

# 2019 Interim Results

22 August 2019

A member of:

**ICMM**  
International Council  
on Mining & Metals

**MINING WITH  
PRINCIPLES**

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This presentation should be read in conjunction with MMG Limited's interim results announcement for the six months ended 30 June 2019 issued to the Hong Kong Stock Exchange and the Australian Securities Exchange on 21 August 2019.

**Geoffrey Gao, CEO**

2019 first half performance

**Ross Carroll, CFO**

Financial results

**Geoffrey Gao, CEO**

Strategy and outlook

**Questions and Answers**

# 2019 first half in review

**Geoffrey Gao**

*Chief Executive Officer*

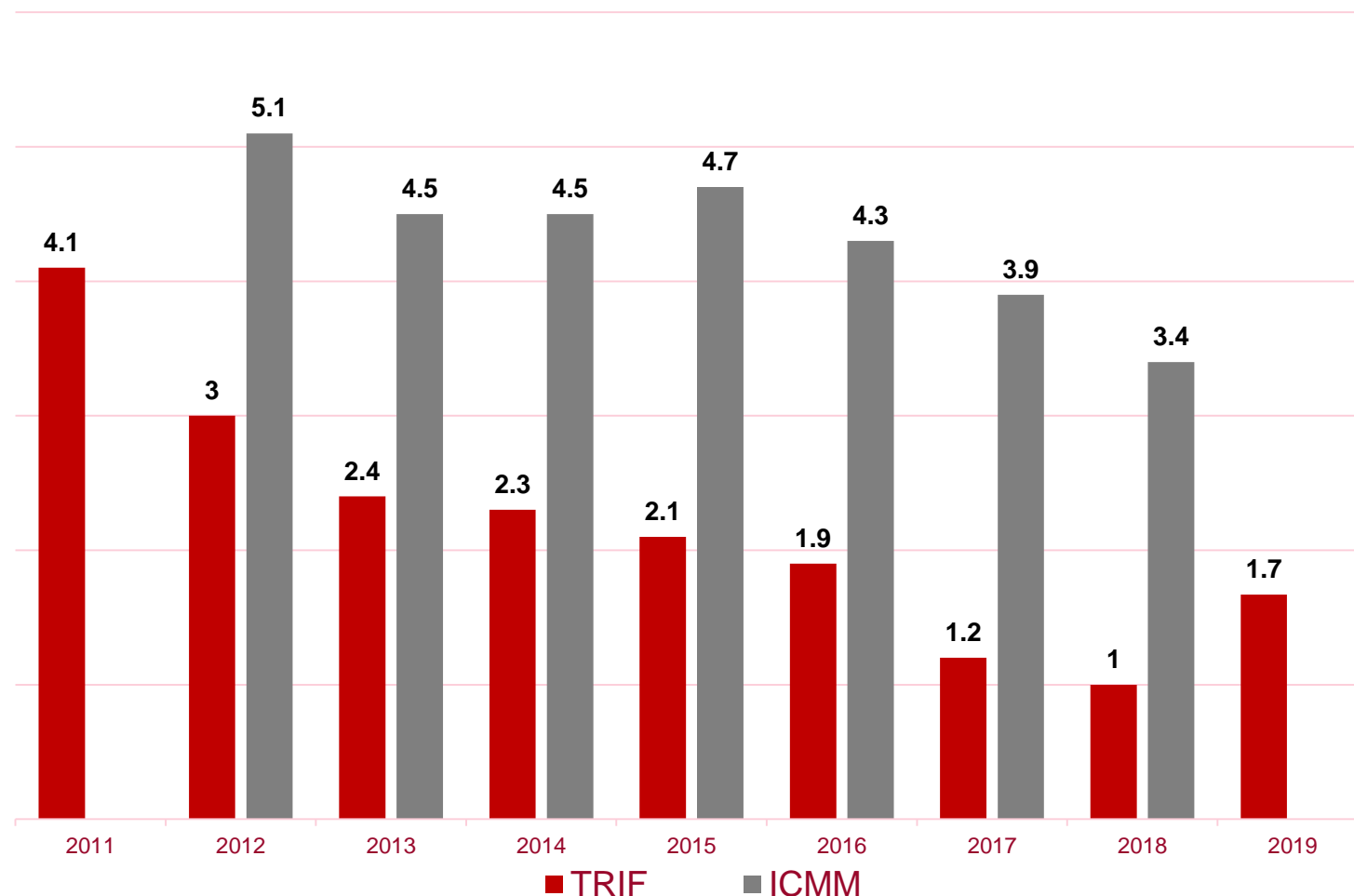




## Safety performance

- Safety – our first value
- Continued strong Total Recordable Injury Frequency (TRIF<sup>1</sup>) rate compared with other ICMM<sup>2</sup> member companies
- Committed to ICMM's 10 principles of Sustainable Development and Performance Expectations
- We mine for progress. Contributing to the development of our host countries and communities
- Tailings Storage Facilities risk management approach significantly enhanced since 2015 – detailed Tailings Storage Facilities disclosure available at [www.mmgroup.com](http://www.mmgroup.com)

1. Total recordable injury frequency per million hours worked  
2. International Council on Mining and Metals – data is the ICMM average TRIF of 23 companies



# Copper market update

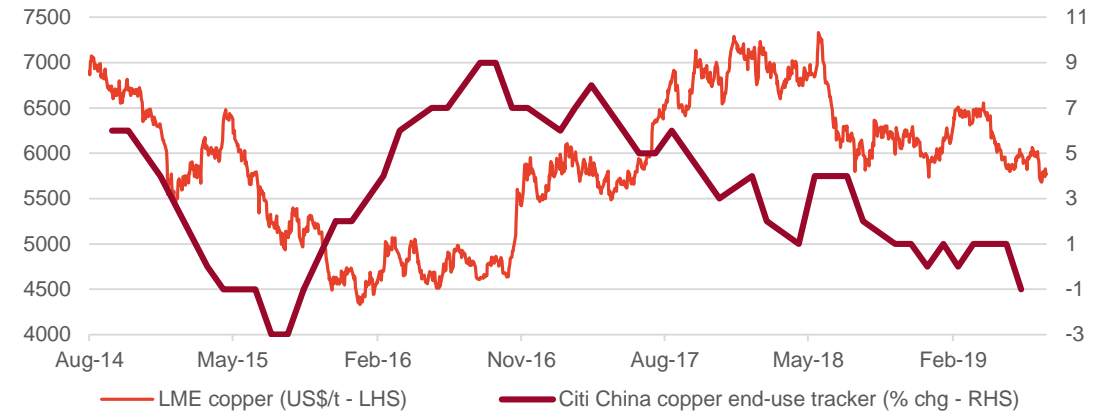
## Near term outlook has deteriorated

- **Copper traded as a proxy for global growth.** Investors use it to express a view (liquid and easy to trade). In the long term, fundamentals will prevail over 'risk-off' sentiment.
- Global manufacturing and Chinese copper end use **demand indicators at multi-year lows**
- However, the **physical market remains tight**, with spot TC/RCs lowest since 2012.

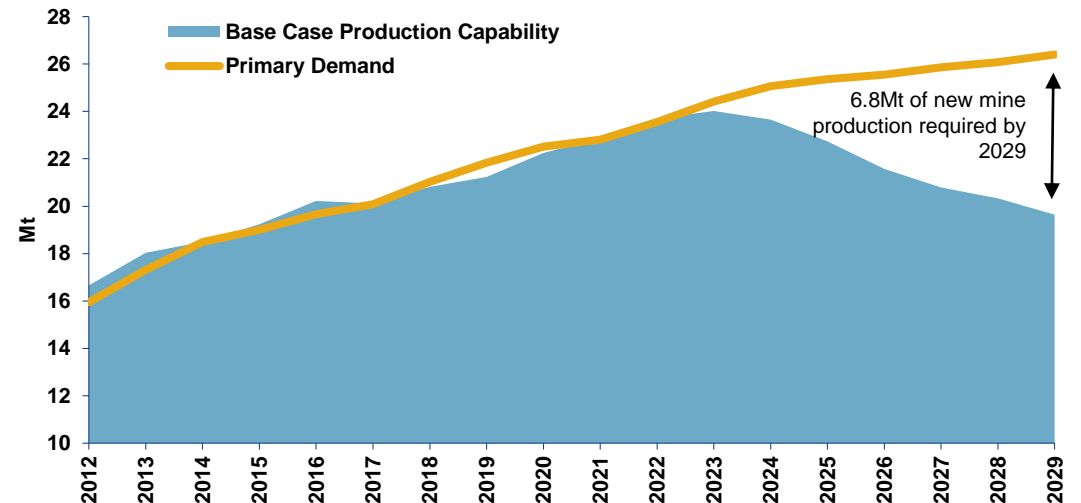
## Long term unchanged– structural demand tailwinds and limited supply

- **Supply challenges:** New projects / expansions continue to be delayed or shelved –more complex projects, declining grades, sovereign risk and govt. expectations, environmental, community and employee expectations, cost pressures.
- **Demand growth** – EV & renewable energy demand, urbanisation, One Belt One Road. EVs to add ~3mt to copper demand by 2025

