

# MINE ANALYSIS

## 2021 OVERVIEW

REVENUE (US\$ million):

**\$365.2**

ORE MILLED (tonnes)

**1,022,487**

ZINC IN CONCENTRATE  
PRODUCED (tonnes)

**69,454**

PRODUCTS:

ZINC CONCENTRATE  
LEAD CONCENTRATE  
PRECIOUS METALS CONCENTRATE  
GOLD DORÉ

OWNERSHIP: **100% MMG**

# ROSEBERY

# MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

## Mine Analysis — Rosebery

| Year Ended 31 December                         | 2021      | 2020      | Change%<br>Fav/(Unfav) |
|--|-----------|-----------|------------------------|
| <b>Production</b>                              |           |           |                        |
| Ore Mined (tonnes)                             | 1,004,168 | 991,124   | 1%                     |
| Ore Milled (tonnes)                            | 1,022,487 | 979,718   | 4%                     |
| Zinc in Zinc Concentrate (tonnes)              | 69,454    | 67,393    | 3%                     |
| Lead in Lead Concentrate (tonnes)              | 25,053    | 23,272    | 8%                     |
| Copper in Precious Metals Concentrate (tonnes) | 1,567     | 1,537     | 2%                     |
| Gold (ounces)                                  | 43,010    | 43,580    | (1%)                   |
| Silver (ounces)                                | 3,375,624 | 3,436,505 | (2%)                   |
| <b>Payable Metal in Product Sold</b>           |           |           |                        |
| Copper (tonnes)                                | 1,613     | 1,562     | 3%                     |
| Zinc (tonnes)                                  | 59,562    | 63,962    | (7%)                   |
| Lead (tonnes)                                  | 24,820    | 21,787    | 14%                    |
| Gold (ounces)                                  | 37,537    | 36,476    | 3%                     |
| Silver (ounces)                                | 2,856,635 | 2,742,882 | 4%                     |

| Year Ended 31 December                 | 2021<br>US\$ Million | 2020<br>US\$ Million | Change%<br>Fav/(Unfav) |
|--|----------------------|----------------------|------------------------|
| Revenue                                | 365.2                | 280.7                | 30%                    |
| Operating Expenses                     |                      |                      |                        |
| Production Expenses                    |                      |                      |                        |
| Mining                                 | (76.5)               | (69.2)               | (11%)                  |
| Processing                             | (32.5)               | (29.7)               | (9%)                   |
| Other                                  | (27.6)               | (23.1)               | (19%)                  |
| <b>Total Production Expenses</b>       | <b>(136.6)</b>       | <b>(122.0)</b>       | <b>(12%)</b>           |
| Freight (transportation)               | (8.9)                | (6.5)                | (37%)                  |
| Royalties                              | (18.8)               | (15.0)               | (25%)                  |
| Other <sup>(i)</sup>                   | 2.4                  | (6.4)                | 138%                   |
| <b>Total Operating Expenses</b>        | <b>(161.9)</b>       | <b>(149.9)</b>       | <b>(8%)</b>            |
| Other Expenses                         | -                    | (0.5)                | 100%                   |
| EBITDA                                 | 203.3                | 130.3                | 56%                    |
| Depreciation and Amortisation Expenses | (79.7)               | (50.8)               | (57%)                  |
| EBIT                                   | 123.6                | 79.5                 | 55%                    |
| EBITDA Margin                          | 56%                  | 46%                  | 22%                    |

# MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

Rosebery produced 69,454 tonnes of zinc and 25,053 tonnes of lead in 2021. This represented a 3% and 8% improvement in zinc and lead production compared to 2020. On a zinc equivalent basis, production was 157,482 tonnes, 11% higher than 2020. Declining ore grades were offset by higher recoveries and increased mining and plant throughput.

Revenue increased by US\$84.5 million (30%) to US\$365.2 million due to higher zinc (US\$60.4 million), lead (US\$11.6 million), silver (US\$8.8 million) and copper prices (US\$4.8 million). Sales volumes were also higher by US\$1.8 million primarily due to higher lead (US\$4.7 million) and precious metals (US\$4.4 million) sales volumes, partly offset by lower zinc sales volumes (US\$7.6 million).

Total production expenses increased by US\$14.6 million (12%) compared to 2020 mainly due to unfavourable exchange rates with the strengthening of the Australian dollar in 2021.

Rosebery's zinc C1 costs were negative (US\$0.34/lb) in 2021 compared to US\$0.01/lb in 2020 reflecting the higher precious metal by-products credits and higher zinc production.

## 2022 OUTLOOK

Rosebery is expected to produce between 55,000 and 65,000 tonnes of zinc in zinc concentrate in 2022 at a C1 cost of US\$0.00 to 0.15/lb. This guidance range reflects longer-term grade declines, lower budgeted by-product credits and higher costs associated with operating at depth as well as increasing energy prices. Similar to Dugald River, full year C1 costs remain highly sensitive to prevailing treatment charges and by-product prices.

Resource extension and near-mine exploration continue, with results indicating 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 life of mine.