



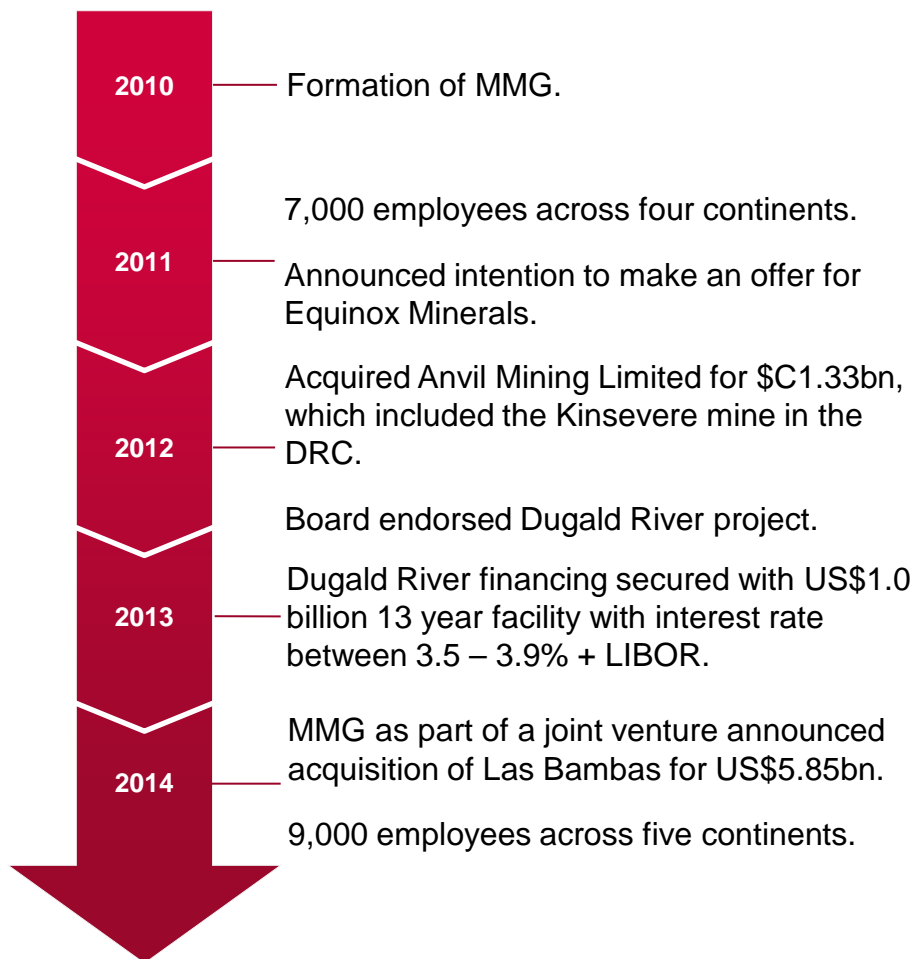
# Bank Of America Merrill Lynch Metals and Mining Conference

