

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**MMG LIMITED**

**五礦資源有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(STOCK CODE: 1208)**

## KINSEVERE EXPANSION PROJECT

This announcement is made by MMG Limited (Company or MMG, together with its subsidiaries, the Group) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) and the Inside Information Provisions (as defined under the Listing Rules).

The Board of Directors (Board) of the Company is pleased to announce that the Board has approved the development of the Kinsevere Expansion Project at the Company's Kinsevere mine in the Democratic Republic of the Congo.

This project will mine and process the copper sulphide and cobalt resource located at the Kinsevere mine and includes the installation of new facilities and associated processing methodology involving a flotation plant, roaster system and cobalt processing circuit into which the existing SX-EW plant will be integrated.

The project will extend the life of the Kinsevere operation for at least 13 years from 2022 and, once fully ramped up, will result in total annual production of up to 80,000 tonnes of copper cathode and between 4,000 – 6,000 tonnes of cobalt in cobalt hydroxide. Construction will commence in 2022, with first cobalt production expected in 2023, and first cathode production from the sulphide orebody utilising the new processing facilities expected in 2024. Kinsevere will continue to produce copper cathode from the remaining oxide orebody during the construction phase, with annual copper production expected to remain around 2021 levels of approximately 50,000 tonnes over this time.

Total capital expenditure for the project is expected to be in the range of US\$550 – \$600 million and will be funded through a combination of available cash reserves and borrowings. The Company expects to achieve C1 costs of US\$1.30 – 1.40/lb when at a steady state of operation.

As a result of the completion of the Feasibility Study and Board approval of the Kinsevere Expansion Project, MMG has also released an updated Mineral Resource and Ore Reserves for Kinsevere to the Hong Kong Stock Exchange. The key changes are that Kinsevere's copper Ore Reserves (contained metal) have increased by 600%, (and approximately 33 million tonnes of ore) and adding cobalt Ore Reserves of approximately 29,000 tonnes (contained metal).

The Board has authorised MMG Kinsevere SARL (MMG Kinsevere) to enter into certain major contracts including for the construction of plant, development of infrastructure and purchase of equipment to progress the Kinsevere Expansion Project. Some of these contracts may be connected transactions for purposes of Chapter 14A of the Listing Rules that will be subject to the approval of the Board. The Company will comply with any applicable announcement and/or shareholders' approval requirements under the Listing Rules in respect of those contracts.

The Board is also pleased to confirm that the previously announced litigation between MMG Kinsevere and Mining Company Katanga SARL (MCK) has been settled and the parties have agreed that all legal proceedings be withdrawn. In partial consideration of such settlement, a contract for mining services at the Kinsevere mine has been awarded to an affiliate of MCK.

By order of the Board  
**MMG Limited**  
**Li Liangang**  
*Interim CEO and Executive Director*

Hong Kong, 24 March 2022

*As at the date of this announcement, the Board comprises seven directors, of which one is an executive director, namely Mr Li Liangang; three are non-executive directors, namely Mr Jiao Jian (Chairman), 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.*