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**MMG LIMITED**

**五礦資源有限公司**

*(Incorporated in Hong Kong with limited liability)*

(STOCK CODE: 1208)

## **SECOND QUARTER PRODUCTION REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2021**

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 (Company or MMG) is pleased to provide the Second Quarter Production Report for the three months ended 30 June 2021.

The report is annexed to this announcement.

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

Hong Kong, 26 July 2021

*As at the date of this announcement, the Board comprises 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.*

# 2021 SECOND QUARTER PRODUCTION REPORT

FOR THE THREE MONTHS ENDED 30 JUNE 2021					
	2Q21	2Q21 VS 2Q20	2Q21 VS 1Q21	YTD21	YTD21 VS YTD20
<b>Copper (cathode, tonnes)</b>					
Kinsevere	12,632	-31%	1%	25,123	-31%
<b>Total</b>	<b>12,632</b>	<b>-31%</b>	<b>1%</b>	<b>25,123</b>	<b>-31%</b>
<b>Copper (contained metal in concentrate, tonnes)</b>					
Las Bambas	80,241	37%	25%	144,642	10%
Rosebery	434	24%	-1%	872	18%
<b>Total</b>	<b>80,676</b>	<b>37%</b>	<b>24%</b>	<b>145,514</b>	<b>10%</b>
<b>Zinc (contained metal in concentrate, tonnes)</b>					
Dugald River	40,027	-8%	-18%	89,076	13%
Rosebery	18,110	10%	-6%	37,460	11%
<b>Total</b>	<b>58,137</b>	<b>-3%</b>	<b>-15%</b>	<b>126,536</b>	<b>12%</b>
<b>Lead (contained metal in concentrate, tonnes)</b>					
Dugald River	4,281	-23%	-25%	9,956	1%
Rosebery	6,860	34%	2%	13,612	26%
<b>Total</b>	<b>11,141</b>	<b>4%</b>	<b>-10%</b>	<b>23,567</b>	<b>14%</b>
<b>Molybdenum (contained metal in concentrate, tonnes)</b>					
Las Bambas	1,570	186%	40%	2,693	301%
<b>Total</b>	<b>1,570</b>	<b>186%</b>	<b>40%</b>	<b>2,693</b>	<b>301%</b>

## KEY POINTS

- Total recordable Injury Frequency (TRIF) for the second quarter 2021 was 1.53 per million hours worked and year-to-date TRIF was 1.17.
- MMG continues to respond to the COVID-19 pandemic with extensive pre-screening and health controls in place. Workforce levels at Las Bambas have averaged around 90% of normal with expanded COVID-safe accommodation. All other sites continue to operate at relatively normal staffing levels, with enhanced health and safety measures in place.
- Total copper production (copper cathode plus copper in concentrate) of 93,308 tonnes was 21% higher than the first quarter with improved mining productivity and higher grades at Las Bambas and stable plant performance at Kinsevere.
- Total zinc production of 58,137 tonnes was 15% below the first quarter. The lower production was due to a temporary technical issue impacting the paste-fill delivery system at Dugald River as well as a planned maintenance shut down in June.
- Largely uninterrupted road transport access continued at Las Bambas in the June quarter, enabling the further reduction in concentrate inventory to around 13,000 tonnes of copper on site. Inventory is expected to reach normal levels by August.

- Stable production rates and significantly higher commodity prices have driven a material improvement in underlying financial performance for the Company in the first half of 2021. Net Profit After Tax attributable to equity holders is expected to be around US\$400 million, compared to a Net Loss After Tax attributable to equity holders of US\$158 million in the first half of 2020.
- Net debt reduced by around US\$1.2 billion over the first half of 2021 due to strong operational cash flow and the US\$300m equity issuance in June. Gearing is reduced from 73% to 62%, significantly strengthening the balance sheet as MMG looks to move into its next phase of disciplined growth.
- MMG had anticipated regulatory approval for the development of the Chalcobamba pit in the first half of 2021 following submission of original application in February 2019. However, a combination of lengthy community consultation and administrative delays – as well as complications associated with the 2021 national elections – has delayed approvals.
- The Company looks forward to working with the incoming Government of Peru and the Huancuire community to advance development. The project is a significant one for the economy of Peru and will support additional social contribution and financial and business opportunities for local and regional communities.
- As a result of the ongoing uncertainty around Chalcobamba approvals, 2021 copper production at Las Bambas is now expected to be at the low end of the previous guidance range of 310,000 to 330,000 tonnes. Production guidance is maintained for all other sites. C1 cost guidance is reduced at Rosebery and maintained at all other sites with an ongoing focus on cost control measures.
- The delivery of near and mid-term growth opportunities remains a focus for the Company, including the Las Bambas development plan, the next phase of the Kinsevere development as well as the active review of additional growth opportunities.

## COMMODITY PRICES, MARKETING AND SALES

	COMMODITY PRICES, MARKETING AND SALES					
	QUARTER-AVERAGE			QUARTER CLOSE		
	Q2 2021	Q1 2021	Q2 2020	Q2 2021	Q1 2021	Q2 2020
<b>Metal Price</b>						
Copper (US\$/lb)	4.40	3.86	2.43	4.26	4.01	2.74
Gold (US\$/oz)	1,815	1,796	1,711	1,760	1,688	1,769
Lead (US\$/lb)	0.97	0.92	0.76	1.05	0.89	0.81
Molybdenum (US\$/lb)	14.28	11.32	8.37	18.95	11.05	7.38
Silver (US\$/oz)	26.69	26.26	16.38	25.77	24.00	17.85
Zinc (US\$/lb)	1.32	1.25	0.89	1.34	1.27	0.93

Sources: zinc, lead and copper: LME<sup>1</sup> cash settlement price; Molybdenum: Platts; gold and silver: LBMA.