Andrew Michelmore, Chief Executive Officer

15 May 2014

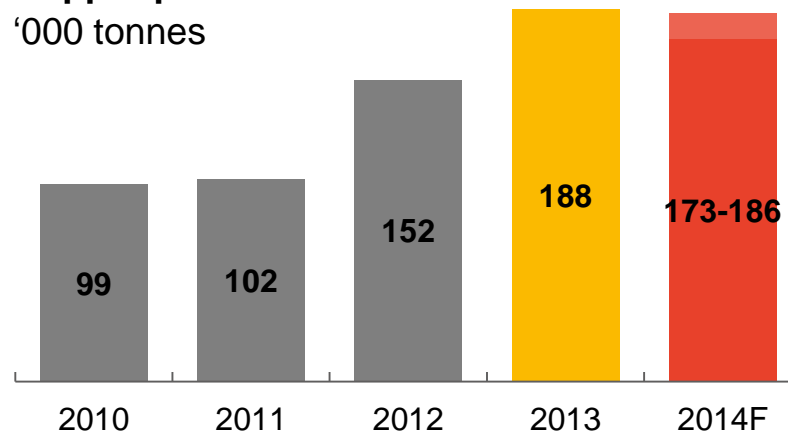


## Key Milestones



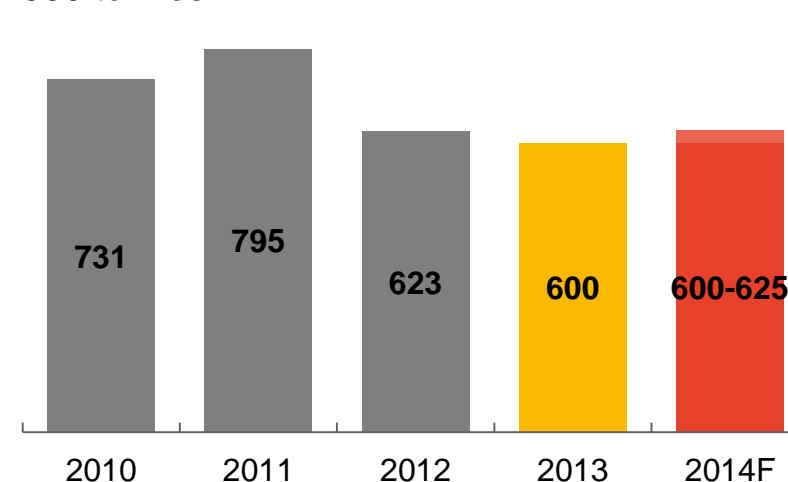
## Copper production

'000 tonnes



## Zinc production

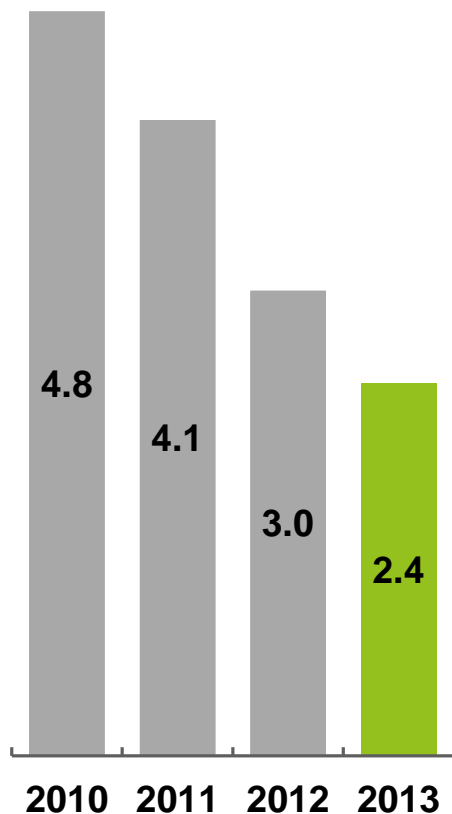
'000 tonnes



# Our mantra – safety – volume – costs

## Safety

**TRIFR**  
per one million hours



TRIFR is total recordable injury frequency rate.

## Volume

**Zinc production**  
'000 tonnes

Delivered:  
600,221 tonnes

Guidance:  
572 - 590

2013

**Copper production**  
'000 tonnes

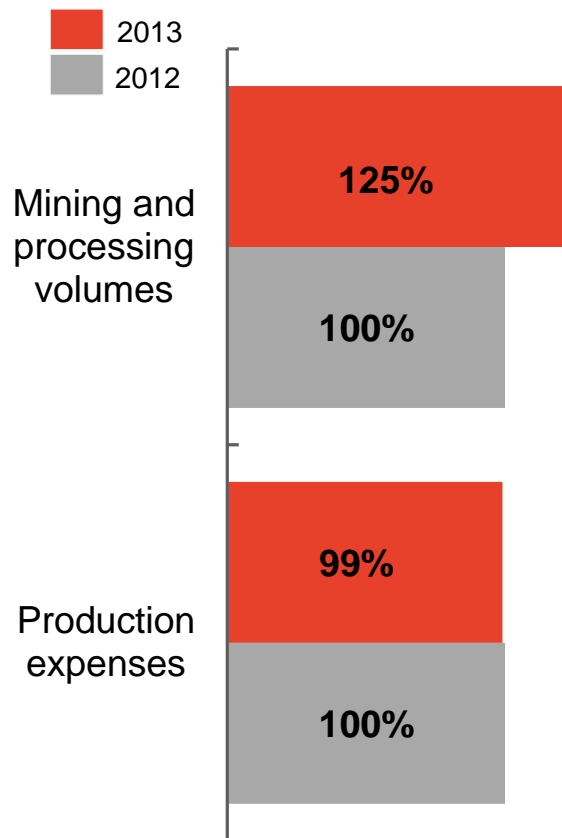
Delivered:  
187,738 tonnes

Guidance:  
170 - 185

2013

## Costs

**Mining volumes and costs**  
Indexed, 2012 = 100%



# Stable zinc operations – near mine exploration focus

## Century

<b>Zinc production</b>	<b>C1 Cost</b>
488,233 tonnes	US\$0.60 / lb

Evaluate future options of Queensland operations.

## Rosebery

<b>Zinc production</b>	<b>C1 Cost</b>
88,369 tonnes	US\$0.24 / lb

Near mine exploration continues with advanced prospective targeting.

## Golden Grove

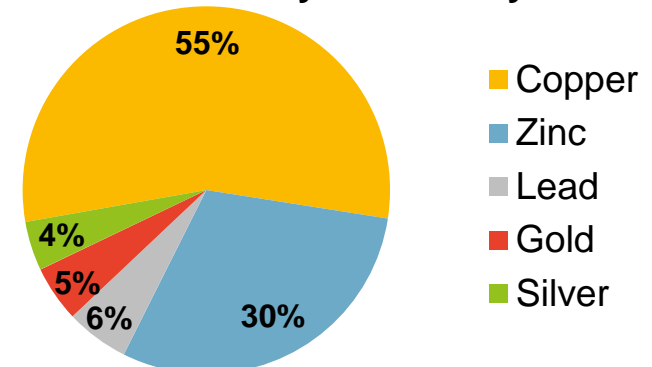
<b>Zinc production</b>	<b>C1 Cost</b>
23,619 tonnes	US\$0.19 / lb

Continuing exploration to identify potential high grade targets of zinc and copper below current mining areas.