Cu price vs. Citi China copper end-use tracker



Mined copper supply gap and requirement for new capacity

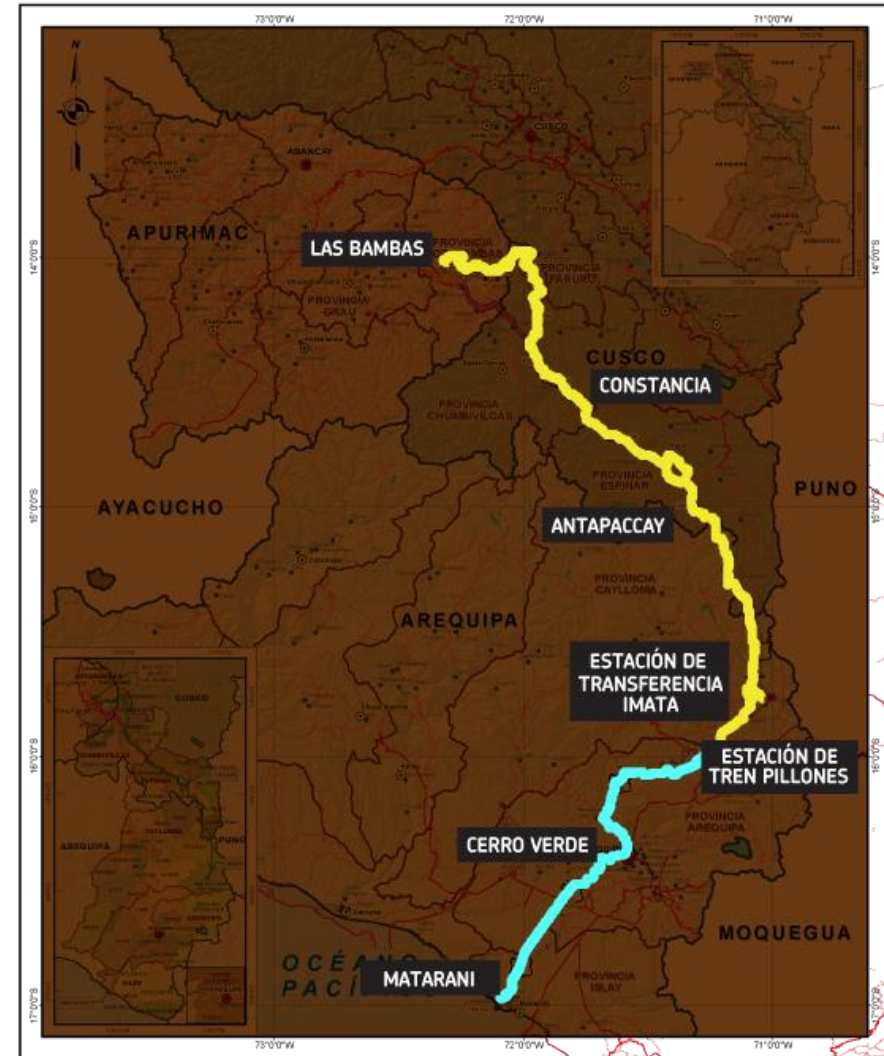


## Peru Southern Mining Corridor

- Peru Southern mining corridor currently experiencing heightened community protest.
- Matarani now world's largest Cu port and 49% of Peru production - Las Bambas, Constancia, Antapaccay, Cerro Verde and Projects - Quellaveco and Tia Maria.

## Las Bambas

- Las Bambas has a complex logistics route - road through remote Andean communities and rail Pillones to Matarani port.
- Following extended block in March/April - dialogue tables again established with community, government and company.
- Transport continues while demands (compensation, 'framework' agreements and amnesties) are heard.



# Financial results

**Ross Carroll**

*Chief Financial Officer*

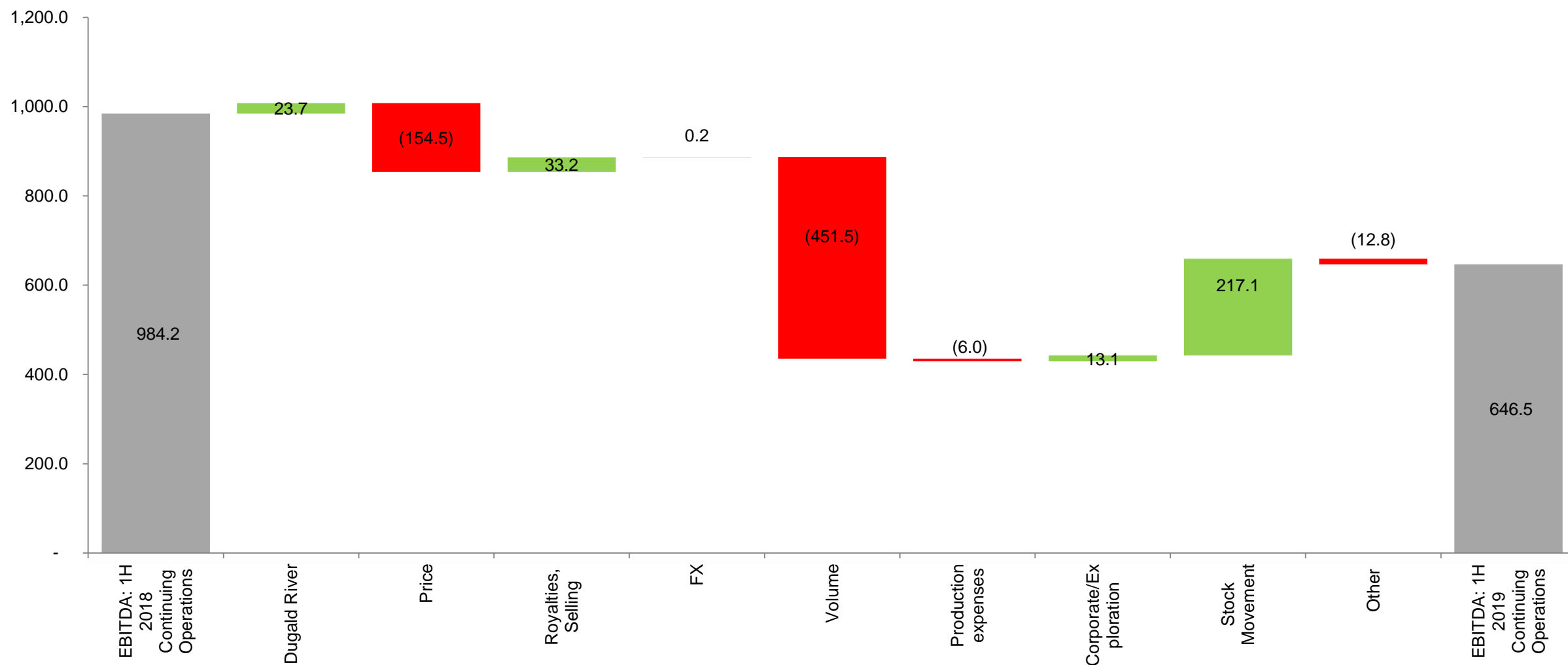




# Financial performance

Key Financial Metrics (US\$ million)	1H2019	1H2018	2019 v 2018
<b><u>Income statement (continuing operations)</u></b>			
Revenue	1,387.4	1,898.8	(27%)
EBITDA	646.7	984.2	(34%)
(Loss)/Profit After Tax	(73.0)	188.8	(139%)
<i>Attributable to:</i>			
Equity holders	(81.0)	124.2	(165%)
Non-controlling interests	8.0	64.6	(88%)
Basic /(loss) earnings per share (continuing ops)	US (1.01) cents	US 1.55 cents	(165%)

# EBITDA waterfall 1H2018 vs 1H2019



# Underlying profit to MMG equity holders

- MMG is focused on improving financial and operational performance in 2H19:
  - Cash flow and earnings expected to improve as stockpiled inventory is sold following 1H logistics disruption
  - Holistic business improvement and cost reduction programs
  - Reducing debt and interest costs – LIBOR has reduced by ~85bps since 31 December 2018
  - Continued capital discipline

<b>NPAT attributable to equity holders (US\$m)</b>	<b>1H2019</b>	<b>1H2018</b>	<b>2019 v 2018</b>
Profit after tax – Las Bambas 62.5% interest	13.3	107.4	(88%)
Profit after tax – Other continuing operations	(22.1)	93.4	(124%)
Exploration expenses	(13.4)	(15.2)	12%
Administration expenses	(11.5)	(22.8)	50%
Net finance costs (excluding Las Bambas)	(53.7)	(65.3)	18%
Other	6.4	31.2	(79%)
<b>(Loss)/profit for the period</b>	<b>(81.0)</b>	<b>128.7</b>	<b>(163%)</b>
Less discontinued operation	-	4.5	(100%)
<b>(Loss)/profit for the period from continuing operation</b>	<b>(81.0)</b>	<b>124.2</b>	<b>(165%)</b>

# Earnings sensitivity

High earnings and cash flow leverage to copper and zinc prices

## Estimated impact on FY19 underlying EBITDA from changes in commodity prices and currency

		Sensitivity	EBIT Impact (US\$m)
Copper	US\$/lb	\$0.10/lb / (\$0.10/lb)	94/(94)
Zinc	US\$/lb	\$0.10/lb / (\$0.10/lb)	46/(46)
Lead	US\$/lb	\$0.10/lb / (\$0.10/lb)	10/(10)
Gold	US\$/oz	\$100/oz / (\$100/oz)	13/(13)
Silver	US\$/oz	\$1.00/oz / (\$1.00/oz)	9/(9)
<b>AUD:USD<sup>1</sup></b>	<b>AUD</b>	(10%) / 10%	33/(33)
<b>PEN:USD<sup>2</sup></b>	<b>PEN</b>	(10%) / 10%	25/(25)

1. AUD:USD FX exposure relates to FX gain/loss on production expenditure at Rosebery and Dugald River, administration expenses at Group Office and A\$ denominated financial assets and liabilities.

2. PEN:USD FX exposure predominantly relates to translation of Las Bambas tax receivables balance and production expenditure.



