

MINMETALS RESOURCES LIMITED

2011 ANNUAL RESULTS PRESENTATION

1208.HK



五礦資源有限公司
MINMETALS RESOURCES LIMITED

INCORPORATING



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This presentation should be read in conjunction with Minmetals Resources Limited's annual results announcement for the year ending 31 December 2011 issued to the Hong Kong Stock Exchange on 28 March 2012.

2011 Highlights

- Strong operating results and higher commodity prices contribute to solid financial performance in 2011.
- Annual production and costs within revised guidance at all operating mines.
- Safety anchors our performance.
- Significant progress on business transformation.
- Anvil acquisition announced in 2011 and completed in 2012.
- Support for growth projects.



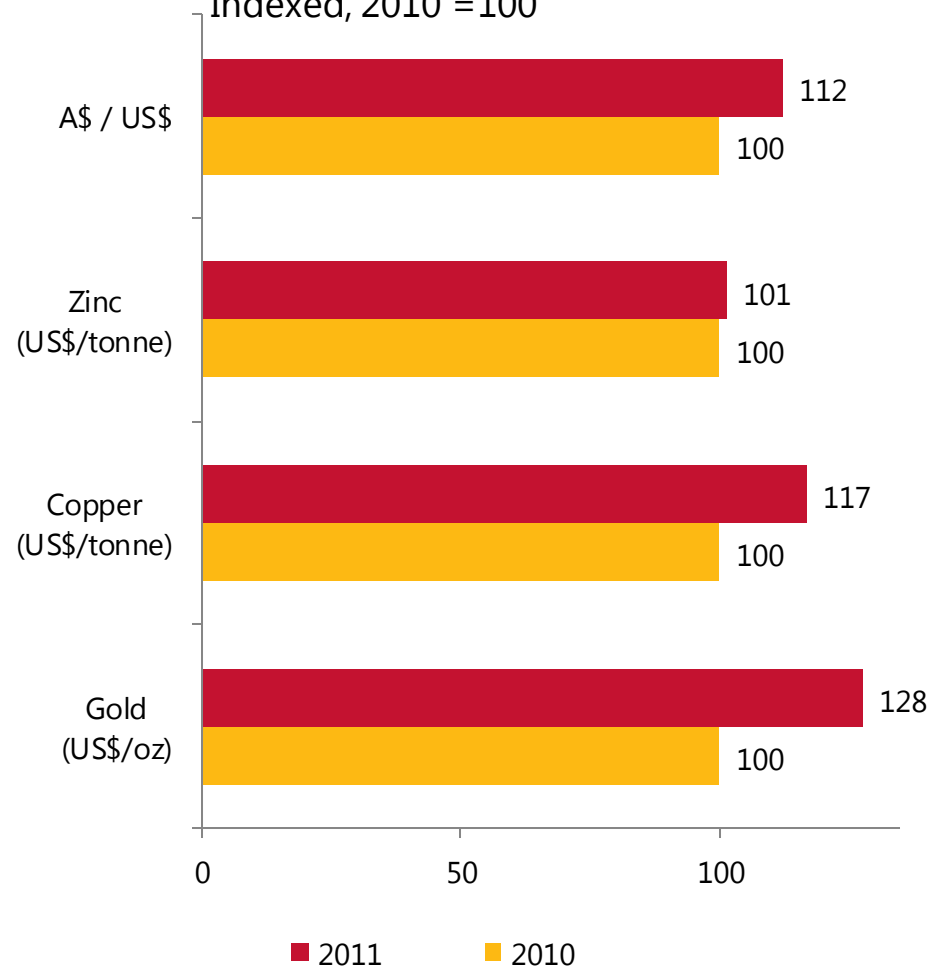
2011 Financial highlights

- **EBITDA**¹ of US\$1,063.8 million, an increase of 30%.
- **Operating profit (EBIT)**¹ of US\$755.3 million, an increase of 45%.
- **Net Profit After Tax** attributable to equity holders of the Company of US\$540.9 million.
- **Net cash generated from continuing operations** of US\$909.3 million, an increase of 8%.
- Diluted **earnings per share** of US10.71 cents an increase of 18%.
- **Net cash position** at the end of 2011 prior to the acquisition of Anvil Mining Limited.
- Increase in **Mineral Resources and Ore Reserves** including 104% increase in zinc ore reserves due to inclusion of Dugald River.

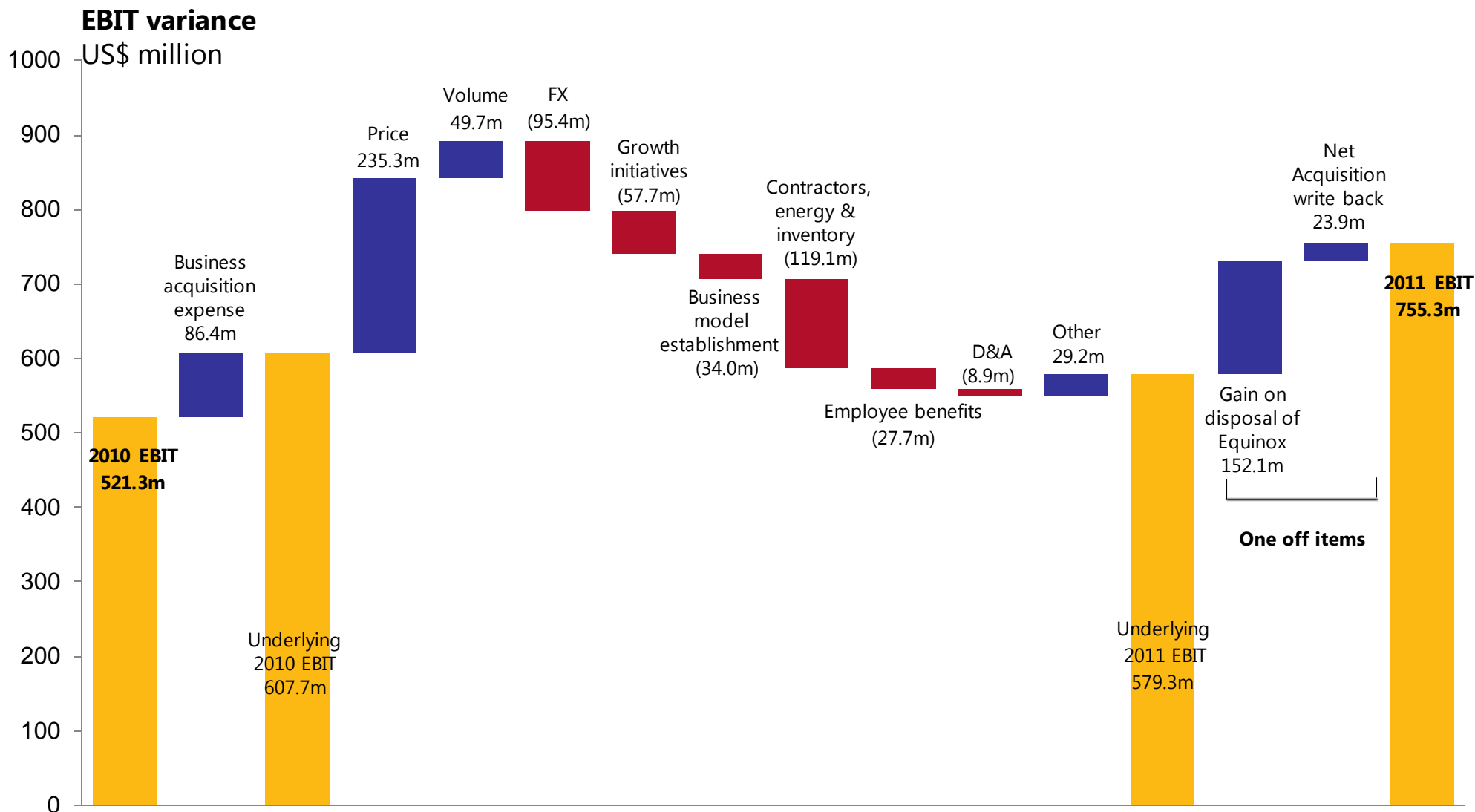
(1) EBITDA and EBIT based on continuing operations.