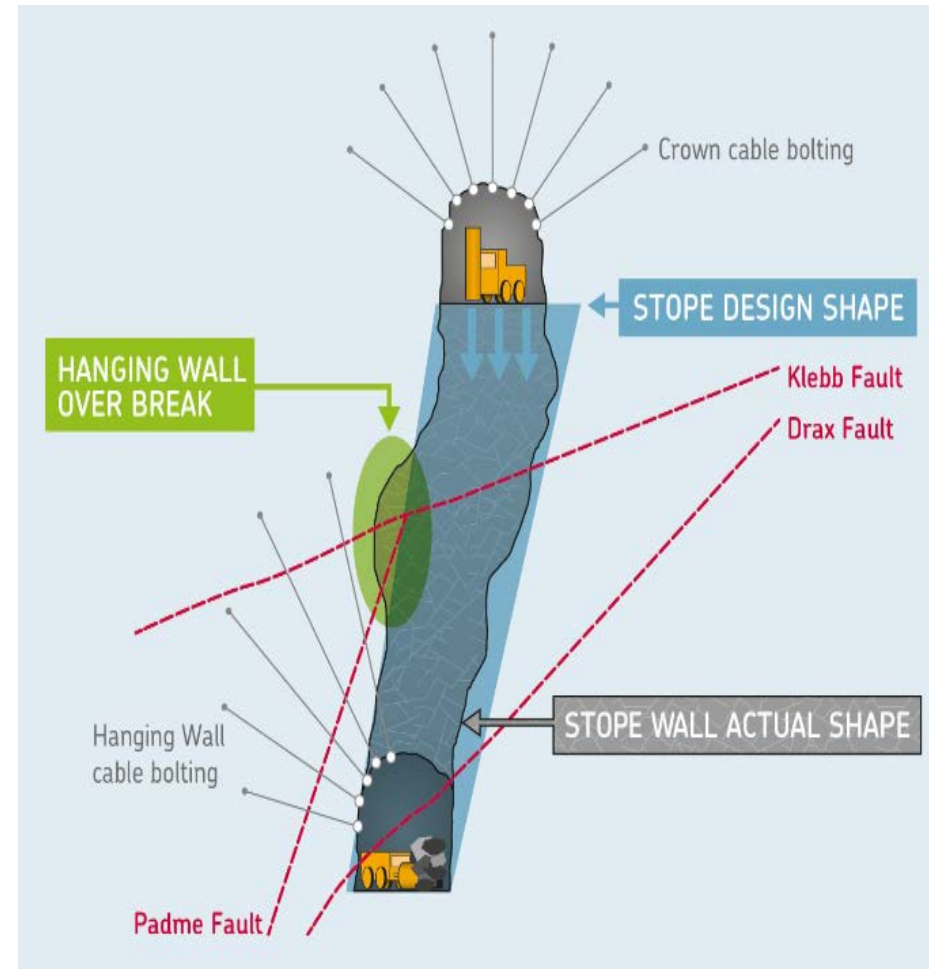
Century – North West Queensland, Australia

## 2013 Revenue by commodity



# Our zinc future

- Last production from Century's open pit expected mid 2015.
- Dugald River is one of the largest and highest-grade undeveloped zinc deposits.
- Dugald River trial stoping project commenced in 2014.
- Zinc cost curve continues to evolve – large, high grade, open pit mines closing and smaller, lower grade mines to substitute.
- Chinese domestic supply is not comparable with traditional western mines.



# Copper – performing beyond design

## Sepon

**Copper production**  
90,030 tonnes

**C1 Cost**  
US\$0.89 / lb

High grade copper focus – average milling grade 5.4% in 2013.

## Kinsevere

**Copper production**  
62,076 tonnes

**C1 Cost**  
US\$1.67 / lb

Reduced 1Q14 diesel power reliance to 37% from 57% in 2013.  
Milling grade 3.8% in 2013.

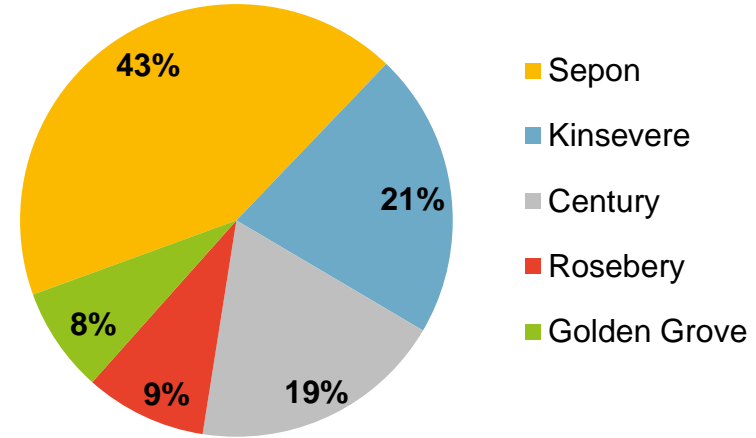
## Golden Grove

**Copper production**  
33,780 tonnes

**C1 Cost**  
US\$2.69 / lb

Mine plan alternates between copper and zinc focus.

