

CHIEF EXECUTIVE OFFICER'S REPORT

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Dear Shareholders,

I am pleased to present our 2020 Annual Results.

Thank you for your ongoing support throughout this unprecedented year.

In 2020, we demonstrated our ability to maintain continuous production across our operations while working hard to manage the impact of COVID-19 on our people and communities.

We ended the year in a strong position with increasing metals prices and improving production, including at Las Bambas, where we have been able to return workforce levels close to full capacity.

In 2021 we will continue to advance our objective of generating further value from our existing operations as we look to grow our business.

SAFETY

The COVID-19 pandemic has had a significant impact on our people, communities and the broader global community as we have all worked to adjust to the disruptions to our daily lives.

I am proud of the efforts made by our people to keep themselves and their families safe. As a Company we have demonstrated our ability to actively and effectively manage the risks presented by this virus. Implementation of strict health and hygiene protocols, backed by a vigorous testing regime, has enabled us to maintain production even in the regions such as Peru where the impact of COVID-19 was particularly significant. While we are encouraged by the progress made in the development and distribution of vaccines globally, the impacts of COVID-19 are likely to present continued challenges in the near term. We remain committed to maintaining a strong focus on managing the risks posed to our people and communities.

In 2020, our total recordable injury frequency (TRIF) was 1.38 per million hours worked which represents a

decline of 13% from the 2019 result of 1.58. It is pleasing to see a decline in the overall injury rate and we will continue to direct significant effort towards our goal of eliminating injuries from our workplaces. We continue to prioritise our investigation and learning from events, ensuring that procedures are optimised for the safety of our people.

OPERATING PERFORMANCE

In 2020, MMG operations produced 384,564 tonnes of copper and 245,097 tonnes of zinc.

Las Bambas produced 311,020 tonnes of copper in 2020, 19% below the 2019 result. This was as a result of the COVID-19 restrictions on workforce availability, unplanned maintenance requirements and community blockades, some of which impacted inbound logistics.

Delays in the permitting and development of the Chalcobamba pit, and the further impacts of COVID-19 on development projects will impact production of copper concentrate in 2021 with an expected range of 310,000 and 330,000 tonnes. The development of Chalcobamba, further investment in mining fleet and the third ball mill is however anticipated to see average annual copper production increase to approximately 400,000 tonnes over the subsequent four years (2022 to 2025, inclusive).

Kinsevere produced 72,007 tonnes of copper cathode in 2020 which represents an increase of 6% on the 2019 result. This result is attributable to the return to mining in the higher-grade Central pit, along with stability in the plant and increased throughput, recovery and ore grades. Following the decision to temporarily suspend mining late in the third quarter ahead of the wet season, ore mining volumes were impacted. However, with significant stockpiles available on site, processing of ore continues. We now expect to resume mining in the second quarter of 2021.



Dugald River delivered record annual production of 177,074 tonnes of zinc in zinc concentrate in 2020. The operation further set annual records for mining volumes, recovery and production of lead and silver by-products. These outstanding results follow a significant effort by the Dugald River team throughout the year to ramp up and optimise the mine and processing plant. The operation is well positioned to deliver on targeted zinc production approaching 200,000 tonnes per year by 2022.

Our Rosebery operation produced 67,393 tonnes of zinc, a result that exceeded our expectations despite being 19% below 2019 levels. The result was largely due to the declining zinc ore grades at depth and lower mining and milling volumes, with access to certain mining areas constrained for much of the year following the seismic events in 2019. While lead production was also 5% lower than the 2019 volumes, production of both gold and silver was higher.

We expect to produce between 360,000 and 390,000 tonnes of copper and 240,000 and 260,000 tonnes of zinc in 2021.

FINANCIAL PERFORMANCE

The Company delivered an EBITDA result of US\$1,379.7 million. Financial performance was impacted by lower zinc prices, the ongoing impact of COVID-19 and community blockades at Las Bambas which impacted sales volumes.

While the first half of 2020 was challenging, our strong management of COVID-19 risks, improved operational and financial performance and a recovery in commodity prices enabled us to deliver a US\$93.3 million profit attributable to equity holders in the six months to 31 December 2020. Full year net cashflow from operating activities increased by 19% to US\$1,358.2 million, further supporting a reduction in borrowings of US\$453.3 million.

TRANSFORMING OUR BUSINESS

In 2020, we continued to transform our business by placing significant focus on improving operational performance, increasing efficiency and generating greater value from our activities to improve shareholder returns. This business-wide transformation program touched on every area of our operations from our culture through to our daily operating processes. The results of this program have been pleasing with significant strides made in simplifying our business and providing clear accountabilities for performance improvement.

OUTLOOK

Looking ahead to 2021, we expect that the challenges brought on by the global pandemic will remain in the near term and that the global economic recovery will remain volatile. Nevertheless, our confidence in the outlook for our core commodities is supported by the broader global trends of clean energy, a shift to greater vehicle electrification and increased global economic stimulus which will sustain recent commodity price rises.

MMG is well positioned for growth as we look to the next phase of development at Kinsevere, the potential mine extension at Rosebery and encouraging drilling results from exploration programs around our existing operating hubs.

Finally, thank you to our shareholders, communities, contractors and our people for your continued support.

Geoffrey (Xiaoyu) GAO
CHIEF EXECUTIVE OFFICER