

Fourth quarter and 2020 performance

Record production of 52,446 tonnes of zinc in zinc concentrate was achieved for the fourth quarter of 2020 at Dugald River (9% above the previous record set in the fourth quarter of 2019).

This significant achievement reflects ongoing benefits achieved from work over the course of the year to open up new operating areas and improve stability of the underground environment, with improved mining and milling grades reflecting reduced dilution. An ongoing focus on mill performance and processing circuit optimization resulted in new records also being set for recovery during the fourth quarter, which was also the year's strongest period for throughput volumes. This continued and steady improvement in overall site performance over the year leaves Dugald River well positioned to maximise output over coming periods.

Further reflecting a successful ramp-up and ongoing operational enhancements, Dugald River delivered a record volume of zinc in zinc concentrate for the full year, with in excess of 177,000 tonnes produced. This was at the upper end of guidance, with C1 costs of US\$0.70/lb being at the lower end of the expected range.

2021 outlook

On the back of a successful 2020, Dugald River is expected to produce between 180,000 and 190,000 tonnes of zinc in zinc concentrate during 2021, an increase on prior year guidance. Anticipated 2021 C1 costs of US\$0.70/lb – US\$0.75/lb are in line with 2020. Higher production volumes, together with an expected fall in treatment charges and higher by-product credits will offset the impacts of any increases in cash production expenses including what is anticipated to be a less favourable exchange rate environment.

Dugald River continues to target sustained delivery of annual mine capacity of two million tonnes and by 2022, zinc production approaching 200kt per annum. As further discussed in the Geoscience and Discovery section, near mine drilling programs suggest a wider zinc ore body than originally expected, at relatively shallow depth. This remains subject to ongoing study but underpins a growing expectation that Dugald River's mine life can be extended or production volumes increased over future years.

ROSEBERY

	ROSEBERY				
	4Q20	4Q20 VS 4Q19	4Q20 VS 3Q20	YTD20	YTD20 VS YTD19
Contained metal in concentrate					
Zinc (tonnes)	17,974	-20%	16%	67,393	-19%
Lead (tonnes)	6,133	-10%	-3%	23,272	-5%
Copper (tonnes)	440	2%	22%	1,537	2%

Fourth quarter and 2020 performance

Rosebery produced 17,974 tonnes of zinc in zinc concentrate and 6,133 tonnes of lead in lead concentrate during the fourth quarter of 2020. This represented the strongest period for zinc production in 2020 and was achieved despite the impact of a scheduled mill shell replacement that meant the processing plant operated at half capacity for 20 days. As a result of this work, throughput fell by approximately 8% on the prior year comparative period and the third quarter of 2020.

The impacts of lower throughput were offset by a significant improvement in zinc ore grades, the result of previously flagged deferrals of higher grade stopes which were mined during the fourth quarter. Recoveries also improved, after dropping off in the third quarter of 2020 due to elevated pH levels in the ore feed.

Full year zinc production of 67,393 tonnes was 19% below the prior year, as expected due to declining ore grades. The 2020 result exceeded the upper end of guidance by more than 2,000 tonnes and was achieved despite key areas of the mine being inaccessible for much of the year due to 2019 seismic activity.

Lead production of 6,133 tonnes was broadly in line with the third quarter. Full year production of 38,061 tonnes was 5% below 2019 results, with slightly higher lead grades being offset by the impacts of lower throughput and lower lead recoveries over the course of the year.

Precious metal production for the year totaled 10,636 ounces of gold and 6,137 ounces of silver, both an increase on 2019 results. Full year C1 costs of US\$0.01/lb were within revised guidance levels and significantly below both original expectations and prior year, reflecting the strong contribution from metal by-product credits.

2021 outlook

MMG expects to produce between 60,000 and 70,000 tonnes of zinc in zinc concentrate in 2021. C1 costs are estimated at US\$0.00-0.10/lb, with this range remaining sensitive to by-product metal production and price. These guidance ranges are broadly in line with 2020 results, reflecting the ability of the Company to continue efficiently operating the mine and maximizing output. This is despite longer term grade declines and higher costs associated with operating at depth.

Resource extension and near mine exploration drilling at Rosebery will continue during 2021. Results continue to indicate further extensions to the resource and the Company will further pursue its investigation of options to extend the life of the mine, together with studies into sustainable longer-term tailings management options.

