

Management Discussion and Analysis

Results for the year ended 31 December 2025

For the purpose of the management discussion and analysis, the Group's results for the year ended 31 December 2025 are compared with results for the year ended 31 December 2024.

Year ended 31 December	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Revenue	6,218.0	4,479.2	39%
Operating expenses	(2,737.7)	(2,299.2)	(19%)
Exploration expenses	(101.7)	(62.6)	(62%)
Administration expenses	(32.6)	(41.6)	22%
Net other income (expenses)	66.1	(27.1)	344%
EBITDA	3,412.1	2,048.7	67%
Depreciation, amortisation & impairment expenses	(1,413.0)	(1,058.7)	(33%)
EBIT	1,999.1	990.0	102%
Net finance costs	(272.1)	(368.6)	26%
Profit before income tax	1,727.0	621.4	178%
Income tax expense	(771.8)	(255.4)	(202%)
Profit after income tax for the year	955.2	366.0	161%
Attributable to:			
Equity holders of the Company	509.4	161.9	215%
Non-controlling interests ¹	445.8	204.1	118%
Profit after income tax for the year	955.2	366.0	161%

¹ Amounts attributable to non-controlling interests related to the 37.5% interest in Las Bambas and the 45.0% interest in Khoemaçgu (from 6 June 2024) not owned by the Company.

Profit attributable to equity holders of the Company

MMG's profit of US\$955.2 million for the year ended 31 December 2025 includes profit attributable to equity holders of US\$509.4 million and profit attributable to non-controlling interests of US\$445.8 million. This compares to a profit attributable to equity holders of US\$161.9 million and profit attributable to non-controlling interests of US\$204.1 million for the year ended 31 December 2024.

Management Discussion and Analysis

Continued

The following table provides a reconciliation of reported profit after tax attributable to equity holders.

Year ended 31 December	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Assets with non-controlling interests			
Profit after tax – Las Bambas 62.5% interest	745.6	329.8	126%
(Loss)/profit after tax – Khoemacau 55.0% interest	(2.0)	2.1	(195%)
Other assets – 100% interest			
Loss after tax – Kinsevere	(216.4)	(79.7)	(172%)
Profit after tax – Australian operations	124.1	71.0	75%
Corporate			
Administrative expenses	(32.6)	(41.6)	22%
Net finance costs	(124.5)	(130.2)	4%
Other income	15.2	10.5	45%
Profit for the year attributable to equity holders	509.4	161.9	215%

Note: Prior year figures have been reclassified to conform to current year presentation. This has not impacted net profit.

Management Discussion and Analysis

Continued

Overview of operating results

The Group's continuing operations comprise Las Bambas, Kinsevere, Khoemacau, Dugald River and Rosebery. Exploration, corporate activities and other subsidiaries are classified as 'Other'.

Year ended 31 December	Revenue			EBITDA		
	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Las Bambas	4,447.0	2,977.6	49%	2,831.2	1,594.3	78%
Kinsevere	499.3	423.6	18%	100.7	67.8	49%
Khoemacau ¹	399.2	295.8	35%	167.0	125.9	33%
Dugald River	502.0	461.8	9%	176.1	169.4	4%
Rosebery	354.9	306.0	16%	168.1	123.2	36%
Other	15.6	14.4	8%	(31.0)	(31.9)	3%
Total	6,218.0	4,479.2	39%	3,412.1	2,048.7	67%

¹ Operating results of Khoemacau in 2024 are for the period starting from 23 March 2024 following MMG's acquisition.

The following discussion and analysis of the financial information and results should be read in conjunction with the financial statements.

Revenue increased by US\$1,738.8 million (39%) to US\$6,218.0 million compared to 2024, driven by higher sales volumes (US\$905.0 million) and higher commodity prices (US\$833.8 million).

Favourable sales volumes variances of US\$905.0 million were primarily due to higher sales volumes of copper concentrate (US\$835.9 million) at Las Bambas attributable to higher production volumes and at Khoemacau (US\$95.5 million) reflecting a full 12-months of ownership in 2025 (approximately 9 months in 2024) and higher copper cathode sales volumes at Kinsevere (US\$64.5 million) reflecting the ramp-up of KEP. This was partly offset by lower zinc and lead concentrate sales volumes at Rosebery (US\$43.2 million), lower molybdenum sales volumes (US\$28.3 million) at Las Bambas and lower cobalt sales volumes (US\$17.4 million) at Kinsevere.

Favourable commodity price variances of US\$833.8 million were primarily due to higher prices for copper (US\$712.8 million), silver (US\$152.9 million), gold (US\$116.1 million), zinc (US\$31.1 million), cobalt (US\$4.9 million) and molybdenum (US\$1.4 million), partly offset by net commodity hedging losses on copper of US\$171.6 million in 2025, compared to a hedge gain of US\$13.6 million in 2024. Price variances include mark-to-market adjustments on open sales contracts.

Revenue by commodity Year ended 31 December	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Copper	4,754.4	3,308.4	44%
Zinc	511.7	481.1	6%
Lead	68.1	84.9	(20%)
Gold	365.6	209.2	75%
Silver	408.8	246.7	66%
Molybdenum	101.5	128.4	(21%)
Cobalt	7.9	20.5	(61%)
Total	6,218.0	4,479.2	39%

Management Discussion and Analysis

Continued

Price

Average LME base metals prices for copper, zinc, gold, silver, molybdenum and cobalt were higher for the year ended 31 December 2025 compared to 2024. The average price for lead was lower.

Average LME cash price ¹ Year ended 31 December	2025	2024	Change % Fav/(Unfav)
Copper (US\$/tonne)	9,939	9,144	9%
Zinc (US\$/tonne)	2,867	2,777	3%
Lead (US\$/tonne)	1,963	2,072	(5%)
Gold (US\$/ounce)	3,436	2,387	44%
Silver (US\$/ounce)	39.94	28.24	41%
Molybdenum (US\$/tonne)	48,748	46,943	4%
Cobalt (US\$/tonne)	35,432	25,005	42%

1 Sources: zinc, lead, cobalt and copper: LME cash settlement price; Molybdenum: Platts; gold and silver: LBMA. LME (London Metal Exchange) data is used in this report under licence from LME; LME is not involved and accepts no responsibility to any third party in connection with the data; and onward distribution of the data by third parties is not permitted.

Sales volumes

Payable metal in product sold year ended 31 December	2025	2024	Change % Fav/(Unfav)
Copper (tonnes)	484,467	378,686	28%
Zinc (tonnes)	183,815	184,937	(1%)
Lead (tonnes)	33,867	42,135	(20%)
Gold (ounces)	102,162	85,430	20%
Silver (ounces)	9,261,127	8,383,974	10%
Molybdenum (tonnes)	2,447	3,138	(22%)
Cobalt (tonnes)	482	1,617	(70%)

Payable metal in product sold year ended 31 December 2025	Copper tonnes	Zinc tonnes	Lead tonnes	Gold ounces	Silver ounces	Molybdenum tonnes	Cobalt tonnes
Las Bambas	390,580	-	-	74,683	4,750,970	2,447	-
Kinsevere	52,233	-	-	-	-	-	482
Khoemacau	40,562	-	-	-	1,218,101	-	-
Dugald River	-	145,093	17,371	-	1,251,775	-	-
Rosebery	1,092	38,722	16,496	27,479	2,040,281	-	-
Total	484,467	183,815	33,867	102,162	9,261,127	2,447	482

Payable metal in product sold year ended 31 December 2024	Copper tonnes	Zinc tonnes	Lead tonnes	Gold ounces	Silver ounces	Molybdenum tonnes	Cobalt tonnes
Las Bambas	302,872	-	-	56,171	3,535,035	3,138	-
Kinsevere	44,892	-	-	-	-	-	1,617
Khoemacau	29,666	-	-	-	907,222	-	-
Dugald River	-	136,853	21,743	-	1,662,728	-	-
Rosebery	1,256	48,084	20,392	29,259	2,278,989	-	-
Total	378,686	184,937	42,135	85,430	8,383,974	3,138	1,617

Management Discussion and Analysis

Continued

Operating expenses include expenses of operating sites, excluding depreciation and amortisation. Site expenses include mining and processing expenses, changes in inventories, royalty expenses, selling expenses and other operating expenses.

Total operating expenses increased by US\$438.5 million (19%) to US\$2,737.7 million. This was due to higher operating expenses at Las Bambas (US\$282.5 million) driven by higher production expenses (US\$297.5 million) attributable to increased material movement, lower capitalisation of deferred mining costs, higher profit share incentives and higher freight and royalty expenses (US\$58.0 million) with increased sales volumes and increased tax related provisions (US\$30.9 million). This was partly offset by costs capitalised as part of inventory (US\$116.6 million) due to the build-up of ore stocks and copper concentrate.

At Kinsevere, operating expenses were higher by US\$57.7 million, which included US\$52.0 million of ore stocks used, driven by lower mining volumes.

Operating expenses were higher at Khoemaçau (US\$65.2 million), reflecting a full year of operations under MMG ownership, compared to approximately nine months in 2024.

Further details are set out below in the mine analysis section.

Exploration expenses increased by US\$39.1 million (62%) to US\$101.7 million, attributable to increased drilling activities at Las Bambas (US\$28.9 million) focusing on near surface skarn and porphyry copper mineralisation across key targets referred to as the "Ring of Fire" targets and resource extension drilling at the Izok Corridor project (US\$11.2 million).

Administrative expenses decreased by US\$9.0 million (22%) to US\$32.6 million in 2025 primarily due to a reduction in employee benefits expenses. Administrative expenses in 2025 included transaction and due diligence costs relating to the proposed Nickel Brazil acquisition (US\$16.5 million) and 2024 administrative expenses included expenditure on Khoemaçau acquisition and integration activities (US\$15.3 million).

Net other income increased by US\$93.2 million (344%) to US\$66.1 million, attributable to favourable foreign exchange rate impacts (US\$41.7 million) due to the revaluation of monetary assets and de-recognition of certain tax related provisions at Las Bambas (US\$45.7 million).

Depreciation, amortisation and impairment expenses increased by US\$354.3 million (33%) to US\$1,413.0 million, primarily attributable to impairment US\$290.0 million at Kinsevere (2024: US\$53.0 million) and higher depreciation and amortisation expenses at Las Bambas (US\$99.4 million) due to higher ore mined and copper production volumes.

Net finance costs decreased by US\$96.5 million (26%) to US\$272.1 million, primarily due to lower debt balances (US\$97.3 million).

