

FOURTH QUARTER PRODUCTION REPORT

FOR THE THREE MONTHS ENDED 31 DECEMBER 2023

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).

The board of directors (Board) of MMG Limited (Company or MMG) is pleased to provide the Fourth Quarter Production Report for the three months ended 31 December 2023.

The report is annexed to this announcement.

By order of the Board

MMG Limited
LI Liangang
Interim CEO and Executive Director

Hong Kong, 30 January 2024

As at the date of this announcement, the Board comprises six directors, of which one is an executive director, namely Mr Li Liangang; two are non-executive directors, namely Mr Xu Jiqing (Chairman) 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.

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2023 FOURTH QUARTER PRODUCTION REPORT

For the three months ended 31 December 2023

	4Q23	4Q23 vs 4Q22	4Q23 vs 3Q23	FULL YEAR 23	FULL YEAR 23 vs FULL YEAR 22
Copper (contained metal in concentrate, tonnes)					
Las Bambas	80,873	11%	-1%	302,033	19%
Rosebery	333	-12%	26%	1,163	1%
Total	81,206	11%	-1%	303,196	18%
Copper cathode (tonnes)					
Kinsevere	10,206	-18%	-16%	44,068	-10%
Total	10,206	-18%	-16%	44,068	-10%
Zinc (contained metal in concentrate, tonnes)					
Dugald River	47,116	6%	-1%	151,844	-12%
Rosebery	16,649	5%	40%	51,626	1%
Total	63,765	6%	8%	203,470	-9%
Lead (contained metal in concentrate, tonnes)					
Dugald River	6,927	16%	8%	19,907	-5%
Rosebery	5,797	24%	23%	19,147	6%
Total	12,724	20%	14%	39,055	0%
Molybdenum (contained metal in concentrate, tonnes)					
Las Bambas	793	-35%	4%	3,810	8%
Total	793	-35%	4%	3,810	8%
Cobalt (contained metal, tonnes)					
Kinsevere	105	-	-	105	-
Total	105	-	-	105	-

KEY POINTS

- Total Recordable Injury Frequency (TRIF) for the fourth quarter of 2023 is 1.13 per million hours worked and 1.97 for the full year 2023. The full-year result is higher than the year-to-date result for the third quarter (1.81) due to the inclusion of 14 injuries that were originally misclassified from January to August. None of those additional 14 injuries were of high severity or potential. The result in the fourth quarter was a significant improvement, with all sites demonstrating better execution of safety controls.
- On 21 November 2023, MMG announced that it entered into a Share Purchase Agreement on 20 November 2023 to acquire the Khoemaçau Mine in Botswana for US\$1,875,000,000. The Khoemaçau Mine is a large, long-life copper mine located in northwest Botswana, in the emerging Kalahari Copperbelt. The Khoemaçau Mine's 4,040 km² tenement package hosts the 10th largest African copper Mineral Resource by total contained copper metal and is one of the largest copper sedimentary systems in the world outside of the Central African Copperbelt.
- Mr Song Qian has been appointed Executive General Manager Finance following the retirement of Mr Ross Carroll with effect from 6 March 2024. Mr Qian will commence his role with MMG on 1 February 2024.