### Copper prices and copper concentrate market

Average copper prices increased 14% compared with the first quarter of 2021. Factors driving higher copper prices included accommodative monetary policy, global economic recovery following the COVID-19 pandemic, US dollar weakness and low exchange stocks. The LME daily official settlement price set a new high at US\$10,724.50 per tonne on May 10<sup>th</sup>, and the quarterly average price of US\$9,697.06 per tonne topped the previous quarterly high in Q1 2011. Towards the end of the quarter however, the copper price pared back some of its gains after the Federal Open Market

<sup>1</sup>LME (London Metal Exchange) data is used in this report under licence from LME; LME has no involvement and accepts no responsibility to any third party in connection with the data; and onward distribution of the data by third parties is not permitted.

Committee (FOMC) suggested that it could raise interest rates sooner than expected and China announced that it would release strategic metal reserves. The closing price of US\$9,385/t was 6% higher than the Q1 closing price.

The copper concentrate market softened in Q2 due to the upcoming maintenance season for smelters and increased concentrate supply from key Latin American producers. TC/RCs rebounded after reaching the lowest levels in close to a decade in March. Spot TC/RCs in the low US\$40s per tonne /US 4s cents per lb are being taken by smelters for clean concentrate for prompt delivery at the end of June, still well below the annual terms of US\$59.50 per tonne / US 5.95 c per lb.

### Zinc and lead prices and the concentrate market

Zinc and lead prices hit 3-year highs during the quarter on positive investor sentiment and supportive fundamentals. Zinc production disruptions in China due to power shortages in some provinces and pressure to curb pollution in other regions have led to production cuts, higher zinc metal premiums and reductions in both LME and SHFE zinc stocks, providing fundamental support to the zinc price. The quarterly average zinc price of US\$2,910/t was 6% higher than the first quarter. For the lead market, extreme cold weather in the Northern hemisphere in the first quarter has led to higher replacement battery demand and a decrease in LME lead stocks in May and June. The quarterly average lead price reached US2,140/t, up 5.4% compared to the first quarter.

While global mine production is recovering from COVID-19 impacted lows, smelter demand for zinc and lead concentrates remained strong in the second quarter with spot treatment charges continuing to trade well below annual benchmark contract levels. High metal prices are encouraging smelters to increase metal production. With India and Latin America accounting for approximately 30% and 20% of global zinc and lead concentrate mine output respectively, the risk that COVID-19 in these countries may once again affect mine output is causing further urgency for smelters to increase their spot concentrate market purchases.

### PROVISIONAL PRICING

The following table provides a summary of the metal that was sold but which remains provisionally priced at the end of June 2021 and the month that final average pricing is expected to occur at the time of final invoicing.

	Payable Metal Qty (Open QP)				Grand Total
	Jul-21	Aug-21	Sep-21	Oct-21	
Copper (tonnes)	52,598	16,999	32,490	23,528	125,615
Gold (ounces)	9,920	3,006	2,914		15,841
Lead (tonnes)	1056	2,445	2,753		6,254
Molybdenum (pounds)	568	447			1,014
Silver (ounces)	825,893	316,583	381,029		1,523,505
Zinc (tonnes)	12,848	133	4299		17,279

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## OPERATIONS

### LAS BAMBAS

	LAS BAMBAS			
	2Q21	2Q21 vs 2Q20	2Q21 vs 1Q21	YTD21 VS YTD20
<b>Contained metal in concentrate</b>				
Copper (tonnes)	80,241	37%	25%	144,642 10%
Molybdenum (tonnes)	1,570	186%	40%	2,693 301%

## Second quarter operational performance

Las Bambas produced 80,241 tonnes of copper in copper concentrate during the second quarter. This represented an increase of 25% on the first quarter of 2021 and a 37% increase on the same period of last year when production was impacted by the onset of the COVID-19 pandemic.

Mining volumes improved significantly, with total material movement 11% higher than the first quarter of 2021 due to higher workforce capacity and improved equipment productivity. Milled ore grades increased to 0.72% from 0.63%, as the main mining activities in Q2 were focused on a higher-grade phase of the Ferrobamba pit. More favourable ore characteristics also increased the average recovery rate to 87.0% from 84.5% in the first quarter.

Molybdenum production increased by 40% to 1,570 tonnes compared to the first quarter. The increase was due to sequential improvements in the plant following recent debottlenecking activities as well as higher molybdenum feed grades.

Despite continued escalation of the "3<sup>rd</sup> wave" of the Covid-19 pandemic in Peru, the situation remains well controlled at Las Bambas. The company continues to provide support to regional communities and maintain strict health protocols for employees and contractors. With the expanded COVID-safe accommodation, onsite workforce levels averaged around 90% of normal levels.

## Community and Transport Logistics Update

Las Bambas continues to work closely with local communities and the Government to manage community concerns regarding the public road used for transporting Las Bambas concentrates.

Road availability in the second quarter of 2021 was better than previous years, allowing longer transportation periods in the quarter and a significant reduction in concentrate inventory levels. As at 30 June, inventory at the mine site had been reduced to approximately 13,000 tonnes of copper in concentrate, compared with 37,000 tonnes at the end of the first quarter and a peak of over 65,000 tonnes. Inventory is expected to reach normal levels by August.

