

TRANSCRIPTION

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INTRODUCTION

Moderator:

Welcome to MMG Limited's First Quarter 2026 Production Results Conference Call.

Before we begin, please allow me to read the safe harbor statement.

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We would also like to remind you that market conditions involve risks, and investment decisions should be made with due caution.

Guo Yu Godfrey (MMG, Chief of Staff):

Good day, everyone, and welcome to MMG Limited's First Quarter 2026 Production Results Conference Call.

Joining us today are members of the company's senior management team, including: Mr. Zhao Jing Ivo, Chief Executive Officer and Executive Director; Mr. Qian Song, Chief Financial Officer and Executive Director; Mr. Troy Hey, Executive General Manager – Corporate Relations; Mr. Wang Nan, Chief Operating Officer; Ms. Guan Xiangjun Sandra, Interim Executive General Manager – Commercial and Development; Mr. Xia Weiquan, President of Africa Operations; and Mr. Chen Xuesong, President of Las Bambas.

I will now hand over to Mr. Zhao Jing Ivo, who will walk you through the company's operating highlights for the first quarter. Following the presentation, the management team will be pleased to take your questions. The moderator will announce the Q&A instructions after the presentation.

Mr. Zhao, please go ahead.

QUARTERLY REPORT OVERVIEW

ZHAO Jing Ivo (MMG, CEO):

Thank you, Godfrey, and good morning, good afternoon, everyone.

I'm pleased to share an update on MMG's operational performance for the first quarter of 2026.

Safety comes first in everything we do. It's a core principle that guides all of our operations. Before turning to our operational highlights, let me briefly touch on our safety performance.

In the first quarter of 2026, MMG saw further improvement in its safety performance. The Total Recordable Injury Frequency was 1.85 per million hours worked. The Significant Events with Energy Exchange Frequency was 0.34 per million hours worked. Both metrics improved from the previous quarter, providing a solid foundation for stable operations throughout the period.

During the first quarter, we made steady progress across production growth, cost control, project development, and sales. Overall, our results were in line with expectations. Let me now walk you through five key highlights.

First highlight: Copper growth, zinc resilience, precious metals uplift.

In the first quarter, our total copper production reached nearly 130,000 tonnes, up 9% year-on-year.

- Las Bambas produced over 100,000 tonnes of copper in concentrate, a 6% increase, with mill recovery improving to 89.5%.
- Kinsevere delivered nearly 17,000 tonnes of copper cathode, up 44% year-on-year, as the sulfide expansion project continued to ramp up.
- Khoemaçau produced nearly 11,000 tonnes of copper in concentrate, broadly flat compared to the same period last year.
- Turning to zinc, our two Australian operations continued to demonstrate resilience. Total zinc production for the quarter was approximately 50,000 tonnes.
- Dugald River delivered over 40,000 tonnes of zinc in concentrate, up 1% year-on-year, with recovery rates remaining above 90%.
- Rosebery produced approximately 9,000 tonnes of zinc in concentrate, while zinc equivalent production exceeded 31,000 tonnes, up 8% year-on-year.

In terms of by-product precious metals, gold production exceeded 32,000 ounces, up 24% year-on-year, and silver production reached approximately 2.9 million ounces, up 27% year-on-year. The increase in precious metals production continued to have a positive impact on our financial performance.

Second highlight: C1 costs beat guidance across the board.

Higher by-product credits from strong precious metals prices, together with continued operational efficiency improvements, drove a reduction in actual C1 costs during the quarter.

- Las Bambas reported a C1 cost of US\$0.45 per pound of copper, well below the full-year guidance range of US\$1.20–1.40 per pound.

- Khoemacau delivered US\$1.25 per pound, below the guidance range of US\$2.00–2.30 per pound.
- Kinsevere came in at US\$2.69 per pound, in line with full-year expectations.
- Dugald River reported US\$0.77 per pound of zinc, below the guidance range of US\$0.80–0.95 per pound.
- Rosebery reported negative US\$1.80 per pound of zinc, outperforming the guidance range of negative US\$0.60 to negative US\$0.10 per pound.

Should precious metals prices remain at current levels, we will reassess our full-year C1 cost guidance across relevant operations, taking into account all production metrics, and provide updates in subsequent reports.

Third highlight: Our operations held firm despite a complex external landscape.

Las Bambas, our flagship asset, took proactive steps ahead of Peru's election year. During the first quarter, the mine maintained stable performance across production, community relations, and logistics, providing solid support to the company's overall results.

On the production front, Las Bambas delivered over 100,000 tonnes of copper in copper concentrate, laying a strong foundation for the full-year target of 400,000 tonnes.

