

CHAIRMAN'S REVIEW

Dear Shareholders

I extend my thanks for your long-term support. On behalf of the MMG Board, I am pleased to present the Company's 2021 interim results.

In the first half of 2021, the COVID-19 virus continued to spread across the world. With the emergence of mutated strains, the number of globally infected people exceeded 200 million, with some countries and regions hit by ongoing pandemic waves that threatened livelihoods while presenting serious economic challenges. In the face of this exceptionally complex external environment, MMG's epidemic prevention and control measures helped to ensure stable production. In the first half of the year, the Company sold 191,700 tonnes of copper and 108,900 tonnes of zinc, achieving operating revenue of US\$2,433.54 million, net profit after tax of US\$584.0 million and net profit attributable to shareholders of US\$400.1 million – a gratifying achievement.

During the Reporting Period, MMG continued to adhere to its core 'safety first' value, prioritising our people. In accordance with the requirements of the host governments in the regions where MMG operates, we implemented strict and effective

pandemic prevention plans, screening the health of mine personnel. At MMG's mine sites, we cooperated with local governments by promoting vaccination and epidemic protection in line with broader community initiatives. We also strengthened operational safety. During the reporting period, MMG's recordable injury rate per million hours worked was further reduced on a year-on-year basis.

In terms of production management, MMG continued to promote optimisation projects at all sites. The Company set up 'sprint teams' to overcome obstacles, focusing on bottlenecks, boosting efficiency and maximising cost reduction. MMG continuously improved performance in various sections of the production process, including mining, milling, beneficiation and logistics, to reduce operating costs. The Company also promoted sourcing optimisation programs by renegotiating and re-signing contracts, further reducing operational and capital expenses.

From a capital markets perspective, MMG successfully executed the placement of 565 million new shares during the reporting period, raising net proceeds of US\$299 million. The participation



Underground at Rosebery mine.



of many existing and new long-term global investors in the placement fully demonstrates the confidence the market has in MMG's high quality assets and its operational expertise. Thanks to the strong performance of base metal prices and the successful new share placement, MMG's balance sheet is further improved, creating more favourable conditions for the Company's next development phase.

We are also pleased with the excellent results achieved by MMG's major shareholder, China Minmetals Corporation (CMC), in the first half of 2021. On a year-on-year basis, operating revenue increased by 35% and net profit was up by 182%. In addition, operational performance continued to improve, the profitability of core businesses increased significantly, and new technological breakthroughs and achievements were made. As the flagship platform for CMC's overseas mining development, MMG will continue to receive strong support from its major shareholders, providing protection for the Company's competitiveness and long-term development.

Looking ahead to the second half of the year, global pandemic prevention and control remains a

major challenge together with uncertainty about the global resources market outlook. However, we remain confident about the world economy and overall market opportunities. As the largest consumer of metal and mineral products, China is well positioned in the global bulk resources market. China's economic recovery is expected to remain strong in the second half of the year. MMG will seize opportunities for the rebound in the metal and mining industry and promote high quality and sustainable development.

I would like to thank all shareholders, communities and business partners for their long-term support and my sincere gratitude to all employees for their hard work.

GUO Wenqing
CHAIRMAN



Kinsevere mine processing plant.