Further information about Las Bambas' concentrate logistics and its contribution to local development, as well as how it is managing social and community engagement can be found at [www.wemineforprogress.com](http://www.wemineforprogress.com).

## Outlook

Full year production for 2021 is now expected to be around 310,000 tonnes of copper in copper concentrate, the low end of the guidance range.

MMG had anticipated regulatory approval for the development of the Chalcobamba pit in the first half following submission of original application in February 2019. However, a combination of lengthy community consultation and administrative delays – as well as complications associated with the 2021 national elections – has delayed approvals.

The Company looks forward to working with the incoming Government of Peru and the Huancuire community to advance development. The project is a significant one for the economy of Peru and will support additional social contribution and financial and business opportunities for local and regional communities.

When approval is received, Las Bambas will move immediately towards significant development of the pit, investment in mine fleet and the third ball mill, which will underpin a production increase to an average of around 400,000 tonnes per annum for the medium term.

Despite permitting delays, full year C1 costs are still expected to be between US\$1.10 and US\$1.20/lb. Cost pressures associated with increased mining and milling volumes and longer haul distances, as the depth of the Ferrobamba pit increases, will continue to be partially offset by ongoing cost and efficiency programs. These factors will ensure Las Bambas remains one of the lowest cost mines of this scale in the world.

## KINSEVERE

KINSEVERE					
	2Q21	2Q21 vs 2Q20	2Q21 vs 1Q21	YTD21	YTD21 VS YTD20
Copper Cathode (tonnes)	12,632	-31%	1%	25,123	-31%

### Second quarter operational performance

Kinsevere produced 12,632 tonnes of copper cathode in the second quarter of 2021, in line with the first quarter of 2021 and year to date production plans.

As previously advised, mining activity was temporarily suspended at Kinsevere during the fourth quarter of 2020, with feed to the mill now coming from existing ore stockpiles and third parties. The lower grade nature of stockpiled ore was the key reason for lower copper cathode production compared with previous years. Processing plant performance was strong, with throughput up 13% on the first quarter and improved recoveries (96.5% vs. 95.5%) due to a higher content of acid soluble copper (ASCu) in the ore and stable plant performance offsetting a slightly lower feed grade.

### Outlook

In line with prior guidance, copper cathode production for 2021 is expected to be in the range of 50,000 to 60,000 tonnes, with C1 costs between US\$2.15 and US\$2.25/lb. Mining of the remaining oxide reserves is expected to resume in the December quarter 2021, which should improve average milled ore grade compared to the lower grade stockpiles processed during the first half of 2021.

The next phase of Kinsevere development, namely the transition to the mining and processing of sulphide ores, is also progressing with the project team currently undertaking detailed engineering works in anticipation of the development phase of the project over the remainder of 2021 and 2022. This project will extend Kinsevere's mine life, see a return to higher copper production volumes in future years and add cobalt production to MMG's portfolio. A decision to proceed with this project remains subject to MMG Board approval. Due to ongoing project optimisation work, a final decision on this is now expected during the second half of 2021.

MMG will continue to invest in regional exploration programs focusing on proving up discoveries within an operating radius of the Kinsevere mine.

## DUGALD RIVER

DUGALD RIVER								
	2Q21	2Q20	2Q21 vs 2Q20	1Q21	2Q21 vs 1Q21	YTD21	YTD20	YTD21 VS YTD20
<b>Contained metal in concentrate</b>								
Zinc (tonnes)	40,027	43,672	-8%	49,049	-18%	89,076	79,177	13%
Lead (tonnes)	4,281	5,569	-23%	5,675	-25%	9,956	9,846	1%

### Second quarter operational performance

Dugald River produced 40,027 tonnes of zinc for the second quarter, which was 18% below the first quarter. The lower production was the result of reduced ore availability to the mill and a planned plant shutdown in June. The reduced ore availability was due to short term constraints in the south mine, with technical issues impacting the paste-fill delivery system. This issue has now been rectified. The lower mill throughput was partly offset by higher zinc feed grades (11.40% vs. 11.02% in Q1) associated with reduced dilution.

### Outlook

In line with prior guidance, Dugald River is expected to produce between 180,000 and 190,000 tonnes of zinc in zinc concentrate during 2021. C1 cost guidance of US\$0.70/lb – US\$0.75/lb is also unchanged, with the benefit of lower prevailing TC's in 2021 partially offset by the stronger A\$/US\$ exchange rate.

Dugald River continues to target sustained delivery of annual mine capacity of two million tonnes and by 2022, zinc production approaching 200,000 tonnes per annum.

## ROSEBERY

ROSEBERY								
	2Q21	2Q20	2Q21 vs 2Q20	1Q21	2Q21 vs 1Q21	YTD21	YTD20	YTD21 VS YTD20
<b>Contained metal in concentrate</b>								
Zinc (tonnes)	18,110	16,442	10%	19,350	-6%	37,460	33,894	11%
Lead (tonnes)	6,860	5,120	34%	6,751	2%	13,612	10,787	26%
Copper (tonnes)	434	351	24%	437	-1%	872	736	18%

### Second quarter operational performance

Rosebery produced 18,110 tonnes of zinc, 6,860 tonnes of lead, 434 tonnes of copper and 11,891 ounces of gold during the second quarter of 2021. When measured on a zinc equivalent basis, total production of around 43,641 tonnes was around 6% above the first quarter, mainly due to higher mill throughput and an increased contribution from lead, copper and precious metals by-products. This offset the lower mined zinc grade due to a change in mining sequence.