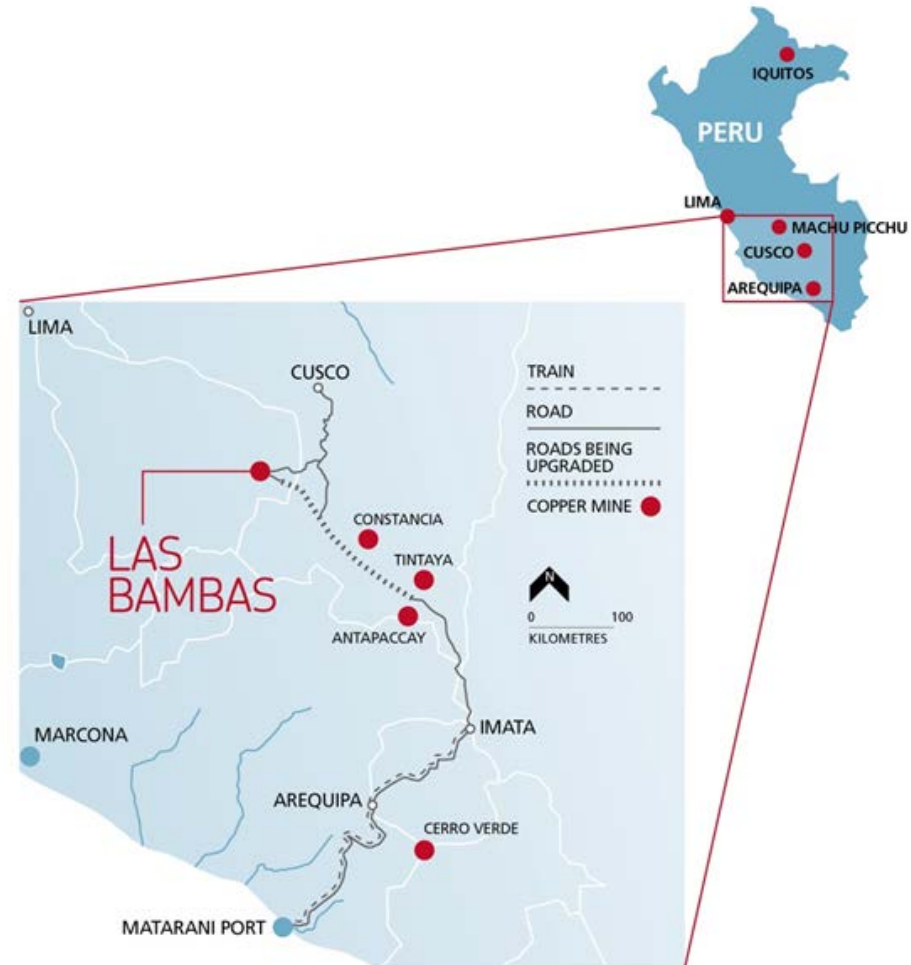
2013 EBITDA by operating segment



Kinsevere – Katanga Province, Democratic Republic of the Congo 6

# Las Bambas – transaction update

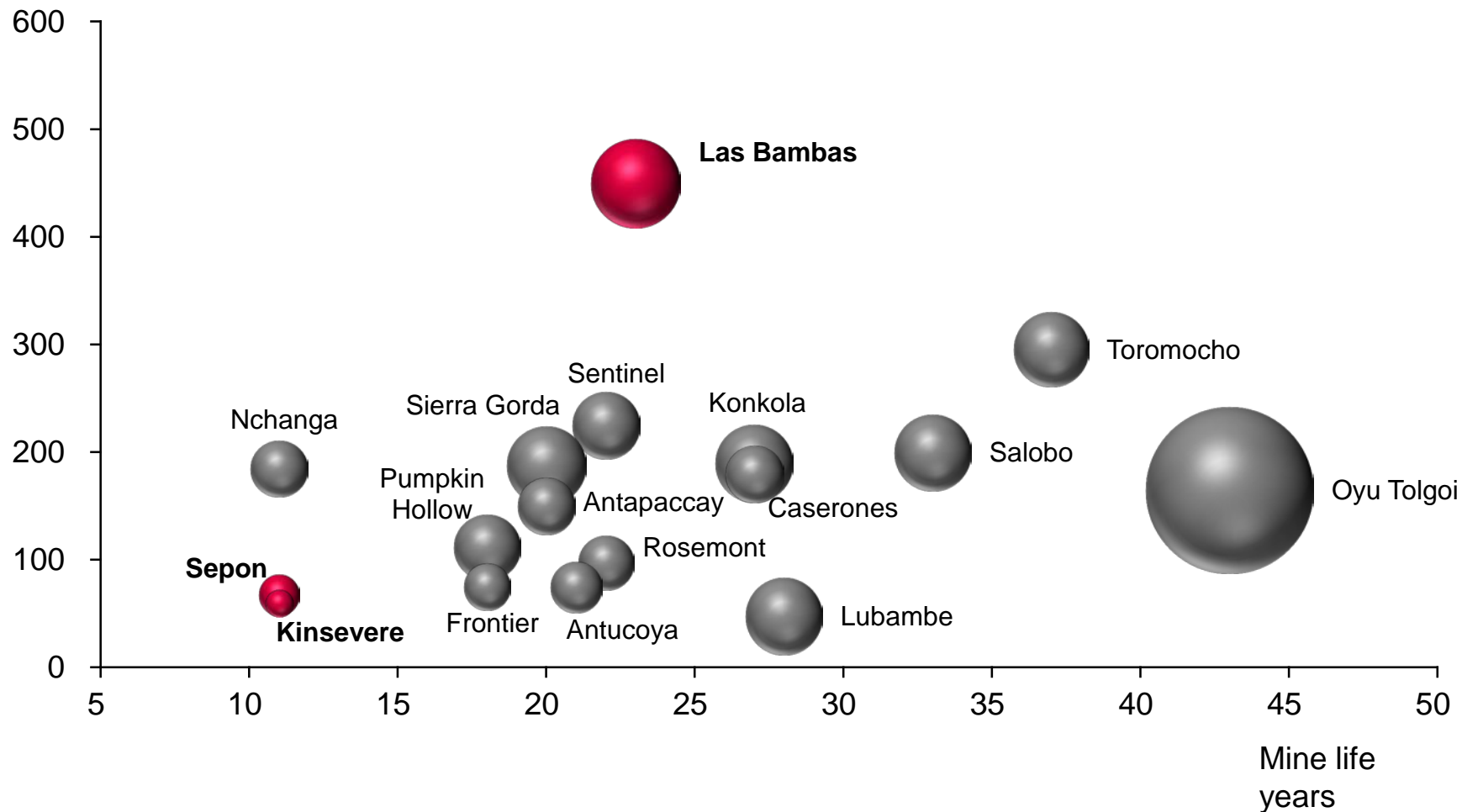
- Peruvian open pit mine, clean concentrate, conventional copper concentrator.
- Powerful consortium – fully funded. MMG 62.5% owner and operator, Guoxin (22.5%), CITIC Metals (15%).
- Advanced stage construction - US\$3.5 billion spent as at 31 December 2013.
- First quartile cost position.
- Mine life in excess of 20 years.
- 6.9Mt copper Ore Reserve, 10.5Mt copper Mineral Resource.
- Update to project schedule and future capital expenditure upon transaction completion.