Foreign Exchange and Commodity Price performance

Indexed, 2010 = 100

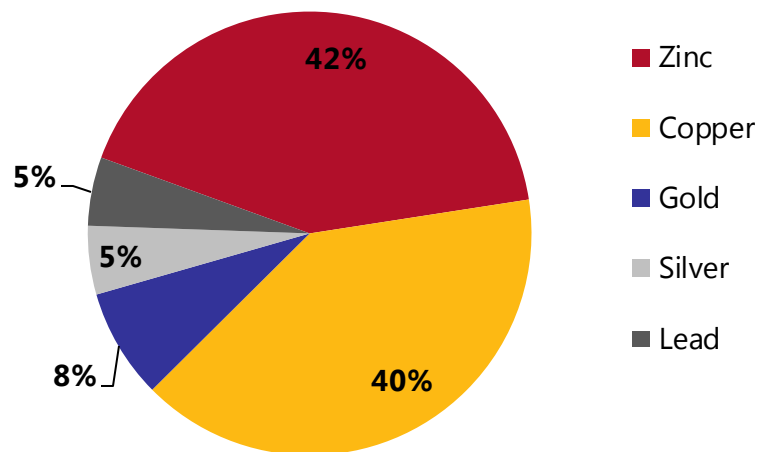


EBIT variance analysis – continuing operations

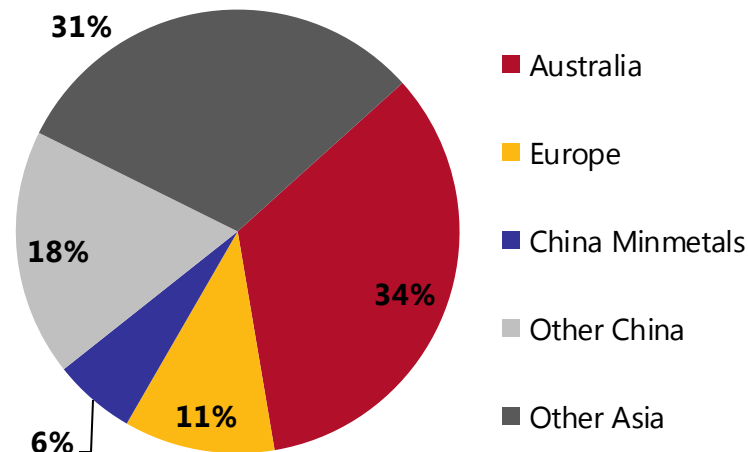


2011 Financial dashboard

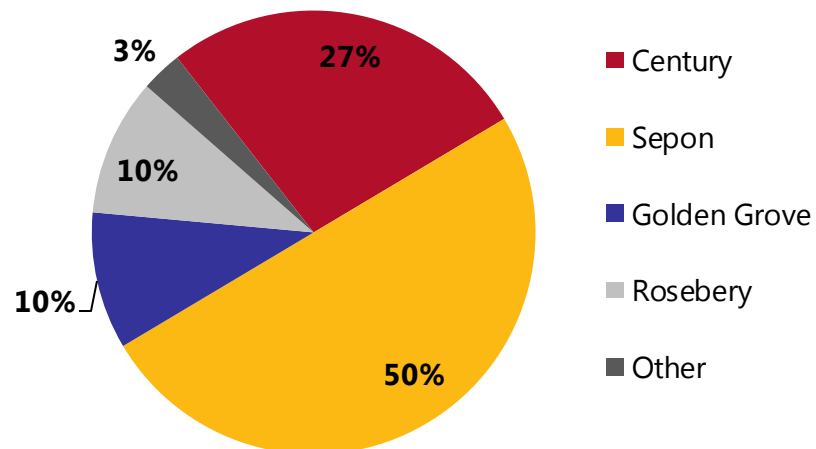
Revenue by commodity



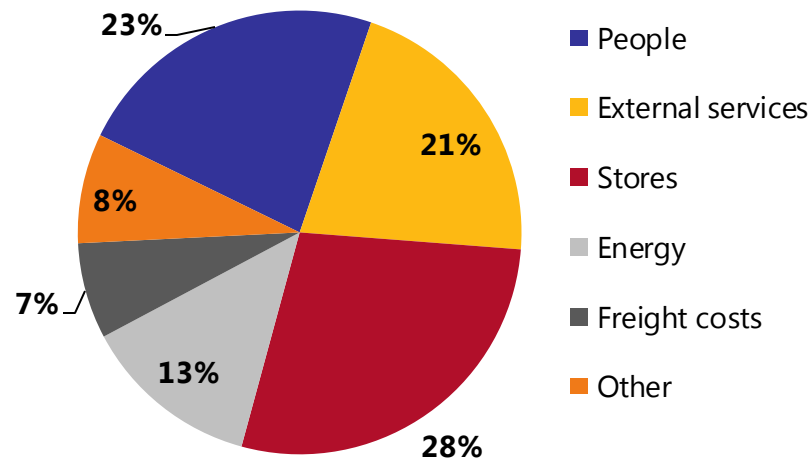
Revenue by customer location



EBITDA by asset



C1 operating costs



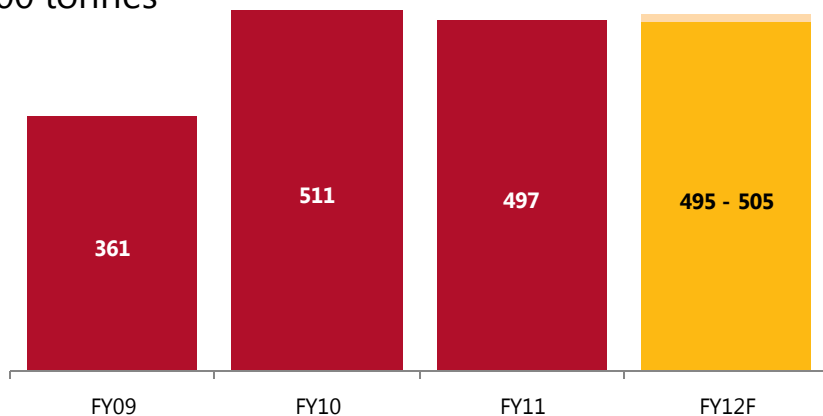
Century – The world's third largest zinc mine

Highlights

- 2011 Production and C1 costs within revised annual guidance.
- Significant production impacts in 1Q11 following severe weather conditions.
- Life of mine extended to 2016 due to the inclusion of Stage 10 which will deliver 6.6 million tonnes of ore at an average grade of 8.2%.
- Capital expenditure related to mine development was US\$127.1m in 2011 with \$US155m – US\$170m expected to be spent in 2012.