GEOSCIENCE AND DISCOVERY

On 2 December 2020 MMG released its Mineral Resources and Ore Reserves Statement as at 30 June 2020, detailing the annual movement in MMG's mineral inventory.

The key changes to Mineral Resources and Ore Reserves Statement as at 30 June 2020:

- An increase in the Group's Mineral Resources (contained metal) for zinc (5%) and cobalt (35%) and a decrease for copper (11%), lead (10%), silver (2%), gold (9%) and molybdenum (13%).
- An increase in the Group's Ore Reserves (contained metal) for lead (2%) and a decrease for copper (14%), zinc (2%), silver (0.3%), gold (8%) and molybdenum (13%).

For copper metal, the main reasons for changes are depletion at all sites (44% of the total decrease), negative mine to mill reconciliations, cost increases and refreshed metal price assumptions. Refinements to the geological model at Las Bambas resulting from improved orebody knowledge also contributed. Depletion and other negative impacts were partly offset by Ore Resource increases at Kinsevere and its satellite deposits and the south-west extension of Chalcobamba at Las Bambas, which contributed to a 13% increase in copper resource at the Chalcobamba deposit. Drilling continues in this area from existing platforms, with new drilling locations anticipated to be permitted by March 2021. In addition, work has commenced at the Ferrobamba Deeps exploration target, testing for high-grade skarn mineralization located beneath the final open pit at Ferrobamba.

For zinc metal reserves, the main reasons for the changes are depletion at all sites and conversion of Mineral Resources to Ore Reserves at Rosebery. This was a result of focused drilling and detailed studies that seek to extend the life of this operation. Zinc Mineral Resources have increased, primarily as a result of the discovery of thick, high grade zones within the main lens in the southern part of the Dugald River orebody with an increase in tonnage of the primary zinc resource by approximately 14%. High grade lead and silver are also present in these areas of structural thickening. Further interpretation work has indicated that these thicknesses in the zinc orebody could be repeated within the current in-mine footprint requiring prioritised infill drilling. At Rosebery, in-mine drilling activities continue to focus on resource conversion and resource extension. Further work in 2021 will continue to assess various targets within the mine area, along with deeper extensions to the north.

A 35% increase in cobalt metal in Mineral Resources from 2019 was due to a new cobalt rich zone discovered at Sokorshe II and the addition of another new satellite deposit, Mwepu, to the mineral inventory. The regional exploration program at Kinsevere will continue during 2021.

CORPORATE UPDATE

LIQUIDITY

Cash on hand as at 31 December 2020 was US\$192.7 million, of which US\$102.2 million was attributable to the Las Bambas joint venture.

As at 31 December 2020, total term debt held by the Company and its subsidiaries totalled US\$6,911.10 million. A further US\$327.5 million was drawn under revolving credit and asset lease facilities. US\$1,800.0 million remained undrawn under standby liquidity facilities, of which US\$1,150.0 million is available exclusively for the use of Las Bambas.

This represents a reduction in net debt for the MMG Group of approximately US\$498.0 million during the second half of 2020.

These figures remain subject to auditor confirmation. Further detail will be provided with the Company's 2020 annual results, which are scheduled for release on 3 March 2021.

FUNDING INITIATIVES

On 22 December 2020, the Company announced that its subsidiary, MMG Finance Limited, had entered into a three-year, US\$300.0 million revolving credit facility with ICBC. This three-year facility is unsecured and available for drawing over its three year term, with repaid funds available for redraw. At the same time, the Company also announced the extension of the maturity date for a separate US\$300.0 million revolving credit facility provided by Top Create Resources Limited, a subsidiary of China Minmetals Corporation. This facility, which was originally due to mature in December 2020, will now remain in place until June 2021.

In July 2014, MMG South America Company Limited, a wholly owned subsidiary of the Company, entered into a US\$2,262.0 million, four year loan with Top Create Resources Limited. Drawings under the facility were used to fund MMG's 62.5% equity contribution to the Las Bambas joint venture. This agreement has since been amended, most recently on 22 December 2020 when it was announced that a US\$700.0 million repayment obligation that was to fall due in July 2021 would be deferred until July 2024. In addition, a reduction to applicable interest rates was also agreed.

These transactions demonstrate the strong ongoing support of MMG's banking partners and majority shareholder.

CAPITAL EXPENDITURE

Full year capital expenditure and depreciation figures for 2020 remain subject to auditor confirmation, however are expected to be approximately US\$516.0 million (inclusive of capitalised mining) and US\$928.0 million, respectively.