# Las Bambas is transformational to MMG

## 2017 Forecast annual production – select projects

'000 tonnes, copper contained metal<sup>1</sup>



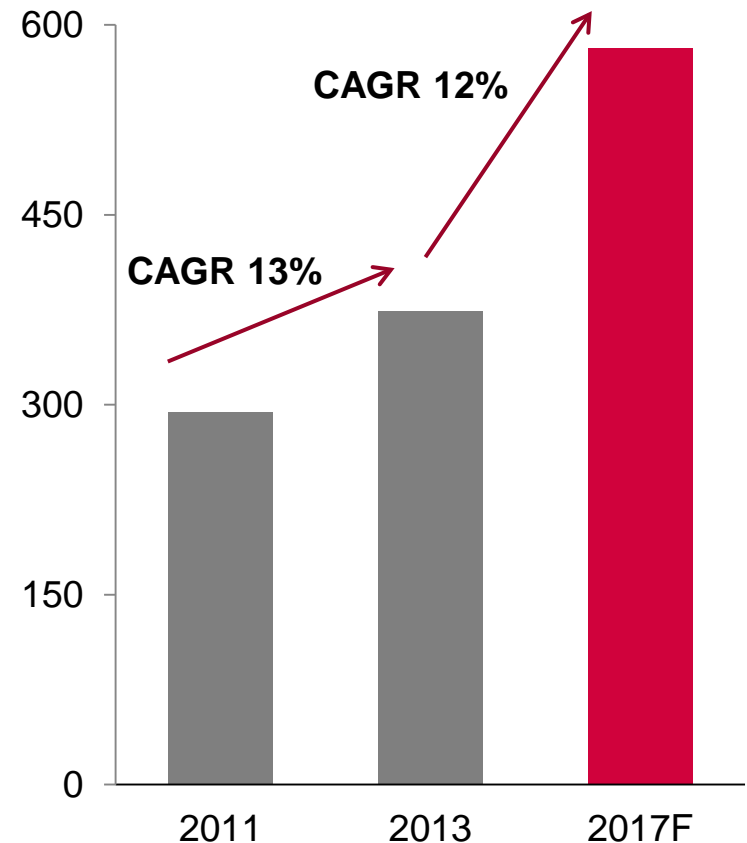
(1) Source: Wood Mackenzie, Global copper long-term outlook Q4 2013, January 2014, Company Reports. Circle size represents current Mineral Resource.



# Earning the right to grow

- Prioritise operational delivery of safety, volume and costs.
- Continue to seek opportunities to improve process, quality and costs.
- Focus on growth foundations – people, infrastructure, technology and governance.
- Commitment to world class operating standards.
- Complete Las Bambas transaction with valued, ongoing support from majority shareholder – China Minmetals.

**MMG attributable production**  
'000 tonnes, Cu Equivalent<sup>1</sup>



(1) Copper equivalent is calculated using Average LME prices in 2011 and 2013 and MMG forecasts (real) for 2017.