# Free cash flow sensitivity to copper and zinc

## Illustrative Free Cash Flow (US\$ million) for FY19 at different copper and zinc prices\*

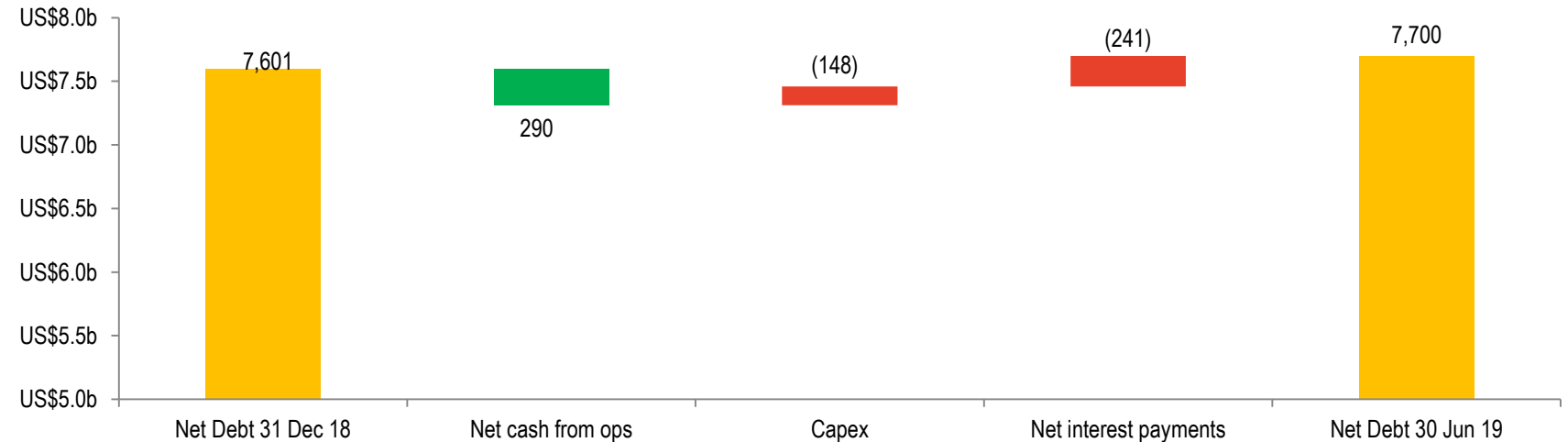
		Copper Price – US\$/lb							
		2.50	2.60	2.70	2.80	2.90	3.00	3.10	3.20
Zinc Price – US\$/lb	0.80	(0.80)	31.1	95.7	160.4	225.0	289.6	354.3	418.9
	0.90	(1.8)	62.9	127.5	192.2	256.8	321.4	386.1	450.7
	1.00	30.0	94.7	159.3	223.9	288.6	353.2	417.9	482.5
	1.10	61.8	126.5	191.1	255.7	320.4	385.0	449.7	514.3
	1.20	93.6	158.2	222.9	287.5	352.2	416.8	481.5	546.1
	1.30	125.4	190.0	254.7	319.3	384.0	448.6	513.3	557.9
	1.40	157.2	221.8	286.5	351.1	415.8	480.4	545.1	609.7
	1.50	189.0	253.6	318.3	382.9	447.6	512.2	576.9	641.5

\* This analysis is based on the mid point of MMG's guidance for production, C1 and capital expenditure. A detailed breakdown of illustrative EBITDA and FCF based on spot commodity prices and MMG guidance can be found in the appendix to this report.

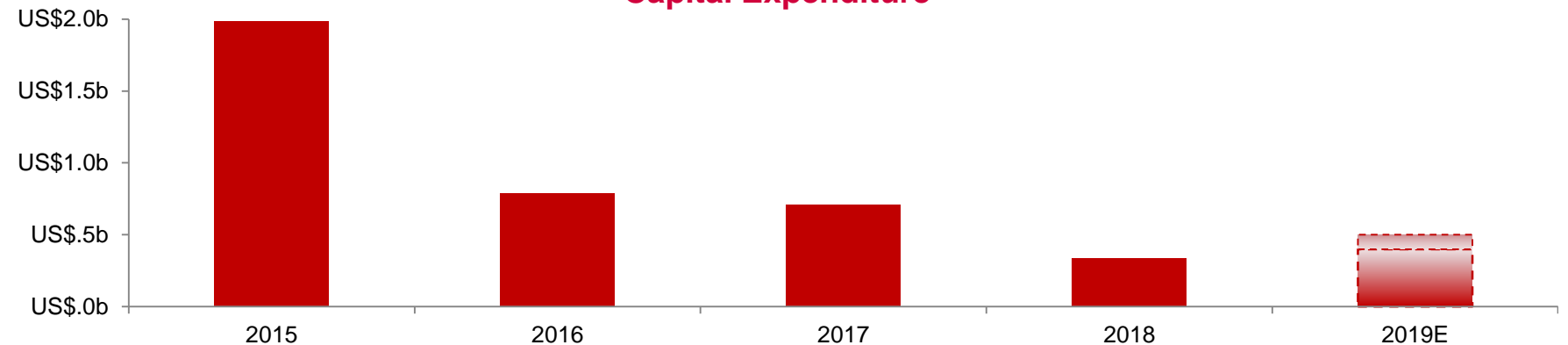
# Net debt

- MMG has developed and commissioned two of the largest greenfield copper and zinc projects globally over the past 4 years
- Growth has been largely debt funded
- Since commercial production at Las Bambas, net debt has been reduced by US\$2.6b
- In 1H19 operating cash flow was negatively impacted by lower commodity prices and the community blockade at Las Bambas. As a result, Las Bambas had inventory on hand of ~US\$215m at 30 June 2019, that will be progressively drawn down and sold over the second half

## Movements in Net Debt

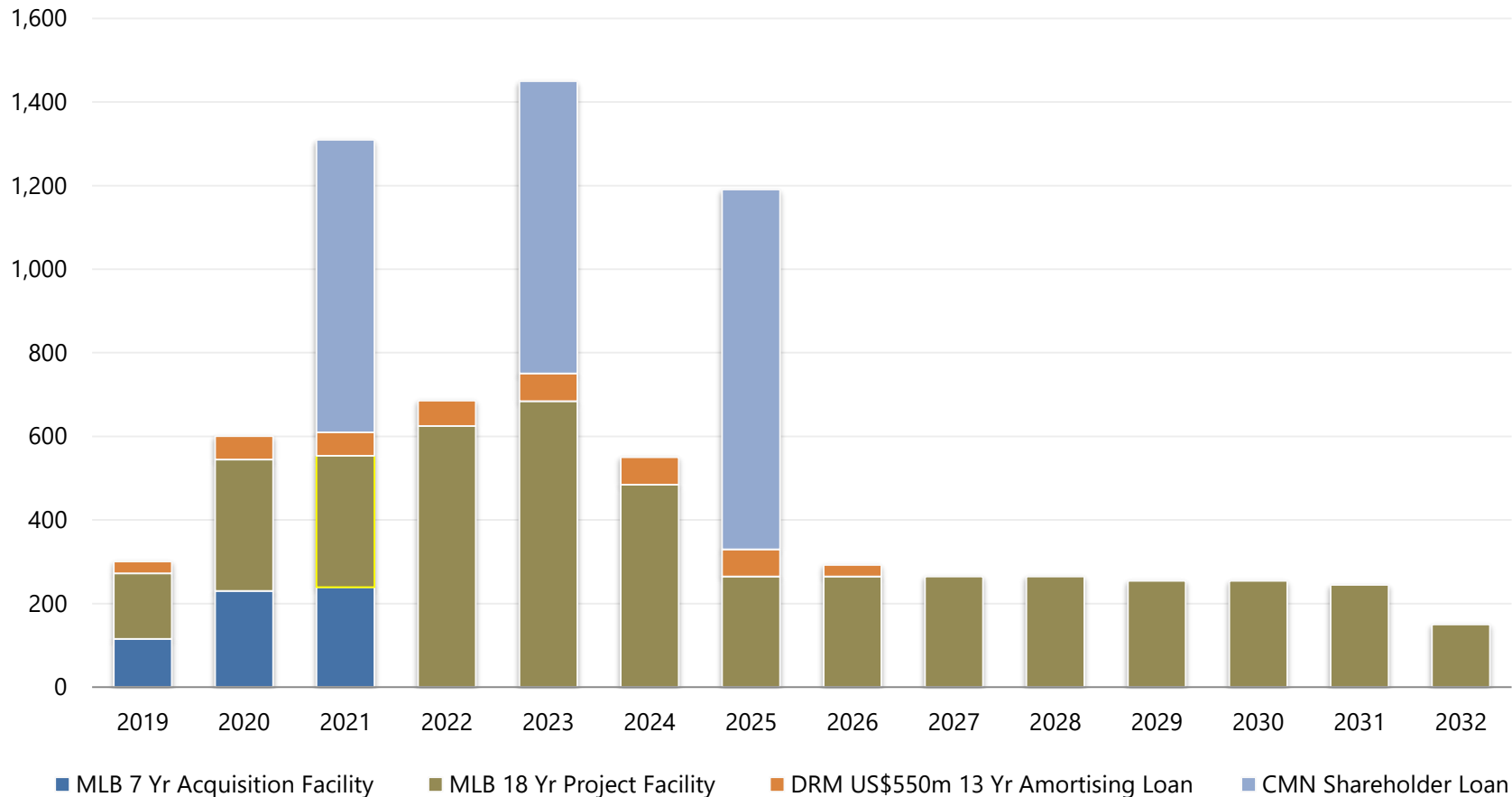


## Capital Expenditure



# Debt maturity profile

## Debt repayment schedule<sup>1</sup> (US\$m)

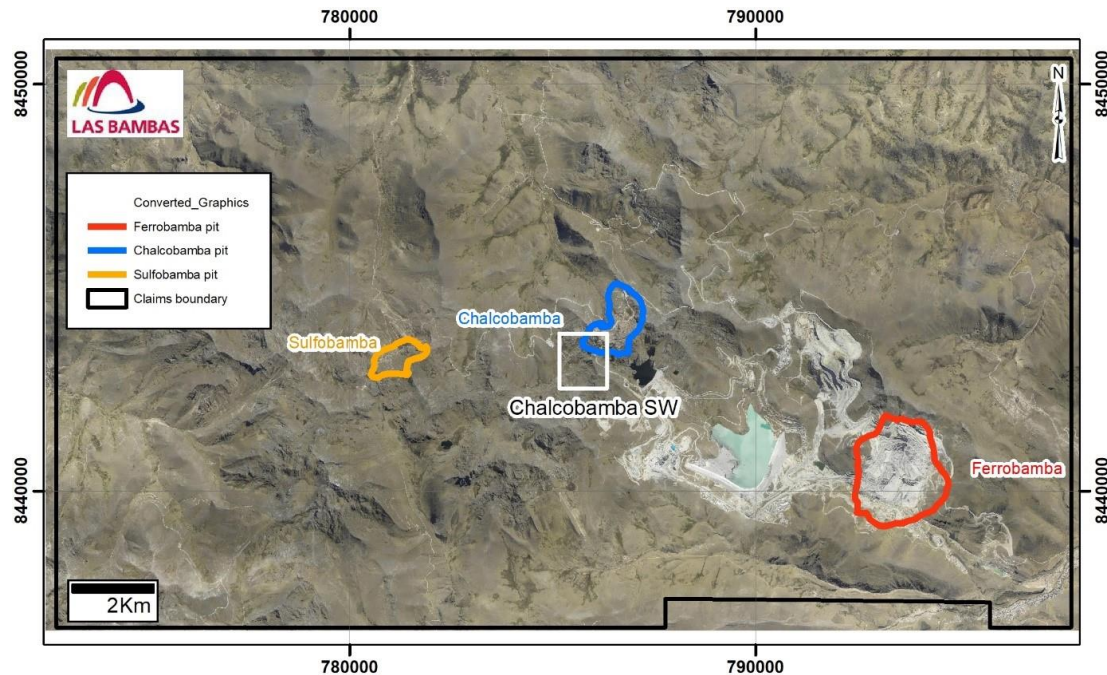


- Gross debt reduced by ~US\$0.3b in H1 FY2019
- Average outstanding maturity profile now ~5.3 years