Zinc in zinc concentrate production

'000 tonnes

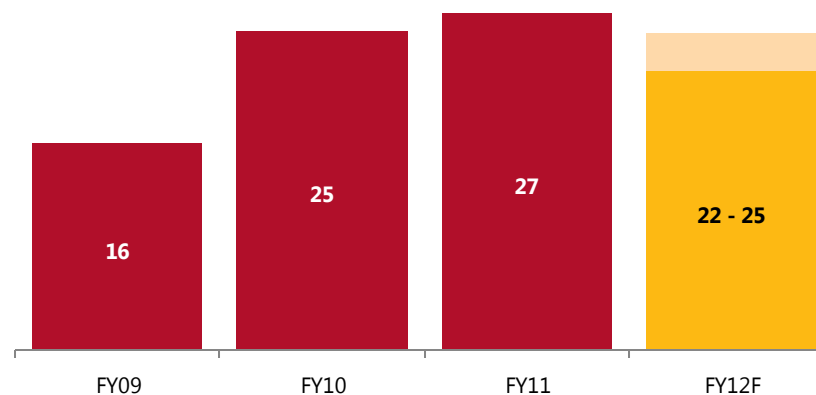


Financials

US\$ million	2011	2010	%
Revenue	750.4	711.4	6
EBITDA	293.0	356.2	(18)
EBITDA margin	39	50	
EBIT	116.2	136.7	(15)

Lead in lead concentrate production

'000 tonnes



Golden Grove – Current focus on copper

Highlights

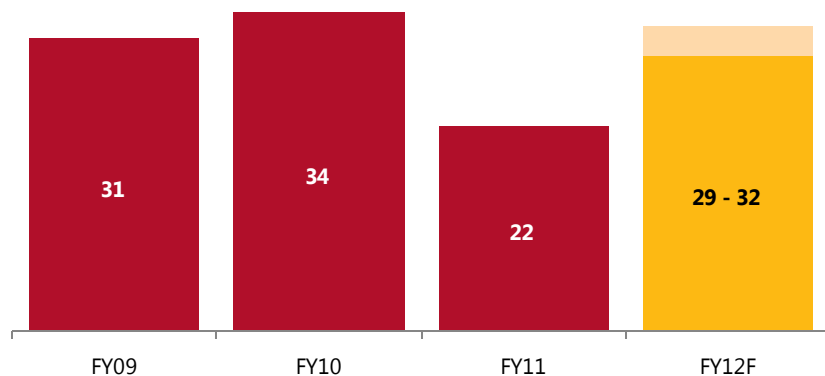
- 2011 Production and C1 costs within annual guidance.
- Higher costs in 2011 due to the Scuddles mine restart and higher mining costs.
- First production from the copper open pit development expected in 2H12 further extending the mine life at Golden Grove by two years.
- Focus on improving operating margins and efficiencies in 2012.

Financials

US\$ million	2011	2010	%
Revenue	388.5	391.3	(1)
EBITDA	101.6	192.4	(47)
EBITDA margin	26	49	
EBIT	53.3	155.6	(66)

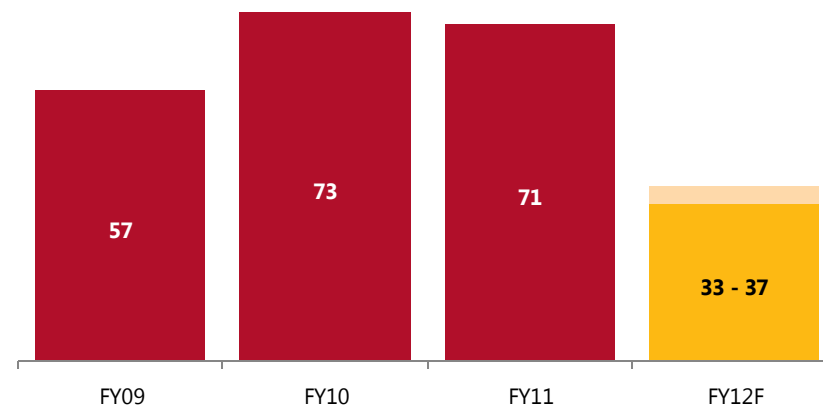
Copper in concentrate production

'000 tonnes



Zinc in zinc concentrate production

'000 tonnes



Rosebery – Celebrating 75 years of operation

Highlights

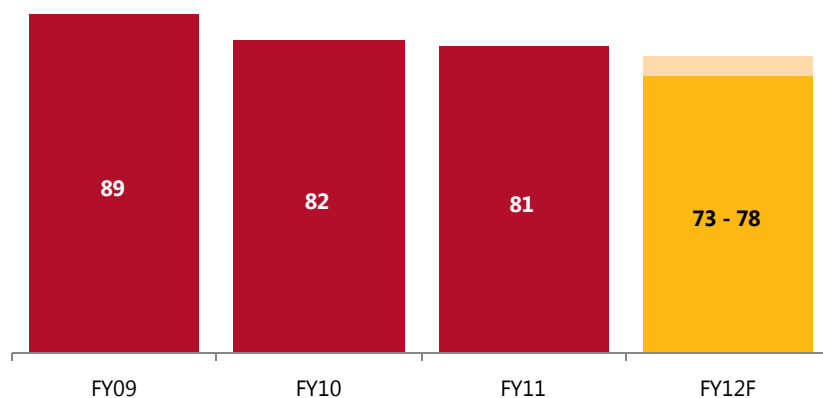
- 2011 Production and C1 costs within annual guidance.
- Mineral Resource at Rosebery at its highest in the history of operations following further acquisitions of nearby tenements.
- Extension of mine life through an innovative sustainable extraction process at the South Hercules deposit.

Financials

US\$ million	2011	2010	%
Revenue	272.5	220.5	24
EBITDA	108.6	104.5	4
EBITDA margin	40	47	
EBIT	86.8	78.8	10

Zinc in zinc concentrate production

'000 tonnes



Lead in lead concentrate production

'000 tonnes



Sepon – High quality resource in close proximity to customers

Highlights

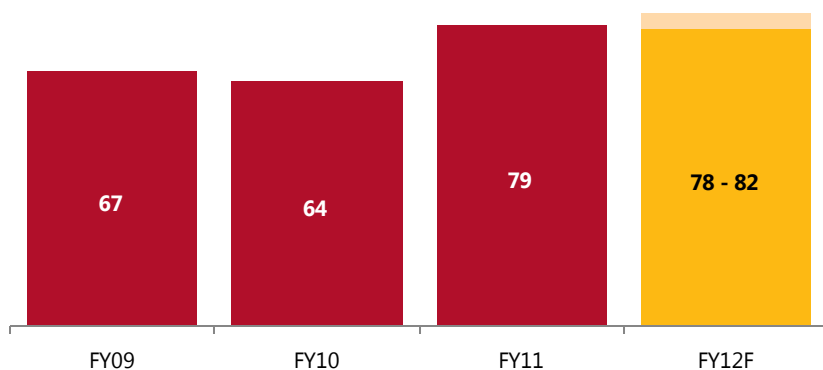
- 2011 Production and C1 costs within annual guidance.
- Copper cathode production exceeded nameplate capacity in the second half of 2011 following successful commissioning of copper expansion project.
- LME certification of Sepon brand copper cathode.
- Commencement of primary gold pre-feasibility study.
- 2012 Focus to improve efficiencies and reduce bottlenecks.

Financials

US\$ million	2011	2010	%
Revenue	816.9	596.7	37
EBITDA	529.4	358.6	48
EBITDA margin	65	60	
EBIT	471.3	343.7	37