On the sales front, thanks to the drawdown of port inventories and stable road logistics, payable copper sold reached approximately 120,000 tonnes in the first quarter, significantly exceeding production for the period.

On community relations, the "Corazón de Las Bambas" initiative continued to deepen, helping the mine achieve nearly three years of stable operations — the longest such period in the mine's history. Through the "Works for Taxes" mechanism, the mine continued to support local public infrastructure, including education projects, further strengthening community trust.

Recently, Las Bambas and the local Government of Apurímac formally signed an agreement for the "Improvement of the educational services of the Erasmo Delgado Vivanco Comprehensive Educational Institution" project. With a total investment of over 30 million Peruvian soles, the project will directly benefit 548 local students. It plans to build 22 new classrooms, a library, and other supporting facilities, equip them with modern teaching materials and furniture, and introduce teacher training programs — systematically improving both teaching conditions and quality.

In light of the unique external environment surrounding this year's Peruvian general election, we will continue to closely monitor local political and social developments, maintain proactive engagement with communities and government authorities, and take appropriate steps to ensure operational continuity and the achievement of our full-year production targets.

Fourth highlight: Khoemacau drives operational improvements and advances expansion, strengthening its long-term foundation.

As mining activities progressed to the northern part of Zone 5, Khoemacau's ore milled grade improved to 1.63% in the first quarter. However, ore supply was constrained during the quarter due

to lower than planned mining contractor equipment availability and mining sequence. With new equipment arriving in March, development advance reached 1,400 metres for the month, and we expect ore supply to gradually increase in the coming quarters.

On the Phase 2 expansion, the company held a groundbreaking ceremony in February. Key long-lead equipment has arrived on site, and early works — including camp construction, road development, land acquisition, and recruitment — are already underway. Construction of the new process plant is progressing as planned, with first concentrate expected in the first half of 2028.

Upon completion of the Phase 2 project, Khoemaçau's annual copper capacity will increase from approximately 50,000 tonnes to 130,000 tonnes, with associated silver output exceeding 4 million ounces per year. The mine's life-of-mine average C1 cost is expected to fall below US\$1.60 per pound of copper.

In addition, the company has already initiated a pre-feasibility study for Phase 3, targeting 200,000 tonnes per annum.

Khoemaçau is one of MMG's core growth engines over the next five years, with a clear project timeline and well-defined cost targets. It will provide strong support for the company's sustainable growth.

Fifth highlight: Market tailwinds supported margins and profitability.

Although metal prices experienced some volatility during the first quarter, they remained elevated overall, providing strong support to the company's profitability and further highlighting the value advantage of our mining assets.

Among base metals, the LME copper price averaged US\$12,800 per tonne. Copper concentrate supply remained tight, with spot treatment and refining charges averaging negative US\$79.5 per tonne. This trend allows mine sites to capture greater value, which benefits our copper business directly. Meanwhile, the average zinc price was US\$3,240 per tonne, and spot zinc TC/RCs fell to near zero, providing a favourable environment for our zinc operations.

On the precious metals side, prices remained elevated, with gold averaging US\$4,875 per ounce and silver averaging US\$84 per ounce. The strong precious metals prices not only helped lower C1 costs across our mines but also directly contributed to higher earnings.

Our stable operations, combined with favourable market prices, have further highlighted the value of our asset portfolio and put us on a solid footing to achieve our full-year targets.

Overall, MMG made steady progress across all key areas in the first quarter of 2026. Operational results at each of our mines met or exceeded expectations, laying a solid foundation for the full year.

Going forward, our work will remain focused on four key areas:

First, continuing to strengthen safety management to safeguard our operations.

Second, steadily advancing the Khoemacau expansion project to reinforce medium- to long-term growth.

Third, continuously optimizing our cost structure to enhance core competitiveness.

Fourth, maintaining stable operations across production, community engagement, and logistics at all our mines, consolidating our performance and mitigating operational risks.

In closing, I would like to express my sincere gratitude to all MMG employees for their hard work, and to our investors for your continued trust and support.

That concludes my remarks. My colleagues and I would now be happy to take your questions.

Moderator, please open the floor for Q&A.

<QUESTIONS AND ANSWERS>

Lawrence Lau (BOCI, Analyst): Why did the copper grade and proportion at Las Bambas increase in Q1? Will this continue? The increase in gold and silver production was larger than copper – is this sustainable? There were still no cobalt sales in Q1 – what is the external sales plan for cobalt? At Khoemacau, copper sales volume was significantly lower than production – why, and what is the outlook?