1. Principal and interest payments including Joint Venture partner liabilities. Also excludes all revolving facilities.

# Las Bambas drilling results

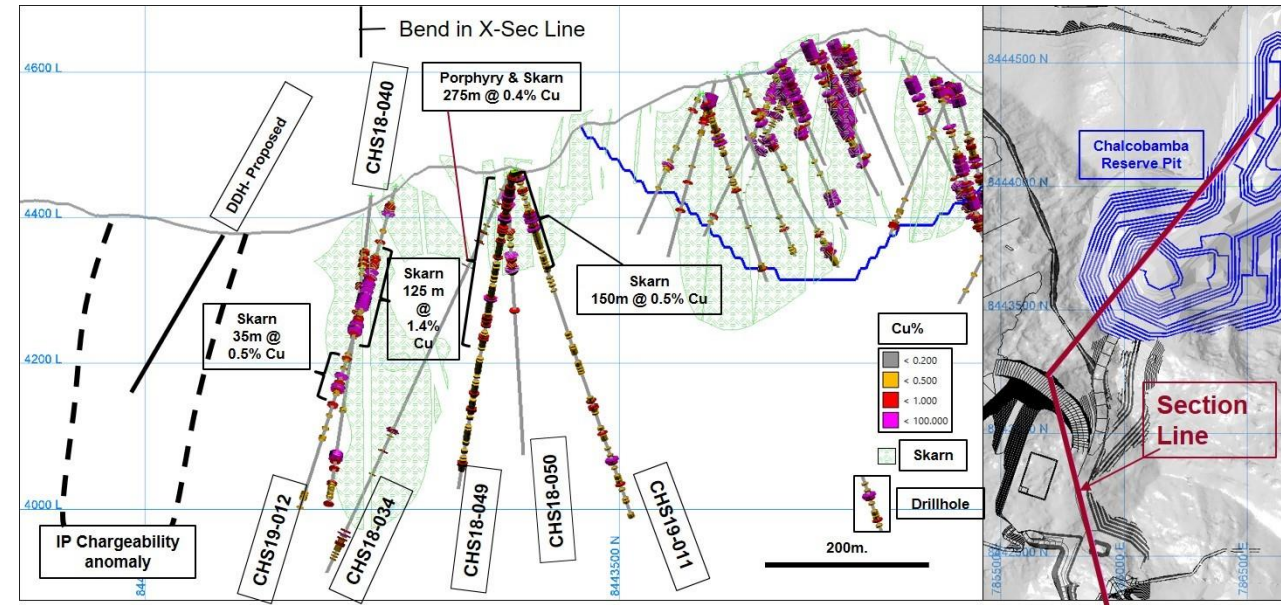
- Drilling has intersected mineralisation that is within 300 metres to the south-west of the current Chalcobamba Ore Reserve pit.
- Further works expected to show that the mineralisation is continuous with the main Chalcobamba mineralisation and could drive expansion of the pit design.



Area of the Las Bambas Claim Block highlighting the location of the individual Reserves and Resources as well as the Chalcobamba Southwest Zone exploration area.

## Drilling highlights include:

- 126.8m @ 1.39% Cu and 7ppm Mo, including 48.8m @ 2.43% Cu, in drillhole CHS19-012, from 107.0m downhole
- 103.1m @ 0.54% Cu and 299ppm Mo, in drillhole CHS19-011, from 49.9m downhole
- 381.2m @ 0.37% Cu and 263ppm Mo, in drillhole CHS18-049, from 0.90m downhole



Cross Section drawn through the Chalcobamba Resource/Reserve Pit and the adjacent Chalcobamba Southwest Zone (left) highlighting the individual drillhole traces, downhole copper assays as well as individual mineralized intervals. Skarn polygons are shown as hatched green area.



# DRC exploration results

- Extensive drilling campaigns have led to the identification of significant copper oxide mineralisation at the Nambulwa Project, 30km from Kinsevere
- Preliminary interpretations of grade, thickness, and metallurgical characteristics exhibited in drilling intercepts at both Nambulwa Main and DZ indicate a reasonable probability for the economic exploitation of oxide ore feed for the Kinsevere Mine

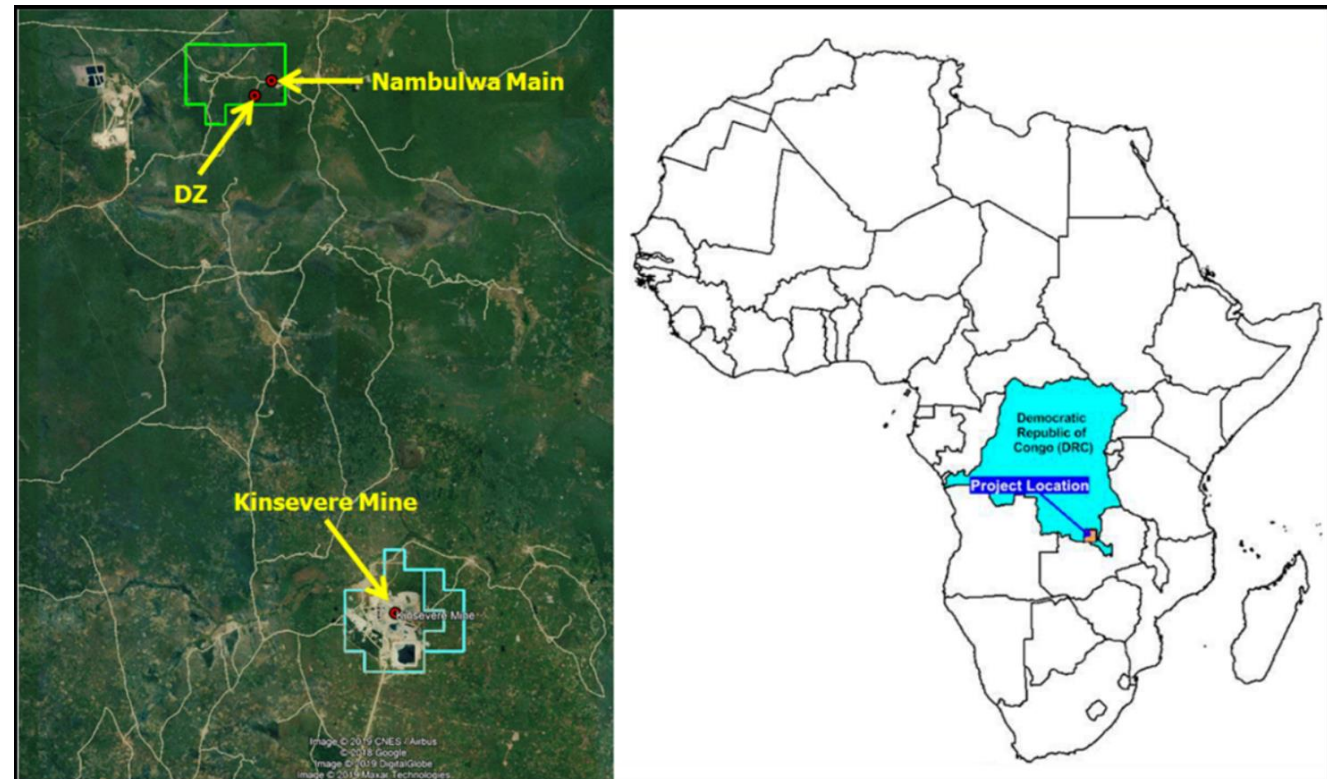
## Drilling highlights include:

### ■ Nambulwa Main:

- > 13.0m @ 4.19% Cu, in drillhole NAMDD037, from 38.0m downhole
- > 29.0m @ 3.67% Cu, in drillhole NAMDD034 from 45.0m downhole
- > 25.4m @ 2.22% Cu, in drillhole NAMDD052, from 36.0m downhole
- > 14.5m @ 3.24% Cu, in drillhole NAMDD050, from 48.9m downhole
- > 26.5m @ 3.41% Cu, in drillhole NAMDD008, from 30.5m downhole
- > 10.0m @ 3.68% Cu, in drillhole NAMDD044, from 14.9m downhole
- > 14.4m @ 6.96% Cu, in drillhole NAMDD042, from 30.0m downhole

### ■ DZ:

- > 24.2m @ 3.33% Cu, in drillhole NAMDD076, from 24.0m downhole
- > 9.0m @ 3.98% Cu, in drillhole NAMDD061, from 13.0m downhole
- > 54.0m @ 4.10% Cu, in drillhole NAMDD060, from 99.0m downhole
- > 50.5m @ 2.13% Cu, in drillhole NAMDD065, from 105.4m downhole
- > 19.0m @ 6.28% Cu, in drillhole NAMAC047, from 12.0m downhole



Location of the Nambulwa Project, 30km north of the Kinsevere Mine.