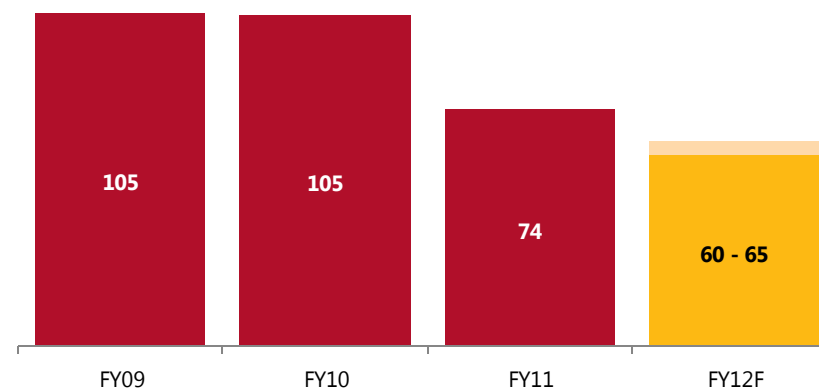
Copper cathode production

'000 tonnes



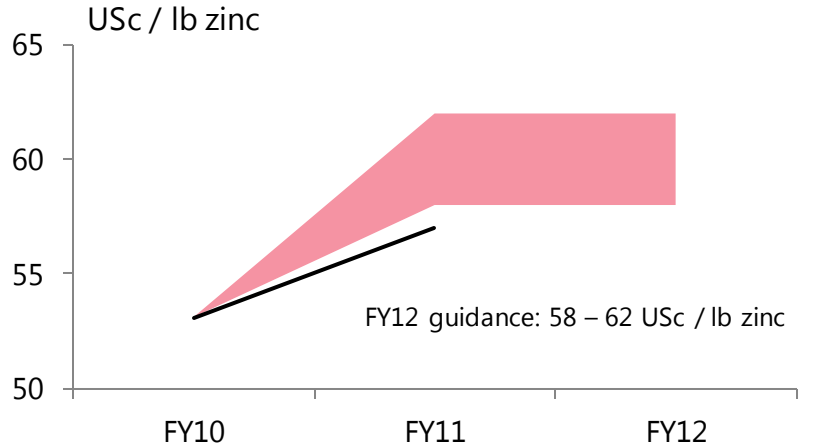
Gold production

'000 ounces

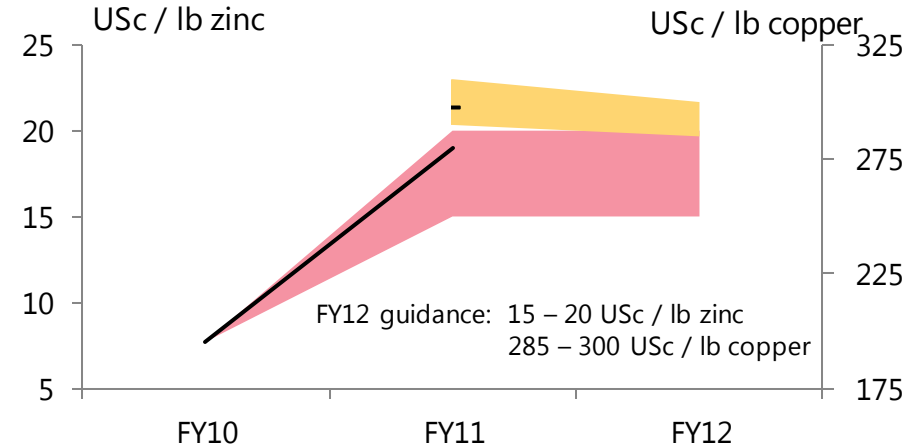


Cost management remains a priority in 2012

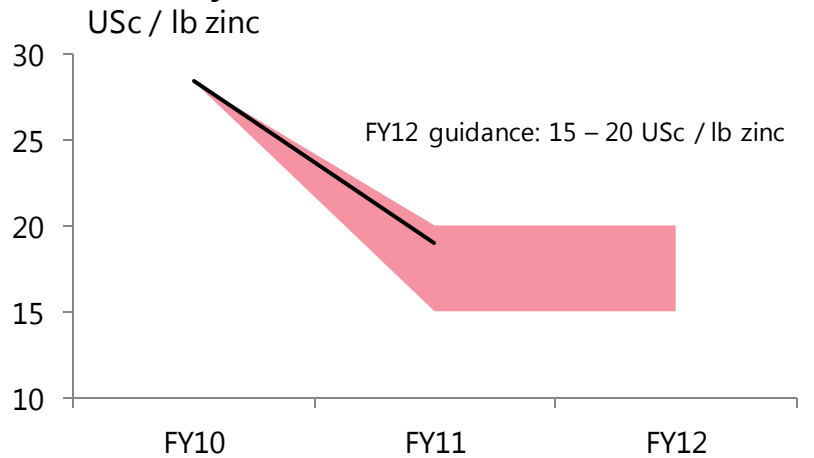
Century C1 costs¹



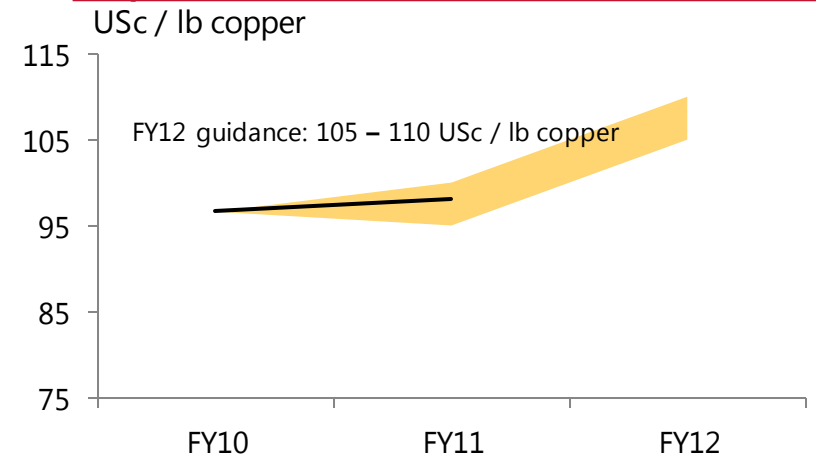
Golden Grove C1 costs



Rosebery C1 costs



Sepon C1 costs

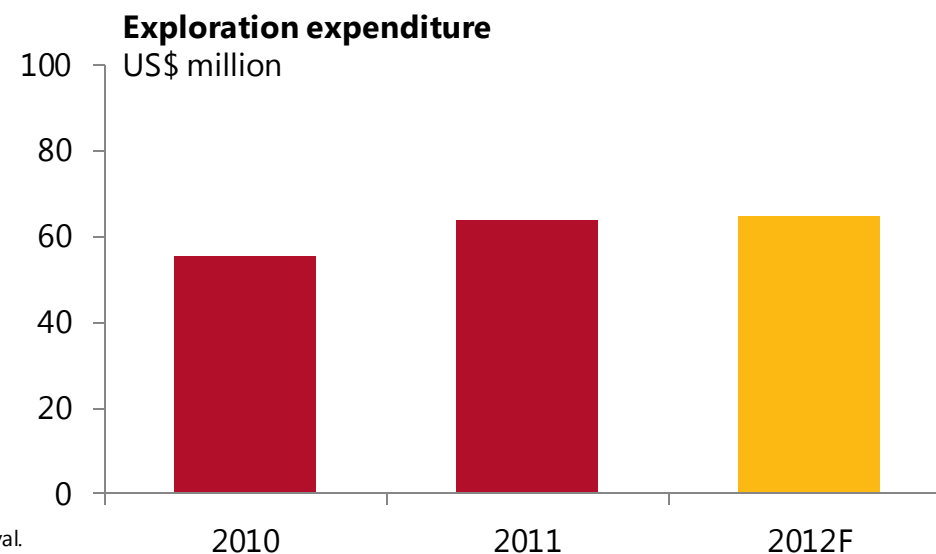
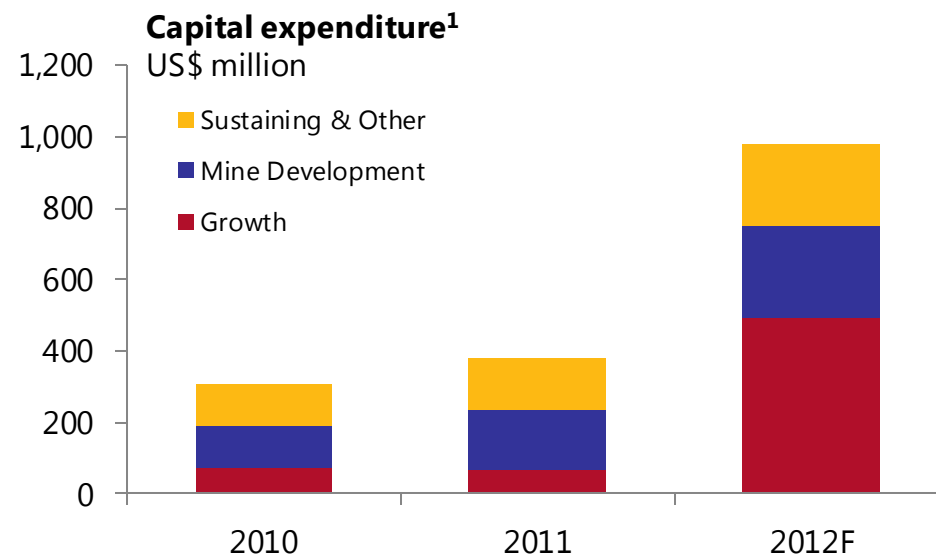


■ Zinc guidance range
 ■ Copper guidance range
 — Actual

(1) Century C1 cost guidance was revised in October 11 following precautionary maintenance of the concrete pipeline in preparation for the wet season.