2023 Operation Performance

- Full-year 2023 production results at each MMG operation met or exceeded the latest guidance. The C1 costs at Kinsevere met the latest guidance, while Las Bambas, Dugald River, and Rosebery outperformed the latest guidance.
- Total copper production (copper cathode plus copper in concentrate) of 347,264 tonnes for the full year 2023 was 14% higher than 2022 mainly due to mostly uninterrupted operations in 2023 and the operation of the third ball mill at Las Bambas. Total zinc production of 203,470 tonnes in the full year 2023 was 9% below 2022 mainly due to interruptions from the suspension of operations in the first quarter at the Dugald River mine.
- Las Bambas' annual production in 2023 was 302,033 tonnes of copper, towards the top end of the latest guidance and 19% higher than 2022 due to mostly uninterrupted operations in 2023, including a record high annual ore milled volume, compared to a shutdown of more than 50 days in the second quarter of 2022.
- MMG remains committed to working closely with the Government of Peru and community members for transparent and constructive dialogue. Discussions with the Huancaire community have advanced with 5 contracts with community companies signed. These companies have now commenced early works at Chalcobamba.
- Las Bambas concentrate transport has been stable since the removal of roadblocks in March, assisted by the Government declared State of Emergency. The State of Emergency has recently been extended until 6 February 2024. The stable transportation enabled Las Bambas to reduce its on-site concentrate inventory to minimal levels in the fourth quarter.
- Las Bambas total sales of copper concentrate for the entire year of 2023 reached 1.1 million tonnes of concentrate (374,743 tonnes of payable metal). This marks the second-highest annual sales volume since the commissioning of the mine.
- Kinsevere production of 44,068 tonnes was 10% lower than the previous year primarily attributed to a lower annual ore milled throughput due to unstable power supply from the national grid, alongside lower ore feed grade.
- The construction of the Kinsevere Expansion Project (KEP), which includes the transition to mining and processing sulphide ores and the commencement of cobalt production, remains on track. The cobalt plant was commissioned in the fourth quarter, and the first production of cobalt hydroxide was achieved. The new tailing storage facility was commissioned to support the cobalt plant ramp-up. Progress has also been made in the installation of the concentrator and the roaster, gas cleaning and acid plant (RGA) for copper production from sulphide ore.
- Dugald River produced 151,844 tonnes of zinc in 2023, 12% lower than the previous year due to the suspension of operations in the first quarter. Dugald River achieved full production rates in the third and fourth quarters following the ramp-up in the second quarter.
- Rosebery produced 51,626 tonnes of zinc in 2023, 1% above 2022 levels. The ore mined and milled volumes in the fourth quarter were the highest of the year, primarily due to the mining sequence.

2024 Outlook

- Las Bambas copper production for 2024 is expected to be in the range of 280,000 and 320,000 tonnes. This is largely in line with 2023 but is subject to the timing of the development of Chalcobamba. Las Bambas C1 costs in 2024 are expected to be in the range of US\$1.60 – US\$1.80/lb representing an increase compared to 2023 due to the higher volume-driven costs and lower by-product credits related to lower moly price assumptions.
- Kinsevere copper cathode production for 2024 is expected to be in the range of 39,000 and 44,000 tonnes. This range reflects the declining supply of Kinsevere oxide ore due to the transition from the mining of oxide ores to mining sulphide ores. The supply from Sokoroshe II is expected to increase to compensate for the reduced oxide ore mined from the Kinsevere main pit. C1 costs in 2024 are expected to be in the range of US\$2.80 – US\$3.15/lb, an improvement from 2023 due to by-product credits from cobalt and an increase in the supply of ore mined from Sokoroshe II to reduce the reliance on third-party ore.
- Dugald River zinc production for 2024 is expected to be in the range of 175,000 and 190,000 tonnes of zinc in zinc concentrate. This is a substantial improvement over 2023 which was impacted by the suspension of operations in the first quarter of 2023. C1 costs in 2024 are expected to be in the range of US\$0.70 – US\$0.85/lb, an improvement from 2023 reflective of the increased production as well as lower anticipated zinc treatment charges in 2024.
- Rosebery zinc production for 2024 is expected to be in the range of 50,000 to 60,000 tonnes of zinc in zinc concentrate. Including the contribution of by-product metals, zinc equivalent production is expected to be in the range of 115,000 to 130,000 tonnes. C1 costs for 2024 are expected to be in the range of US\$0.10/lb to US\$0.25/lb. This is an improvement over 2023 due to higher anticipated production levels and lower zinc treatment charges.

COMMODITY PRICES, MARKETING AND SALES

	Quarter-Average			Quarter Close		
	Q4 2023	Q3 2023	Q2 2023	Q4 2023	Q3 2023	Q2 2023
Metal Price						
Copper (US\$/t)	8,158	8,356	8,464	8,476	8,230	8,210
Zinc (US\$/t)	2,498	2,428	2,526	2,640	2,640	2,363
Lead (US\$/t)	2,123	2,170	2,117	2,031	2,209	2,105
Molybdenum (US\$/t)	41,112	52,432	46,929	44,092	49,604	48,116
Gold (US\$/oz)	1,974	1,929	1,976	2,062	1,871	1,908
Silver (US\$/oz)	23.20	23.57	24.13	23.79	23.08	22.47

Sources: zinc, lead, and copper: LME¹ cash settlement price; Molybdenum: Platts; gold and silver: LBMA.