### Outlook

In line with prior guidance, MMG expects to produce between 60,000 and 70,000 tonnes of zinc in zinc concentrate in 2021. However, full year C1 costs guidance is now expected to be significantly lower than previous guidance at negative US\$-0.20 to US\$0.00/lb. The reduced C1 expectation is due to the combined impact of lower TCs, continued strong cost control and higher precious metal by-product credits. This strong performance reflects the ability of the Company to continue efficiently operating the mine, maximising output and reducing production cost. This is despite longer term grade declines and operating at depth.

Resource extension and near mine exploration drilling will continue during 2021, with results continuing to indicate further extensions to the resource and mine life. As a result, the Company is currently investigating the potential for short term capacity increases at existing tailings storage facilities while studying and permitting a proposed site for a new tailings storage facility to support an extended the life of mine.

## GEOSCIENCE AND DISCOVERY

### Las Bambas

Drilling continued during the second quarter of 2021 on near-surface, skarn and porphyry copper mineralisation at the Chalcobamba Southwest Zone as well as on deep exploration at Chalcobamba and Ferrobamba. All core has been logged and is in the process of being assayed. The analytical results for this drilling will be provided at a later date.

### Chalcobamba Southwest Zone

Drilling continued at the Chalcobamba Southwest Zone, located immediately southwest of the current Chalcobamba Ore Reserve pit (Figure 1). Coherent, higher-grade copper skarn is located beneath a shallow, unmineralised diorite intrusion that strikes EW and dips gently to the S. Five holes were completed for a total of 1,434 metres in Q2. Sample preparation and assaying for this drilling is in progress and will be reported on later this year.

### Ferrobamba Deeps

Nine drill holes and 3,340 meters were completed at Ferrobamba Deeps. This drilling was designed to test the depth projection of higher-grade mineralization currently being mined by the open pit. The targeted mineralization could serve to deepen the current open pit or provide ore for future UG mining activity. Assays for this drilling will be reported on later in the year.

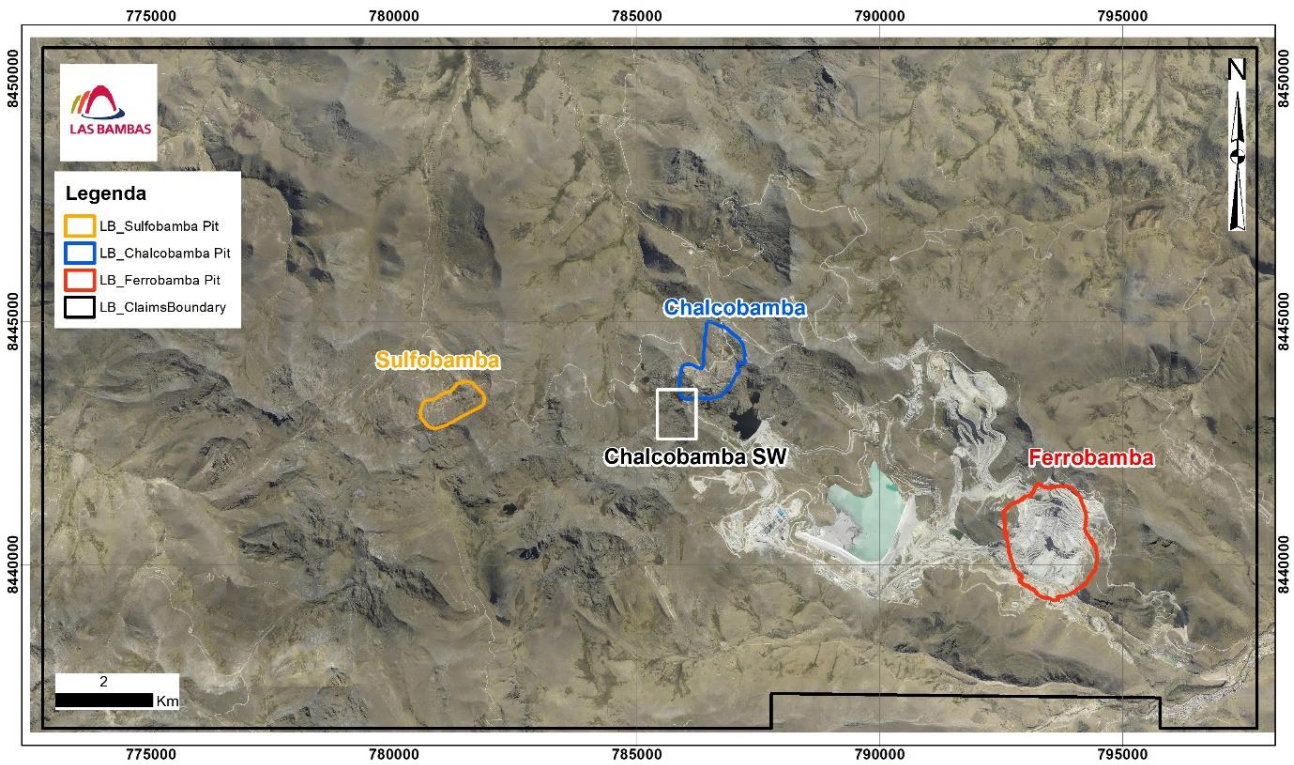


Figure 1. Outline of Las Bambas Mining Concessions highlighting the location of Reserves and Resources as well as the Chalcobamba Southwest Zone exploration area.