Identification and delivery of new projects

- Significant investment at Dugald River pending final environmental and Board approvals. A\$157 million was approved in 2011 to advance the project.
- 2012 Mine district exploration aimed at increasing current resource base and extending asset life.
- 2012 Capital expenditure guidance of US\$920 – US\$1,000 million.¹
- 2012 Exploration expenditure guidance of US\$65 million.

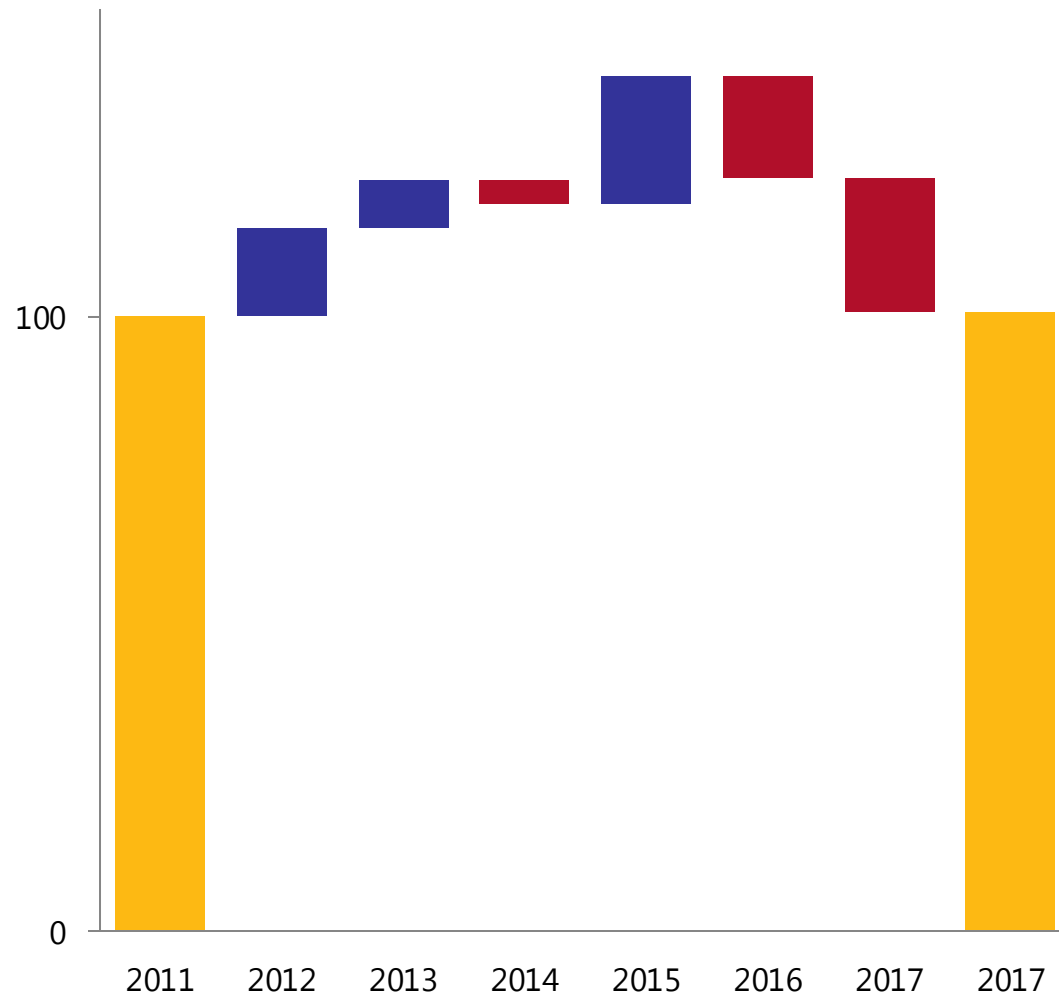


(1) Includes Dugald River and Kinsevere. Project development is subject to Board and Environmental approval.

Our business will grow from our existing assets and projects

- Kinsevere ramp-up to installed nameplate capacity of 60kt in 2012.
- Understand and reduce production bottlenecks at Sepon.
- Leverage operational experience with focus on safe, efficient and cost effective mine planning.
- Dugald River expected to be in operation during 2014.
- Dugald River and Izok Corridor targeted to replace Century mine production post closure, in zinc equivalent.

Minmetals Resources zinc and copper production¹
Copper equivalent units², indexed, 2011 = 100



(1) Excludes production from Izok Corridor project.

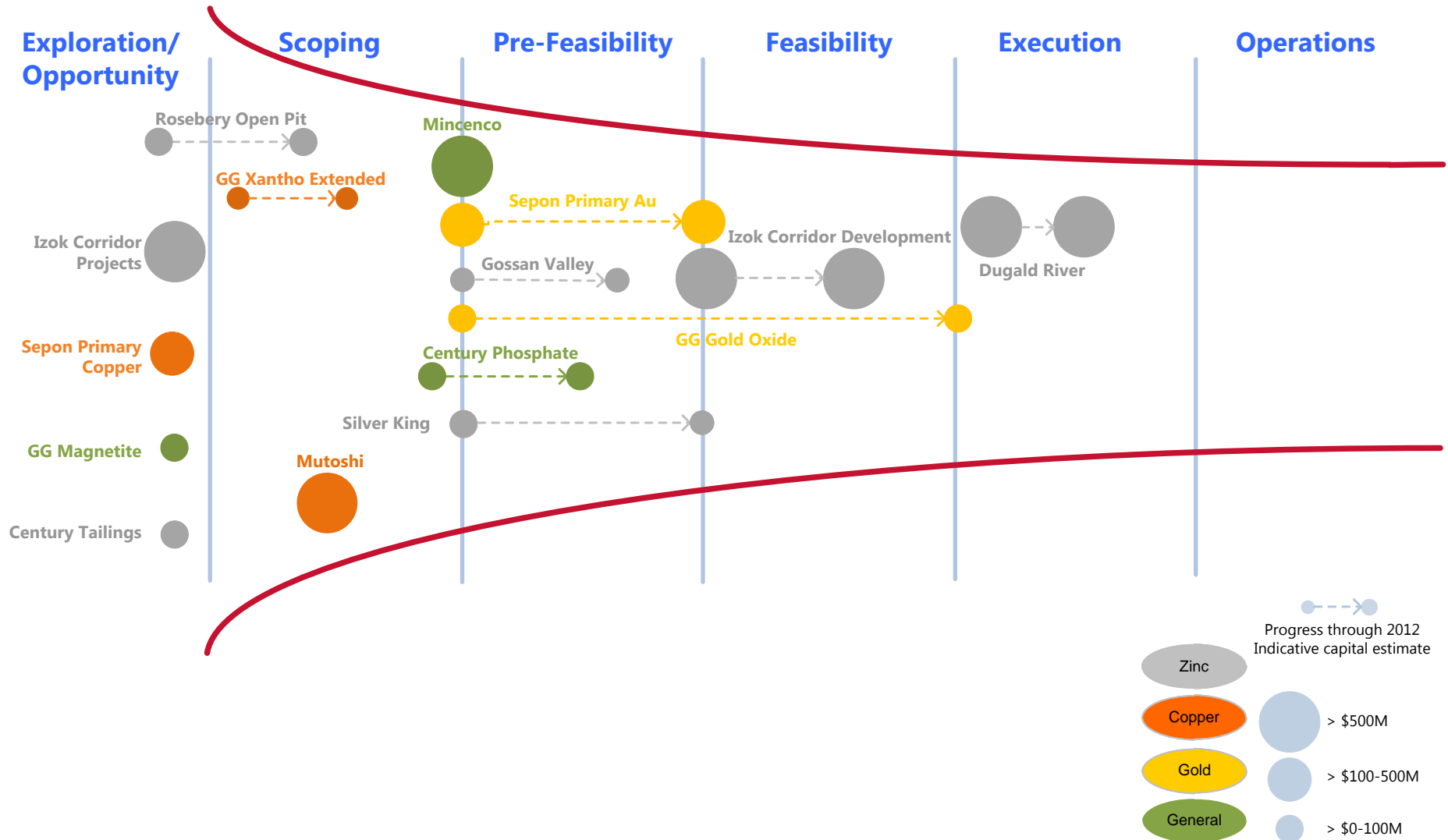
(2) Copper equivalent units calculated using spot prices as at 22 March 2012.