The Company anticipates 2021 full year capital expenditure of between US\$750.0 million and US\$800.0 million. Of this, approximately US\$650.0 million will be attributable to Las Bambas, inclusive of approximately US\$250.0 million of capitalised mining. Full year depreciation is anticipated to be approximately US\$910.0 million.

These figures represent an increase on 2020 capital expenditure, largely due to key projects that were originally scheduled for 2020 being deferred into 2021. It is anticipated that group wide capital expenditure will fall to approximately US\$450.0 million (approximately US\$650.0 million, inclusive of capitalised mining), in subsequent years.

A further breakdown of 2020 capital expenditure and key projects that make up anticipated 2021 capital expenditure will be provided as part of the Company's 2020 annual results presentation.

Capital expenditure guidance does not include funding for the next phase of development at Kinsevere. Cost details will be announced if and when the project receives formal approval.

-ENDS-

CORPORATE DETAILS

MELBOURNE OFFICE

Level 23, 28 Freshwater Place Southbank
Victoria 3006, Australia
T +61 3 9288 0888

HONG KONG OFFICE

Unit 1208, 12/F, China Minmetals Tower
79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong
T +852 2216 9688

POSTAL ADDRESS

GPO Box 2982, Melbourne, Victoria, 3001, Australia

MMG LIMITED EXECUTIVE COMMITTEE

GAO Xiaoyu, Chief Executive Officer and Executive Director
Ross CARROLL, Chief Financial Officer
LI Liangang, Executive General Manager – Australia and Commercial
Troy HEY, Executive General Manager – Corporate Relations
WEI Jianxian, Executive General Manager – Americas

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong

IMPORTANT DATES

3 March 2021 – 2020 Annual Results Announcement
4 March 2021 – 2020 Annual Results Investor Presentation

For details please contact Corporate Affairs below.

INVESTOR AND MEDIA ENQUIRIES

Blake ERICKSEN

Head of Investor Relations
T +61 3 9288 9185
M +61 475 804 341
E InvestorRelations@mmg.com

Andrea ATELL

Head of Corporate Affairs
T +61 3 9288 0758
M +61 476 830 491
E CorporateAffairs@mmg.com

Chinese Language:

Sandra GUAN

General Manager Stakeholder Relations
T +852 2 216 9608
M +86 138 0133 6818
E ChinaRelations@mmg.com

Throughout this report figures in italics indicate that this figure has been adjusted since it was previously reported.

APPENDIX – GUIDANCE

2021 GUIDANCE SUMMARY		
	2021 GUIDANCE	2020 ACTUAL
Las Bambas		
Copper – production	310,000 – 330,000 tonnes	311,020 tonnes
Copper – C1 costs	US\$1.10 – US\$1.20 / lb	US\$1.00 / lb
Dugald River		
Zinc – production	180,000 – 190,000 tonnes	177,704 tonnes
Zinc – C1 costs	US\$0.70 – US\$0.75 / lb	US\$0.70 / lb
Kinsevere		
Copper – production	50,000 - 60,000 tonnes	72,007 tonnes
Copper – C1 costs	US\$2.15 – US\$2.25 / lb	US\$1.81 / lb
Rosebery		
Zinc – production	60,000 – 70,000 tonnes	67,393 tonnes
Zinc – C1 costs	US\$0.00 – US\$0.10 / lb	US\$0.01/ lb

