
"CMC Group"	CMC and its subsidiaries from time to time;

“CMCL”	中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC and owned as to approximately 87.538% directly by CMC and as to approximately 0.846% directly by 中國五金製品有限公司 (China National Metal Products Co., Ltd.), a wholly owned subsidiary of CMC. CMC has an attributable interest of approximately 88.384% in CMCL as at the date of this announcement;
“CMN”	五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Company Limited), a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC and owned as to approximately 99.999% directly by CMNH and approximately 0.001% directly by CMCL as at the date of this announcement. CMN is the controlling shareholder of the Company, holding indirectly approximately 73.69% of the total number of Shares in issue as at the date of this announcement;
“CMNH”	五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Company Limited), a joint stock limited company incorporated on 22 December 2009 under the laws of the PRC and a wholly owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN, holding directly approximately 99.999% of CMN as at the date of this announcement;
“Company”	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange;
“Completion”	completion of the sale and purchase of the Sale Shares under the Share Purchase Agreement;
“Completion Statement”	the completion statement to be prepared after Completion in accordance with the terms of the Share Purchase Agreement;
“Conditions”	the Purchasers Conditions, the MOFCOM Condition and the ProInversion Condition;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Consideration”	the consideration for the Sale Shares under the Share Purchase Agreement, being the Cash Consideration and the repayment of the Intragroup Loans;
“Contribution Default Call Option”	has the meaning ascribed thereto in the section headed “The JV Company and Shareholders’ Agreement – Principal terms of the Shareholders’ Agreement – Obligations to fund the Acquisition” in this announcement;

"Contribution Default Event(s)"	has the meaning ascribed thereto in the section headed "The JV Company and Shareholders' Agreement – Principal terms of the Shareholders' Agreement – Obligations to fund the Acquisition" in this announcement;
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules;
"Cu"	copper;
"Deutsche Bank"	Deutsche Bank AG, Hong Kong Branch;
"Director(s)"	the director(s) of the Company;
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the Share Purchase Agreement and the Acquisition, the Shareholders' Agreement and the transactions contemplated thereunder (including the Call Options and the Listing Put Option);
"Elion Holdings"	Elion Holdings Corporation Limited, a company incorporated in Hong Kong with limited liability;
"Enlarged Group"	the Group and the Target Group;
"Estimated Intragroup Loan Amount"	the Sellers' reasonable estimate of the aggregate amount outstanding under the Intragroup Loans, in each case as at the time immediately prior to Completion on the date of Completion and derived from the Completion Statement;
"Estimated Intragroup Receivables"	the Sellers' reasonable estimate of the amount of the Intragroup Receivables;
"Formation of the Joint Venture"	the formation of the joint venture between MMG SA, Elion Holdings and CITIC for the purpose of the Acquisition through subscription of new shares in the JV Company in accordance with the terms of the Shareholders' Agreement;
"gpt"	grams per tonne;
"GQL"	Glencore Queensland Limited, a company incorporated in Brisbane, Queensland, Australia with registration number ACN 009 814 019;
"Group"	the Company and its subsidiaries from time to time;
"GXIC"	GUOXIN International Investment Corporation Limited, a company incorporated in Hong Kong with limited liability;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"ICBC"	Industrial and Commercial Bank of China Limited;
"ICBCI"	ICBC International Capital Limited;
"Indicated Mineral Resource(s)"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced closely enough for continuity to be assumed;
"Inferred Mineral Resource(s)"	that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geologically or through grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited, or of uncertain quality and reliability;
"Intragroup Loans"	the loans and trade payables owing by the Target Company or the Project Company to any member of the Sellers' Group;
"Intragroup Receivables"	all outstanding loans or other financing liabilities or obligations owed by a member of the Sellers' Group (other than the Target Company or the Project Company) to the Target Company or the Project Company, but excluding any cash balances, in each case as at the time immediately prior to Completion on the date of Completion and derived from the Completion Statement;
"Inversiones"	Inversiones Republica S.A., a company incorporated in Peru with registered number 00709778;
"JORC Code"	the 2012 edition of the Australasian Code for Reporting on Mineral Resources and Ore Reserves, as prepared and published from time to time by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
"JV Company"	MMG South America Management Company Limited, a company incorporated on 11 February 2014 in Hong Kong with limited liability, a wholly-owned subsidiary of the Company as at the date of this announcement;
"JV Board"	the board of directors of the JV Company;
"JV Group"	the JV Company and its subsidiaries from time to time;