### Kinsevere

In the second quarter of 2021, exploration activities continue to focus on the development of the satellite copper oxide deposits within an operating radius of the Kinsevere Mine that may be suitable for economic exploitation and processing at the Kinsevere plant.

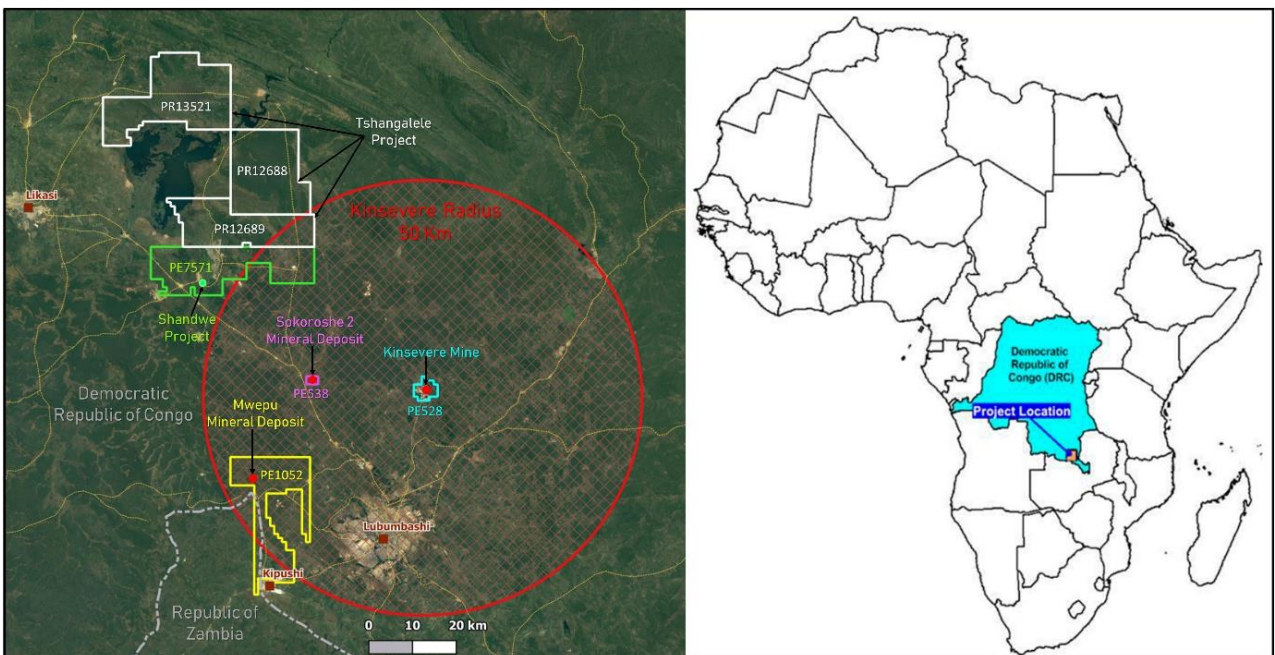


Figure 2: Location map for the 2021 DRC projects.



### Sokoroshe II – PE538

2,500 meter of diamond drilling has been planned to delineate the extension of the southern orebody which is cobalt rich and expected to significantly increase the overall Sokoroshe II Cu and Co resource. Drilling is planned for the Q3 of 2021.

### Mwepu – PE1052

The 2021 exploration activities planned consists of a Scoping Study and 3,200 meters of a diamond drilling program to upgrade the Inferred Mineral Resources to Indicated Mineral Resources.

### Shandwe – PE7571

4,000 meters of Reverse Circulation (RC) drilling has been planned to determine extension to mineralization and search for thicker and high-grade zones.

### Tshangalele - PR13521, PR12688, PR12689

The Tshangalele block project consists of 3 greenfield exploration tenements identified as prospective for oxide copper mineralization due to the presence and interpreted Roan Stratigraphic windows.

During the second quarter of 2021, soil geochemical survey was completed, and 3,300 soil samples were collected pending assay results. Potential targets were identified from previous geological information and geochemical and geophysical data.

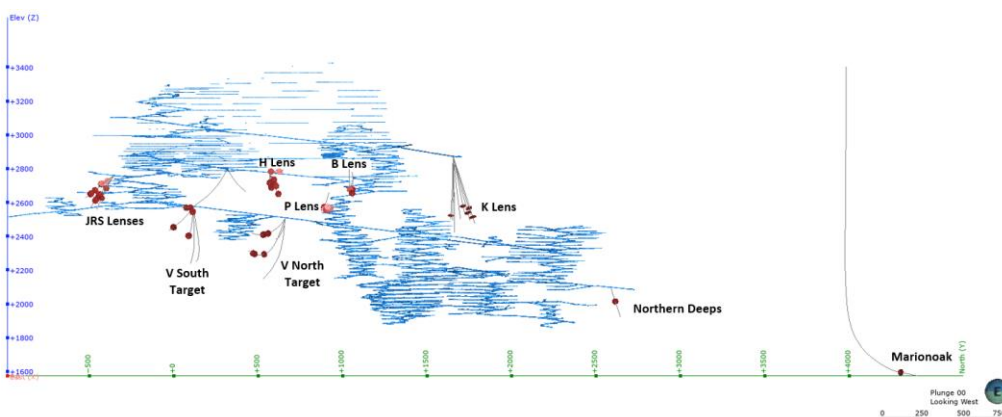
### Dugald River

During the quarter, site preparations were completed for a 20,000m surface drilling program. The drilling commenced during late May to investigate the host slate horizons on the Southern Leases of the Dugald River mine for zinc and copper mineralised zones. To date, 3,355m have been drilled across five diamond drill holes. All holes have intersected variable zones of sulphides within the host horizon consisting of pyrrhotite stringers and breccias with low-grade disseminated sphalerite. Assays are pending.