Income tax expense increased by US\$516.4 million due to higher underlying profit before tax. Underlying income tax expense for 2025 of US\$771.8 million includes dividend withholding tax in Peru of US\$51.1 million (2024: Nil) and non-creditable interest withholding tax in Peru and Botswana of US\$21.4 million (2024: US\$15.7 million).

Mines Analysis: Las Bambas

Location



Peru

Products

Copper concentrate
Molybdenum concentrate



Revenue (US\$ million)

\$4,447.0

Ore milled (tonnes)

53,414,671


Copper in copper concentrate produced (tonnes)

410,834

Ownership



- MMG Limited 62.5%
- CNIC Corporation Limited 22.5%
- CITIC Metal Co., Ltd. 15.0%



Las Bambas achieved their second highest annual copper production - 410,834 tonnes of copper in copper concentrate - with records set for annual ore mined, ore milled and overall recovery rates.

EBITDA reached a record US\$2,831.2 million, driven by higher production supported by stable operations in two pits, favourable commodity prices, and ongoing operational improvements.

Mines Analysis: Las Bambas

Continued

Year ended 31 December	2025	2024	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	81,304,493	63,819,945	27%
Ore milled (tonnes)	53,414,671	51,586,909	4%
Waste movement (tonnes)	111,450,153	122,617,927	(9%)
Copper in copper concentrate (tonnes)	410,834	322,912	27%
Gold in copper concentrate (ounces)	85,604	63,427	35%
Silver in copper concentrate (ounces)	5,256,050	3,938,602	33%
Molybdenum in copper concentrate (tonnes)	2,910	3,108	(6%)
Payable metal in product sold			
Copper (tonnes)	390,580	302,872	29%
Gold (ounces)	74,683	56,171	33%
Silver (ounces)	4,750,970	3,535,035	34%
Molybdenum (tonnes)	2,447	3,138	(22%)

Year ended 31 December	2025 US\$ million	2024 US\$ million	Change% Fav/(Unfav)
Revenue	4,447.0	2,977.6	49%
Operating expenses			
Production expenses			
Mining	(576.3)	(465.4)	(24%)
Processing	(314.6)	(299.5)	(5%)
Other	(660.7)	(489.2)	(35%)
Total production expenses	(1,551.6)	(1,254.1)	(24%)
Freight	(100.8)	(85.2)	(18%)
Royalties	(133.1)	(90.7)	(47%)
Other ¹	173.1	100.1	73%
Total operating expenses	(1,612.4)	(1,329.9)	(21%)
Other expenses	(3.4)	(53.4)	94%
EBITDA	2,831.2	1,594.3	78%
Depreciation and amortisation expenses	(861.6)	(762.2)	(13%)
EBIT	1,969.6	832.1	137%
EBITDA margin	64%	54%	

¹ Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mines Analysis: Las Bambas

Continued

Las Bambas achieved its second-highest annual copper production of 410,834 tonnes of copper in copper concentrate in 2025, marking a 27% increase from 2024. Records were set for annual ore mined (81,304,493 tonnes), ore milled (53,414,671 tonnes) and overall recovery rates (90.1%). This strong performance was driven by sustained improvements in operational efficiency, strategic equipment upgrades, an enhanced flotation reagent strategy, and higher average milled grades supported by year-round mining activities at both the Ferrobamba and Chalcobamba pits. These factors collectively contributed to the significant year-on-year growth in production.

Revenue of US\$4,447.0 million was US\$1,469.4 million (49%) higher compared to 2024 due to higher sales volumes of copper (US\$757.1 million), gold (US\$45.0 million) and silver (US\$33.8 million), along with increased prices for copper (US\$469.7 million), gold (US\$80.6 million), silver (US\$79.8 million) and molybdenum (US\$1.4 million), and lower copper treatment charges (US\$132.2 million). This was partly offset by losses on copper commodity hedges (US\$101.9 million) and lower molybdenum sales volumes (US\$28.3 million) due to lower production.

Total production expenses for 2025 were US\$1,551.6 million, representing an increase of US\$297.5 million (24%) compared to 2024. The increase was primarily attributable to increased profit share incentives (US\$117.1 million) reflecting higher profit, lower capitalised mining due to Chalcobamba pre-stripping activities in 2024 (US\$53.1 million) and a one-off union collective bargaining agreement payment (US\$44.7 million). Production expenses were also higher due to increased road and rail copper concentrate transportation costs (US\$42.6 million) with increased sales, higher material mined volumes (US\$17.9 million), greater execution of social programs (US\$13.3 million) and increased spending on security measures (US\$11.5 million). These increases were partly offset by lower unit prices for diesel and explosives (US\$4.4 million).

Freight and royalty expenses were higher by 18% and 47%, respectively, reflecting higher sales volumes and revenue.

Other operating expenses were favourable by US\$73.0 million, mainly driven by favourable stock movements (US\$116.6 million) due to a higher build-up of ore stockpiles (US\$81.9 million, net of write-downs) and copper concentrate stocks (US\$27.1 million), partly offset by an increase in tax related provisions (US\$30.9 million).

Other expenses decreased by US\$50.0 million to US\$3.4 million, primarily attributable to foreign exchange gains of US\$38.2 million, compared to foreign exchange losses of US\$7.0 million in 2024, and the de-recognition of certain tax related provisions (US\$45.7 million). This was partly offset by higher exploration costs (US\$28.9 million) from increased drilling activities targeting near surface skarn and porphyry copper mineralisation across key targets referred to as the "Ring of Fire".

Depreciation and amortisation expenses increased by US\$99.4 million (13%) compared to 2024, reflecting higher ore mined, ore milled and copper production volumes.

The C1 cost of US\$1.12/lb for 2025 was lower than the 2024 C1 cost of US\$1.51/lb, driven by higher copper production rates, lower treatment charges and higher by-product credits.

2026 Outlook

Las Bambas copper production target in 2026 is 400,000 tonnes of copper in copper concentrate, contingent upon stable operations. The lower end of the guidance has been set to 380,000 tonnes reflecting a cautious approach.

Las Bambas C1 costs in 2026 are expected to range between US\$1.20/lb and US\$1.40/lb. Sustained high gold and silver prices would contribute to C1 costs optimisation.

Mines Analysis: Kinsevere

Location

Democratic Republic of Congo



Products

Copper cathode
Cobalt hydroxide



Revenue (US\$ million)

\$499.3

Ore milled (tonnes)

3,841,191

Copper in copper concentrate produced (tonnes)

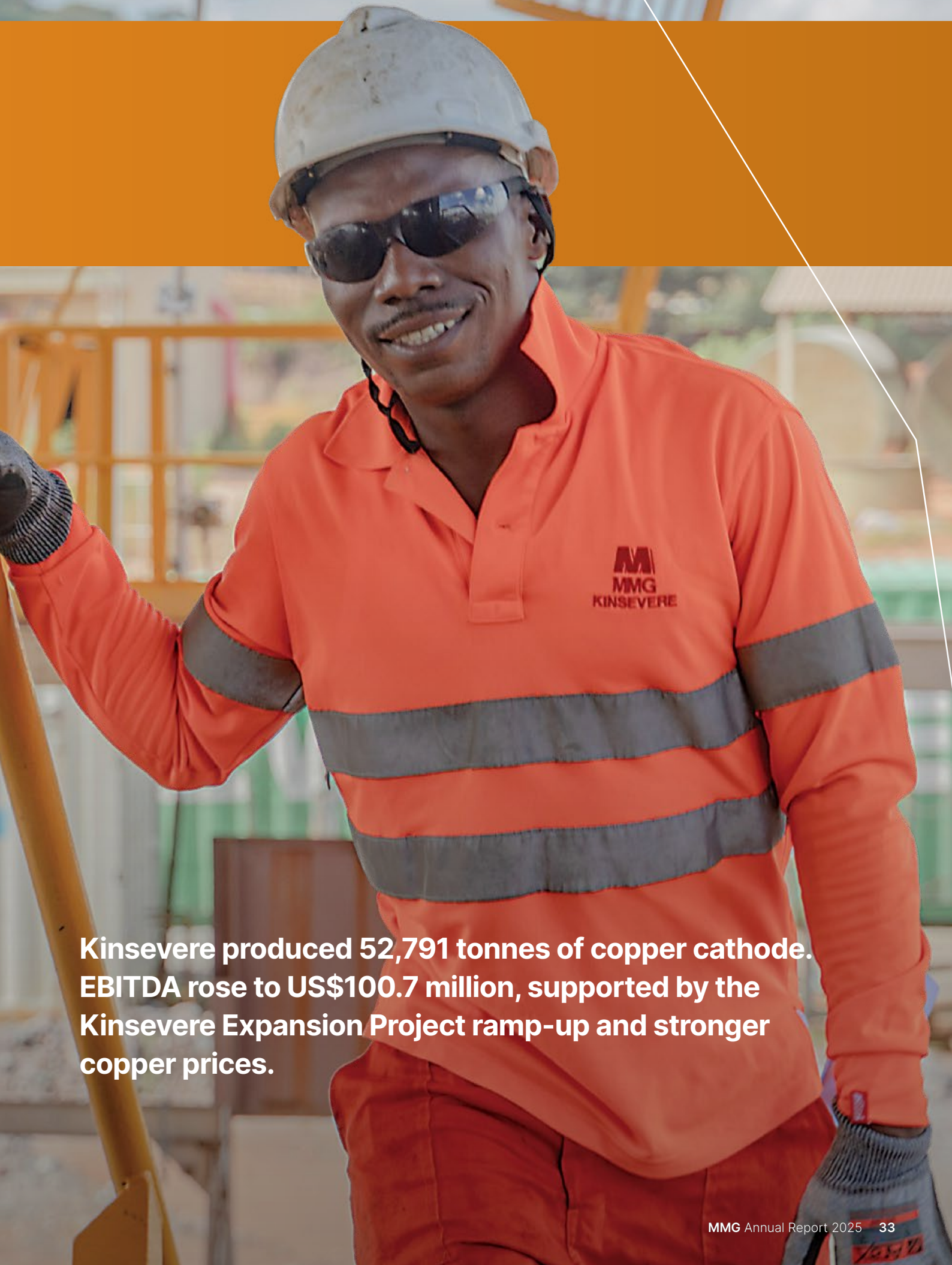
52,791

Ownership



● MMG Limited

100%



Kinsevere produced 52,791 tonnes of copper cathode. EBITDA rose to US\$100.7 million, supported by the Kinsevere Expansion Project ramp-up and stronger copper prices.