Copper prices and copper concentrate market

In the fourth quarter of 2023, average LME copper prices were US\$8,158 per tonne, down 2.36% from the previous quarter. Prices hit a year low of US\$7,824 per tonne in October, before trending upwards from mid-November until the end of the year and reaching US\$8,476 per tonne by the end of December, up 2.9% compared to the end of September. The upturn was supported by the suspension of operations at Cobre Panama and other supply disruptions, increased Chinese manufacturing activities and imports, a weaker US dollar and decreases in LME inventories.

In the copper concentrate market, spot TC/RCs averaged at US\$73.3 per tonne/7.33 US cents per pound in the fourth quarter of 2023. Smelters purchased at an average of around \$80 during the quarter, while traders bought at mid \$60s, below the annual Benchmark of \$88/8.8c. The market had a significant shift in trend after the LME week, and became much tighter than previously forecasted, due to unexpected demands from smelters in China and disruptions from major producers. Major miners and smelters negotiated the TC/RC Benchmark for 2024, settling at US\$80 per tonne/8.0 US cents per pound. China's major copper smelters (CSPT) have set a spot purchasing guidance in line with the new Benchmark.

Zinc and lead prices and concentrate market

The fourth quarter saw an improvement in zinc fundamentals, leading to an average LME zinc price of US\$2,498 per tonne, a 2.9% increase from the third quarter. Despite mixed macroeconomic news, an improved outlook for zinc was supported by a shift in investment funds from net "short" positions to net "long" positions by the end of the quarter, indicating increased confidence and positive sentiment in the market. Additionally, there has been a significant reduction in mine supply in 2023 and the forecast for 2024. Some mines have been placed on care and maintenance, and the start-up of new mines has been delayed, creating a tighter market.

While smelter zinc production has remained strong, there has also been an increase in end-user demand. Data from the International Lead and Zinc Study Group (ILZSG) showed a supply deficit in the zinc metal market in October, and this deficit has persisted since July.

During the fourth quarter, spot zinc concentrate treatment charges experienced a significant decline, trading at US\$70-80 per tonne compared to the 2023 annual benchmark contract levels of US\$274 per tonne and the US\$110-140 per tonne level traded in the third quarter. The combination of price-induced mine closures and disruptions to new zinc projects has transformed the zinc concentrate market in 2023.

Like most metal markets, the LME lead metal price was adversely affected by the mixed macroeconomic outlook. During the fourth quarter, the average LME lead price was US\$2,123 per tonne, 2.2% lower than the previous quarter due to weaker metal demand.

The tight spot lead concentrate market conditions continued during the fourth quarter with strong smelter demand and further mine production curtailments continuing to keep spot treatment charges low, trading at US\$80 – 90 per tonne.

¹ LME (London Metal Exchange) data is used in this report under license from LME; LME has no involvement and accepts no responsibility to any third party in connection with the data; and onward distribution of the data by third parties is not permitted.

Precious and other metals market

In December, gold reached its highest historical level due to increased concerns about geopolitical issues and a forecast of weaker USD resulting in an increased average price, 2.3% higher than the previous quarter. On the other hand, silver remained within a narrower range and the average price decreased by 1.5% compared to the previous quarter.

Provisional pricing

The following table provides a summary of the metal that was sold but which remains provisionally priced at the end of December 2023 and the month that final average pricing is expected to occur at the time of final invoicing.

Open Pricing at 31 December 2023

	Jan-24	Feb-24	Mar-24	Apr-24	Grand Total
Copper (tonnes)	23,661	14,133	19,325	16,196	73,316
Zinc (tonnes)	22,056	12,419	4,397	-	38,872
Lead (tonnes)	3,035	-	-	-	3,035
Molybdenum (tonnes)	155	78	177	127	537
Gold (ounces)	9,209	968	2,321	-	12,499
Silver (ounces)	715,046	66,078	194,047	-	975,172

The following table provides a summary of the outstanding commodity trades to hedge the sales prices for copper at the end of December 2023 and the month that final settlement is expected to occur. There are no hedges for zinc in place.