The remainder of the surface program for the year will focus on exploring for indications of zinc mineralised zones along the 3.5 km stratigraphic trend south of the mine. These holes will target structurally complex areas of the host slate and drill beneath the low-grade sphalerite encountered in the drill program so far. Additional drilling will be completed in the proximal zone of the Inferred Resource in lower Panel A and to the north of Panel E, known as Target F.

### Rosebery

For the second quarter of 2021, in-mine drilling activities continued to focus on resource conversion and resource extension drilling. Resource conversion programs performed to expectation, targeting mineralisation in the K and P Lenses (shown in Figure 3). Resource Extension programs are ongoing at the V South and JRS Lenses (shown in Figure 3). Results from these ongoing extension programs were positive during the reporting period. Additional Resource Extensions programs are coming on-line in the Northern Deeps target (shown in Figure 3). These programs are targeting additional mineral extensions down-dip and to the north of known mining zones.



**Figure 3:** Rosebery Mine - Looking West, showing Lens locations and significant intercepts (red discs).

## CORPORATE UPDATE

### MMG NEW SHARE PLACEMENT

On 1 June 2021, MMG launched a New Share Placement (completed on 8 June 2021). The final offering of 565 million shares priced at HK\$4.15 per share represented an 8.4 per cent discount to prior day's closing price and received strong demand from global long-only investors, existing shareholders and multi-strategy investors across the region.

The net proceeds of approximately US\$300 million will bring greater balance sheet flexibility and further support MMG's strategy to capture emerging business opportunities.

MMG has successfully executed the two largest metals and mining Hong Kong Stock Exchange (HKEx) follow on transactions in the past 10 years. The latest offering is also the largest metals and mining HKEx equity fundraising since September 2018. This represents the lowest discount metal and mining HKEx follow on, year to date, 2021.

Credit Suisse and CLSA acted as Joint Global Coordinators on the transaction while Credit Suisse, CLSA and Bank of China International acted as Joint Placing Agents.

### POSITIVE PROFIT ALERT

On 19 July 2021, MMG announced that it expected to record a net profit after tax attributable to equity holders for the half year ended 30 June 2021 (H12021) of approximately US\$400 million, as compared to the net loss after tax attributable to equity holders of US\$158 million recorded for the half year ended 30 June 2020 (H12020).

The expected H12021 result represents an improvement in underlying operating conditions from H12020 with higher commodity prices and the drawdown of stockpiled copper in concentrate from Las Bambas over the period.

The Company is still in the process of finalising its financial results of the Group for H12021. The Positive Profit Alert announcement is based on a preliminary assessment made by the Board and information currently available and may be subject to adjustment and change.

### COPPER AND ZINC HEDGING PROGRAM

Following the strong increase in both copper and zinc prices over the first half of 2021, MMG has executed a series of commodity hedges in recent months. The hedging program is primarily used as a risk management tool given the Company's high gearing levels and is designed to protect the current strong free cash flow generation of the business. The majority of these instruments have a collar structure that provides a floor price protection and retains some upside exposure should prices rise further. Details of these hedging arrangements are provided below.

#### Las Bambas

Las Bambas has hedged approximately 40% of sales from February to December 2021. To date, fixed price swaps totaling around 50,000 tonnes have been executed at an average price of US\$4.53/lb. In addition, around 70,000 tonnes have been hedged using collars with an average floor price of US\$4.11/lb and an average ceiling price of US\$4.94/lb. Subject to prevailing market conditions, this hedging program remains ongoing.

#### Kinsevere

The Company has hedged approximately 50% of Kinsevere's sales between May and December 2021 (around 18,000 tonnes of copper cathode) using a collar structure with an average floor price of US\$4.17/lb and an average ceiling price of US\$5.03/lb.

#### Dugald River

Dugald River has hedged approximately 75% of its sales between June and December 2021 (around 67,000 tonnes of zinc) using a collar structure with an average floor price of US\$1.20/lb and an average ceiling price of US\$1.46/lb.

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## LAS BAMBAS TAX UPDATE

On 13 July 2021, MMG announced that Minera Las Bambas S.A. (MLB) had received assessment notices in connection with an audit undertaken in respect of the 2016 tax year (2016 Assessment) in the amount of approximately US\$174 million. The 2016 Assessment is based upon the same interpretation of the PITL by SUNAT as the 2014 Initial Assessment, the 2014 Supplementary Assessment and the 2015 Assessment that, MLB, MMG and MMG's ultimate controlling shareholder China Minmetals Corporation (CMC) are related to the Lenders because of certain alleged links between (a) MLB, MMG and CMC and the Chinese State on the one hand and (b) the Lenders and the Chinese State on the other hand.

MLB disagrees with this interpretation and the application of the PITL by SUNAT. MLB has appealed the 2014 Initial Assessment, the 2014 Supplementary Assessment and the 2015 Assessment, and also intends to appeal the 2016 Assessment, and not to pay the assessed amounts to SUNAT pending resolution of the appeals. We note that appeals in the Peruvian Judiciary System can take many years to resolve.

Considering MLB's proposed appeals and the advice of the Group's tax and legal advisers, the Company does not intend to recognise a liability in its consolidated financial statements for any assessed amount.