Mines Analysis: Kinsevere

Continued

Year ended 31 December	2025	2024	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	988,201	3,343,818	(70%)
Ore milled (tonnes)	3,841,191	2,609,130	47%
Waste movement (tonnes)	11,181,947	18,418,088	(39%)
Copper cathode (tonnes)	52,791	44,597	18%
Cobalt (tonnes)	-	2,926	n/a
Payable metal in product sold			
Copper (tonnes) ¹	52,233	44,892	16%
Cobalt (tonnes)	482	1,617	(70%)
Year ended 31 december	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Revenue	499.3	423.6	18%
Operating expenses			
Production expenses			
Mining	(28.5)	(64.3)	56%
Processing	(192.3)	(164.9)	(17%)
Other	(110.1)	(98.6)	(12%)
Total production expenses	(330.9)	(327.8)	(1%)
Freight	(10.5)	(10.2)	(3%)
Royalties	(29.9)	(26.6)	(12%)
Other (ii)	(22.1)	28.9	(176%)
Total operating expenses	(393.4)	(335.7)	(17%)
Other expenses	(5.2)	(20.1)	74%
EBITDA	100.7	67.8	49%
Depreciation, amortisation and impairment expenses	(319.1)	(118.4)	(170%)
EBIT	(218.4)	(50.6)	(332%)
EBITDA margin	20%	16%	

1 Kinsevere sold copper includes copper cathode, copper scrap and copper ore.

2 Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mines Analysis: Kinsevere

Continued

Kinsevere produced 52,791 tonnes of copper cathode in 2025, an 18% increase over 2024, driven by the ramp-up of KEP, although power-related and operational challenges constrained ramp-up progress. Mitigation measures have been implemented.

Kinsevere revenue increased by US\$75.7 million (18%) to US\$499.3 million in 2025 compared to 2024, driven by higher copper sales volumes (US\$64.5 million) attributable to higher production with the ramp – up of KEP and higher prices for copper (US\$59.8 million) and cobalt (US\$4.9 million). This was partly offset by losses on copper commodity hedges (US\$36.1 million) and lower cobalt sales volumes (US\$17.4 million).

Total production expenses increased by US\$3.1 million (1%) in 2025 compared to 2024. This increase was mainly driven by the full year operation of the sulphide plant (US\$33.1 million), the commencement of costs associated with the Roaster-Gas-Acid plant (US\$12.0 million) and higher consumption of third-party ore (US\$18.3 million). This was partly offset by lower mining volumes (US\$35.8 million) compared to 2024, which saw accelerated mining activities at the Sokoroshe II pit, as well as lower cobalt processing costs (US\$27.3 million) following the cobalt plant being placed into care and maintenance in December 2024.

Other operating expenses were US\$51.0 million higher in 2025 compared to 2024 due to unfavourable change in inventories (US\$52.0 million) driven by the drawdown of ore stocks following lower mining volumes in 2025.

Depreciation, amortisation and impairment expenses increased by US\$200.7 million (170%) in 2025 compared to 2024 due to the US\$290.0 million asset impairment at Kinsevere in 2025 compared to a US\$53.0 million impairment in 2024.

The C1 costs of US\$3.12/lb for 2025 were lower than the 2024 C1 costs of US\$3.26/lb due to increased copper production, partially offset by lower by-product credits.

2026 Outlook

Kinsevere copper production for 2026 is expected to range between 65,000 and 75,000 tonnes, with a focus on addressing operational challenges. A key priority for 2026 will be the implementation of a Battery Energy Storage System (BESS) to mitigate the impacts from the frequent power trips and stabilise operations.

C1 costs in 2026 are expected to be between US\$2.50/lb and US\$2.90/lb, representing an improvement from 2025 driven by efforts to enhance production despite the continued impact of power supply constraints and associated costs.

Mines Analysis: Khoemacau

Location



Botswana

Products



Copper concentrate

Revenue (US\$ million)

\$399.2

Ore milled (tonnes)

3,107,514

Copper in copper concentrate produced (tonnes)

42,120

Ownership



- MMG Limited 55%
- CNIC Corporation Limited 45%



Khoemacau produced 42,120 tonnes of copper in copper concentrate.

EBITDA increased to US\$167.0 million, driven by higher production from an additional three months of ownership and stronger copper and silver prices.

The Khoemacau Expansion project is a key part of MMG's growth pipeline, with plans to increase annual copper production capacity to 130,000 tonnes by 2028 – and potential for 200,000 tonnes over time.

Mines Analysis: Khoemacau

Continued

Year ended 31 December	2025	2024	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	3,161,217	2,457,492	29%
Ore milled (tonnes)	3,107,514	2,356,502	32%
Copper in copper concentrate (tonnes)	42,120	30,961	36%
Silver (ounces) ¹	1,381,205	1,062,542	30%
Payable metal in product sold			
Copper (tonnes)	40,562	29,666	37%
Silver (ounces)	1,218,101	907,222	34%

1 The silver production is subject to a silver stream in favour of Royal Gold Inc. which covers 100% of the payable silver produced until the delivery of 40.0 million silver ounces, and 50% thereafter. Royal Gold Inc. pays a cash price equal to a minimum of 20% of spot silver price for each ounce delivered. The stream covers Zone 5 and Mango North-East deposits, with other deposits unencumbered.

Year ended 31 December	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Revenue	399.2	295.8	35%
Operating expenses			-
Production expenses			
Mining	(125.0)	(104.9)	(19%)
Processing	(33.3)	(24.5)	(36%)
Other	(50.5)	(32.1)	(57%)
Total production expenses	(208.8)	(161.5)	(29%)
Freight	(0.4)	(0.3)	(33%)
Royalties	(13.9)	(8.7)	(60%)
Other ²	(8.0)	4.6	(274%)
Total operating expenses	(231.1)	(165.9)	(39%)
Other expenses	(1.1)	(4.0)	73%
EBITDA	167.0	125.9	33%
Depreciation and amortisation expenses	(65.6)	(32.5)	(102%)
EBIT	101.4	93.4	9%
EBITDA margin	42%	43%	

2 Operating results of Khoemacau in 2024 are for the period starting from 23 March 2024 following MMG's acquisition.

Mines Analysis: Khoemacau

Continued

Khoemacau produced 42,120 tonnes of copper in copper concentrate in 2025, a 36% increase from 2024, driven by full-year production despite a temporary impact on ore availability during the mining contractor transition in the third quarter.

Khoemacau revenue in 2025 increased by US\$103.4 million to US\$399.2 million (35%) driven by higher copper concentrate sales volumes (US\$95.5 million) reflecting a full 12 months of ownership, compared to approximately 9 months in 2024 following MMG's acquisition on 22 March 2024, as well as prices for copper (US\$48.0 million) and silver (US\$7.0 million). This was partly offset by losses on copper commodity hedges in 2025 (\$24.6 million), compared to a gain on commodity hedges in 2024 (US\$22.5 million).

Total production expenses for 2025 were US\$208.8 million, representing an increase of US\$47.3 million (29%) compared to 2024 due to an additional three months of ownership and higher energy tariffs effective from 1 July 2025.

Depreciation and amortisation expenses increased by US\$33.1 million (102%) compared to 2024, mainly due to an additional three months of ownership and depreciation related to the buyout of the Barmingo mine fleet as part of the mining contractor transition.

Khoemacau's C1 costs, on a post by-product and pre-silver stream basis, were US\$1.97/lb for 2025, compared to US\$2.54/lb in 2024, driven by higher copper production and higher by-product credits.

2026 Outlook

Khoemacau copper production for 2026 is expected to range between 48,000 and 53,000 tonnes, supported by higher ore grades as mining operations access Zone 5 North, along with enhanced development work to expand mining fronts, improve operational flexibility, and ensure access to higher-grade ore zones.

C1 costs for Khoemacau in 2026 are expected to range between US\$2.00/lb - US\$2.30/lb (post by-product and pre silver stream basis). Sustained high silver prices would contribute to C1 costs optimisation.

Mines Analysis: Dugald River

Location



Australia

Products



Zinc concentrate
Lead concentrate

Revenue (US\$ million)

\$502.0

Ore milled (tonnes)

2,010,609

Zinc in zinc concentrate produced (tonnes)

183,463

Ownership



● MMG Limited

100%



Dugald River produced a record 183,463 tonnes of zinc in zinc concentrate.

EBITDA reached US\$176.1 million, supported by stronger zinc concentrate production and higher zinc and silver prices.

Mines Analysis: Dugald River

Continued

Year ended 31 December	2025	2024	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	1,980,849	1,783,162	11%
Ore milled (tonnes)	2,010,609	1,755,369	15%
Zinc in zinc concentrate (tonnes)	183,463	163,588	12%
Lead in lead concentrate (tonnes)	21,666	20,781	4%
Silver (ounces)	1,568,609	1,627,600	(4%)
Payable metal in product sold			
Zinc (tonnes)	145,093	136,853	6%
Lead (tonnes)	17,371	21,743	(20%)
Silver (ounces)	1,251,775	1,662,728	(25%)
Year ended 31 December	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Revenue	502.0	461.8	9%
Operating expenses			
Production expenses			
Mining	(133.2)	(112.0)	(19%)
Processing	(73.0)	(67.4)	(8%)
Other	(85.0)	(80.8)	(5%)
Total production expenses	(291.2)	(260.2)	(12%)
Freight	(17.1)	(18.8)	9%
Royalties	(22.9)	(20.2)	(13%)
Other ¹	13.0	6.1	113%
Total operating expenses	(318.2)	(293.1)	(9%)
Other income/(expenses)	(7.7)	0.7	(1,200%)
EBITDA	176.1	169.4	4%
Depreciation and amortisation expenses	(98.6)	(56.1)	(76%)
EBIT	77.5	113.3	(32%)
EBITDA margin	35%	37%	

¹ Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mines Analysis: Dugald River

Continued

In 2025, Dugald River achieved record zinc production of 183,463 tonnes, a 12% increase from 2024. Annual ore milled throughout exceeded 2 million tonnes for the first time in the mine's history, driven by operational efficiency, which stabilised performance after weather disruptions in early 2025.

Dugald River revenue increased by US\$40.2 million (9%) to US\$502.0 million in 2025, driven by higher zinc concentrate sales volumes (US\$22.6 million) and higher prices for silver (US\$22.3 million) and zinc (US\$19.3 million). This was partly offset by lower lead concentrate sales volumes (US\$24.6 million).