# MMG Outlook

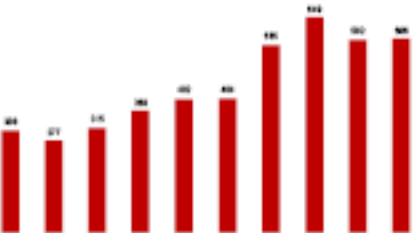
**Geoffrey Gao**

*Chief Executive Officer*



# The first 10 years – building a great company

Minerals and Metals Group (MMG) is formed including the Century, Golden Grove, Rosebery and Sepon mines; the Dugald River and Izok Corridor development projects.		MMG acquires Anvil Mining Limited which includes the Kinsevere mine and Mutoshi development project in the Democratic Republic of the Congo (DRC).	MMG completes a secondary listing on the Australian Securities Exchange.	Sale of Avebury Nickel Mine Tasmania	Sale of Golden Grove to EMR Capital	Sale of Sepon to Chifeng Gold				
JUN 2009	DEC 2010	MAR 2012	AUG 2014	DEC 2015	JUN 2016	JUL 2017	FEB 2017	MAY 2018	NOV 2018	JUN 2019
	MMG assets are listed on the Hong Kong Securities Exchange as Minmetals Resources Limited (HK1208)	MMG Ltd, Guoxin International and CITIC purchase the Las Bambas project from Glencore plc.	Commercial Production reached at Las Bambas				Sale of Century Mine to create 'New Century Resources'	Commercial Production achieved at Dugald River		10 Year Anniversary



Cu-equivalent production



International footprint



Mine life



Brownfield development opportunities

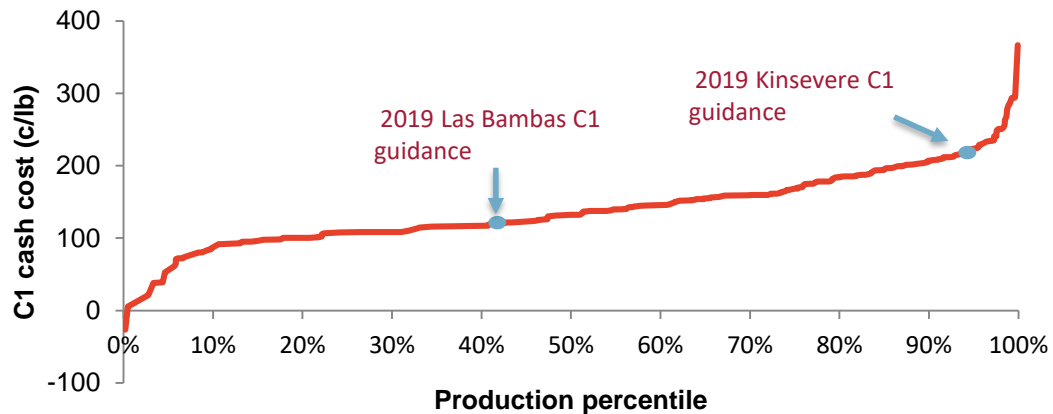


Safety & social contribution

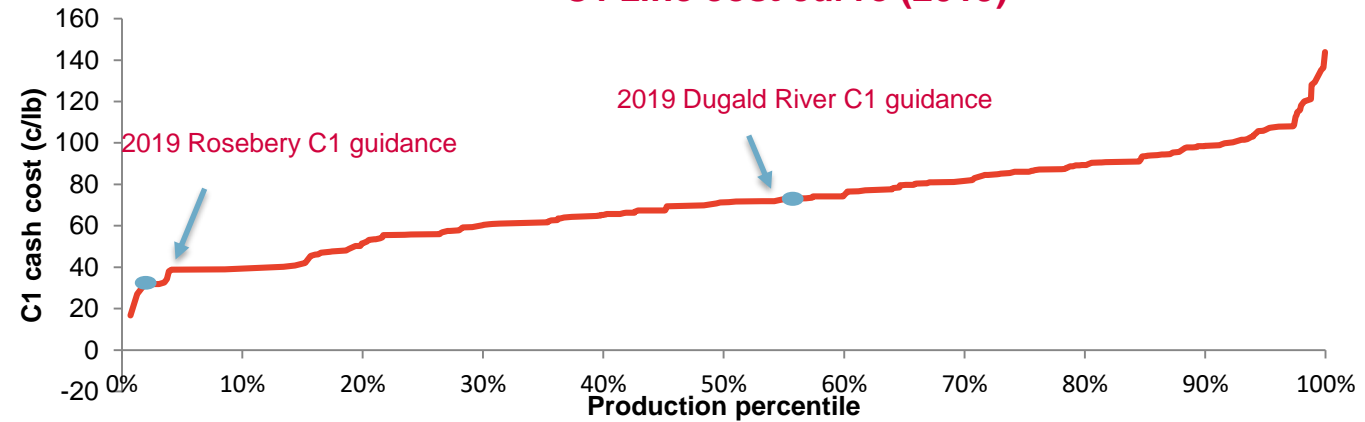
# World-class assets and strong support from China

- Free Cash Generation of ~US\$2.6b since Las Bambas commercial production has been used for debt reduction to create value for our shareholders
- Delivered 15% pa growth in Cu equivalent production over 5 past years. Recent asset sales and efficiency initiatives have created a strong platform for growth
- Significant brownfield project potential at Las Bambas and Kinsevere
- Ongoing support from our Chinese funding partners

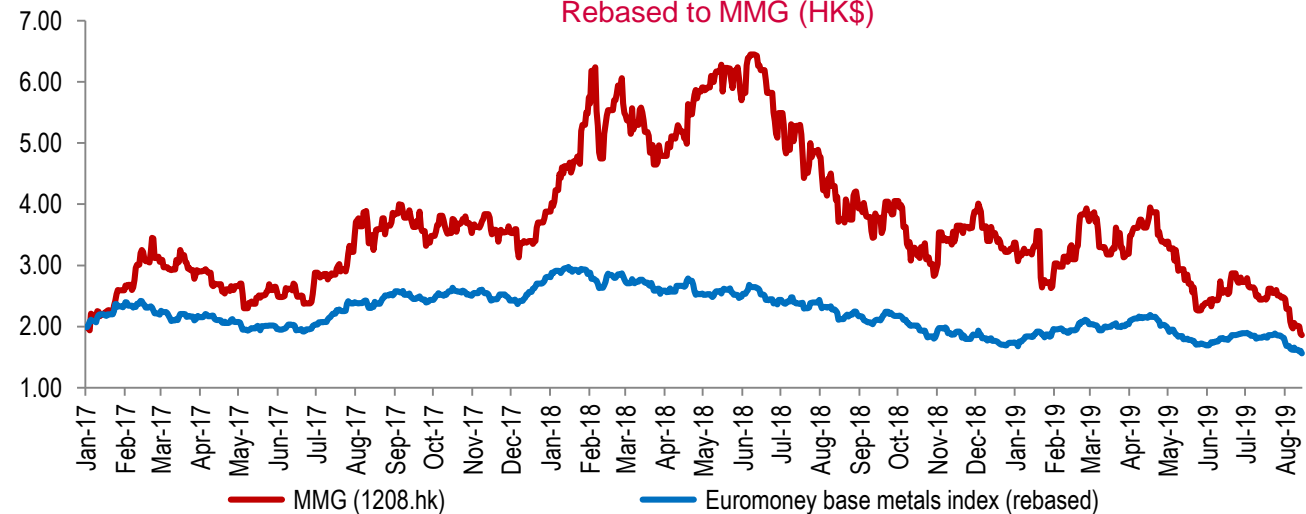
**C1 copper cost curve (2019)<sup>1</sup>**



**C1 zinc cost curve (2019)<sup>1</sup>**



**Share price performance**  
Rebased to MMG (HK\$)



1. Wood Mackenzie Q2 2019 Composite C1 Cash Cost Curve. MMG consolidated C1 based on Las Bambas and Kinsevere guidance.



***“The right time to conduct a strategic and systemic review of the business to deliver a step change in operational performance and business costs.”***

## **1. Reduce Overheads and Improve Efficiency**

Maximise benefits of a decentralised operating management structure through efficient administration and diligent management of material risks.

## **2. Optimise the Operating Businesses**

Competitiveness improvement focus running through each operating business. Maximise value from assets over the medium term

## **3. Strong balance sheet, with China support remaining a key competitive advantage**

Evolve toward ‘fit for purpose’ balance sheet for business of today and capacity to fund future growth

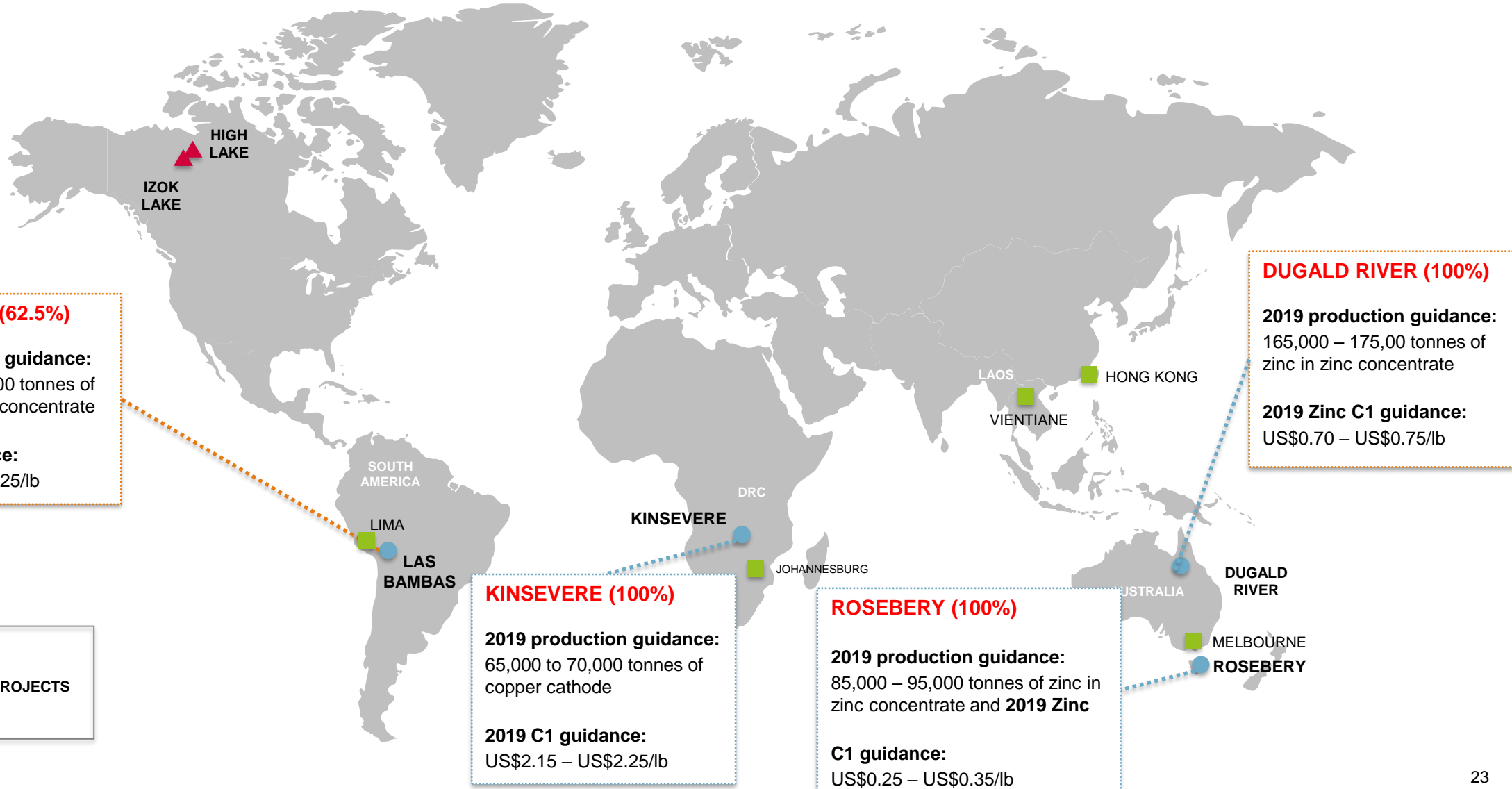
# Appendix





# MMG asset base

Established presence in the key Andean and African copper belts and a world class Australian zinc business