-ENDS-

## CORPORATE DETAILS

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### MMG LIMITED EXECUTIVE COMMITTEE

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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

18 August 2021 – Interim Results announcement

19 August 2021 – Interim Results briefing

For details please contact Corporate Relations below.

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## APPENDIX – GUIDANCE

2021 GUIDANCE SUMMARY		
	2021 GUIDANCE	2020 ACTUAL
<b>Las Bambas</b>		
Copper – production	~310,000 tonnes	311,020 tonnes
Copper – C1 costs	US\$1.10 – US\$1.20 / lb	US\$1.00 / lb
<b>Dugald River</b>		
Zinc – production	180,000 – 190,000 tonnes	177,704 tonnes
Zinc – C1 costs	US\$0.70 – US\$0.75 / lb	US\$0.70 / lb
<b>Kinsevere</b>		
Copper – production	50,000 - 60,000 tonnes	72,007 tonnes
Copper – C1 costs	US\$2.15 – US\$2.25 / lb	US\$1.81 / lb
<b>Rosebery</b>		
Zinc – production	60,000 – 70,000 tonnes	67,393 tonnes
Zinc – C1 costs	US\$-0.20 – US\$0.00 / lb	US\$0.01/ lb

## APPENDIX – PRODUCTION RESULTS

LAS BAMBAS								
QUARTER ENDED						YEAR-TO-DATE		
		JUN 2020	SEP 2020	DEC 2020	MAR 2021	JUN 2021	JUN 2021	JUN 2020
Ore mined - copper	tonnes	10,734,366	17,547,304	20,117,301	13,850,211	19,476,861	33,327,072	20,335,240
Ore milled - copper	tonnes	9,815,438	12,643,970	12,826,088	12,206,629	12,914,029	25,120,658	19,714,337
Waste movement	tonnes	30,803,477	36,191,289	34,793,489	35,254,426	35,256,793	70,511,219	66,499,689
<b>COPPER</b>								
Ore mined - grade	%	0.70	0.68	0.71	0.57	0.63	0.60	0.78
Ore milled - grade	%	0.70	0.76	0.86	0.63	0.72	0.68	0.77
Recovery	%	85.6	87.9	86.5	84.5	87.0	85.9	86.8
<b>Production</b>								
Copper concentrate	tonnes	179,692	244,328	269,420	196,436	240,113	436,549	379,103
Grade	%	32.49	34.42	35.35	32.78	33.42	33.13	34.74
Containing	tonnes	58,378	84,086	95,236	64,401	80,241	144,642	131,698
<b>Sales</b>								
Total concentrate sold	tonnes	179,394	229,626	277,498	216,773	287,918	504,691	396,407
Payable metal in product sold	tonnes	58,373	76,037	93,594	70,426	95,055	165,481	134,635
<b>GOLD &amp; SILVER</b>								
Payable metal in product sold - gold	oz	14,944	15,455	17,808	13,520	21,287	34,807	39,597
Payable metal in product sold - silver	oz	729,607	964,886	1,251,480	877,350	1,312,009	2,189,358	1,876,506
<b>MOLYBDENUM</b>								
<b>Production</b>								
Molybdenum concentrate	tonnes	1,156	2,461	2,777	2,387	3,278	5,664	1,429
Grade	%	47.41	47.97	47.33	47.05	47.89	47.54	47.05
Contained metal produced	tonnes	548	1,180	1,315	1,123	1,570	2,693	672
<b>Sales</b>								
Total product sold	tonnes	539	2,056	2,686	2,506	3,113	5,619	739
Payable metal in product sold	tonnes	252	982	1,282	1,183	1,469	2,652	345

KINSEVERE								
		QUARTER ENDED				YEAR-TO-DATE		
		JUN 2020	SEP 2020	DEC 2020	MAR 2021	JUN 2021	JUN 2021	JUN 2020
Ore mined - copper	tonnes	625,164	917,287	0	20,075	0	20,075	1,008,322
Ore milled - copper	tonnes	628,813	613,888	641,004	552,631	624,463	1,177,094	1,193,960
Waste movement	tonnes	3,480,273	2,937,685	0	0	0	0	5,835,523
<b>COPPER</b>								
Ore mined - grade	%	2.66	2.28	-	3.81	-	3.81	2.74
Ore milled - grade	%	3.15	3.03	2.82	2.37	2.15	2.25	3.25
Recovery	%	95.5	95.8	96.4	95.5	96.5	96.0	94.7
<b>Production</b>								
Contained metal produced - cathode	tonnes	18,298	18,022	17,479	12,490	12,632	25,123	36,505
<b>Sales</b>								
Total product sold - cathode	tonnes	18,036	17,650	17,228	12,278	12,389	24,667	35,910
Payable metal in product sold - cathode	tonnes	18,036	17,650	17,228	12,278	12,389	24,667	35,910