Total production expenses rose by US\$31.0 million (12%), primarily due to increased mining costs (US\$21.2 million) from higher development meters and ore mined volumes, as well as higher processing costs (US\$5.6 million) driven by increased ore milled volumes.

Other operating expenses included favourable changes in inventories (US\$7.5 million) due to a net build-up of lead concentrate stocks.

Depreciation and amortisation expenses were higher by US\$42.5 million, reflecting accelerated depreciation of mine development assets based on an updated useful life aligned with the optimised life-of-mine plan.

Dugald River's zinc C1 costs of US\$0.65/lb in 2025 was in line with 2024.

2026 Outlook

Dugald River zinc production for 2026 is expected to be in the range of 170,000 and 180,000 tonnes of zinc in zinc concentrate, reflecting mining progression at depth and potential weather-related challenges. C1 costs for 2026 are expected to range between US\$0.80/lb and US\$0.95/lb. Sustained high silver prices would contribute to C1 costs optimisation.

Mines Analysis: Rosebery

Location



Australia

Revenue (US\$ million)

\$354.9

Ownership



○ MMG Limited

100%

Products

Zinc concentrate
 Lead concentrate
 Precious metals concentrate
 Gold Doré



Ore milled (tonnes)

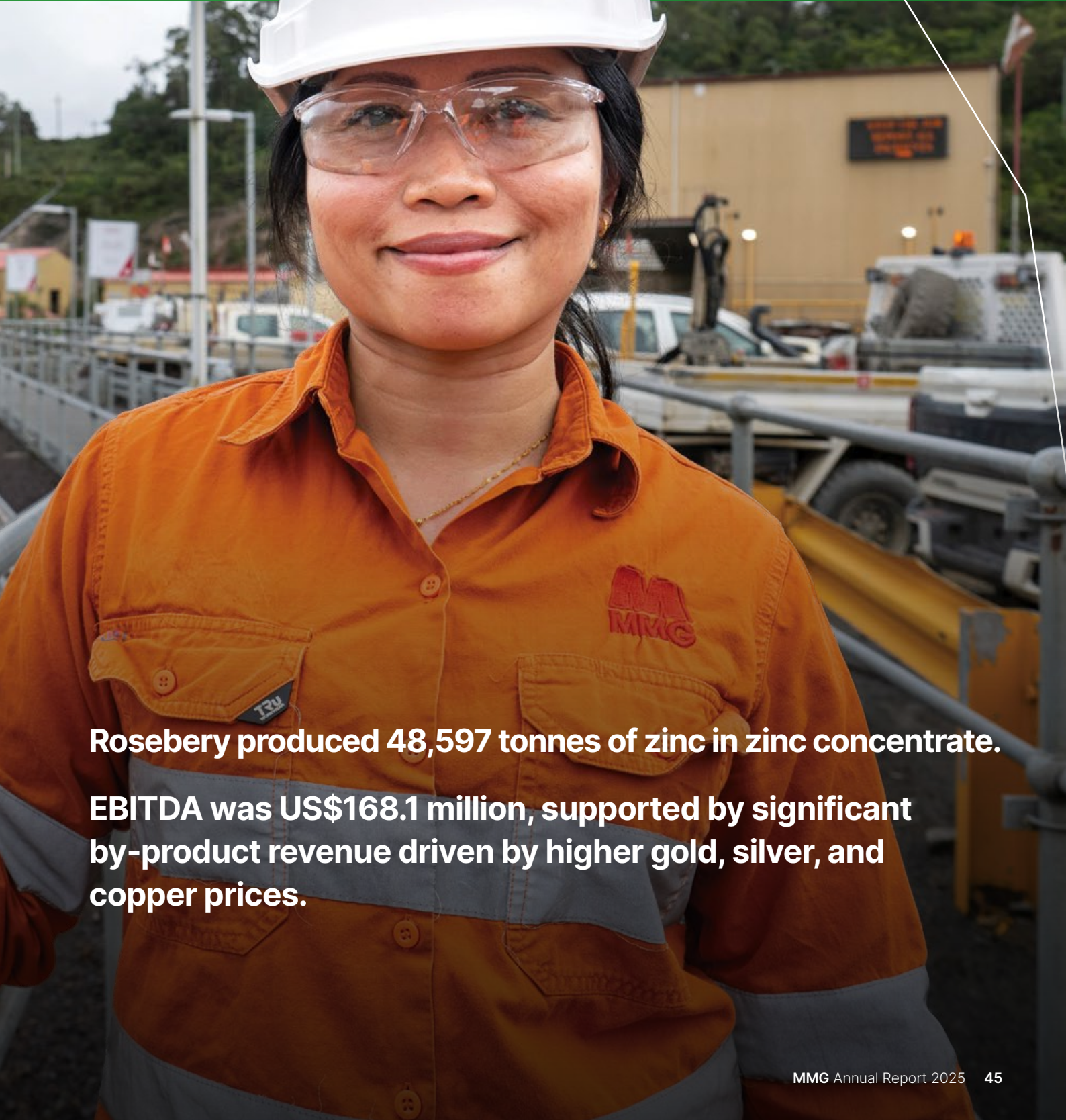
989,134

Zinc in zinc concentrate produced (tonnes)

48,597

Zinc equivalent (tonnes)

139,959



Rosebery produced 48,597 tonnes of zinc in zinc concentrate.

EBITDA was US\$168.1 million, supported by significant by-product revenue driven by higher gold, silver, and copper prices.

Mines Analysis: Rosebery

Continued

Year ended 31 December	2025	2024	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	1,003,843	1,033,718	(3%)
Ore milled (tonnes)	989,134	1,033,778	(4%)
Zinc in zinc concentrate (tonnes)	48,597	56,313	(14%)
Lead in lead concentrate (tonnes)	17,942	20,879	(14%)
Copper in precious metals concentrate (tonnes)	1,154	1,288	(10%)
Gold (ounces)	32,514	33,377	(3%)
Silver (ounces)	2,358,979	2,413,983	(2%)
Payable metal in product sold			
Copper (tonnes)	1,092	1,256	(13%)
Zinc (tonnes)	38,722	48,084	(19%)
Lead (tonnes)	16,496	20,392	(19%)
Gold (ounces)	27,479	29,259	(6%)
Silver (ounces)	2,040,281	2,278,989	(10%)

Year ended 31 December	2025 US\$ million	2024 US\$ million	Change % fav/(Unfav)
Revenue	354.9	306.0	16%
Operating expenses			
Production expenses			
Mining	(95.4)	(82.5)	(16%)
Processing	(36.7)	(37.4)	2%
Other	(36.0)	(32.6)	(10%)
Total production expenses	(168.1)	(152.5)	(10%)
Freight	(6.2)	(8.5)	27%
Royalties	(18.1)	(9.5)	(91%)
Other ¹	9.9	(2.5)	496%
Total operating expenses	(182.5)	(173.0)	(5%)
Other expenses	(4.3)	(9.8)	56%
EBITDA	168.1	123.2	36%
Depreciation and amortisation expenses	(56.6)	(78.8)	28%
EBIT	111.5	44.4	151%
EBITDA margin	47%	40%	

1 Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mines Analysis: Rosebery

Continued

Rosebery produced 48,597 tonnes of zinc in zinc concentrate in 2025, a decrease from the previous year. However, the mine's strategy focuses on leveraging by-product metal contributions to maximise asset values and financial outcomes, resulting in zinc equivalent production totalling 139,959 tonnes.

Rosebery revenue increased by US\$48.9 million (16%) to US\$354.9 million in 2025, driven by higher prices for silver (US\$43.7 million), gold (US\$35.4 million), zinc (US\$11.8 million) and copper (US\$1.8 million). This was partly offset by lower sales volumes for zinc (US\$23.1 million), precious metals (US\$11.3 million), lead (US\$7.5 million) and copper (US\$1.3 million).

Total production expenses increased by US\$15.6 million (10%) compared to 2024, primarily due to higher mining costs (US\$12.9 million) attributable to lower capitalised mine development and increased mining contractor costs driven by additional ground support requirements.

Royalties increased by US\$8.6 million (91%) reflecting higher revenue and profit.

Other operating expenses were mainly driven by favourable changes in inventory (US\$12.3 million) due to a net build-up of stocks for ore, zinc and lead concentrate.

Other expenses decreased by US\$5.5 million (56%) due to reduced exploration and study costs for the Rosebery life extension program in 2025.

Depreciation and amortisation expenses were lower than 2024 by US\$22.2 million (28%), reflecting the extension of the life-of-mine reserve base.

Rosebery zinc C1 costs were negative US\$0.94/lb for the 2025 full year, compared to negative US\$0.10/lb in 2024, reflecting higher precious metal by-product credits and lower treatment charges.

2026 Outlook

Rosebery zinc production for 2026 is expected to range between 45,000 and 55,000 tonnes of zinc in zinc concentrate. Including contributions from by-product metals and calculated using 2025 average realised prices, zinc equivalent production for 2026 is expected to range between 125,000 and 140,000 tonnes.

C1 costs for 2026 are expected to range between negative US\$0.60/lb and negative US\$0.10/lb. Sustained high gold and silver prices would contribute to C1 costs optimisation.

Management Discussion and Analysis

Continued

Cash flow analysis

Net cash flow

Year ended 31 December	2025 US\$ million	2024 US\$ million	Change % Fav/(Unfav)
Net operating cash flows	2,689.5	1,611.9	67%
Net investing cash flows	(1,081.4)	(2,970.2)	64%
Net financing cash flows	(1,472.2)	1,104.0	(233%)
Net cash inflows / (outflows)	135.9	(254.3)	153%

Net operating cash inflows increased by US\$1,077.6 million (67%) to US\$2,689.5 million, primarily due to higher EBITDA (US\$1,372.7 million), partly offset by higher income tax payments in Peru (US\$324.8 million) and Australia (US\$39.9 million), reflecting higher profits, as well as Peruvian dividend withholding taxes of US\$51.1 million.

Net investing cash outflows decreased by US\$1,888.8 million (64%) to US\$1,081.4 million. This reflects the US\$2,042.8 million acquisition cost (net of cash acquired) for the 100% share capital of Khoemacau Copper Mine in Botswana (March 2024) and lower expenditure at Kinsevere (US\$75.6 million) in 2025 due to ramp-up of KEP. These were partly offset by higher capital expenditure at Khoemacau (US\$143.5 million) for the pastefill plant construction and Khoemacau expansion project, as well as higher capital expenditure at Las Bambas (US\$60.9 million).

