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**MMG LIMITED**  
**五礦資源有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(STOCK CODE: 1208)**

## LITIGATION INVOLVING KINSEVERE

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (Listing Rules) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (Board) of MMG Limited (MMG or Company) announces that MMG Kinsevere SARL (MMG Kinsevere), a wholly owned subsidiary of the Company and the owner of the Kinsevere mine in the Democratic Republic of Congo (DRC), has been notified that Mining Company Katanga SARL (MCK) has commenced legal proceedings against MMG Kinsevere in the Lubumbashi Courts in the Haut-Katanga Province in the DRC.

MCK claims that MMG Kinsevere is liable to compensate MCK for losses suffered by MCK as a result of MMG Kinsevere's decision to not renew or extend the mining services contract with its associate entity MCK Trucks (then known as NB Mining SA) in 2018 on the basis that MCK was entitled to a "life of mine" agreement with MMG Kinsevere. However, the right to a "life of mine" agreement for the Kinsevere mine was governed by key criteria that the business was owned by MCK principal, Mr Moise Katumbi, or his son, and the services contract remained internationally competitive. MCK is seeking an award of damages suffered by MCK of US\$158 million (covering a period of February 2018 to September 2019) plus US\$100 million in punitive damages. The amount claimed appears overstated as it reflects MCK's potential revenues under a mining services contract as opposed to loss of profit.

The mining services contract with MCK concluded in February 2018 following a competitive process which considered the costs proposed by, and the safety and operational performance of, the potential suppliers. MMG Kinsevere believes that it has taken all required steps to preserve the financial and operating future of the Kinsevere mine and that it undertook a thorough commercial tender process to secure a new mining contract. In addition, MMG Kinsevere understands that at the time the MCK Trucks (ie. NB Mining) mining services contract ceased, Mr Katumbi had sold his and his family's interest in the business.

Although there has been no court hearing on the merits of the case and no judicial assessment of the quantum claimed, MCK has obtained a freezing order over certain assets of MMG Kinsevere via proceedings that have, in MMG's view, not followed usual legal processes in the DRC. MMG has commenced an appeal process.

MMG Kinsevere and the Company regard the claim as unfounded and opportunistic, and the amount of the claim completely disproportionate to the losses that could reasonably have been suffered. The Company plans to vigorously contest the claim.

By order of the Board  
**MMG Limited**  
**Gao Xiaoyu**  
*CEO and Executive Director*

Hong Kong, 23 March 2020

*As at the date of this announcement, the Board consists of eight directors, of which one is an executive director, namely Mr Gao Xiaoyu; four are non-executive directors, namely Mr Guo Wenqing (Chairman), Mr Jiao Jian, Mr Zhang Shuqiang and Mr Xu Jiqing; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan and Mr Chan Ka Keung, Peter.*