APPENDIX – PRODUCTION RESULTS

		LAS BAMBAS						
		QUARTER ENDED				YEAR-TO-DATE		
		DEC 2019	JAN 2020	JUN 2020	SEP 2020	DEC 2020	DEC 2020	DEC 2019
Ore mined - copper	tonnes	10,934,016	9,600,874	10,734,366	17,547,304	20,117,301	57,999,845	51,653,616
Ore milled - copper	tonnes	12,785,623	9,898,899	9,815,438	12,643,970	12,826,088	45,184,395	51,283,371
Waste movement	tonnes	34,907,342	35,696,212	30,803,477	36,191,289	34,793,489	137,484,467	128,286,976
COPPER								
Ore mined - grade	%	0.91	0.87	0.70	0.68	0.71	0.73	0.81
Ore milled - grade	%	0.87	0.84	0.70	0.76	0.86	0.79	0.84
Recovery	%	89.4	87.8	85.6	87.9	86.5	87.0	88.1
Production								
Copper concentrate	tonnes	261,513	199,411	179,692	244,328	269,420	892,851	994,130
Grade	%	38.13	36.77	32.49	34.42	35.33	34.83	38.48
Containing	tonnes	99,702	73,319	58,378	84,086	95,236	311,020	382,518
Sales								
Total concentrate sold	tonnes	271,784	217,013	179,394	229,626	277,498	903,531	853,297
Payable metal in product sold	tonnes	100,435	76,262	58,373	76,037	93,594	304,266	312,918
GOLD & SILVER								
Payable metal in product sold - gold	oz	31,840	24,654	14,944	15,455	17,808	72,860	91,439
Payable metal in product sold - silver	oz	1,486,314	1,146,899	729,607	964,886	1,251,480	4,092,872	4,581,714
MOLYBDENUM								
Production								
Molybdenum concentrate	tonnes	526	273	1,156	2,461	2,777	6,667	3,792
Grade	%	45.79	45.55	47.41	47.97	47.33	47.51	47.01
Contained metal produced	tonnes	241	124	548	1,180	1,315	3,167	1,783
Sales								
Total product sold	tonnes	775	200	539	2,056	2,686	5,482	3,969
Payable metal in product sold	tonnes	354	93	252	982	1,282	2,609	1,866

KINSEVERE								
QUARTER ENDED							YEAR-TO-DATE	
		DEC 2019	JAN 2020	JUN 2020	SEP 2020	DEC 2020	DEC 2020	DEC 2019
Ore mined - copper	tonnes	708,505	383,158	625,164	917,287	0	1,925,609	2,462,037
Ore milled - copper	tonnes	632,321	565,148	628,813	613,888	641,004	2,448,852	2,355,275
Waste movement	tonnes	3,913,258	2,355,250	3,480,273	2,937,685	0	8,773,208	17,024,363
COPPER								
Ore mined - grade	%	2.87	2.87	2.66	2.28	0.00	2.52	2.42
Ore milled - grade	%	3.39	3.35	3.15	3.03	2.82	3.08	3.04
Recovery	%	94.7	94.0	95.5	95.8	96.4	95.4	95.6
Production								
Contained metal produced - cathode	tonnes	20,438	18,207	18,298	18,022	17,479	72,007	67,935
Sales								
Total product sold - cathode	tonnes	20,083	17,874	18,036	17,650	17,228	70,787	65,326
Payable metal in product sold - cathode	tonnes	20,083	17,874	18,036	17,650	17,228	70,787	65,326

DUGALD RIVER								
		QUARTER ENDED					YEAR-TO-DATE	
		DEC 2019	JAN 2020	JUN 2020	SEP 2020	DEC 2020	DEC 2020	DEC 2019
Ore mined	tonnes	513,169	462,570	483,165	541,796	495,458	1,982,988	1,853,876
Ore milled	tonnes	546,738	443,378	504,255	481,540	529,499	1,958,672	1,975,569
ZINC								
Ore mined - grade	%	10.53	9.97	10.28	10.91	11.00	10.56	10.46
Ore milled - grade	%	10.37	9.56	10.00	10.89	11.23	10.45	10.15
Recovery	%	85.1	83.8	86.6	87.9	88.2	86.8	84.7
Production								
Zinc concentrate	tonnes	100,014	72,846	89,468	93,829	105,701	361,843	349,870
Grade	%	48.24	48.74	48.81	49.11	49.62	49.11	48.61
Containing	tonnes	48,247	35,505	43,672	46,081	52,446	177,704	170,057
Sales								
Total product sold	tonnes	100,007	83,429	95,636	88,723	103,878	371,666	340,297
Payable metal in product sold	tonnes	40,625	33,881	39,036	36,469	43,187	152,573	138,409
LEAD								
Ore mined - grade	%	1.86	1.63	1.71	1.94	2.22	1.88	1.80
Ore milled - grade	%	1.87	1.55	1.69	1.95	2.22	1.86	1.76
Recovery	%	66.1	62.2	65.3	68.2	64.8	65.3	66.5
Production								
Lead concentrate	tonnes	11,758	7,622	10,395	11,488	14,378	43,882	39,222
Grade	%	57.54	56.11	53.58	55.72	52.86	54.34	59.03
Containing	tonnes	6,766	4,277	5,569	6,401	7,601	23,847	23,154
Sales								
Total product sold	tonnes	10,756	10,431	10,213	10,029	13,724	44,397	36,396
Payable metal in product sold	tonnes	6,023	5,735	5,234	5,366	6,966	23,301	20,291
SILVER								
Ore milled - grade	g/t	62.73	66.95	56.69	46.18	55.26	56.04	56.04
Payable metal in product sold	oz	344,958	343,156	372,328	361,338	506,364	1,583,186	1,193,303