Net financing cash flows in 2025 were unfavourable by US\$2,576.2 million (233%) compared to 2024. This decline was primarily due to higher net repayment of borrowings in 2025 (US\$1,234.3 million) compared to 2024 and net cash raised from the rights issue in 2024 (US\$1,152.4 million). Additionally, unfavourable impacts included dividends paid (US\$695.3 million) to non-controlling interests of the Las Bambas joint venture in 2025 and lower non-controlling interest equity contributions for Khoemacau (2025: US\$337.5 million, 2024: US\$482.9 million). These were partially offset by proceeds from the issuance of convertible bonds in 2025 (US\$494.0 million) and lower financing costs paid during the year (US\$147.7 million).

Management Discussion and Analysis

Continued

Financial resources and liquidity

	31 December 2025 US\$ million	31 December 2024 US\$ million	Change US\$ million
Total assets	15,300.5	14,985.9	314.6
Total liabilities	(8,400.6)	(8,707.4)	306.8
Total equity	6,899.9	6,278.5	621.4

Total equity increased by US\$621.4 million to US\$6,899.9 million as at 31 December 2025.

The gearing ratio for the Group is defined as net debt (total borrowings excluding finance charge prepayments, less cash and cash equivalents) divided by the aggregate of net debt and total equity as set out in the following table:

MMG Group	31 December 2025 US\$ million	31 December 2024 US\$ million
Total borrowings (excluding prepaid finance charges) ¹	3,278.9	4,635.1
Convertible bonds (debt component)	401.1	-
Less: cash and cash equivalents	(328.6)	(192.7)
Net debt	3,351.4	4,442.4
Total equity	6,899.9	6,278.5
Net debt + Total equity	10,251.3	10,720.9
Gearing ratio	0.33	0.41

¹ Borrowings at an MMG Group level reflect 100% of the borrowings of the Las Bambas and Khoemacau Joint Venture Groups. Las Bambas Joint Venture Group borrowings as at 31 December 2025 were US\$1,302.0 million (31 December 2024: US\$1,040.0 million) and Las Bambas Joint Venture Group cash and cash equivalents as at 31 December 2025 were US\$215.2 million (31 December 2024: US\$60.7 million). Khoemacau Joint Venture Group borrowings as at 31 December 2025 were US\$504.7 million (31 December 2024: US\$1,028.9 million) and Khoemacau Joint Venture Group cash and cash equivalents as at 31 December 2025 were US\$53.9 million (31 December 2024: US\$19.5 million). For the purpose of calculating the gearing ratio, Las Bambas and Khoemacau Joint Venture Groups' borrowings have not been reduced to reflect the MMG Group's 62.5% and 55.0% equity interest, respectively. This is consistent with the basis of the preparation of MMG's financial statements.

Available debt facilities

As at 31 December 2025, the Group had available in its undrawn debt facilities an amount of US\$4,047.8 million (31 December 2024: US\$2,950.0 million).

Some of the Group's available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings at 31 December 2025. Certain financial covenants are measured with reference to the financial performance of the Group or its subsidiaries and may be influenced by future operational performance.

Management Discussion and Analysis

Continued

Dividend

The Board did not recommend the payment of an interim or final dividend for the year ended 31 December 2025 to the ordinary Shareholders of the Company.

Under the Hong Kong Companies Ordinance, dividends may only be declared or paid out of a company's accumulated realised profits or distributable reserves, and only where such payment would not result in the Company's net assets falling below the aggregate of its share capital and undistributable reserves.

In addition to the statutory conditions above, the Board has considered the Company's financial position (including its capital commitments, debt obligations), anticipated cash flow requirements in the ordinary course of business and in support of future growth. The Company continues to adopt a disciplined approach to capital allocation, with due regard to financial flexibility and balance sheet strength.

On the basis of such consideration, the Board determined that it would not be appropriate to declare or pay a dividend for the year ended 31 December 2025. Accordingly, no dividend was declared or paid in respect of the year.

Material acquisitions and disposals

Acquisition of Anglo American's Nickel Business in Brazil

On 18 February 2025, MMG announced that its wholly-owned subsidiary entered into an agreement to acquire 100% of Anglo American's nickel business in Brazil ("Nickel Brazil") for an aggregate cash consideration of up to US\$500 million. This includes an upfront cash consideration of US\$350 million, contingent consideration of up to US\$100 million linked to the realised nickel price¹, and contingent consideration of up to US\$50 million linked to a final investment decision at development projects, Jacaré and Morro Sem Boné². The acquisition aligns with the Group's growth strategy to expand its earnings, geographical footprint, and base metal commodity exposure, marking the Group's first investment in Brazil and the addition of nickel to its mineral resources and ore reserves.

The acquisition constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the Shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Closing of the transaction is subject to the satisfaction or waiver of certain conditions precedent including merger control clearance in several jurisdictions, acceptance of a filing with the National Development and Reform Commission, PRC (NDRC), and acceptance of a filing with Ministry of Commerce, PRC (MOFCOM). Whereas all other conditions have been satisfied, in November 2025 the European Commission extended its review to a Phase II review. The parties continue to work with the European Commission to facilitate its review. The latest date by which the Conditions may be completed under the Share Purchase Agreement was 18 November 2025 (Long Stop Date). The parties agreed to extend the Long Stop Date to 30 June 2026.

As closing is subject to the fulfilment (or waiver, where applicable) of conditions, the acquisition may or may not proceed to closing. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Notes:

- 1 The payment will be calculated as 50% of incremental, post-tax revenue from nickel sales above the agreed realised nickel price of US\$7.10/lb contained nickel, i.e. after the typical discounts for ferronickel products has been applied to the benchmark price for a period of 48 months.
- 2 A total of US\$40 million is payable upon the Group making a final investment decision on the full-scale development of the Jacaré greenfield development project and US\$10 million upon the Group making a final investment decision on the full-scale development of the Morro Sem Boné greenfield development project.

Management Discussion and Analysis

Continued

Convertible Bonds

On 29 September 2025, the Company entered into a subscription agreement with Merrill Lynch (Asia Pacific) Limited and CLSA Limited (Collectively, the Managers), pursuant to which the Company has agreed to issue, and the Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, US\$500 million zero coupon convertible bonds due 2030 (Convertible Bonds). The issuance of the Convertible Bonds was completed on 8 October 2025. The net proceeds from the offering of the Convertible Bonds, after deduction of fees and commissions and other estimated expenses, were approximately US\$494 million. The maturity date of the Convertible Bonds is 8 October 2030.

Details of the Convertible Bonds are set out in the circular of the Company dated 9 October 2025. The Company intended to apply the proceeds for refinancing the Group's offshore indebtedness.

As at the date of this report, the Group has utilised the net proceeds from the Convertible Bonds as follows:

Items	Intended use of the net proceeds (US\$ in million)	Actual use of the net proceeds up to date of this report (US\$ in million)	Unutilised proceeds up to date of this report (US\$ in million)
Refinancing the Group's offshore indebtedness	494	494	0

As at the date of this report, the Company has completed the intended utilisation of the proceeds.

The repayment of the existing indebtedness which has higher rates of interest than the zero-coupon rate of the Convertible Bonds, thereby lowering the Company's ongoing interest expense. This will help improve the Company's ongoing cashflows and maintain a balanced gearing position.

Development projects

Khoemaçau Expansion Project - the Company plans to expand the mine's capacity to 130,000 tonnes of copper in copper concentrate per annum, with associated silver output exceeding 4 million ounces by constructing a new 4.5Mtpa processing plant and extending mining operations to Zone 5 North, Mango and Zeta North-East deposits. This expansion will raise the mine's total milling capacity to over 8.0 Mtpa. First concentrate production from the expansion is expected in the first half of 2028. The life-of-mine average C1 cost is expected to improve to below US\$1.60 per pound, representing a significant reduction from the actual C1 costs of US\$1.97 per pound in 2025.

Looking ahead, Khoemaçau has identified a further expansion potential of up to 200,000 tonnes of copper in copper concentrate per annum, supported by ongoing exploration activities. A pre-feasibility study for the next expansion phase is scheduled to begin in 2026.

There were no other major development projects noted during the year ended 31 December 2025.

Contracts and commitments

A total of 1,088 contracts were reviewed through market engagements or in-contract renegotiations, addressing approximately US\$2.49 billion in annual operational or capital values. Extensive contracting activities were undertaken across all operational sites to secure essential supplies and fulfill other critical requirements. These initiatives were vital in supporting the planned execution of projects, maintaining operational continuity, and proactively managing potential disruption risks.

Management Discussion and Analysis

Continued

Las Bambas

New and revised agreements optimised production and development at Las Bambas, with Chalcobamba contracts prioritising local community involvement. These agreements covered a wide range of services, including studies and engineering via a consolidated head contractor, project construction, exploration drilling, mining services (blasting and drilling), fuel supply, equipment maintenance, catering and camp services, transportation, health and medical services, road maintenance, customs and freight forwarding, plant maintenance, grinding media, and consumables. Investments were made to increase on-site storage capacity for critical items, ensuring operational continuity and flexibility. Streamlined procedures and strategic contracting, finalised in late 2024, optimised workloads and achieved significant cost savings in 2025. Contract management improvements helped organise payment statements and delivered substantial cost mitigation and value returns to the budget. Additionally, increased China-sourced contracts were awarded through competitive bidding processes.

Kinsevere

In 2025, Kinsevere mining team completed ore hauling contracts, and signed agreements for dewatering and drainage work. The tailings team executed agreements for the raise of Tailings Storage Facility 3 and the construction of Tailings Storage Facility 4. The exploration team finalised its drilling contract, while customs clearance agreements were renewed. Contracts for camp expansion were signed and implemented, along with agreements for heap leaching-related work. Additionally, more than twenty community projects were completed, including the construction of schools, hospitals, health posts, roads, bridges, and water wells.

Khoemacau

Khoemacau advanced supply chain optimisation in 2025, focusing on safety, operational efficiency, and cost-effectiveness. Key contracts supporting the stability of its mining operations, covered a wide range of critical services and supplies, including mining services, concentrate export logistics, road infrastructure upgrades, fuel supply, drilling operations, and explosive materials procurement. The mine also prioritised local procurement strategies to support local economy and community development.

Dugald River

In 2025, Dugald River entered new contracts and extensions to enhance operational efficiency and cost management. These included a new inbound logistics service provider, gas contracts and mobile equipment purchases. A key activity was the implementation of a new outbound concentrate logistics supply arrangement (signed in 2024), enabling rail delivery to the Port of Townsville with improved safety and cost management. The assessment of long-term energy solutions, including renewable sources like wind power, remained a priority.