Managing growth

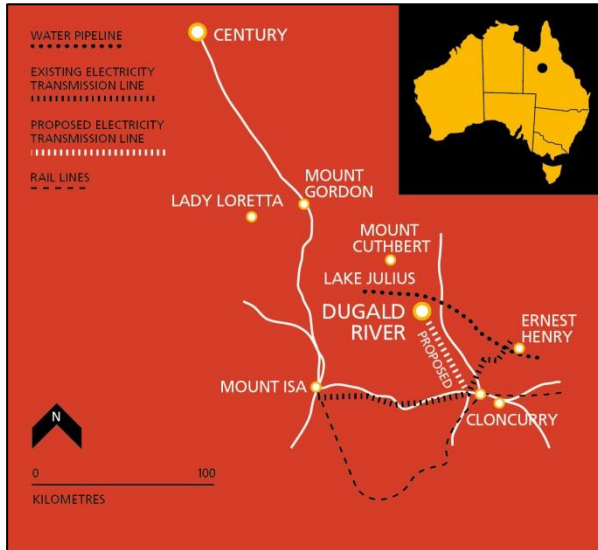
- Continuously improve existing assets through identification of bottlenecks and efficiency opportunities.
- Identify, evaluate and develop our suite of growth projects.
- Target exploration to increase resource base and ultimately maximise asset life.
- Disciplined approach to M&A - focus on long-term value for shareholders.



Attractive major growth projects



Development progress of our major growth projects

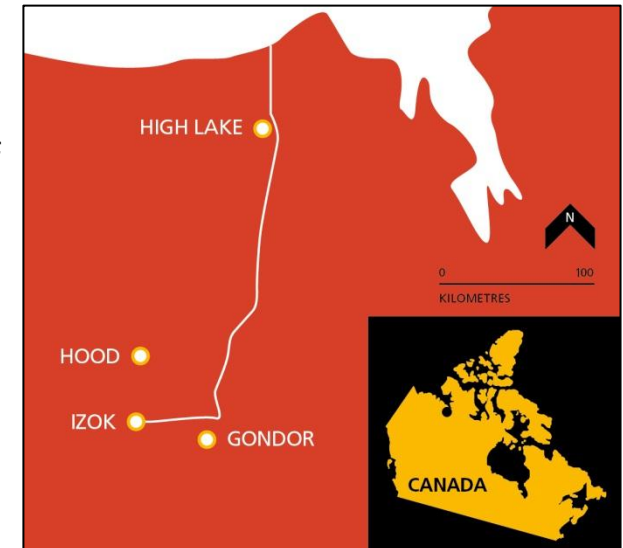


Dugald River

- One of the world's largest and highest grade known undeveloped lead zinc-silver deposits.
- Expected annual production of 200,000 tonnes of zinc, 25,000 tonnes of lead and 900,000 ounces of silver.
- Board decision pending final approval of the Environmental Impact Statement, expected mid 2012.
- Project capital costs expected to be between US\$1.00 – US\$1.25 billion.
- Mine in operation during 2014.

Izok Corridor

- The Izok Corridor project encompasses the Izok Lake and High Lake deposits.
- Expected initial annual production of 180,000 tonnes of zinc, 50,000 tonnes of copper, 12,000 tonnes of lead, 2.8 million ounces of silver and 17,000 ounces of gold.
- Pre-feasibility study concluded best option is to install a new concentrator at the Izok Lake deposit and develop capacity to ship concentrate from Gray's Bay from both Izok Lake and High Lake.
- Initial work has now started on a definitive feasibility study for the integrated development of Izok Lake and High Lake, expected to take 18 to 24 months.



Exploration - a core driver of growth pipeline

Mine District Exploration

- Current exploration activities around Sepon, Golden Grove, Rosebery, Avebury and our projects in Canada.

New Discovery Programs

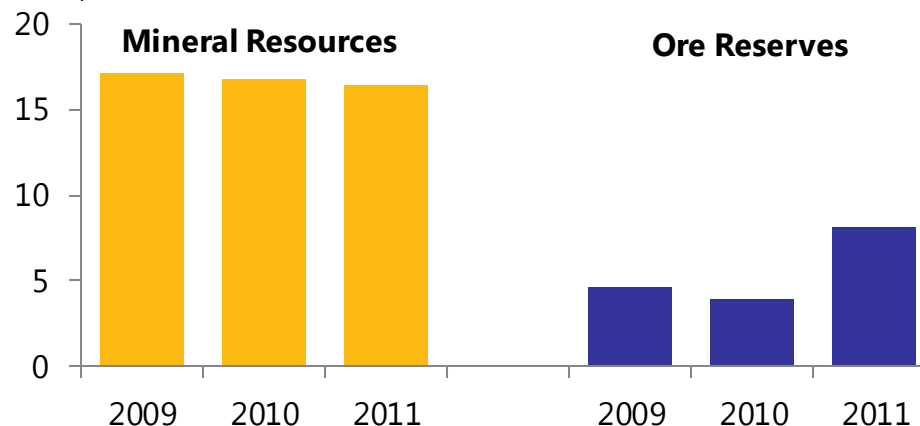
- **Australia:** three new projects secured in 2011 (copper and nickel).
- **Americas:** eight new projects added to the exploration portfolio in 2011 (zinc, nickel and copper).
- **South-Central Africa:** The Company's first exploration tenement in Zambia was granted in 2011.

Project Generation

- Identified and delivered 11 new exploration projects in Australia and the Americas in 2011.

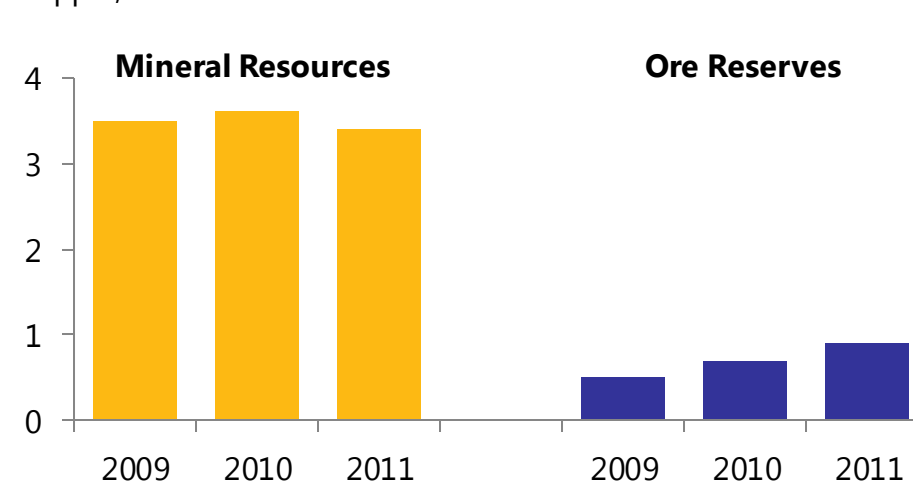
Contained metal

Zinc, million tonnes



Contained metal

Copper, million tonnes



Continuously seeking value accretive M&A opportunities

M&A is necessary to achieve future growth targets.