ROSEBERY								
		QUARTER ENDED					YEAR-TO-DATE	
		DEC 2019	JAN 2020	JUN 2020	SEP 2020	DEC 2020	DEC 2020	DEC 2019
Ore mined	tonnes	276,624	221,522	237,379	265,771	266,453	991,124	1,032,507
Ore milled	tonnes	262,329	234,415	238,232	264,427	242,644	979,718	1,030,016
ZINC								
Ore mined - grade	%	10.73	8.91	7.82	7.84	8.75	8.32	9.80
Ore milled - grade	%	9.90	8.60	8.13	7.19	8.77	8.15	9.45
Recovery	%	86.9	86.6	84.9	81.6	84.5	84.4	85.8
Production								
Zinc concentrate	tonnes	41,323	32,363	30,277	28,845	33,578	125,064	154,346
Grade	%	54.61	53.93	54.30	53.82	53.53	53.89	54.08
Containing	tonnes	22,566	17,452	16,442	15,525	17,974	67,393	83,463
Sales								
Total product sold	tonnes	32,440	31,744	35,796	29,771	36,801	134,113	147,840
Payable metal in product sold	tonnes	15,004	14,817	16,644	13,661	17,048	62,170	68,473
LEAD								
Ore mined - grade	%	3.53	3.31	3.19	3.54	3.12	3.29	3.22
Ore milled - grade	%	3.28	3.20	3.23	3.27	3.46	3.29	3.10
Recovery	%	79.2	75.5	66.6	73.4	73.1	72.2	76.9
Production								
Lead concentrate	tonnes	11,320	9,155	8,613	10,148	10,145	38,061	40,317
Grade	%	60.19	61.90	59.45	62.60	60.45	61.15	60.89
Containing	tonnes	6,813	5,666	5,120	6,353	6,133	23,272	24,549
Sales								
Total product sold	tonnes	11,008	5,912	11,260	8,441	12,227	37,840	40,872
Payable metal in product sold	tonnes	6,298	3,426	6,498	4,812	7,050	21,787	23,690

ROSEBERY (continued)								
QUARTER ENDED							YEAR-TO-DATE	
		DEC 2019	JAN 2020	JUN 2020	SEP 2020	DEC 2020	DEC 2020	DEC 2019
Ore mined	tonnes	276,624	221,522	237,379	265,771	266,453	991,124	1,032,508
Ore milled	tonnes	262,329	234,415	238,232	264,427	242,644	979,718	1,030,016
COPPER								
Ore mined - grade	%	0.24	0.24	0.20	0.24	0.31	0.25	0.22
Ore milled - grade	%	0.25	0.25	0.23	0.22	0.28	0.25	0.24
Recovery	%	65.8	64.6	63.4	61.1	64.1	63.3	62.2
Production								
Copper concentrate	Tonnes	2,339	2,143	2,019	2,085	2,576	8,823	8,896
Grade	%	18.43	17.95	17.39	17.32	17.08	17.42	16.97
Containing	tonnes	431	385	351	361	440	1,537	1,510
Sales								
Total product sold	tonnes	1,699	1,557	3,367	1,932	2,405	9,261	8,567
Payable metal in product sold	tonnes	296	271	584	316	391	1,562	1,415
OTHER METALS								
Ore milled grade – gold	g/t	1.5	1.4	1.8	1.5	1.6	1.6	1.3
Ore milled grade - silver	g/t	113.2	113.4	125.8	120.7	128.7	122.2	103.6
Recovery - gold	%	22.3	23.6	22.7	23.0	28.0	23.8	23.5
Production								
Gold doré	oz	4,450	3,026	4,837	4,664	5,484	18,012	17,263
Containing - gold	oz	2,916	1,816	2,767	2,774	3,279	10,636	10,567
Containing - silver	oz	1,711	993	1,428	1,775	1,941	6,137	6,051
Sales								
Gold doré sold	oz	4,061	3,447	2,426	6,369	4,416	16,658	16,852
Payable metal in all products sold - gold	oz	7,095	5,980	11,604	9,949	8,943	36,476	28,621
Payable metal in all products sold - silver	oz	574,515	408,630	942,791	607,605	783,856	2,742,882	2,286,605