Rosebery

Rosebery signed new contracts and extensions in 2025 to improve operational efficiency and resource growth. These included agreements for rehabilitation and underground development, drilling consumables and services, and mobile/capital maintenance services.

Management Discussion and Analysis

Continued

Group

New and revised agreements were finalised for IT, exploration and other key areas, including risk and audit, Asset Planning and Support (APS), and sustainability. Professional services consultancy agreements were also established, covering Safety, Security, Health, and Environment (SSHE), legal, Human Resources (HR), and corporate affairs.

People

As at 31 December 2025, the Group employed 5,516 full-time equivalent staff (2024: 5,195) across its continuing operations, excluding contractors and casual employees. The increase in employee headcount compared with 2024 was primarily driven by the additional staffing required at Khoemaçau for the expansion project and higher production levels at Las Bambas. The majority of personnel are located in Australia, Peru, the DRC, Botswana, China and Laos.

Total employee benefits expenses for the Group's operations for the twelve months ended 31 December 2025, including directors' emoluments, amounted to US\$643.8 million (2024: US\$ 434.4 million). The increase was primarily driven by the MLB profit sharing expense of US\$101.6 million and a US\$73 million rise in salary and wages, mainly due to the 2025 collective bargaining agreement at Las Bambas.

The Group has remuneration policies that align with market practice and remunerates its employees based on the accountabilities of their role, their performance, market practice, legislative requirements and the performance of the Group. Employee benefits include market-competitive fixed remuneration, performance-related incentives, and, in specific cases, insurance and medical support. A range of targeted training and development programs are provided to employees across the Group that are designed to improve individual capability and enhance employee and Group performance.

Exploration activities

Las Bambas

A total of 62,462 metres of exploration drilling was completed within the "Ring of Fire", targeting near-surface skarn and porphyry-hosted copper mineralisation located between the Chalcobamba pit and Sulfobamba ore deposits. Additionally, 550 metres were drilled at Ferrobamba East in January, continuing a campaign delayed from late 2024. In the last quarter, drilling at the Ferrobamba pit aimed to explore potential lateral expansion of the final pit.

Kinsevere

Kinsevere exploration program focused on resource testing and resource delineation drilling at the Kinsevere mine site and satellite projects (Nambulwa and Sokoroshe II). A total of 18,146 metres were drilled, at Kinsevere (Mashi Extension/Down-Pit), Nambulwa (Kimbwe Kafubu), and below the current Sokoroshe II pit. The 2025 Mineral Resource and Ore Reserves (MROR) process nearly doubled the Kimbwe-Kafubu copper resource since 2024. Additionally, bank-backed surety instruments were established to secure environmental rehabilitation obligations for specific mining licenses.

Management Discussion and Analysis

Continued

Khoemacau

Regional exploration drilling focused on Kgwebe, Mawana Fold, and the Banana Zone for mineral resource growth:

Kgwebe Prospect drilling tested copper soil anomalies identified during the 2023 Terra-Leach geochemical sampling campaign, evaluating sub-surface copper mineralisation, continuity, and grade potential along the 6km soil anomaly strike. Initial results confirmed copper sulphide mineralisation present.

Mawana Fold drilling built on initial 2022 intersections, testing continuity of mineralisation along a 1.5km strike and down-plunge extensions around the fold closure.

Banana Zone drilling targeted at the northeast fold and south limb targeted extensions of mineralisation down-plunge at the fold closure and down-dip along the limbs.

Dugald River

Underground growth exploration drilling focused on targets within the Extended Dugald River (EDR) Zn-Pb-Ag zone. An underground rig improved drilling efficiency, intersecting extensions down dip of the Dugald River Zn-Pb-Ag lode. Casing wedges maximised efficiency and provided in-fill geological data for the EDR. Surface exploration diamond drilling resumed in mid-April 2025, targeting Coolullah (formerly Claytons Creek), Godkin, Wallaroo and M2. Drilling focused on geophysical anomalies, interpreted structures, and alteration zones, enhancing understanding of the Dugald River mineral system.

Rosebery

A total of 95,959 metres of drilling was completed at Rosebery, with 68,157 metres targeting growth areas, including extensions of the V-, K-, U-, and T-lenses. Additional drilling focused on historically mined lenses (CDAB, P, F, B, H and J-lenses) and the Dundas Group west of the Rosebery Fault. Surface exploration focused on Hercules and South Hercules mines, with additional drilling at Bastyan, Lake Rosebery (North), and Snake Gully (South). Exploration activities at Hercules, Lake Rosebery, and Snake Gully are planned to continue throughout 2026.

Izok

Regional exploration was conducted on the Izok Corridor Project during the 2024 and 2025 summer field seasons, based at the Izok Lake camp and Ulu camp in Nunavut, Canada. The work focused on targets identified from historical geological and geophysical datasets, yielding encouraging results with confirmed outcropping mineralisation at multiple targets. Resource extension drilling at High Lake and High Lake East in 2025 intersected high-grade mineralisation, expanding the known resource volume. Efforts are ongoing to update the Mineral Resource Estimate for High Lake and establish a maiden Mineral Resource Estimate for High Lake East. Planning for the 2026 exploration program is underway to build on these positive results.

Management Discussion and Analysis

Continued

Project	Hole type (target)	Meterage (metres)	Number of holes	Average length (metres)
Americas				
Las Bambas	Diamond (Chalcobamba Northwest)	7,393	10	739
	Diamond (Charcas)	24,821	52	477
	Diamond (Jatun Charcas)	8,133	15	542
	Diamond (Jatun Charcas North)	15,278	35	437
	Diamond (Jatun Charcas West)	6,837	9	760
	Diamond (Ferrobamba East)	550	1	550
	Diamond (Ferrobamba Pit Extension)	4,296	10	430
Africa				
Kinsevere	Diamond (Mashi Extension)	4,163	11	378
	Diamond (Kinsevere SE Extension)	1,004	2	502
	Diamond (Kimbwe North)	1,002	4	251
	Diamond (Kimbwe South)	651	2	325
	Diamond (Mashi Down-Pit)	3,948	12	329
Khoemacau	Diamond (Kgwebe Phase 1)	2,189	10	219
	Diamond (Kgwebe Phase 2)	9,945	19	523
	Diamond (Mawana Fold)	1,601	5	320
	Diamond (Banana Zone)	4,025	11	366
Australia				
Dugald River	Diamond (Coolullah)	1,217	2	609
	Diamond (Godkin)	2,614	3	871
	Diamond (M2)	1,946	3	649
	Diamond (Wallaroo)	3,628	5	726
	Diamond (EDR Zn-Pb-Ag)	16,082	17	946
Rosebery	Diamond – surface exploration	44,845	172	261
	Diamond – underground exploration	23,312	132	177
Canada				
Izok	Diamond (High Lake AB Zone)	1102	6	184
	Diamond (High Lake East - Zinc Rim)	3444	10	344
	Diamond (Hood)	724	2	362
	Diamond (Dog Bone)	882	4	221
Total		195,632	564	347

Management Discussion and Analysis

Continued

Events after the reporting date

Other than the matters disclosed in "Contingent Liabilities", there have been no matters that have occurred subsequent to the reporting date, which have significantly affected, or may significantly affect, the Group's operations, results or state of affairs in future years.

Financial and other risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks, including commodity price risk, interest rate risk, foreign exchange risk, credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group can use derivative financial instruments such as collar hedges and commodity swaps to manage certain exposures. The Group does not and is prohibited from entering into derivative contracts for speculative purposes.

Financial risk management is carried out by the Group Treasury function under proposals approved by the Board. Group Treasury identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The Board approves written principles for overall risk management, as well as policies covering specific areas, such as those identified below.

(a) Commodity price risk

The prices of copper, zinc, lead, gold, silver, molybdenum and cobalt are affected by numerous factors and events that are beyond the control of the Group. These metal prices change on a daily basis and can vary significantly up and down over time. The factors impacting metal prices include both broader macro-economic developments and micro-economic considerations relating more specifically to the particular metal concerned.

During the year ended 31 December 2025, the Group entered into various commodity trades to hedge the sales prices for copper, zinc and gold. Unsettled commodity trades as of 31 December 2025 included:

- Zero/low-cost collar hedges:
 - 68,350 tonnes of copper with put strike price ranging from US\$10,000/tonne to US\$12,000/tonne and call strike price ranging from US\$10,572/tonne to US\$13,450/tonne.
- Fixed price swap hedges:
 - 28,200 tonnes of copper with fixed price ranging from US\$9,000/tonne to US\$10,265/tonne;
 - 68,550 tonnes of zinc with fixed price ranging from US\$3,000/tonne to US\$3,070/tonne.

Above hedges settlement range from January to December 2026.

A change in commodity prices during the year can result in favourable or unfavourable financial impact for the Group.

Management Discussion and Analysis

Continued

The following table contains details of the hedging instrument used in the Group's hedging strategy:

Term	Carrying amount of hedging instrument US\$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness		Settled portion of hedging instrument realised (losses)/gains US\$ million	Hedging (loss)/gain recognised in cash flow hedge reserve ¹ US\$ million	Cost of hedging reserve US\$ million	
		Hedging instrument US\$ million	Hedged item US\$ million				
<i>Cash flow hedges:</i>							
At 31 December 2025							
Derivative financial liabilities	January 2026 to December 2026	(85.6)	(80.4)	80.4	(68.6)	(61.6)	(5.9)
At 31 December 2024							
Derivative financial assets/(liabilities)	March 2024 to May 2025	2.9	2.9	(2.9)	1.2	2.0	-

1. The hedging loss recognised in cash flow hedge reserve is the amount after tax.

The following table details the sensitivity of the Group's financial assets and liabilities balance to movements in commodity prices. Financial assets arising from revenue on provisionally priced sales are recognised at the estimated fair value of the total consideration of the receivable and subsequently remeasured at each reporting date. At the reporting date, if the commodity prices increased/(decreased) by 10% and taking into account the commodity hedges, with all other variables held constant, the Group's post-tax profit would have changed as set out below:

Commodity	Commodity price movement	2025		2024	
		(Decrease)/increase in profit after tax US\$ million	Decrease in OCI after tax US\$ million	Increase in profit after tax US\$ million	Decrease in OCI after tax US\$ million
Copper	+10%	(21.1)	(12.8)	9.3	(5.5)
Zinc	+10%	6.2	(14.2)	-	-
Total		(14.9)	(27.0)	9.3	(5.5)

Commodity	Commodity price movement	2025		2024	
		Increase/(decrease) in profit after tax US\$ million	Increase in OCI after tax US\$ million	(Decrease) / increase in profit after tax US\$ million	Increase in OCI after tax US\$ million
Copper	-10%	18.5	12.3	(8.8)	5.5
Zinc	-10%	(6.2)	14.2	0.1	-
Total		12.3	26.5	(8.7)	5.5

Management Discussion and Analysis

Continued

(b) Interest rate risk

The Group is exposed to interest rate risk primarily through interest bearing borrowings and investment of surplus cash holdings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the overall Group's exposure, the prevailing interest rate market and any funding counterparty requirements. Regular reporting of the Group's debt and interest rates is provided to the MMG Executive Committee.