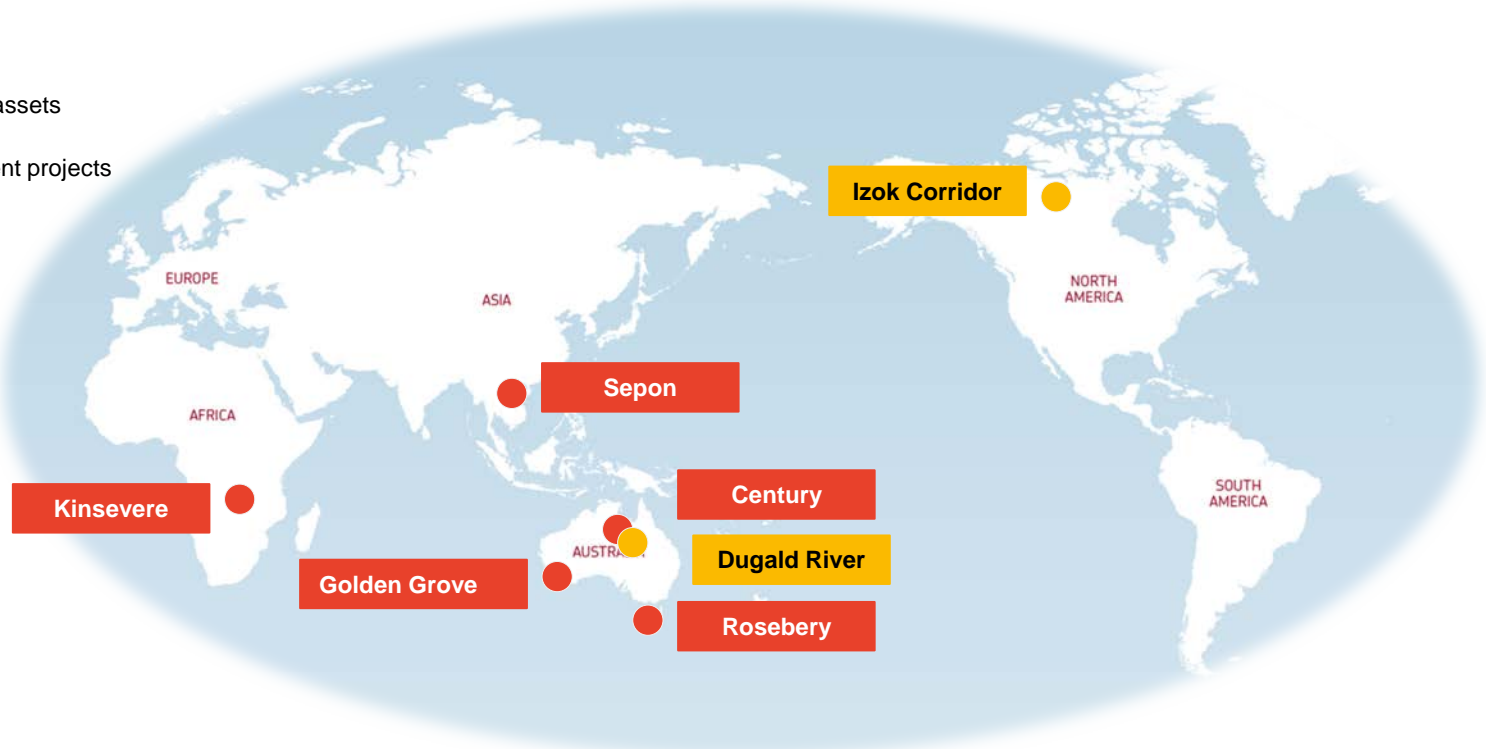
**WE MINE FOR  
PROGRESS**

# Overview of MMG

- Headquartered in Australia, listed on The Stock Exchange of Hong Kong.
- Five major operating mines.
- Major producer of zinc and copper.

## Legend:

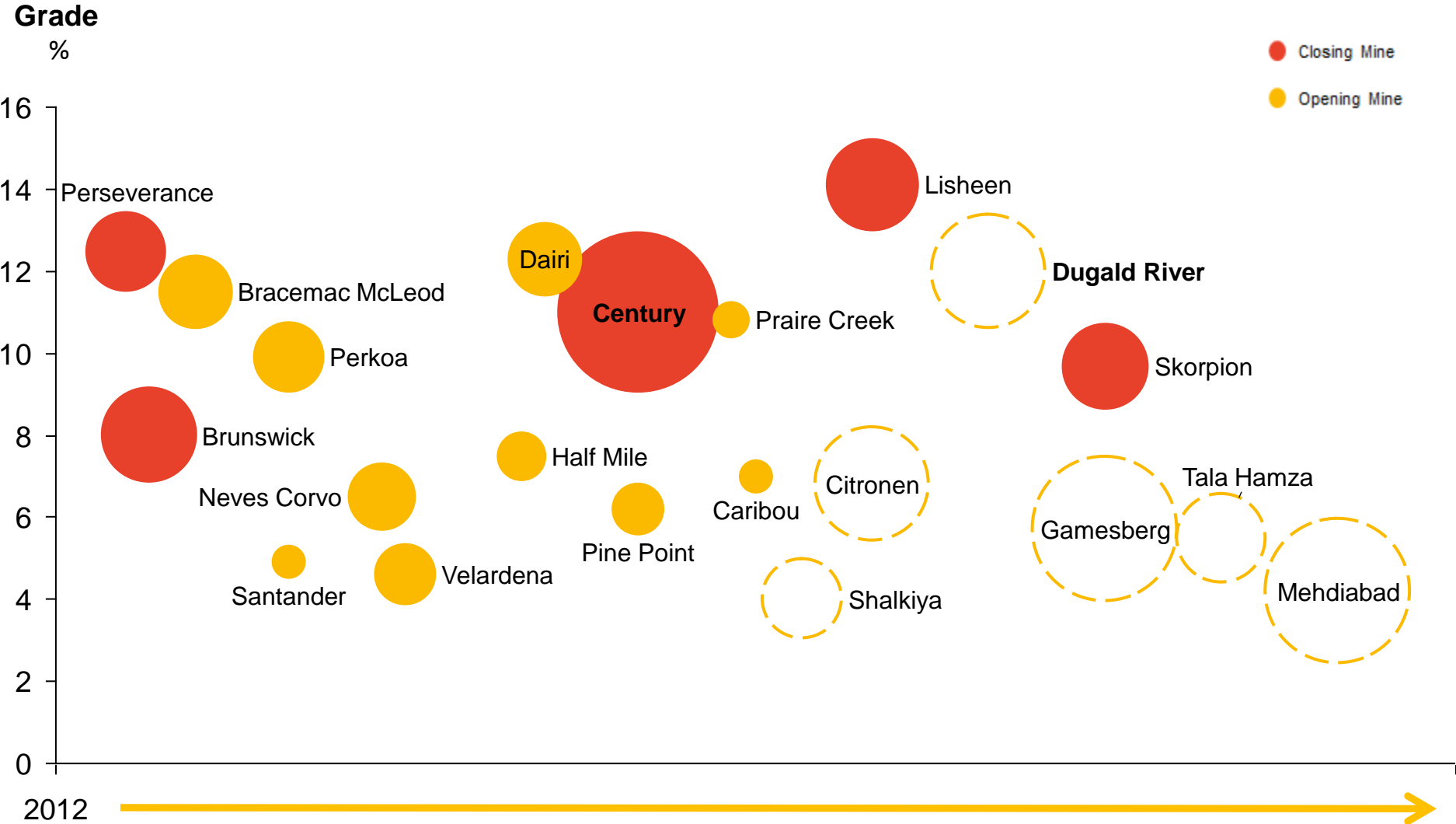
- Operating assets
- Development projects



