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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

UPDATE TO KINSEVERE MINERAL RESOURCES AND ORE RESERVES STATEMENT AS AT 30 JUNE 2021

This announcement is made by MMG Limited (Company or MMG and, together with its subsidiaries, the Group) pursuant to rule 13.09(2) 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 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 of the Company (Board) is pleased to announce the approval of the Kinsevere Expansion Project and release an updated Mineral Resources and Ore Reserves Statement as at 30 June 2021 (Mineral Resources and Ore Reserves Statement).

The key changes to Kinsevere Mineral Resources and Ore Reserves Statement as at 30 June 2021 are:

- The Mineral Resources (contained metal) have not changed since the public report released on 28 October 2021.
- The Ore Reserves (contained metal) have increased for copper by 600%, compared to the Kinsevere Ore Reserves public report released on 28 October 2021.
- Cobalt Ore Reserves with 29kt of contained metal have been reported publicly for the first time.

The Kinsevere Expansion Project will include the construction of new facilities to allow the processing of transitional and sulphide copper and cobalt ores which will be integrated with the existing oxide copper processing plant. Cathode copper will continue to be produced by the expanded plant as the saleable product together with cobalt hydroxide for the first time.

All data reported here are on a 100% asset basis, with MMG's attributable interest shown against each asset within the Mineral Resources and Ore Reserves tables (pages 4 to 5).



MMG Limited

MINERAL RESOURCES AND ORE RESERVES STATEMENT

30 June 2021

MINERAL RESOURCES AND ORE RESERVES STATEMENT

A copy of the executive summary of the Mineral Resources and Ore Reserves Statement is annexed to this announcement.

The information referred to in this announcement has been extracted from the report titled Mineral Resources and Ore Reserves Statement as at 30 June 2021 published on 24 March 2022 and is available to view on www.mmg.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources and Ore Reserves Statement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Mineral Resources and Ore Reserves Statement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resources and Ore Reserves Statement.

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 Xu Jiqing and Mr Zhang Shuqiang; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan and Mr Chan Ka Keung, Peter.

**MINERAL RESOURCES AND ORE RESERVES STATEMENT****30 June 2021****EXECUTIVE SUMMARY**

The updated Mineral Resources and Ore Reserves for MMG's Kinsevere Mine have been estimated as at 30 June 2021 and are reported in accordance with the guidelines in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and Chapter 18 of the Listing Rules. Mineral Resources and Ore Reserves tables are provided on pages 4 to 5, which include the 30 June 2021 and 30 June 2020 estimates for comparison. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources that have been converted to Ore Reserves. All supporting data are provided within the Technical Appendix, available on the MMG website.

Mineral Resources and Ore Reserves information in this statement have been compiled by Competent Persons (as defined by the 2012 JORC Code). Each Competent Person consents to the inclusion of the information in this report, that they have provided in the form and context in which it appears. Competent Persons are listed on page 5.

MMG has established processes and structures for the governance of Mineral Resources and Ore Reserves estimation and reporting. MMG has a Mineral Resources and Ore Reserves Committee that regularly convenes to assist the MMG Governance and Nomination Committee and the Board of Directors with respect to the reporting practices of the Company in relation to Mineral Resources and Ore Reserves, and the quality and integrity of these reports of the Group.

There are no changes to the Kinsevere Mineral Resources since the previous 30 June 2021 estimate reported on 28 October 2021.

Key changes to the Kinsevere Ore Reserves (contained metal) since the previous 30 June 2021 estimate and public report are due to the sulphide material being reported for the first time and the inclusion of the remaining insitu oxide and TMO¹ material together with sulphide and TMO stockpiled ores. These new Ore Reserves are the direct result of the successful completion of a Feasibility Study and MMG Board approval of the Kinsevere Expansion

The Kinsevere Expansion Project will include the construction of new facilities to allow the processing of transitional and sulphide copper and cobalt ores which will be integrated with the existing oxide copper processing plant. Cathode copper will continue to be produced by the expanded plant as the saleable product together with cobalt hydroxide for the first time.