CHEN Xuesong (MMG, President of Las Bambas): In Q1, 70% of our ore came from Ferrobamba and 30% from Chalcobamba. The Ferrobamba pit currently has higher bornite content, which naturally has higher copper grade, resulting in higher copper concentrate grade. Bornite also contains higher levels of high-value metals such as gold, silver, and molybdenum. In addition, we have continuously optimized our reagent and processing flows, achieving better recovery rates. That is why gold and silver production increased even more than copper. For the full year, Ferrobamba will account for approximately 44% and Chalcobamba 56% – roughly half and half. In Q1, Ferrobamba contributed more ore, which is the main reason for the higher copper grade and precious metal production you observed.

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development): Cobalt sales have already started. However, due to the long logistics routes in the DRC, only the departure from DRC was completed in Q1. Shipment will be arranged in April. Under our sales terms, revenue is recognized upon shipment, so cobalt sales will be reflected in Q2.

XIA Weiquan (President of Africa Operations): There has been a change in sales terms this year – from ex-works to CIF China port. As a result, some products are in transit. As the sales pace accelerates, sales volume will gradually catch up with production volume.

Jimmy FENG (Citi, Analyst): What is the latest impact of the Peru presidential election on Las Bambas?

Troy HEY (MMG, Executive General Manager – Corporate Relations): We have not seen any significant impact on Las Bambas operations so far. We are closely monitoring the situation. There were some early difficulties regarding certain facilities, but we have been following up. We will continue to watch the election process until June 7 and are preparing to minimize any potential delays.

Even if a new government takes office or there is policy uncertainty, we have sufficient inventory and maintain good relationships with both the government and local communities. Over the past three years, there has been no disruption at Las Bambas. We hope for a clear election result and political stability soon, but even with political uncertainty, we can maintain stable operations through close cooperation with the government.

Jimmy FENG (Citi, Analyst): Was there any one-off factor behind the low C1 cost in Q1? How should we forecast C1 cost for the coming quarters?

QIAN Song (MMG, CFO): Your analysis is correct. Apart from by-product credits, there are no other factors affecting C1 cost. The employee profit sharing scheme does not impact C1. My conclusion is that no other factor will have a significant impact on C1 cost.

Jimmy FENG (Citi, Analyst): Oil prices have risen and there are diesel shortages due to the Middle East situation. What is the impact on costs and diesel supply at your mines?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development): Let me answer in two parts.

Supply: Based on our current inventory and contract arrangements, there is no near-term diesel supply risk at any of our mines. Of course we will continue to monitor the Middle East conflict, but we do not see a supply issue in the short term.

Cost: Diesel accounts for a relatively small portion of our costs – about 2-3% at underground mines and 10-11% at open-pit mines. Rising oil prices will have some negative impact, but because the proportion is low, the overall impact is relatively limited.

Miriam Chan (BofA, Analyst): Las Bambas sales exceeded production in Q1, mainly due to port inventory drawdown. What are the current port and in-transit inventory levels? Will sales be closer to production in the coming quarters?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development): Sales exceeded production in Q1 mainly because we drew down port inventory from the end of last year. That inventory has been fully digested in Q1. Starting from Q2, sales will gradually approach production levels. There will still be a small amount of normal inventory at mines and ports due to shipping lead times, but this will not create a significant gap between production and sales.

Miriam Chan (BofA, Analyst): What is the status of sulphuric acid supply at Kinsevere? How sensitive is your cost to sulphuric acid prices? Will it affect production?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development):

Sulphuric acid is important for Kinsevere's production. However, with the completion of key projects, we now have our own acid production capacity, which can meet about 75% of our sulphuric acid needs. Therefore, the impact of sulphuric acid supply and pricing on our costs is relatively limited. Of course, rising acid prices still have some impact. We also have some sulfur inventory and are in discussions with suppliers to further secure supply.

Miriam Chan (BofA, Analyst): Khoemacau was affected by contractor equipment issues in Q1. What is the production outlook for Q2?

XIA Weiquan (President of Africa Operations): Khoemacau's production was indeed affected by equipment availability in Q1, leading to lower output. Starting from Q2, with new mining equipment arriving, production will gradually increase. Copper concentrate production will show an upward trend in Q2. While there may still be some impact, the overall trend is positive.

TU Yaoting (CITIC, Analyst): The Q1 C1 cost outperformed mainly due to by-product credits. Do you have a clearer guidance on full-year precious metal production?

ZHAO Jing Ivo (MMG, CEO): Our mining sequence is driven by our main products – copper and zinc. Precious metal production follows the main products. We do not provide separate guidance for precious metals. Please refer to our disclosed guidance for copper and zinc.

TU Yaoting (CITIC, Analyst): Do you have any updates on power supply and production ramp-up at Kinsevere?