# Las Bambas transaction overview

<b>Transaction</b>	<ul style="list-style-type: none"><li>■ JV has entered a Share Purchase Agreement to acquire 100% of Xstrata Peru S.A. (Las Bambas).</li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>■ JV structure: MMG (62.5%), and GXIIC (22.5%), CITIC (15.0%).</li><li>■ JV will operate Las Bambas adopting MMG standards, processes and systems.</li><li>■ JV Board – Maximum six Directors with MMG appointing the Chairman.</li></ul>
<b>Consideration</b>	<ul style="list-style-type: none"><li>■ Consideration of US\$5.85 billion (100%).</li><li>■ JV assumes responsibility for project capital spend from 1 January 2014.</li></ul>
<b>Financing</b>	<ul style="list-style-type: none"><li>■ Acquisition capital and project capital expenditure fully funded.</li><li>■ Banking syndicate arranged through China Development Bank (CDB).</li><li>■ JV debt to be supported by a guarantee from China Minmetals Non-ferrous.</li><li>■ MMG equity funding to be provided by a shareholder loan from China Minmetals Non-ferrous.</li></ul>
<b>Approvals</b>	<ul style="list-style-type: none"><li>■ Approvals required from regulators in China and Peru.</li><li>■ MMG shareholder approval; major shareholder China Minmetals will vote in favor of transaction.</li></ul>
<b>Key dates</b>	<ul style="list-style-type: none"><li>■ June 2014: Dispatch of Shareholder Circular.</li><li>■ July 2014: MMG Extraordinary General Meeting.</li><li>■ Third quarter 2014: Target transaction completion.</li></ul>

# Zinc – Future zinc supply remains uncertain



Bubble size represents first or last full year production of various mines.

Dashed lines reflect uncommitted development projects.

Source: Wood Mackenzie, Company Reports. Production and grade refer to 2013 production and average mining grade.

# Analysis of cash flow

## *Inflows*

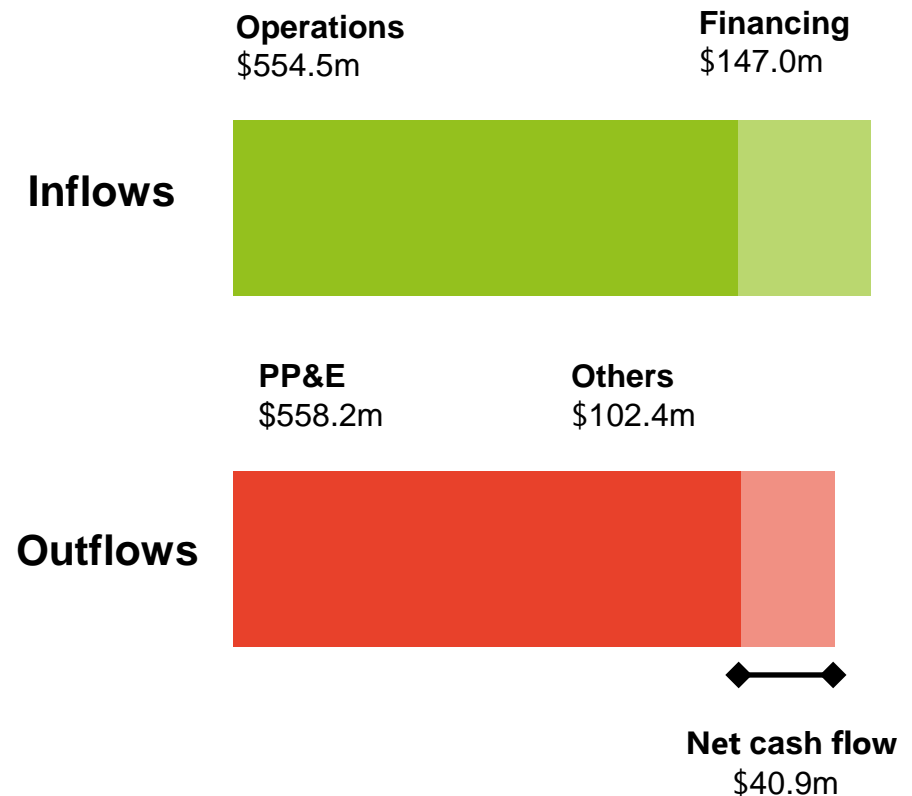
- Net cash generated from **operating activities** of US\$554.5m.
- Net cash generated from **financing activities** of US\$147.0m.