"Las Bambas Project"	the development, construction and operation of copper mines, processing facilities and associated infrastructure at the Las Bambas copper project located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of such mines' products;
"Listing Put Option"	has the meaning ascribed thereto in the section headed "The JV Company and Shareholders' Agreement – Principal terms of the Shareholders' Agreement – Listing of a subsidiary of the Company" in this announcement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	the date falling 150 days after the date of the Share Purchase Agreement, or such later date as may be determined in accordance with the terms of the Share Purchase Agreement or as may otherwise be consented to in writing between the Company and the Sellers' Guarantor;
"Measured Mineral Resources(s)"	that part of a Mineral Resource for which the tonnage, Resource(s)" densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity;
"Merrill Lynch"	Merrill Lynch (Asia Pacific) Limited, a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong);
"Mineral Resource(s)"	as defined under the JORC Code, the concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction;
"MMG Offtake Agreement"	the offtake agreement to be entered into between MMG SA and the JV Company pursuant to the terms of the Shareholders' Agreement, further details of which are set out in the section headed "Offtake Arrangements" in this announcement;
"MMG SA"	MMG South America Co. Ltd, a company incorporated on 4 May 1990 in Hong Kong with limited liability, a wholly-owned subsidiary of the Company;
"Mo"	molybdenum;
"MOFCOM"	the Ministry of Commerce of the PRC;

"MOFCOM Condition"	the condition set out in paragraph (a) in the section headed "The Acquisition – Principal terms of the Share Purchase Agreement - Conditions" in this announcement;
"MOFCOM Termination Event"	the circumstances where the MOFCOM Condition has not been satisfied, and either (1) MOFCOM has notified either the Purchasers or the Sellers in writing or stated publicly in writing that the Purchasers do not fulfill certain requirements imposed by MOFCOM or (2) the Purchasers do not fulfil or satisfy or are otherwise in breach of certain requirements imposed by MOFCOM;
"Mt"	million tonnes;
"NDRC"	the National Development and Reform Commission of the PRC;
"Net Asset Value"	the assets less liabilities of the Target Company and the Project Company, in each case as at the time immediately prior to Completion on the date of Completion and derived from the Completion Statement;
"Non-participation Call Option"	has the meaning ascribed thereto in the section headed "The JV Company and Shareholders' Agreement – Principal terms of the Shareholders' Agreement – Cash Calls" in this announcement;
"Ore Reserve(s)"	as defined under the JORC Code, the economically mineable part of a Measured and/or Indicated Mineral Resource;
"PRC" or "China"	the People's Republic of China (which for the purpose of this announcement excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC, unless the context otherwise requires);
"Products"	the products (including copper concentrate, molybdenum concentrate, gold and silver) from the Las Bambas Project;
"ProInversion"	Agencia de Promoción de la Inversión Privada – ProInversion, a Peruvian state agency that was created to carry out the policies of promoting national and international investment in Peru, with the aim of creating jobs and modernizing and improving the standard of living for Peruvians;
"ProInversion Condition"	the condition set out in paragraph (b) in the section headed "The Acquisition – Principal terms of the Share Purchase Agreement – Conditions" in this announcement;