# Guidance for 2019

## Las Bambas

Copper – production	385,000 – 405,000 tonnes
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Copper – C1 costs	US\$1.15 – 1.25 / lb
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## Kinsevere

Copper – production	65,000 - 70,000 tonnes
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Copper – C1 costs	US\$2.15 – 2.25 / lb
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***FY19 Capex Guidance: US\$400 - US\$500m***

## Rosebery

Zinc – production	85,000 – 95,000 tonnes
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Zinc – C1 costs	US\$0.25 – 0.35 / lb
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## Dugald River

Zinc – production	165,000 – 175,000 tonnes
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Zinc – C1 costs	US\$0.70 – 0.75 / lb
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# 2019 illustrative “spot” EBITDA & FCF

Copper	Las Bambas	Kinsevere	Total Copper
Total Copper Production (kt) <sup>3</sup>	385,000	67,500	
Payable % <sup>2</sup>	96.70%	100%	
<b>Total Copper Payable (kt)</b>	<b>372,295</b>	<b>67,500</b>	
Spot Price <sup>1</sup> (\$/lb)	2.72	2.73	
Cost Guidance <sup>3</sup> (\$/lb)	(1.25)	(2.20)	
<b>Margin (\$/lb)</b>	<b>1.47</b>	<b>0.53</b>	
Margin (\$/t)	3,241	1,177	
<b>Copper Annualised EBITDA (US\$M)</b>	<b>1,206.5</b>	<b>79.5</b>	
Royalty	(68.9)	(22.8)	
<b>Copper Annualised Adj. EBITDA (US\$M)</b>	<b>1,137.6</b>	<b>56.7</b>	<b>1,194.3</b>

<sup>1</sup> Kinsevere price includes premium.

<sup>2</sup> Typical industry terms used

<sup>3</sup> Mid-point of 2019 guidance

Zinc	Rosebery	Dugald River	Total Zinc
Total Zinc Production (kt) <sup>3</sup>	90,000	170,000	
Payable % <sup>2</sup>	85.00%	83.50%	
<b>Total Zinc Payable (kt)</b>	<b>76,500</b>	<b>141,950</b>	
Spot Price <sup>1</sup> (\$/lb)	1.07	1.07	
Cost Guidance <sup>3</sup> (\$/lb)	(0.30)	(0.73)	
<b>Margin (\$/lb)</b>	<b>0.77</b>	<b>0.35</b>	
Margin (\$/t)	1,698	761	
<b>Zinc Annualised EBITDA (US\$M)</b>	<b>129.9</b>	<b>108.0</b>	
Royalty	(11.7)	(14.0)	
<b>Zinc Annualised Adj. EBITDA (US\$M)</b>	<b>118.1</b>	<b>94.0</b>	<b>212.1</b>

<sup>1</sup> As of 8th Aug 2019

<sup>2</sup> Typical industry terms used

<sup>3</sup> Mid-point of 2019 guidance

## Illustrative Free Cash Flow

Group	US\$'M
Copper EBITDA	1,194.3
Zinc EBITDA	212.1
Other EBITDA <sup>1</sup>	(55.7)
<b>Group EBITDA</b>	<b>1,350.7</b>
Capex	(450.0)
Cash Taxes, Interest + Other	(706.2)
<b>Illustrative Spot Free Cash Flow <sup>2</sup></b>	<b>194.5</b>

1. Corporate and Exploration costs

2. Excludes working capital movement

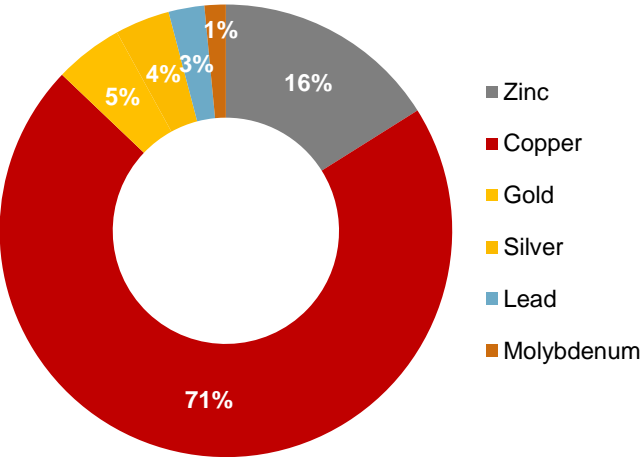
# Tax reconciliation

	1H19 Actual	ETR %
Profit Before Tax	(71.0)	
<b>Income Tax Expense</b>	<b>(2.0)</b>	<b>(2.8%)</b>
<b>Tax reconciliation</b>		
Prima facie ETR from operations <sup>1</sup>	(22.8)	32.0%
Non-creditable Peruvian WHT	28.3	(39.8%)
Other tax adjustments	(3.5)	5.0%
<b>Income Tax Expense</b>	<b>(2.0)</b>	<b>(2.8%)</b>

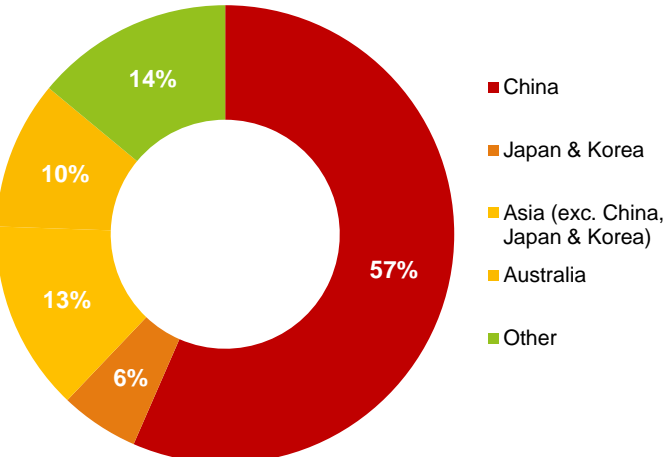
- MMG's prima facie income tax rate from its operations is approximately 32%. This broadly reflects the corporate income tax rates in Peru, Australia and the DRC.
- In 1H19, MMG's Effective Tax Rate (ETR) was (2.8%). This was largely driven by US\$28.3m non-creditable Peruvian withholding taxes. This tax charge is largely fixed and independent of the level of the Group's operating earnings and Profit Before Tax.

# Financial dashboard

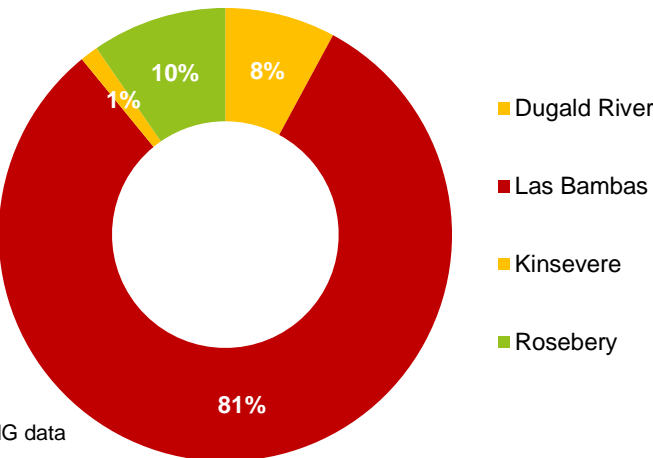
Revenue by commodity



Revenue by customer location

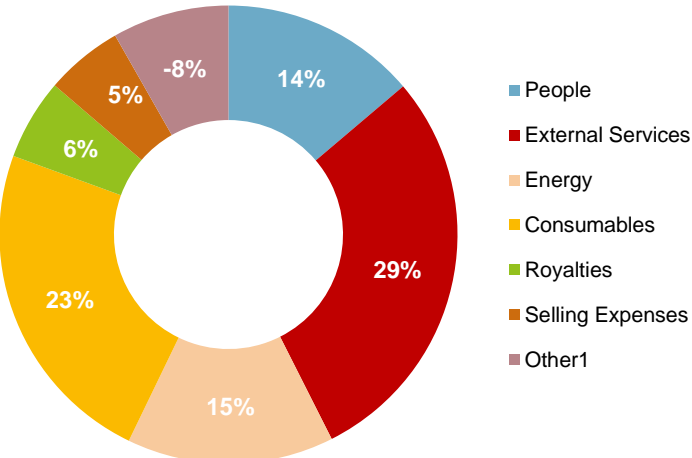


EBITDA by operating segment



Source: MMG data

Operating expenses (sites)