DUGALD RIVER								
		QUARTER ENDED				YEAR-TO-DATE		
		JUN 2020	SEP 2020	DEC 2020	MAR 2021	JUN 2021	JUN 2021	JUN 2020
Ore mined	tonnes	483,165	541,796	495,458	449,772	434,985	884,758	945,735
Ore milled	tonnes	504,255	481,540	529,499	501,149	399,805	900,954	947,634
<b>ZINC</b>								
Ore mined - grade	%	10.28	10.91	11.00	11.65	11.40	11.53	10.13
Ore milled - grade	%	10.00	10.89	11.23	11.02	11.40	11.19	9.79
Recovery	%	86.6	87.9	88.2	88.8	87.9	88.4	85.3
<b>Production</b>								
Zinc concentrate	tonnes	89,468	93,829	105,701	97,715	79,048	176,763	162,313
Grade	%	48.81	49.11	49.62	50.20	50.64	50.39	48.78
Containing	tonnes	43,672	46,081	52,446	49,049	40,027	89,076	79,177
<b>Sales</b>								
Total product sold	tonnes	95,636	88,723	103,878	89,069	98,125	187,195	179,065
Payable metal in product sold	tonnes	39,036	36,469	43,187	37,355	41,660	79,015	72,917
<b>LEAD</b>								
Ore mined - grade	%	1.71	1.94	2.22	1.86	1.79	1.82	1.67
Ore milled - grade	%	1.69	1.95	2.22	1.81	1.73	1.78	1.63
Recovery	%	65.3	68.2	64.8	62.5	61.9	62.2	63.9
<b>Production</b>								
Lead concentrate	tonnes	10,395	11,488	14,378	10,267	7,675	17,942	18,017
Grade	%	53.58	55.72	52.86	55.28	55.77	55.49	54.65
Containing	tonnes	5,569	6,401	7,601	5,675	4,281	9,956	9,846
<b>Sales</b>								
Total product sold	tonnes	10,213	10,029	13,724	9,933	10,278	20,211	20,644
Payable metal in product sold	tonnes	5,234	5,366	6,966	5,091	5,318	10,409	10,969



		ROSEBERY							
		QUARTER ENDED				YEAR-TO-DATE			
		JUN 2020	SEP 2020	DEC 2020	MAR 2021	JUN 2021	JUN 2021	JUN 2020	
Ore mined	tonnes	237,379	265,771	266,453	246,416	259,574	505,990	458,901	
Ore milled	tonnes	238,232	264,427	242,644	228,317	286,028	514,345	472,647	
<b>ZINC</b>									
Ore mined - grade	%	7.82	7.84	8.75	8.67	7.20	7.92	8.34	
Ore milled - grade	%	8.13	7.19	8.77	9.88	7.55	8.58	8.36	
Recovery	%	84.9	81.6	84.5	85.7	83.9	84.8	85.8	
<b>Production</b>									
Zinc concentrate	tonnes	30,277	28,845	33,578	36,629	33,472	70,101	62,640	
Grade	%	54.30	53.82	53.53	52.83	54.10	53.44	54.11	
Containing	tonnes	16,442	15,525	17,974	19,350	18,110	37,460	33,894	
<b>Sales</b>									
Total product sold	tonnes	35,796	29,771	36,801	29,798	34,467	64,265	67,540	
Payable metal in product sold	tonnes	16,644	13,661	17,048	13,619	15,566	29,185	31,461	
<b>LEAD</b>									
Ore mined - grade	%	3.19	3.54	3.12	3.12	3.06	3.09	3.25	
Ore milled - grade	%	3.23	3.27	3.46	3.68	3.02	3.31	3.21	
Recovery	%	66.6	73.4	73.1	80.3	79.4	79.8	71.0	
<b>Production</b>									
Lead concentrate	tonnes	8,613	10,148	10,145	11,515	11,120	22,635	17,768	
Grade	%	59.45	62.60	60.45	58.63	61.70	60.14	60.71	
Containing	tonnes	5,120	6,353	6,133	6,751	6,860	13,612	10,787	
<b>Sales</b>									
Total product sold	tonnes	11,260	8,441	12,227	6,606	16,486	23,092	17,172	
Payable metal in product sold	tonnes	6,498	4,812	7,050	3,828	9,355	13,183	9,924	

ROSEBERY (continued)								
		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2020	SEP 2020	DEC 2020	MAR 2021	JUN 2021	JUN 2021	JUN 2020
Ore mined	tonnes	237,379	265,771	266,453	246,416	259,574	505,990	458,901
Ore milled	tonnes	238,232	264,427	242,644	228,317	286,028	514,345	472,647
<b>OTHER METALS</b>								
Ore milled - gold	g/t	1.8	1.5	1.6	1.6	1.6	1.6	1.6
Ore milled - silver	g/t	125.8	120.7	128.7	129.8	119.7	124.2	119.7
Ore milled - copper	%	0.23	0.22	0.28	0.34	0.26	0.29	0.24
<b>Production</b>								
Precious metals concentrate	tonnes	2,019	2,085	2,576	2,580	2,497	5,077	4,162
Containing - copper	tonnes	351	361	440	437	434	872	736
Containing - gold	oz	5,690	5,024	4,929	4,241	5,211	9,451	10,126
Containing - silver	oz	425,577	452,636	498,139	383,904	491,343	875,247	784,486
Gold doré	oz	4,837	4,664	5,484	4,433	8,360	12,793	7,864
Containing - gold	oz	2,767	2,774	3,279	2,372	4,864	7,235	4,583
Containing - silver	oz	1,428	1,775	1,941	1,218	2,890	4,108	2,421
<b>Sales</b>								
Precious metals concentrate sold	tonnes	3,367	1,932	2,405	2,799	3,263	6,062	4,924
Gold doré sold	oz	2,425.84	6,368.74	4,416.34	4,811.76	7,056.84	11,868.60	5,873.10
Payable metal in product sold - copper	oz	584	316	391	460	528	988	855
Payable metal in product sold - gold	oz	11,604	9,949	8,943	8,145	11,775	19,920	17,584
Payable metal in product sold - silver	oz	942,791	607,605	783,856	534,252	945,005	1,479,257	1,351,421