## *Outflows*

- Purchase of **property, plant and equipment (PP&E)** of US\$558.2m.
- Purchase of **intangible and financial assets** of US\$103.8m.

**Cash balance** of US\$137.4m at 31 December 2013.

## 2013 Cash flow summary US\$ million



# 2014 Guidance

	2014 Guidance	2013 Actual
<b>SEPON</b>		
Copper – production	88,000–93,000 tonnes	90,030 tonnes
Copper – C1 costs	US\$0.95–US\$1.05/lb	US\$0.89/lb
<b>KINSEVERE</b>		
Copper – production	61,000–66,000 tonnes	62,076 tonnes
Copper – C1 costs	US\$1.60–US\$1.85/lb	US\$1.67/lb
<b>CENTURY</b>		
Zinc – production	465,000–480,000 tonnes	488,233 tonnes
Zinc – C1 costs	US\$0.61–US\$0.65/lb	US\$0.60/lb
Lead – production	70,000–75,000 tonnes	54,163 tonnes
<b>ROSEBERY</b>		
Zinc – production	85,000–90,000 tonnes	88,369 tonnes
Zinc – C1 costs	US\$0.20– US\$0.25/lb	US\$0.24/lb
Lead – production	22,000–24,000 tonnes	24,865 tonnes
<b>GOLDEN GROVE</b>		
Copper – production	24,000–27,000 tonnes	33,780 tonnes
Copper – C1 costs	US\$2.65–US\$2.85/lb	US\$2.69/lb
Zinc – production	50,000–55,000 tonnes	23,619 tonnes
Zinc – C1 costs	US\$0.30–US\$0.40/lb	US\$0.19/lb
<b>CASH FLOW</b>		
Capital expenditure	US\$400–US\$500 million	
Exploration	US\$70 million	

# Condensed consolidated income statement



Year ended 31 December US\$ million	2013 Unaudited	2012 Audited and restated	Variance %
Revenue	2,469.8	2,499.4	(1)
Other income	0.6	8.1	(93)
Expenses (excluding depreciation, amortisation and impairment expenses)	(1,719.5)	(1,769.6)	3
<b>EBITDA</b>	<b>750.9</b>	<b>737.9</b>	<b>2</b>
Depreciation, amortisation and impairment expenses	(472.6)	(308.7)	(53)
<b>EBIT</b>	<b>278.3</b>	<b>429.2</b>	<b>(35)</b>
Finance income	2.8	4.5	(38)
Finance costs	(80.0)	(92.2)	13
<b>Profit before income tax</b>	<b>201.1</b>	<b>341.5</b>	<b>(41)</b>
Income tax expense	(78.6)	(107.4)	27
<b>Profit for the year</b>	<b>122.5</b>	<b>234.1</b>	<b>(48)</b>
<b>Earnings per share for profit attributable to the equity holders of the Company</b>			
Basic earnings per share	US 1.95 cents	US 3.95 cents	
Diluted earnings per share	US 1.95 cents	US 3.95 cents	



# Condensed consolidated balance sheet



US\$ million	31 December 2013 Unaudited	31 December 2012 Audited and restated
Non-current assets	3,849.9	3,658.6
Current assets – cash and cash equivalents	137.4	95.7
Current assets – other	696.2	807.4
<b>Total assets</b>	<b>4,683.5</b>	<b>4,561.7</b>
<b>Total equity</b>	<b>1,816.8</b>	<b>1,588.3</b>
Non-current liabilities	2,145.9	2,119.3
Current liabilities	720.8	854.1
<b>Total liabilities</b>	<b>2,866.7</b>	<b>2,973.4</b>
<b>Total equity and liabilities</b>	<b>4,683.5</b>	<b>4,561.7</b>
<b>Net current assets</b>	<b>112.8</b>	<b>49.0</b>
<b>Total assets less current liabilities</b>	<b>3,962.7</b>	<b>3,707.6</b>

# Consolidated financial performance:

## Cash flow statement

Year ended 31 December US\$ million	2013 Unaudited	2012 Unaudited and restated
Receipts from customers	2,523.5	2,463.1
Payments to suppliers	(1,786.2)	(1,703.9)
Payments for exploration expenditure	(71.9)	(77.3)
Income tax paid	(110.9)	(124.0)
<b>Net cash generated from operating activities</b>	<b>554.5</b>	<b>557.9</b>
Purchase of property, plant and equipment	(558.2)	(641.9)
Other investing activities	(103.8)	(93.8)
Acquisition of subsidiaries	-	(1,360.5)
Proceeds from disposal of assets	1.4	0.6
Proceeds from disposal of subsidiaries	-	28.5
<b>Net cash used in investing activities</b>	<b>(660.6)</b>	<b>(2,067.1)</b>
<b>Net cash generated from financing activities</b>	<b>147.0</b>	<b>434.5</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>40.9</b>	<b>(1,074.7)</b>
Cash and cash equivalents at 1 January	95.7	1,096.5
Cash and cash equivalents – acquisition of subsidiaries	-	73.3
Exchange gains on cash and bank balances	0.8	0.6
<b>Cash and cash equivalents at 31 December</b>	<b>137.4</b>	<b>95.7</b>

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