1. Other mainly includes stock movement, operating lease rental expense and other production expense.

# Las Bambas 1H19 performance

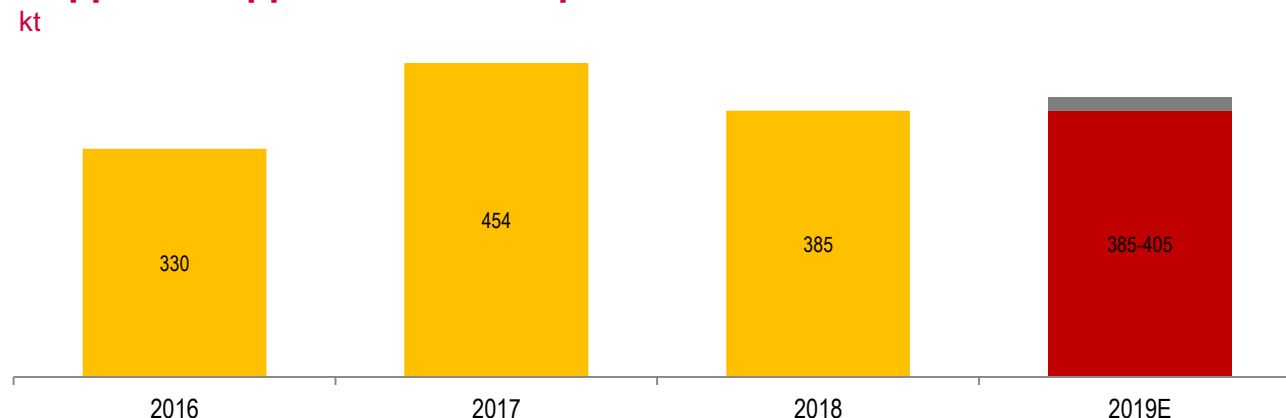
## Key highlights:

- Revenue of US\$902.2 million 33% lower, due to lower sales volumes and lower realised commodity prices. The lower sales volumes were the result of community roadblocks that took place from early February until mid-April 2019.
- Copper ore grades milled were 0.8%, compared to 0.9% in first half of 2018. Offsetting this was 5% higher mill throughput and other efficiency initiatives.
- Operating expenses were favourable by US\$253.3 million, predominantly due to the lower sales volume and build-up of finished goods, resulting in a favourable inventory movement compared to the first half of 2018. Processing costs were lower by \$27.4 million (19%) mainly due to lower maintenance costs following a planned maintenance shut-down, lower royalties (US\$14.9 million) and concentrate logistic costs (US\$8.2 million) due to the community road blockades.
- C1 was US\$1.12/lb compared to US\$1.19/lb in first half 2018. The lower C1 is due to lower processing and transportation costs.
- 2019 production guidance is 385-405kt, with ore grades expected to be in line with those in 2018.
- Las Bambas remains on target to deliver on medium term guidance of two million tonnes of copper in copper concentrate in the first five years.

## Financials

US\$ million	1H19	1H18	%
Revenue	<b>902.2</b>	1,349.4	(33%)
EBITDA	<b>541.0</b>	726.0	(25%)
EBIT	<b>219.0</b>	443.8	(51%)
EBITDA margin (%)	<b>60%</b>	54%	
Production – Copper in copper concentrate (t)	<b>185,825</b>	186,637	(0%)
C1 costs – copper (US\$ / lb)	<b>1.12</b>	1.19	

## Copper in copper concentrate production



# Kinsevere 1H19 performance

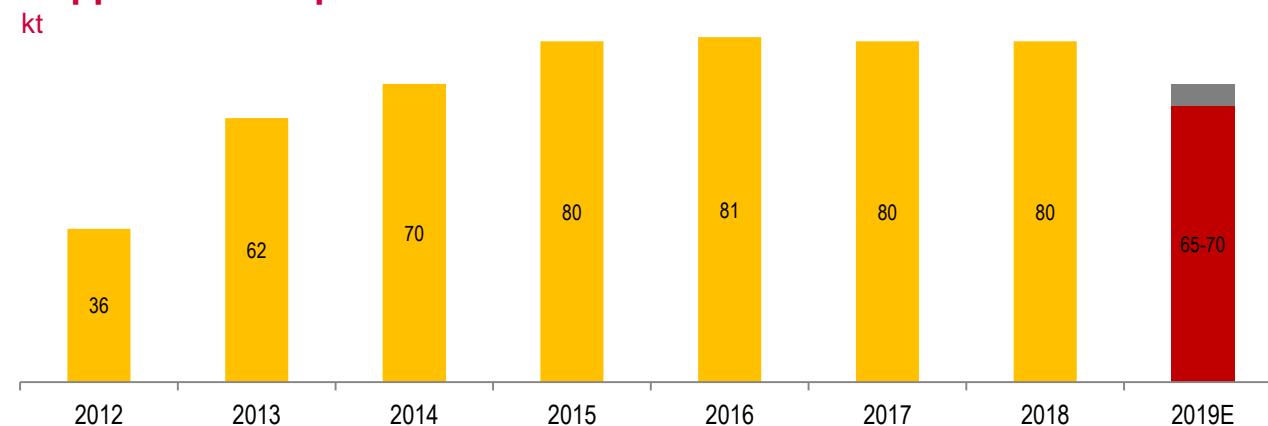
## Key highlights

- First half production of 29,002 tonnes of copper cathode was 28% lower than pcp, reflected the challenging mining conditions in the Mashi pit, declining ore feed grade and plant stability issues.
- Revenue decreased by 37% to US\$176.6 million due to lower production and lower realised copper prices.
- Production expenses increased by US\$25.0 million (22%) due to higher mining expenses following a 32% increase in total material movement (including waste stripping).
- Ore mined and feed grades are expected to improve for the remainder of 2019 and 2020 as Central pit provides the majority of mined ore.
- Production is expected to be between 65,000 and 70,000 tonnes of copper cathode and C1 costs are expected to be US\$2.15-US\$2.25 in 2019.

## Financials

US\$ million	1H19	1H18	%
Revenue	<b>176.6</b>	279.4	(37%)
EBITDA	<b>8.6</b>	127.2	(93%)
EBIT	<b>(51.0)</b>	52.6	(197%)
EBITDA margin (%)	<b>5%</b>	46%	
Production – Copper cathode (t)	<b>29,002</b>	40,556	(28%)
C1 costs – copper (US\$ / lb)	<b>2.49</b>	1.58	

## Copper cathode production





# Rosebery 1H19 performance

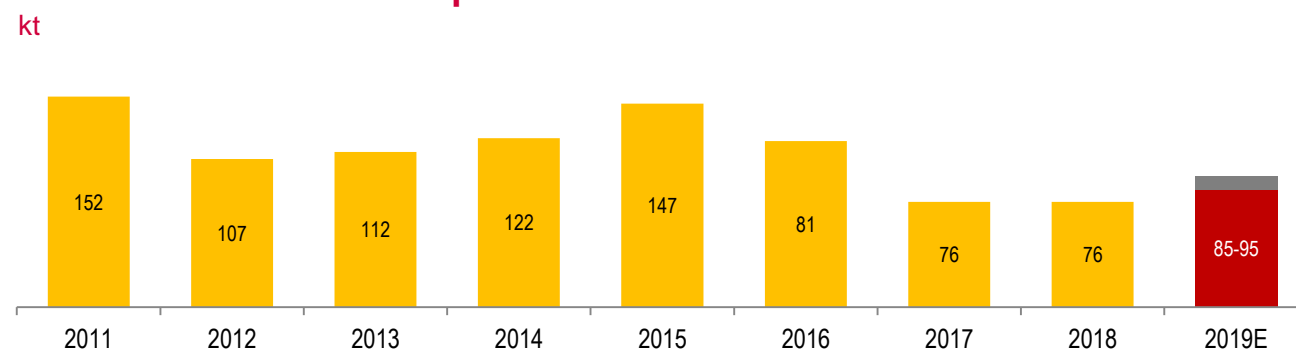
## Key highlights

- Revenue decreased by 30% to US\$142.8 million compared to first half 2018 due to lower sales volumes across all commodities, lower prices and higher zinc treatment charges.
- Total production expenses were US\$1.7 million (3%) higher due to increased processing costs reflecting higher mill throughput. Other operating expenses were favourable by US\$5.1 million (50%), due to the build-up of inventory in the first half of 2019.
- EBITDA of US\$64.1 million was 46% lower than the first half of 2018, primarily due to lower sales.
- Zinc C1 costs were US\$0.30/lb in the first half of 2019 due to the production in the current year of the mine plan largely coming from a mining area that has higher average zinc grades, but has a lower contribution from precious metal by-products.
- MMG expects to produce 85,000 to 95,000 tonnes of zinc in zinc concentrate at Rosebery in 2019. C1 costs for zinc are expected to be in the range of US\$0.25 – US\$0.35/lb. Production is expected to be broadly flat in zinc equivalent terms (vs. FY18), with the higher C1 costs due to the lower by-product credit contribution.

## Financials

US\$ million	1H19	1H18	%
Revenue	142.8	203.8	(30%)
EBITDA	64.1	118.2	(46%)
EBIT	30.6	82.7	(63%)
EBITDA margin (%)	45%	58%	
Production			
Zinc in zinc concentrate (t)	39,565	38,059	4%
Lead in lead concentrate (t)	12,096	16,312	(26%)
Copper in copper concentrate (t)	700	765	(8%)
C1 costs – Rosebery zinc (US\$/lb)	0.30	(0.21)	

## Zinc in zinc concentrate production

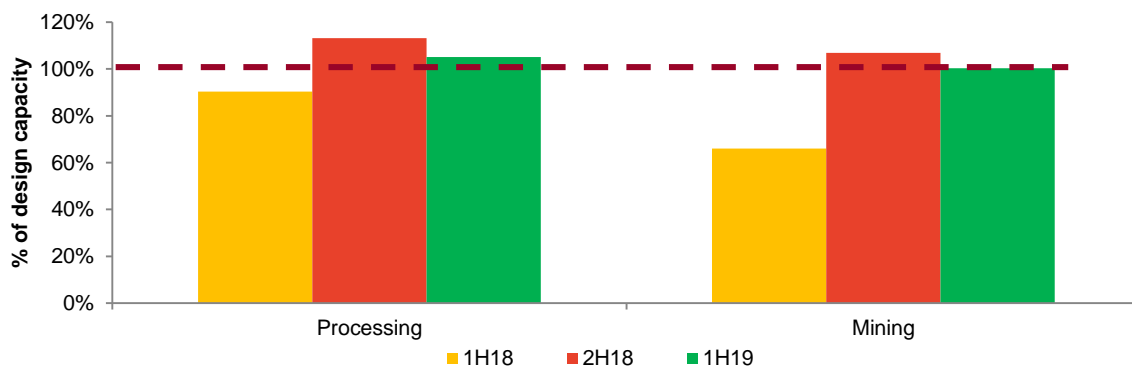


# Dugald River 1H19 performance

## Key highlights

- Revenue of US\$163.8 million 137% above prior period, reflecting full six months of operation compared to two months following commercial production.
- 51% uplift in mined ore compared with first half 2018, which has enabled mill throughput to be sustained above design capacity since commencement of commercial production.
- Total operating expenses were US\$69.8 million (168%) higher due to an additional four months of operating costs in 2019. EBIT in 2018 excluded costs incurred during the pre-commissioning phase of US\$64.1 million, which were capitalised to the Dugald River project.
- MMG expects to produce 165,000 to 175,000 tonnes of zinc in zinc concentrate in 2019, with a C1 guidance of US\$0.70 to US\$0.75/lb.