The Group is exposed to the risk-free rate of SOFR. The exposures arise on derivative and non-derivative financial assets and liabilities. The current exposures mainly arise on non-derivative financial assets and liabilities.

At 31 December 2025 and 2024, if the interest rate had increased/(decreased) by 100 basis points, with all other variables held constant, post-tax profit would have changed as follows:

US\$ million	2025		2024	
	+100 basis points	-100 basis points	+100 basis points	-100 basis points
	Increase/ (decrease) in profit after tax	(Decrease)/ increase in profit after tax	Increase/ (decrease) in profit after tax	(Decrease)/ increase in profit after tax
Financial assets				
Cash and cash equivalents	1.4	(1.4)	0.8	(0.8)
Financial liabilities				
Borrowings - variable interest rate	(18.1)	18.1	(21.5)	21.5
Total	(16.7)	16.7	(20.7)	20.7

Management Discussion and Analysis

Continued

(c) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and functional currency of the majority of subsidiaries within the Group is US\$. The majority of revenue received by the Group is in US\$. The Group's foreign currency exchange risk arises predominantly from the currency of the countries in which the Group's operations are located. Any decision to hedge foreign currency risk is assessed periodically in light of the Group's exposure, the prevailing foreign currency market and any funding counterparty requirements.

The following table shows the foreign currency risk arising from the monetary assets and liabilities, which are shown by foreign currency of the Group.

US\$ million	US\$	PEN	A\$	BWP\$	Others	Total
At 31 December 2025						
Financial assets						
Cash and cash equivalents	301.7	17.6	0.3	2.7	6.3	328.6
Restricted bank deposits	1.2	-	-	-	-	1.2
Trade receivables	658.4	-	-	-	-	658.4
Other receivables	6.2	2.9	1.0	0.2	-	10.3
Other financial assets	0.7	-	-	-	-	0.7
Financial liabilities						
Trade and other payables	(454.6)	(69.8)	(35.7)	(2.9)	(3.4)	(566.4)
Derivative financial liabilities	(159.1)	-	-	-	-	(159.1)
Borrowings	(3,275.1)	-	-	-	-	(3,275.1)
Convertible bonds	(401.1)	-	-	-	-	(401.1)
Lease liabilities	(101.9)	(8.2)	(32.3)	-	-	(142.4)
	(3,423.6)	(57.5)	(66.7)	-	2.9	(3,544.9)

US\$ million	US\$	PEN	A\$	BWP\$	Others	Total
At 31 December 2024						
Financial assets						
Cash and cash equivalents	173.2	6.4	3.1	5.6	4.4	192.7
Trade receivables	443.7	-	-	-	-	443.7
Other receivables	30.0	-	0.4	3.4	0.1	33.9
Derivative financial assets	11.0	-	-	-	-	11.0
Other financial assets	1.0	-	-	-	-	1.0
Financial liabilities						
Trade and other payables	(363.7)	(59.5)	(30.0)	(4.0)	(2.2)	(459.4)
Derivative financial liabilities	(0.7)	-	-	-	-	(0.7)
Borrowings	(4,628.8)	-	-	-	-	(4,628.8)
Lease liabilities	(109.0)	(9.3)	(29.9)	-	-	(148.2)
	(4,443.3)	(62.4)	(56.4)	5.0	2.3	(4,554.8)

Management Discussion and Analysis

Continued

Based on the Group's net monetary assets and liabilities at 31 December 2025 and 2024, a movement of the US\$ dollar against the principal non-functional currencies as illustrated in the table below, with all other variables held constant, would cause changes in post-tax profit as follows:

US\$ MILLION	2025		2024	
	Weakening of US\$ dollar	Strengthening of US\$ dollar	Weakening of US\$ dollar	Strengthening of US\$ dollar
	Decrease in profit after tax	Increase in profit after tax	Decrease in profit after tax	Increase in profit after tax
10% movement in Australian dollar (2024: 10%)	(4.7)	4.7	(3.9)	3.9
10% movement in Peruvian sol (2024: 10%)	(3.9)	3.9	(4.2)	4.2
10% movement in Botswana pula (2024: 10%)	-	-	0.3	(0.3)
Total	(8.6)	8.6	(7.8)	7.8

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to counterparty credit risk through sales of metal products on normal terms of trade, through deposits of cash and settlement risk on foreign exchange transactions. While the most significant exposure to credit risk is through sales of metal products on normal terms of trade, the majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received within 30 days after delivery and the balance within 30 days of submission of all required documentation and fulfilment of obligations under the respective incoterm for the sales. The carrying amount of the Group's trade receivables at FVTPL best represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

Investments in cash, short-term bank deposits and similar assets are with approved counterparty banks. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure exposure to credit risk is limited to acceptable levels. There has been no change in the estimation techniques or significant assumptions made during the year ended 31 December 2025 in assessing the ECL for these financial assets. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure. Impairment is provided for where the credit risk is perceived to exceed the acceptable levels and there are concerns on recoverability of the relevant assets. The management of the Group considers cash and cash equivalents that are deposited with financial institutions with high credit rating to be low credit risk financial assets.

Other receivables include balances related to various matters including other taxes, indemnities. These balances are assessed at the reporting date considering contractual and non-contractual legal rights to receive such amounts as well as the expectation of recoverability based on expert third party advice and management assessment based on all available information. There are no significant increases in credit risk for these balances since their initial recognition and the Group provided impairment based on a 12-month ECL. For the years ended 31 December 2025 and 2024, the Group assessed the ECL for these balances and considered no significant impact to the consolidated financial statements.

Management Discussion and Analysis

Continued

The Group's most significant customers are CMN, CITIC Metal Peru Investment Limited ("CITIC Metal"), and Trafigura Pte Ltd (Trafigura). Revenue earned from these customers as a percentage of total revenue was:

	2025	2024
CMN	47.6%	42.6%
CITIC Metal	19.0%	16.6%
Trafigura	14.9%	16.2%

The Group's largest debtor at 31 December 2025 was CMN with a balance of US\$ 343.0 million (2024: US\$228.9 million) and the five largest debtors accounted for 96.7% (2024: 81.5%) of the Group's trade receivables. Credit risk arising from sales to large concentrate customers is managed by contracts that stipulate a provisional payment of at least 90% of the estimated value of each sale. For most sales a second provisional payment is received within 60 days of the vessel arriving at the port of discharge. Final payment is recorded after completion of the quotation period and assaying.

The credit risk by geographic region was:

US\$ million	At 31 December	
	2025	2024
Asia	466.4	361.7
Europe	185.5	74.5
Others	6.5	7.5
	658.4	443.7

Management Discussion and Analysis

Continued

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

Management utilises short and long-term cash flow forecasts and other consolidated financial information to ensure that appropriate liquidity buffers are maintained to support the Group's activities.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in each maturity grouping are the contractual undiscounted cash flows for financial instruments.

US\$ million	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying value
At 31 December 2025						
Financial assets						
Cash and cash equivalents	328.6	-	-	-	328.6	328.6
Restricted bank deposits	-	-	-	1.2	1.2	1.2
Trade receivables	658.4	-	-	-	658.4	658.4
Other receivables	10.3	-	-	-	10.3	10.3
Other financial assets	-	0.7	-	-	0.7	0.7
Financial liabilities						
Trade and other payables	(566.4)	-	-	-	(566.4)	(566.4)
Derivative financial liabilities	(159.1)	-	-	-	(159.1)	(159.1)
Borrowings (including interest)	(907.4)	(1,540.9)	(1,097.5)	(25.8)	(3,571.6)	(3,275.1)
Convertible bonds (including unwinding)	-	-	(500.0)	-	(500.0)	(401.1)
Lease liabilities (including unwinding)	(40.1)	(37.3)	(67.1)	(39.1)	(183.6)	(142.4)
	(675.7)	(1,577.5)	(1,664.6)	(63.7)	(3,981.5)	(3,544.9)
At 31 December 2024						
Financial assets						
Cash and cash equivalents	192.7	-	-	-	192.7	192.7
Trade receivables	443.7	-	-	-	443.7	443.7
Other receivables	33.9	-	-	-	33.9	33.9
Derivative financial assets	11.0	-	-	-	11.0	11.0
Other financial assets	-	1.0	-	-	1.0	1.0
Financial liabilities						
Trade and other payables	(459.4)	-	-	-	(459.4)	(459.4)
Derivative financial liabilities	(0.7)	-	-	-	(0.7)	(0.7)
Borrowings (including interest)	(1,132.9)	(1,312.8)	(2,630.7)	(271.6)	(5,348.0)	(4,628.8)
Lease liabilities (including unwinding)	(36.1)	(34.0)	(74.5)	(55.9)	(200.5)	(148.2)
	(947.8)	(1,345.8)	(2,705.2)	(327.5)	(5,326.3)	(4,554.8)

Management Discussion and Analysis

Continued

Available debt facilities

As at 31 December 2025, the Group had available in its undrawn debt facilities an amount of US\$4,047.8 million (31 December 2024: US\$2,950.0 million). These include:

1. A US\$1,000.0 million RCF from Minmetals HK was undrawn and available. It will expire in December 2026;
2. A US\$861.3 million facility from Minmetals HK (formerly from Top Create) which was amended in June 2025 to be revolving facility. US\$524.0 million was undrawn and available as of 31 December 2025. It will expire in July 2028;
3. A US\$90.0 million that was undrawn and available under the US\$300 million Term Loan from Top Create. It will expire in December 2030;
4. A US\$300.0 million RCF from Industrial and Commercial Bank of China ("ICBC") was undrawn and available. It will expire in December 2026;
5. A US\$200.0 million RCF from China Construction Bank ("CCB") Asia was undrawn and available. It will expire in January 2027;
6. A US\$100.0 million RCF from CCB Asia was undrawn and available. It will expire in May 2027;
7. A US\$100.0 million RCF from Bank of China ("BOC") was undrawn and available. It will expire in April 2027;
8. A US\$100.0 million RCF from Development Bank of Singapore was undrawn and available. It is a perpetual facility;
9. A new US\$20.0 million Bank Overdraft Facility from Raw Bank was undrawn and available. This facility will expire in October 2026;
10. A new CNY600.0 million (US\$85.8 million) RCF from China Minsheng Bank was undrawn and available. It will expire in November 2028;
11. A new US\$150.0 million RCF from the bank of Natixis was undrawn and available. It is a perpetual facility;
12. A US\$100.0 million RCF from ICBC made up from two tranches of US\$50.0 million each was undrawn and available. This facility will expire in May and June 2026;
13. A US\$95.0 million term loan from Bank of Communication ("BOCOM") was undrawn and available. The loan will expire in August 2026;
14. US\$773.0 million that was undrawn and available under a US\$1,000.0 million syndicated RCF borrowed from BOC, ICBC, CCB and BOCOM which will expire in September 2029;
15. A US\$60.0 million RCF from Standard Chartered Bank was undrawn and available. This facility will expire in July 2026; and
16. A US\$350.0 million RCF from Album Enterprises Limited was undrawn and available. This facility will expire in August 2027.