¹ Transitional and Mixed Ores



MINERAL RESOURCES AND ORE RESERVES STATEMENT

30 June 2021

MINERAL RESOURCES¹

All data reported here is on a 100% asset basis, with MMG's attributable interest shown against each asset within brackets.

Deposit	2021			2020		
	Tonnes (Mt)	Cu (%)	Co (%)	Tonnes (Mt)	Cu (%)	Co (%)
Kinsevere (100%)						
Oxide Copper						
Measured	1.2	3.2	0.11	1.5	3.2	0.1
Indicated	5.5	2.7	0.09	6.1	2.8	0.09
Inferred	2.2	2.1	0.07	2.2	2.2	0.07
Total	8.9	2.7	0.09	9.8	2.7	0.09
Transition Mixed						
Copper Ore						
Measured	0.8	2	0.15	0.9	2.1	0.12
Indicated	2.2	2.1	0.12	2.3	2.1	0.08
Inferred	1.1	1.6	0.08	1.1	1.6	0.12
Total	4.1	1.9	0.12	4.3	2	0.25
Primary Copper						
Measured	1.5	2.6	0.25	1.5	2.6	0.25
Indicated	19	2.3	0.1	18.7	2.3	0.11
Inferred	9.2	1.7	0.08	9	1.8	0.08
Total	29	2.1	0.1	29	2.1	0.1
Oxide-TMO Cobalt						
Measured	0.02	0.46	0.31	0.03	0.49	0.29
Indicated	0.16	0.35	0.33	0.18	0.33	0.32
Inferred	1	0.23	0.32	0.98	0.23	0.32
Total	1.2	0.25	0.32	1.2	0.3	0.32
Primary Cobalt						
Measured	0.01	0.54	0.24	0.02	0.55	0.2
Indicated	0.15	0.57	0.2	0.15	0.57	0.2
Inferred	0.17	0.33	0.25	0.16	0.34	0.25
Total	0.34	0.44	0.22	0.34	0.45	0.22
Stockpiles						
Measured						
Indicated	16	1.6		16	1.6	
Total	16	1.6		16	1.6	
Kinsevere Total	59	2		60	2	

¹ S.I. units used for metals of value; Cu=copper, Zn=zinc, Pb=lead, Ag=silver, Au=gold, Mo=molybdenum, Co=cobalt.



MINERAL RESOURCES AND ORE RESERVES STATEMENT

30 June 2021

ORE RESERVES¹

All data reported here is on a 100% asset basis, with MMG’s attributable interest shown against each asset within brackets.

Ore Reserves						
Deposit	2021			2020		
	Tonnes (Mt)	Cu (%)	Co (%)	Tonnes (Mt)	Cu (%)	Co (%)
Kinsevere (100%)						
Oxide / TMO Copper						
Proved	1.0	3.4	0.15	0.8	3.5	
Probable	3.8	2.9	0.11	1.7	3.2	
Total	4.8	3.0	0.12	2.4	3.3	
Primary						
Proved	1.8	2.5	0.24			
Probable	18	2.4	0.11			
Total	19	2.4	0.12			
Stockpiles						
Proved						
Probable	16	1.6		9.3	2.1	
Total	16	1.6		9.3	2.1	
Kinsevere Total						
Proved	2.7	2.8		0.8	3.5	
Probable	37	2.1		11	2.3	
Kinsevere Total	40	2.1		12	2.4	

COMPETENT PERSONS

Table 1: Competent Persons for Mineral Resources, Ore Reserves and Corporate

Authority / Deposit	Accountability	Competent Person	Professional Membership	Employer
MMG Mineral Resources and Ore Reserves Committee	Mineral Resources	Rex Berthelsen ²	HonFAusIMM(CP)	MMG
MMG Mineral Resources and Ore Reserves Committee	Ore Reserves	Cornel Parshotam ²	MAusIMM	MMG
MMG Mineral Resources and Ore Reserves Committee	Metallurgy: Mineral Resources / Ore Reserves	Amy Lamb ²	MAusIMM	MMG
Kinsevere	Mineral Resources	Samson Malenga ³	Pr.Sci.Nat.	MMG
Kinsevere	Ore Reserves	Dean Basile	MAusIMM(CP)	Mining One Pty Ltd

¹ S.I. units used for metals of value; Cu=copper, Zn=zinc, Pb=lead, Ag=silver, Au=gold, Mo=molybdenum.