Commodities

Zinc, Copper
Nickel, bauxite, alumina

Geographies

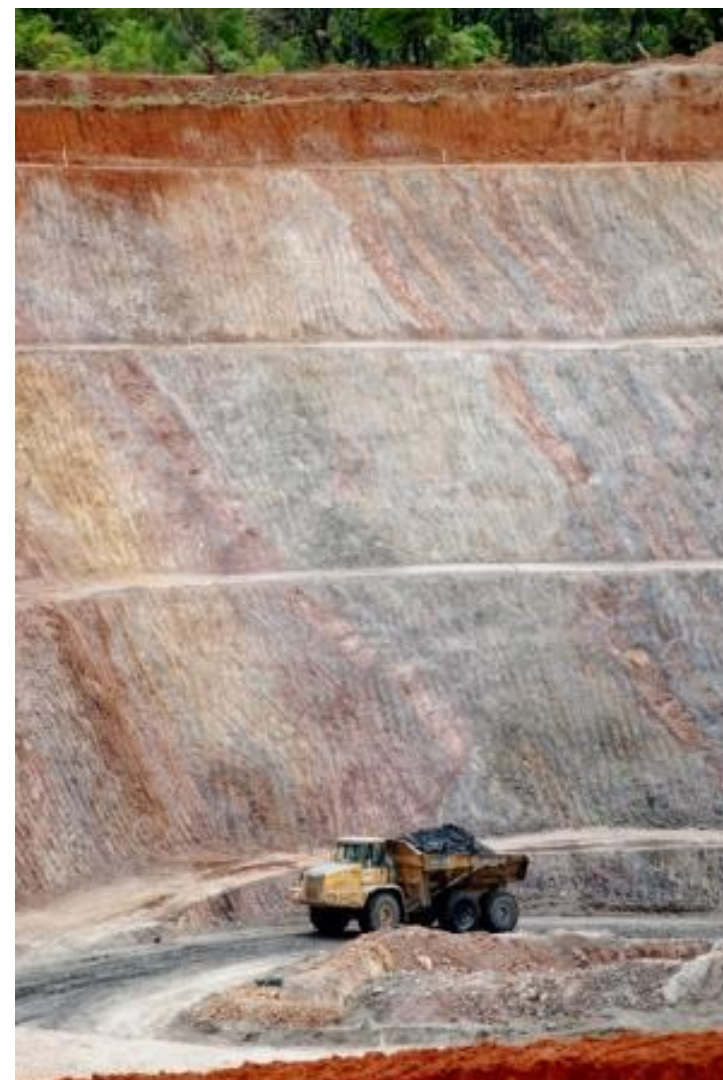
Careful analysis of political and operational risk

Size

Must be meaningful to current scale

Stage

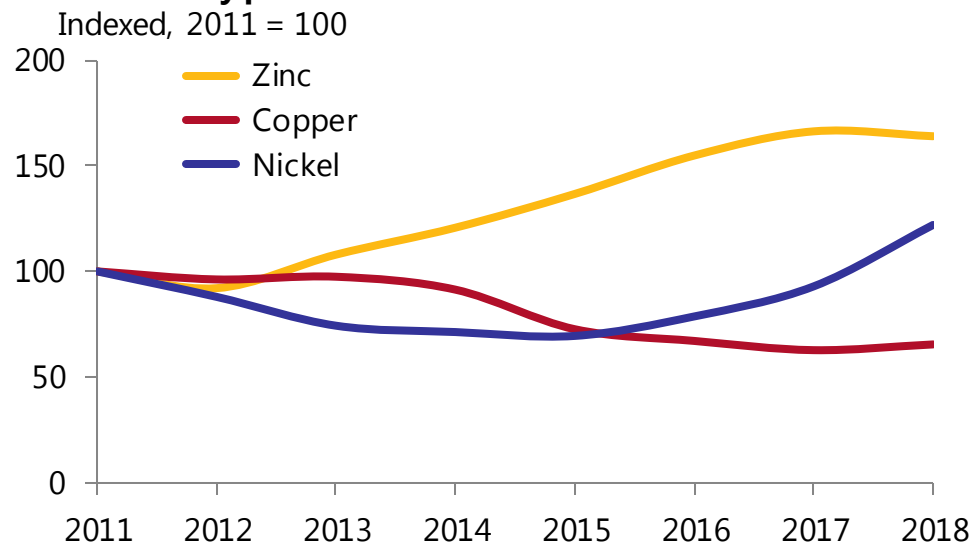
Producing, or near producing assets



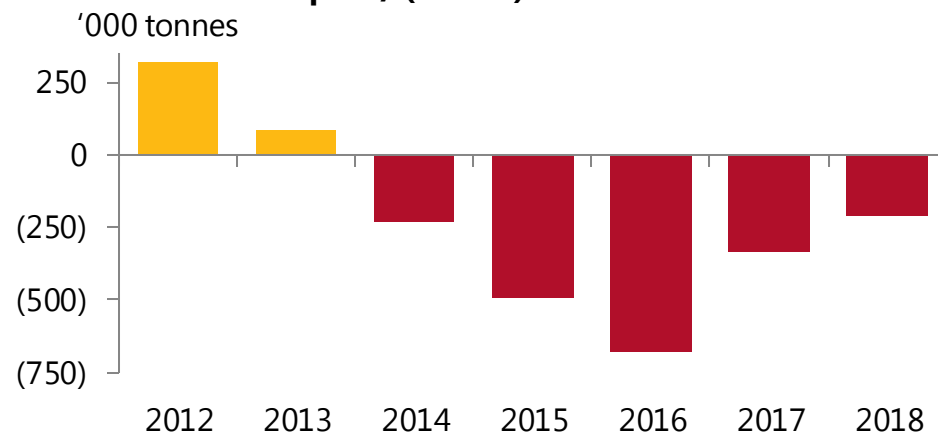
Short-term volatility improving medium-term outlook

- Zinc market in the medium to long-term will be driven by supply.
- Global zinc supply expected to reduce by 1.8 million tonnes through closures and contractions, including Century.
- Kinsevere and Sepon copper cathode well positioned on the cost curve.
- Balance portfolio with the right commodities, at the right time, at a low position on the cost curve.

