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**MMG LIMITED**  
**五礦資源有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(STOCK CODE: 1208)**

## LAS BAMBAS TAX UPDATE

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).

MMG Limited (Company or MMG and, together with its subsidiaries, the Group) refers to the announcements dated 3 August 2020, 19 February 2021 and 13 July 2021 in which the board of directors (Board) of the Company informed shareholders that the Company's subsidiary, Minera Las Bambas S.A. (MLB), had received assessments from the National Superintendence of Tax Administration of Peru (SUNAT) in relation to tax withheld on fees and interest paid by MLB under certain loans for part of the 2014 tax year (2014 Initial Assessment), the remainder of the 2014 tax year (2014 Supplementary Assessment), the 2015 tax year (2015 Assessment) and the 2016 tax year (2016 Assessment). These announcements highlighted that the Company may receive similar assessments for future periods until 2017 when the Peruvian Income Tax Law (PITL) was amended. In each assessment, SUNAT advised MLB that, in its opinion, MLB and a consortium of Chinese lender banks (the Lenders) are related parties and thus a 30% withholding tax rate ought to be imposed rather than the 4.99% applied.

The Company notes that MLB has now received assessment notices in connection with an audit undertaken in respect of the 2017 tax year (2017 Assessment) in the amount of approximately US\$132 million. The 2017 Assessment was assessed on interest paid during the period of January 2017 to September 2017, with no assessment made for the period of October 2017 to December 2017 due to the change in law occurring in October 2017.

The 2017 Assessment is based upon the same interpretation of the PITL by SUNAT as the 2014 Initial Assessment, the 2014 Supplementary Assessment, the 2015 Assessment and the 2016 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, the 2015 Assessment and the 2016 Assessment, and also intends to appeal the 2017 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.

The Company will provide further updates when available.

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

Hong Kong, 27 July 2022

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