Some of the Group's available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings at 31 December 2025. Certain financial covenants are measured with reference to the financial performance of the Group or its subsidiaries and may be influenced by future operational performance.

Management Discussion and Analysis

Continued

Country and community risks

The Group conducts all of its operations outside of Hong Kong and, as such, it is exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country. Material risks include, but are not limited to, regime or policy change, fluctuation in currency exchange rates, changes to licensing regimes and amendments to concessions, licences, permits and contracts, changing political conditions and governmental regulations and community disruptions. Changes in any aspects above and in the country where the Group operates may adversely affect the Group's operations and profitability. The decline in growth and macroeconomic activity in many developing nations has resulted in governments seeking alternative means of increasing their income, including increases to corporate tax, VAT and royalty rates, coupled with increased audit and compliance activity.

Contingent liabilities

Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the reporting period, no material claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authorities. At 31 December 2025, these guarantees amounted to US\$328.2 million (2024: US\$330.7 million).

Contingent liabilities – tax related contingencies

The Group has operations in multiple countries, each with its own taxation regime. The nature of the Group's activities requires it to comply with various taxation obligations including corporation tax, royalties, withholding taxes, transfer pricing arrangements with related parties, resource and production-based taxes, environmental taxes and employment related taxes. Application of tax laws and interpretation of tax laws may require judgement to assess risk and estimate outcomes, particularly in relation to the application of income taxes and withholding tax to the Group's cross-border operations and transactions. The evaluation of tax risks considers both assessments received and potential sources of challenge from tax authorities. Additionally, the Group is currently subject to a range of audits and reviews by taxation authorities in Australia, Peru, Botswana, Laos and DRC. Except for the financial impacts disclosed for the Peruvian tax matters in subsequent paragraphs, no disclosure of an estimate of financial effect of the subject matter has been made in the consolidated financial statements as, in the opinion of the management of the Group, such disclosure may seriously prejudice the position of the Group in dealing with those matters.

Tax matters with uncertain outcomes arise in the normal course of business and occur due to changes in tax law, changes in interpretation of tax law, periodic challenges and disagreements with tax authorities, and legal proceedings. The status of proceedings for such uncertain tax matters will impact the ability to determine the potential exposure, and in some cases, it may not be possible to determine a range of possible outcomes, including timing of resolution or determining a reliable estimate of the potential exposure.

Management Discussion and Analysis

Continued

Peru – Withholding Taxes (2014, 2015, 2016 and 2017)

Included within such uncertain tax matters are audits of the 2014, 2015, 2016 and 2017 tax periods for MLB in relation to withholding taxes on interest and fees paid under certain loans, which were provided to MLB pursuant to facility agreements entered into among MLB and a consortium of Chinese banks in connection with the acquisition of the Las Bambas mine in 2014. MLB received assessment notices from the SUNAT, which advised that, in its opinion, MLB and the Chinese banks are related parties and thus a 30% withholding tax rate ought to be imposed rather than the 4.99% applied.

In 2024, MLB received favourable decisions of the Tax Court in Peru determining that MLB is not liable to penalty withholding tax at a 30% rate. The Court concluded that the interpretation of SUNAT was against the law and dismissed it and revoked the appealed Assessments in relation to the 2014 to 2017 tax periods in the amount of US\$557.0 million. The assessments for omitted taxes, along with the corresponding penalties and interest, have been revoked, and the outstanding debt is currently recorded as zero in SUNAT's system. However, SUNAT filed judicial lawsuits challenging the Tax Court's decisions which has been responded by MLB.

In February 2026, the Peru Judiciary (Second Level) issued its decision in relation to the appeal filed on the withholding tax case for the financial year ended 31 December 2017. The Judiciary Court directed the matter to be considered by the Peru Tax Court in a new trial. MLB is currently considering its legal appeal options.

The Group has the continued point of view that the Company and its controlled entities do not qualify as related parties to Chinese banks under Peruvian tax law.

Peru – Income Taxes (2016, 2017, 2018 and 2019)

During Income Tax audits, SUNAT challenged the deductibility of interest expenses arising from loans granted by Chinese banks on the grounds that such lenders were considered to be related parties to MLB. In addition, SUNAT denied the deductibility of interest expenses derived from the shareholder loan granted by MMG Swiss Finance, arguing that such financing did not comply with the causality principle.

In 2024, the Tax Court's rulings on Income Tax for the financial years ended 31 December 2016 and 31 December 2017 confirmed MLB's entitlement to deduct expenses related to loans from Chinese banks and MMG Swiss Finance. In reaching its decisions, the Tax Court held that the income tax regulations are intended only to counter situations of tax avoidance, which were not present in this case, and that the related-party provisions cannot be applied to State-owned enterprises, namely the Chinese lender banks, solely by reason of the Company's governmental relationship with the State. Accordingly, SUNAT's negative equity argument was also disregarded, as the parties (MLB and the Chinese lender banks) were not found to be related. With respect to the causality principle, the Tax Court further concluded that the shareholder loan granted by MMG Swiss Finance was deductible, as the ultimate purpose of the loan related to the acquisition of the Las Bambas mine. As a result of these rulings, the assessed tax liabilities of US\$178 million (2016) and US\$954 million (2017) were set aside. SUNAT subsequently filed lawsuits before the Judiciary challenging these favourable resolutions, and MLB submitted its responses to the appeals filed by SUNAT. A final decision by the Judiciary is expected in the following years.

With respect to the financial year ended 31 December 2018, in March 2025, MLB received a Tax Court Resolution that upheld MLB's position on the deductibility of finance expenses and entitled Las Bambas to:

- Tax losses claimed of US\$429 million; and
- Interest deductions on loans from Chinese lender banks of US\$378 million and a loan from a shareholder (MMG Swiss Finance AG) in the amount of US\$242 million.

Management Discussion and Analysis

Continued

This decision was subsequently appealed by SUNAT to the Peru Judiciary (1st Instance) and the Court found in favour of MLB in November 2025. The case was appealed again by SUNAT to the Peru Judiciary (2nd Instance) and in January 2026, the Court instructed the judge in the Peru Judiciary 1st Instance to re-consider SUNAT's arguments in a new decision. A new decision from the Peru Judiciary (1st Instance) is expected later 2026.

The reinstated tax losses for 2014 to 2018 amount to US\$2,575 million. This decision has removed a tax exposure of US\$912 million on similar grounds to the previously reported Tax Court decision in relation to the 2017 income tax assessment. The cumulative effect of the decisions of the Tax Court and Peru Judiciary to date, as announced by MMG, have removed the uncertainty of income tax, interest and penalties payments of US\$2,044 million as alleged by SUNAT. SUNAT has filed several appeals to the Judiciary which MLB has responded with the corresponding defences. MLB is waiting for the judicial final pronouncements. Appeals in the Peruvian tax administration and judicial systems can take many years to resolve.

In December 2025, MLB received assessment notices from SUNAT in connection with the income tax audit for the financial year ended 31 December 2019. SUNAT assessment and interpretation include:

- Denying the deductibility of interests' expenditure on Chinese lender banks of US\$371 million and MMG Swiss Finance of US\$273 million. SUNAT's interpretation with the deductibility of interests are largely the same with previous years despite the positive outcome in the Tax Court.
- Denying tax loss carried from the financial year ended 31 December 2018 based on its position in previous audit.

The Assessment issued by SUNAT for tax, interest and penalties for the tax periods above totalled US\$162 million. In January 2026, MLB appealed before second instance of SUNAT and may appeal to the Tax Court in due course.

Considering MLB's positive results at the Tax Court and advice from the tax and legal advisors, the Group did not recognise a liability in its consolidated financial statements for any assessed amount. However, SUNAT have appealed before Judiciary as mentioned above. If MLB's defence is unsuccessful in Judiciary, it could result in significant liabilities being recognised.

Future prospects

MMG remains committed to long-term, disciplined growth, supported by ambitious production targets for metals essential to a low-carbon future. This strategy is underpinned by a focus on prudent cost and risk management, as well as exceptional operational planning. Clear targets and high-quality execution will continue to drive the Company's progress.

With a portfolio spanning South America, Africa, and Australia, MMG is well-positioned in regions experiencing significant growth. The Company focus remains on generating more value from its operations and maximising the growth potential of its assets, while also exploring opportunities to diversify within existing regions and commodities. MMG's ambition is made possible through the continued support of its major shareholder, China Minmetals Corporation.

MMG's strong governance standards remain a cornerstone of its success. The Company will continue to engage and leverage the strengths of its board, management, employees, partners, and stakeholders to ensure sustainable growth and long-term value creation.

Capital expenditure plan in 2026

Total capital expenditure in 2026 is expected to be between US\$1,600 million and US\$1,700 million. This includes US\$800-850 million for Las Bambas (Capitalised Mining, Ferrobamba pit infrastructure, and tailings dam facility expansion); and US\$500-550 million for Khoemaçau (including US\$400 million for the expansion project). Should MMG successfully complete the acquisition of Nickel Brazil, additional capital expenditure will be required in 2026.