² Participants in the MMG Long-Term Incentive Plans which may include Mineral Resources and Ore Reserves growth as a performance condition

³ South African Council for Natural Scientific Professions, Professional Natural Scientist

**MINERAL RESOURCES AND ORE RESERVES STATEMENT****30 June 2021**

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by the listed Competent Persons, who are Members or Fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG) or a Recognised Professional Organisation (RPO) and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Each of the Competent Persons has given consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

KEY ASSUMPTIONS**PRICES AND EXCHANGE RATES**

The following price and foreign exchange assumptions, set according to the relevant MMG Standard as at February 2021, have been applied to all Mineral Resources and Ore Reserves estimates. Price assumptions for all metals have changed from the 2020 Mineral Resources and Ore Reserves statement.

Table 2: 2021 Price (real) and foreign exchange assumptions

	Ore Reserves	Mineral Resources
Cu (US\$/lb)	3.28	3.68
Zn (US\$/lb)	1.16	1.41
Pb (US\$/lb)	0.93	1.13
Au US\$/oz	1,512	1,773
Ag US\$/oz	18.90	22.17
Mo (US\$/lb)	10.08	12.12
Co (US\$/lb)	20.16	30.24
USD:CAD	1.30	
AUD:USD	0.75	As per Ore Reserves
USD:PEN	3.23	



MINERAL RESOURCES AND ORE RESERVES STATEMENT

30 June 2021

CUT-OFF GRADES

Mineral Resources and Ore Reserves cut-off values are shown in Table 3 and Table 4, respectively.

Table 3: Mineral Resources cut-off grades

Site	Mineralisation	Likely Mining Method ¹	Cut-Off Value	Comments
Kinsevere	Oxide copper & stockpiles	OP	0.6% CuAS ²	
	Transition mixed ore copper (TMO)	OP	0.7% Cu ³	<i>In-situ</i> copper Mineral Resources constrained within a US\$3.68/lb Cu and US\$30.24/lb Co pit shell.
	Primary copper	OP	0.8% Cu ³	
	Oxide TMO cobalt	OP	0.2% Co ⁴	<i>In-situ</i> cobalt Mineral Resources constrained within a US\$3.68/lb Cu and US\$30.24/lb Co pit shell, but exclusive of copper mineralisation.
	Primary cobalt	OP	0.1% Co ⁴	

Table 4 : Ore Reserves cut-off grades

Site	Mineralisation	Mining Method ¹	Cut-Off Value	Comments
Kinsevere	Stockpiles	NA	0.9% Cu	
	Oxide copper	OP	1.1% Cu	<i>In-situ</i> copper Ore Reserves constrained within a US\$3.28/lb Cu and US\$20.16/lb Co pit design.
	Transition mixed ore copper (TMO)	OP	1.1% Cu ³	
	Primary copper	OP	1.0% Cu ³	
	Oxide TMO cobalt	OP	0.2% Co ⁴	<i>In-situ</i> cobalt Ore Reserves constrained within a US\$3.28/lb Cu and US\$20.16/lb Co pit design, but exclusive of copper mineralisation.
	Primary cobalt	OP	0.1% Co ⁴	

PROCESSING RECOVERIES

Average processing recoveries are shown in Table 5. More detailed processing recovery relationships are provided in the Technical Appendix.

Table 5: Processing Recoveries

Site	Product	Recovery
Kinsevere	Copper cathode	81% Cu Recovery (96% CuAS ⁵)
	Cobalt precipitate	66% Co Recovery

The Technical Appendix published on the MMG website contains additional Mineral Resources and Ore Reserves information (including the Table 1 disclosure).

¹ OP = Open Pit,
² CuAS = Acid soluble copper
³ Cu = Total Copper
⁴ Co = Total cobalt
⁵ CuAS = Acid Soluble Copper