## Dugald River ramp up progress

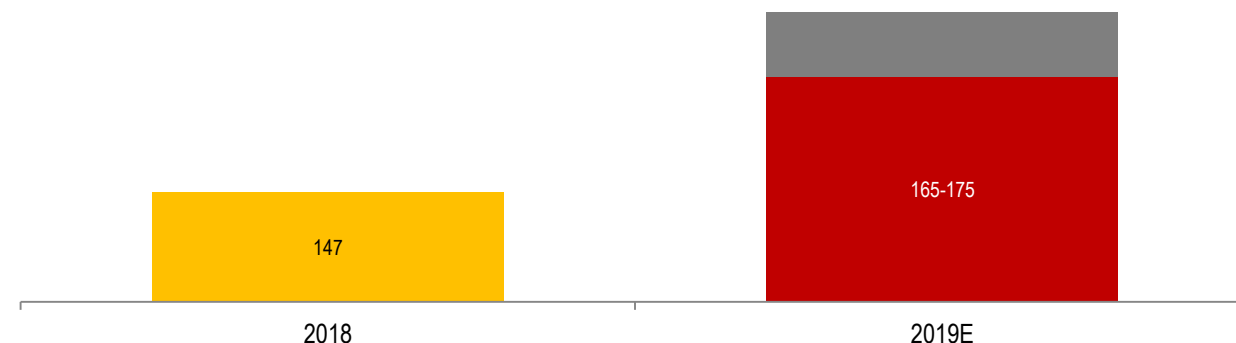


- EBITDA includes revenue, operating expenses and other income and expense items. All financial data relates to the period post commercial production (1 May 2018).
- Production relates to the full year 2018.
- C1 costs relate to the period post commercial production (1 May 2018)

## Financials

US\$ million	1H19	1H18	%
Revenue <sup>1</sup>	163.8	69.2	137%
EBITDA <sup>1</sup>	52.5	28.8	82%
EBIT <sup>1</sup>	21.0	19.0	11%
EBITDA margin (%)	32%	42%	
Production <sup>2</sup>			
Zinc in zinc concentrate (t)	74,515	67,266	11%
Lead in lead concentrate (t)	10,639	5,898	80%
C1 costs – zinc (US\$/lb) <sup>3</sup>	0.81	-	-

## Zinc in zinc concentrate production kt



# Profit or Loss Statement

6 months ended 30 June	2019 US\$ million	2018 US\$ million
<b>Revenue</b>	<b>1,387.4</b>	<b>1,898.8</b>
Operating expenses	(726.7)	(901.2)
Exploration expenses	(13.4)	(15.2)
Administration expenses	(11.5)	(22.8)
Other income / (expenses)	10.9	24.6
<b>EBITDA</b>	<b>646.7</b>	<b>984.2</b>
Depreciation and amortisation expenses	(451.3)	(406.8)
<b>EBIT</b>	<b>195.4</b>	<b>577.4</b>
Net finance costs	(266.4)	(250.0)
<b>(Loss)/profit before income tax</b>	<b>(71.0)</b>	<b>327.4</b>
Income tax expense	(2.0)	(138.6)
<b>(Loss)/profit after income tax from continuing operations</b>	<b>(73.0)</b>	<b>188.8</b>
Profit after income tax from discontinued operation	-	4.6
<b>(Loss)/profit for the period</b>	<b>(73.0)</b>	<b>193.4</b>
<b>Attributable to:</b>		
<b>Equity holders of the Company</b>	<b>(81.0)</b>	<b>128.7</b>
- From continuing operations	(81.0)	124.2
- From discontinued operations	-	4.5
<b>Non-controlling interests</b>	<b>8.0</b>	<b>64.7</b>
- From continuing operations	8.0	64.6
- From discontinued operations	-	0.1
	<b>(73.0)</b>	<b>193.4</b>

# Balance Sheet

US\$ million	30 June 2019	31 Dec 2018
Non-current assets	11,785.2	11,982.6
Current assets – cash and cash equivalents	242.0	601.9
Current assets – other	876.0	670.9
<b>Total assets</b>	<b>12,903.2</b>	<b>13,255.4</b>
<b>Total equity</b>	<b>2,799.9</b>	<b>2,896.3</b>
Non-current liabilities – other	1,570.5	1,486.8
Non-current liabilities – borrowings	7,149.2	7,446.4
Current liabilities – other	659.2	740.9
Current liabilities – borrowings	724.4	685.0
<b>Total liabilities</b>	<b>10,103.3</b>	<b>10,359.1</b>
<b>Total equity and liabilities</b>	<b>12,903.2</b>	<b>13,255.4</b>
<b>Net current liabilities</b>	<b>(265.6)</b>	<b>(153.1)</b>

# Statement of Cash Flow

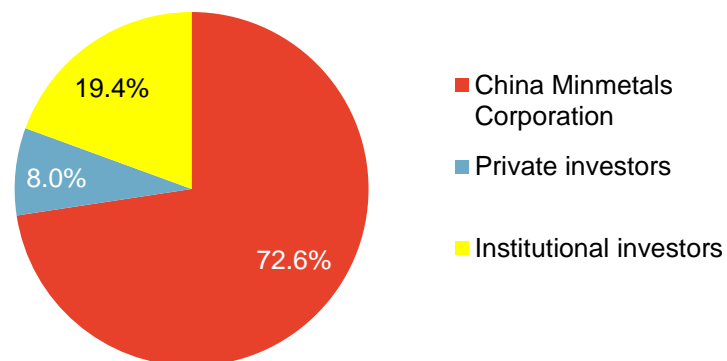
US\$ million - Six months ended	30 June 2019	30 June 2018
Receipts from customers	1,558.6	2,216.8
Payments to suppliers and employees	(1,101.4)	(1,262.6)
Payments for exploration expenditure	(13.4)	(15.2)
Income tax (paid)/ refunded	(153.8)	2.5
<b>Net cash generated from operating activities</b>	<b>290.0</b>	<b>941.5</b>
Purchase of property, plant and equipment	(147.5)	(101.8)
Other investing activities	(1.0)	116.9
<b>Net cash (used in)/generated from investing activities</b>	<b>(148.5)</b>	<b>15.1</b>
Proceeds from borrowings	130.0	150.0
Repayments of borrowings	(391.0)	(872.8)
Payments on redemption of convertible redeemable preference shares	-	(338.0)
Proceeds from shares issued upon exercise of employee share options	0.9	11.2
Lease payments	(20.5)	-
Interest and financing costs paid	(228.9)	(187.2)
Interest received	8.1	5.4
<b>Net cash used in financing activities</b>	<b>(501.4)</b>	<b>(1,231.4)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(359.9)</b>	<b>(274.8)</b>
Cash and cash equivalents at 1 January	601.9	936.1
<b>Cash and cash equivalents at 30 June</b>	<b>242.0</b>	<b>661.3</b>



## Overview

- Founded in 2009, MMG is a diversified base metals company with four operating mines located across four continents
- Headquartered in Melbourne (Australia), with a primary listing on the HKEx (1208 HK) and a secondary listing on the ASX (MMG ASX)
- Primary exposure to copper and zinc, with smaller exposures to gold, silver, lead and molybdenum
- MMG's flagship asset, Las Bambas, will produce >2mt of copper over its first 5 years. Dugald River reached commercial production in May 2018 and will produce ~170kt of zinc per annum at steady state.

## Shareholder base



## Broker Coverage

Broker	Name
Argonaut	Helen Lau
BOCI	Lawrence Lau
CCBI Securities	Felix Lam/Angel Yu
CICC	Yan Chen/Yubo Dong
Citi	Jack Shang
CITIC Securities	AO Chong
Credit Suisse	Yang Luo/Peter Li
DBS Bank	Lee Eun Young
Goldman Sachs	Trina Chen/Joy Zhang
Huatai Research	Xuan Yang
Jefferies	Chris LaFemina/Tim Ward
J.P. Morgan	Han Fu
Macquarie	Ben Crowley
Sealand Securities	Dai Pengju

# Mineral Resources

Copper and zinc Mineral Resources of 12.8Mt and 10.9Mt respectively

## Mineral Resources – Contained Metal (100% asset basis)

As at 30 June 2018

Project	Copper	Zinc	Lead	Silver	Gold	Molybdenum
	<i>kt</i>	<i>kt</i>	<i>kt</i>	<i>moz</i>	<i>moz</i>	<i>kt</i>
Las Bambas	10,649			168	2.4	310
Kinsevere	1,313					
Dugald River	99	7,052	1,039	49		
Rosebery	43	1,419	490	57	0.8	
High Lake	347	536	50	37	0.6	
Izok Lake	342	1,910	209	34	0.1	
<b>Total</b>	<b>12,794</b>	<b>10,917</b>	<b>1,789</b>	<b>346</b>	<b>3.9</b>	<b>310</b>

The information referred to in this presentation has been extracted from the report titled Mineral Resources and Ore Reserves Statement as at 30 June 2018 published on 5 December 2018 and is available to view on [www.mmg.com](http://www.mmg.com). MMG confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources and Ore Reserves Statement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Mineral Resources and Ore Reserves Statement continue to apply and have not materially changed. MMG confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resources and Ore Reserves Statement

# Ore Reserves

Copper and zinc Ore Reserves of 7.4Mt and 3.8Mt respectively

## Ore Reserves – Contained Metal (100% asset basis)

As at 30 June 2018

Project	Copper	Zinc	Lead	Silver	Gold	Molybdenum
	<i>kt</i>	<i>kt</i>	<i>kt</i>	<i>moz</i>	<i>moz</i>	<i>kt</i>
Las Bambas	6,882			107	1.7	187
Kinsevere	488					
Dugald River		3,336	580	35		
Rosebery	11	428	161	20	0.2	
<b>Total</b>	<b>7,381</b>	<b>3,764</b>	<b>740</b>	<b>162</b>	<b>1.9</b>	<b>187</b>

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