Commodity price forecasts¹



Zinc market surplus / (deficit)¹



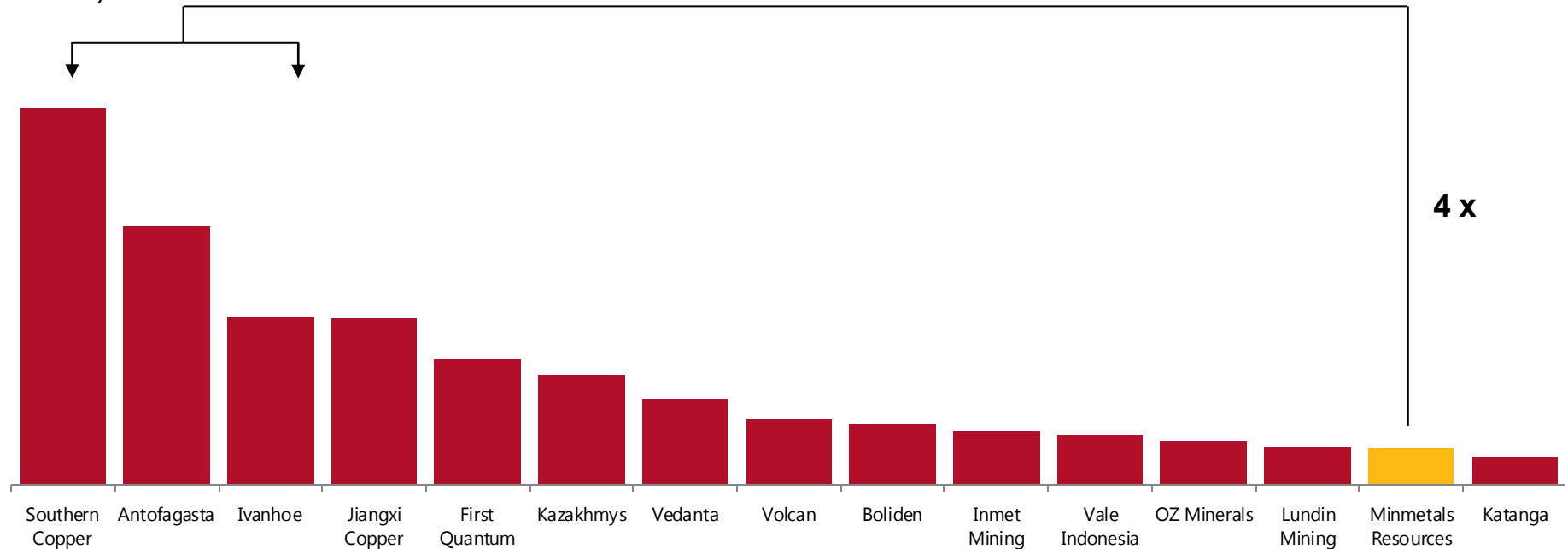
(1) Source: Brook Hunt.

Creating long-term value for shareholders

- **Focus** – operate our assets in a safe, efficient and cost effective manner.
- **Progress** – identify, evaluate and develop our suite of growth projects.
- **Potential** – targeted exploration and a disciplined approach to M&A.

Mid-tier base metals companies by market capitalisation

(US\$ billion)



As at 27 March 2012.



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Focus. Progress. Potential.

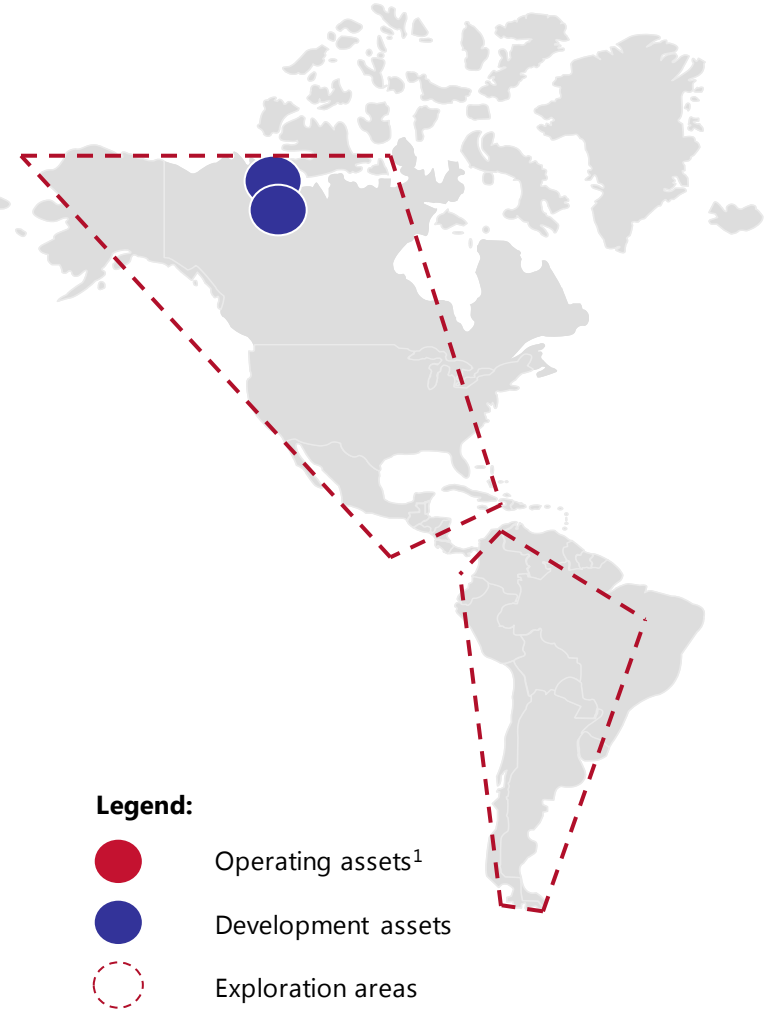
Overview of assets

Operating Assets

Sepon (Laos)	Copper/gold
Century (Australia)	Zinc/lead/silver
Golden Grove (Australia)	Zinc/copper/lead/gold/silver
Rosebery (Australia)	Zinc/copper/lead/gold/silver
Kinsevere (DRC)	Copper

Development / exploration

Dugald River (Australia)	Zinc/lead/silver
Izok Corridor (Canada)	Zinc/copper/lead/silver
Mutoshi (DRC)	Copper
Exploration areas	Australia, Indonesia, Canada, Jamaica
Bauxite exploration	Jamaica



(1) The Avebury operation is currently on care and maintenance.

Income statement

US\$ million	2011	2010 (Restated)	% Movement
Revenue	2,228.3	1,919.9	16
EBITDA	1,063.8	820.9	30
Operating profit (EBIT)	755.3	521.3	45
Net finance costs	(46.2)	(38.5)	(20)
Profit before income tax	709.1	482.8	47
Income tax expense	(225.5)	(126.6)	(78)
Profit from continuing operations	483.6	356.2	36
Profit from discontinued operations	90.9	74.2	23
Profit for the period	574.5	430.4	33
Profit attributable to equity holders of the Company	540.9	409.4	32
Earnings per share – fully diluted (US cents):			
Consolidated	10.71	9.04	18
Continuing operations	8.99	7.41	21

Consolidated statement of financial position

US\$ million	December 2011	December 2010 (Restated)
Cash	1,096.5	398.2
Property, plant and equipment	1,754.9	1,671.5
Working capital (net)	224.7	380.1
Available-for-sale financial assets	-	164.1
Taxation (net)	(52.4)	(46.9)
Intangible assets	-	132.0
Other assets	101.3	250.2
	3,125.0	2,949.2
Gross borrowings: external	1,081.7	1,227.5
Gross borrowings: internal	-	694.2
Provisions	547.5	370.7
Other liabilities	1.3	123.4
	1,630.5	2,415.8
Net assets	1,494.4	533.4

Consolidated financial performance: Cash flow statement

US\$ million	2011	2010 (Restated)
Net cash generated from operations before exploration	973.3	901.7
Exploration expenditure	(64.0)	(55.5)
Income tax paid	(209.6)	(81.6)
	699.7	764.6
Acquisition of subsidiaries / capital injection	(0.1)	(100.0)
Net capital expenditure	(376.1)	(305.2)
Net proceeds from sale of investments / available-for-sale assets	754.2	(99.9)
Net interest paid	(25.3)	(20.8)
Net proceeds from issue of shares	494.3	-
Repayment of borrowings / loan advance	(807.4)	(1.7)
Net dividends received / (paid)	1.3	(370.4)
Net cash flow – Discontinued Operations	(46.5)	54.1
Net increase in cash and cash equivalents	694.1	(79.3)