

LETTER FROM THE BOARD

With global commodity markets expected to remain robust and demand for our core products to grow as decarbonisation and a shift to electrification intensifies, the future for our business is bright.

Dear Shareholders,

The MMG Board is pleased to present the 2022 Annual Report.

This year was a challenging one for our business as we contended with community protests at Las Bambas, our largest asset, ongoing disruptions from COVID-19, a fire near our Rosebery operation and escalating costs due to global inflation and supply challenges.

In the face of these challenges, we are proud of our team's ability to keep driving our business forward while protecting the health and safety of our people and our communities.

Safety

MMG's core value is safety. While we have directed significant effort to ensuring that we are building a safety-focussed culture with the aim of eliminating injuries, we are saddened to report that two people, employed through our mining contractor Barmingo at Dugald River mine, tragically lost their lives after a light vehicle they were travelling in fell into a stope on 15 February 2023.

The entire MMG team feels tremendous sorrow about this incident and we extend our sincere condolences to the families and friends of our lost colleagues Trevor Davis and Dylan Langridge.

The Company has commenced an investigation into how this event has occurred and we will take every measure necessary to ensure our workplaces are safe.

Our portfolio and performance

Challenging external conditions were reflected in our annual results with MMG achieving earnings before interest, tax, depreciation and amortisation (EBITDA) of US\$1,535.4 million and net profit after tax of US\$243.5 million. This result represents a 44 per cent and 74 per cent reduction respectively on 2021 due to lower sales at Las Bambas as well as lower realised commodity prices and higher costs across the business.

While we expect that the rapidly rising interest rates will act to slow global economic growth, we are confident that the reopening of China and robust demand for our products will provide a supportive environment over the medium term.

The development of the next phase of Las Bambas, through the Chalcobamba deposit, will meaningfully increase production to 380,000-400,000 tonnes per annum over the medium term. Securing a sustainable agreement with the Huancuire community is a critical enabler to this.

At Kinsevere we are continuing to progress the development of Kinsevere Expansion Project which will add a further 13 years of mine life and introduce cobalt production. Civil works on the cobalt plant have now been completed and the first cobalt production is expected in 2023. We also continue to invest in regional exploration projects in the Democratic Republic of Congo focusing on the areas near the Kinsevere operation.

At Dugald River we continue direct efforts on safe and sustainable production that will enable the site to maintain zinc equivalent production at approximately

LETTER FROM THE BOARD

CONTINUED

200,000 tonnes per annum. And at Rosebery, our work to secure the life extension of the asset continues; with an exploration drilling program and investigation of tailings storage options to be conducted over the next two years.

Our strategy and growth

MMG remains a critical part of CMC's international growth strategy as it seeks to expand its footprint in the future-facing commodities that are critical to the energy transition.

In 2022, we revised our vision to create a leading international mining company for a low carbon future. To achieve this, we are focusing on maximising the value of our assets, improving competitiveness and pursuing disciplined growth in our target commodities.

Undoubtedly, our first priority is to achieve a sustainable, dialogue and partnership-driven outcome to the Las Bambas community challenges. We are committed to growing this world class asset and sharing the benefits of its success with communities in a mutually beneficial manner that both improves the quality of life for local residents and enables us to deliver on Las Bambas' vast potential.

Management changes

In March 2022, the Company announced the appointment of Mr Nan Wang to the position of Executive General Manager Australia and Africa. Mr Wang has held a number of senior mining and executive positions with a number of international mining companies and returned to MMG having previously spent six years in a senior mining position. He brings to the role strong technical acumen and extensive knowledge of our existing assets.

Outlook

In 2023, we expect Las Bambas production to be in the range of 265,000-305,000 tonnes of copper concentrate. This target however, is highly contingent on a resolution in widespread political protests that commenced in December 2022 and the resumption in concentrate logistics. Kinsevere copper cathode production is expected to be in the range of 40,000-48,000 tonnes.

Group level zinc production is anticipated to be in the range of 225,000-250,000 tonnes of zinc in zinc concentrate.

While we expect cost pressures to remain, we anticipate that global demand for our products will remain steady.

In closing

Delivering a bright future for MMG is not possible without our people and the support of our shareholders. The Board extends its gratitude to all MMG people for their efforts and resilience in a challenging year. We thank our shareholders, partners and communities for their ongoing support.



By order of the Board
LI Liangang
INTERIM CEO AND EXECUTIVE DIRECTOR