XIA Weiquan (President of Africa Operations): The improvement at Kinsevere is based on several on-site measures: Replacement of old cathodes and anodes at the metallurgical plant was completed in Q1, contributing to output. The acid plant is performing well, with matte production increasing from around 2,000 tonnes per month in 2025 to approximately 3,000 tonnes now. Grid power quality has improved significantly – compared to Q4 2025, the number of power outages in Q1 2026 decreased by over 60%, and outage duration decreased by 50%. Q1 production was better than budget. For the full year, we expect to achieve the budgeted level set at the beginning of the year.

TU Yaoting (CITIC, Analyst): What was the ore mix between Ferrobamba and Chalcobamba last year?

ZHAO Jing Ivo (MMG, CEO): It was roughly half and half.

Chris SHIU (Balyasny, Analyst): The pre-feasibility study for Khoemacau's 200kt expansion has started. What is the timeline from pre-feasibility to final investment decision? Does it have to wait until the 130kt project is completed (around H1 2028)?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development):

We conduct project studies and investment approvals in stages. Pre-feasibility started this year. The next stage is feasibility. We hope to pass pre-feasibility and move to feasibility by the first half of next year. Even with relatively fast progress, feasibility approval may not be completed until around 2028.

Some early works, such as basic road construction, can be carried out in advance. However, large-scale construction and investment decisions will have to wait until the feasibility study is completed. There is a possibility of advancing the timeline, but from a prudent research perspective, that possibility is relatively low. This also shows that developing new projects is not easy, and increasing global supply is not something that can be done quickly.

Chris SHIU (Balyasny, Analyst): What is the progress of the Nickel Brazil project? Does it have to wait until the end of this year?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development): The transaction is still in the EU approval process, and we have seen some progress recently. We have submitted most of the required documents, with a few outstanding items being addressed and expected to be submitted soon.

The maximum working period for Phase II of the EU approval process is 90 days – about four months. We are working very well with Anglo American, and both parties are committed to obtaining EU approval as soon as possible. It is difficult to give an exact timeline, but we are confident in pushing the approval forward as quickly as we can.

ZHANG Yiqing (Guolian Minsheng Securities, Analyst): After obtaining EU approval for the Nickel Brazil project, can the completion happen immediately?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development): The 90-day period is the maximum working period for Phase II of the EU approval process. All other conditions for completion have already been satisfied. Once we obtain EU approval, completion can happen very quickly.

ZHANG Yiqing (Guolian Minsheng Securities, Analyst): The company has been repaying debt over the past two years. What is the overall plan for debt repayment and dividends this year?

QIAN Song (MMG, CFO): The company is operating well and generating good cash flow. We will continue to manage daily operations and complete our three expansion projects. Our leverage ratio has already decreased to around 30%, so debt repayment pressure is no longer as urgent as in previous years.

Cash flow will first be used for capital expenditure. On that basis, we will work to resolve the technical obstacle to dividends – the accumulated losses at the HK listed entity level. If cash flow maintains its current level through the year, we aim to resolve this technical obstacle by the end of 2026, at which point the company will be in a position to pay dividends. We will then assess whether to distribute dividends to shareholders.

HE Manwen (CICC, Analyst): Khoemacau's Q1 cost was significantly below the annual guidance. Besides the high silver price, are there any other factors?

QIAN Song (MMG, CFO): The main factor is by-product credits. Silver alone contributes approximately US\$1 per pound of cost reduction. Other innovation and cost efficiency measures are secondary.

HE Manwen (CICC, Analyst): What is the current power structure at Kinsevere? What is the status of the solar and energy storage project?

XIA Weiquan (President of Africa Operations): Our Battery Energy Storage Project is expected to complete construction by the end of Q2 and become operational in Q3. This will further improve power quality and enhance overall power supply stability.

HE Manwen (CICC, Analyst): The company achieved a strong start to the year. Could you share the company's 15th Five-Year Plan and strategy?

ZHAO Jing Ivo (MMG, CEO): Our strategy has been stable for a long time. MMG is a growth company. Our growth path includes organic growth and strategic portfolio growth.

Organic growth includes optimizing existing assets, expansion projects, bottleneck removal, and resource conversion – driving sustainable production increases at Las Bambas, Khoemacau, and other mines. Strategic growth includes M&A or broader partnership evaluations.

All initiatives strictly follow capital discipline and strategic fit principles to create long-term value for shareholders, and they align with China Minmetals' 15th Five-Year Plan.

Additionally, we have added a new pillar this year – technology and innovation – which will provide momentum for cost reduction, efficiency improvement, and safety over the next five years.

CLOSE

ZHAO Jing Ivo (MMG, CEO):

- Thank you very much for joining today's call. If you have any further questions, please feel free to reach out to our Investor Relations team. Goodbye!

[END OF TRANSCRIPT]