"ProInversion Termination Event"	the circumstances where the ProInversion Condition has not been satisfied, and either (1) ProInversion has notified either the Purchasers or the Sellers in writing or stated publicly in writing that the Purchasers do not satisfy certain requirements imposed by ProInversion or (2) the Purchasers do not fulfil or satisfy certain requirements imposed by ProInversion;
"Project Company"	Xstrata Las Bambas S.A., a company incorporated in Lima, Peru with registration number 12587752;
"Probable Ore Reserve(s)"	the economically mineable material derived from a Measured Mineral Resource or Indicated Mineral Resource or both. It is estimated with a lower level of confidence than a Proved Reserve. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project or a life of mine plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed;
"Proved Ore Reserve(s)"	the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a prefeasibility study for a project or a life of mine plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed;
"Purchasers"	Minera Las Bambas S.A.C., a company incorporated on or about 17 February 2014 in Peru with limited liability and MMG Swiss Finance AG, a company incorporated on 20 February 2014 in Switzerland, each of which is a wholly-owned subsidiary of the Company;
"Purchasers Conditions"	the conditions set out in paragraphs (c) and (d) in the section headed "The Acquisition – Principal terms of the Share Purchase Agreement - Conditions" in this announcement;
"Relevant Ratios"	any of the five ratios set out in Rule 14.07 of the Listing Rules;
"Restricted Cash Call"	has the meaning ascribed thereto in the section headed "The JV Company and Shareholders' Agreement – Principal terms of the Shareholders' Agreement – Cash Calls" in this announcement;

"SAFE Approval"	foreign exchange registration with the competent local branch of the State Administration of Foreign Exchange of the PRC for the payment of monies by a party to the Shareholders' Agreement in accordance with the terms thereof;
"Sale Shares"	all the issued shares in the capital of the Target Company;
"Sellers"	XSAL and GQL;
"Sellers' Group"	the Sellers, their subsidiary undertakings and parent undertakings and any subsidiary undertaking of any such parent undertaking from time to time, excluding the Target Group;
"Sellers' Guarantor"	Glencore International AG, a company incorporated in Switzerland with registration number CH-170.3.012.788-3;
"Share Purchase Agreement"	the share purchase agreement dated 13 April 2014 and entered into between the Sellers, the Sellers' Guarantor, the Purchasers and the Company in relation to the Acquisition;
"Shareholders' Agreement"	the subscription and shareholders' agreement dated 13 April 2014 and entered into between the Company, MMG SA, Elion Holdings, GXIIC, CITIC and the JV Company in relation to the Formation of the Joint Venture;
"Shareholder(s)"	holder(s) of the Shares;
"Shares"	the fully paid shares of the Company;
"SPA Break Fee"	the fee payable by the Purchasers to the Sellers' Guarantor under the Share Purchase Agreement in the event the Share Purchase Agreement is terminated described in the section headed "Acquisition – Principal terms of the Share Purchase Agreement – Termination" in this announcement;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules;
"Target Company"	Xstrata Peru S.A., a company incorporated in Lima, Peru with registration number 11677748;
"Target Group"	the Target Company, the Project Company and their subsidiaries;
"Top Create"	Top Create Resources Limited, a wholly-owned subsidiary of CMN and a controlling shareholder of the Company holding approximately 30.65% of the issued share capital of the Company as at the date of this announcement;

“Transfer Events”	has the meaning ascribed thereto in the section headed “The JV Company and Shareholders’ Agreement – Principal terms of the Shareholders’ Agreement – Transfer Events” in this announcement;
“Transfer Event Call Option”	has the meaning ascribed thereto in the section headed “The JV Company and Shareholders’ Agreement – Principal terms of the Shareholders’ Agreement – Transfer Events” in this announcement;
“US\$”	United States dollars, the lawful currency of the United States of America;
“XSAL”	Xstrata South America Limited, a company incorporated in the Cayman Islands with registration number 139719; and
“%”	per cent.

For the purposes of illustration only, in this announcement, unless otherwise specified, conversions of US\$ into HK\$ are based on the approximate exchange rate of US\$1 to HK\$7.8. No representation is made that any amount into HK\$ and US\$ could have been or could be converted at the above rate or at any other rate.

By order of the Board
MMG Limited
Andrew Gordon Michelmore
CEO and Executive Director

Hong Kong, 14 April 2014

As at the date of this announcement, the Board comprises nine directors, of which three are executive directors, namely Mr. Andrew Gordon Michelmore, Mr. David Mark Lamont and Mr. Xu Jiqing; three are non-executive directors, namely Mr. Wang Lixin (Chairman), Mr. Jiao Jian and Mr. Gao Xiaoyu; and three are independent non-executive directors, namely Dr. Peter William Cassidy, Mr. Anthony Charles Larkin and Mr. Leung Cheuk Yan.