Unsettled Hedging Volumes at 31 December 2023 - Copper

	Jan-24	Feb-24	Mar-24	Apr-24	Grand Total
Total copper hedged (tonnes)	4,500	8,750	11,250	3,000	27,500
Collar (tonnes)	3,000	-	-	-	3,000
Fixed Price Swap (tonnes)	1,500	8,750	11,250	3,000	24,500
Collar - weighted average price put (US\$/t)	9,000	-	-	-	9,000
Collar - weighted average price call (US\$/t)	9,300	-	-	-	9,300
Fixed - weight average fixed price (US\$/t)	8,640	8,618	8,631	8,643	8,628

OPERATIONS

Las Bambas

	4Q23	4Q23 vs 4Q22	4Q23 vs 3Q23	FULL YEAR 23	FULL YEAR 23 vs FULL YEAR 22
Contained metal in concentrate					
Copper (tonnes)	80,873	11%	-1%	302,033	19%
Molybdenum (tonnes)	793	-35%	4%	3,810	8%

Las Bambas fourth quarter and 2023 performance

Las Bambas produced 80,873 tonnes of copper in the fourth of 2023, which was 11% higher than the prior corresponding period in 2022 and 1% lower than the third quarter. The increase from last year is a result of higher ore milled throughput (13.8 million tonnes vs. 13.5 million tonnes), higher recovery (88.2% vs. 83.7%) and higher head grade (0.67% vs 0.64%).

Various operational improvements, including optimisation of the third ball mill, contributed to a record-high quarterly ore milled volume of 13.8 million tonnes and the highest quarterly recovery rate of 88.2% since 2021.

Overall, Las Bambas copper production in 2023 reached 302,033 tonnes, towards the top end of the latest guidance. This represents a 19% increase compared to 2022 due to mostly uninterrupted operations in 2023 compared to a shutdown of more than 50 days in the second quarter of 2022. Additionally, the operation of the third ball mill contributed to the production growth including a record-high annual ore milled of 52.9 million tonnes, a 20% increase compared to 2022.

The full-year C1 costs at Las Bambas were US\$1.60/lb, which outperformed the latest guidance range of US\$1.65-1.75/lb. This was mainly due to higher Molybdenum prices, higher-than-expected production and an increase in capitalised mine development.

Community and Transport Logistics Update

MMG remains committed to working closely with the Government of Peru and community members for transparent and constructive dialogue. Discussions with the Huancuire community have advanced with 5 contracts with community companies signed. These companies have now commenced early works at Chalcobamba.

The Las Bambas team is working with the Huancuire community towards enduring agreements for the development of the Chalcobamba deposit.

Las Bambas concentrate transport has been stable since the removal of roadblocks in March, assisted by the Government declared State of Emergency. The State of Emergency has recently been extended until 6 February 2024. The stable transportation enabled Las Bambas to reduce its on-site concentrate inventory to the minimal level of around 1,000 tonnes of copper metal in the fourth quarter. As a result of the stability, Las Bambas achieved a significant increase in sales of copper concentrate in 2023 with sales for the year reaching 1.1 million tonnes of concentrate (374,743 tonnes of payable metal). This marks the second-highest sales volume since the commissioning of Las Bambas.

Las Bambas 2024 outlook

Las Bambas copper production for 2024 is expected to be in the range of 280,000 and 320,000 tonnes. This is largely in line with 2023 but is subject to the timing of the development of the Chalcobamba.

Las Bambas C1 costs in 2024 are expected to be in the range of US\$1.60 – US\$1.80/lb representing an increase compared to 2023 due to the higher volume-driven costs and lower by-product credits related to lower moly price assumptions.

Kinsevere

	4Q23	4Q23 vs 4Q22	4Q23 vs 3Q23	FULL YEAR 23	FULL YEAR 23 vs FULL YEAR 22
Contained metal production					
Copper cathode (tonnes)	10,206	-18%	-16%	44,068	-10%
Cobalt (tonnes)	105	-	-	105	-

Kinsevere fourth quarter and 2023 performance

In the fourth quarter of 2023, Kinsevere produced 10,206 tonnes of copper cathode. This was an 18% decrease compared to the same quarter in 2022, largely attributed to a decrease in the grade of the milled ore (1.95% vs. 2.52%). The decline in ore milled grade was a result of an increased proportion of lower-grade stockpiles following the depletion of the higher-grade oxide ores in the main Kinsevere oxide pit, as well as efforts to reduce the consumption of high-cost third-party ore.

The Kinsevere cobalt plant was commissioned in the fourth quarter with cobalt hydroxide produced, containing 105 tonnes of cobalt.

For the full year of 2023, Kinsevere production of 44,068 tonnes was in line with prior guidance but 10% lower than the previous year. The reduction compared to the previous year is primarily attributed to a lower annual ore milled throughput (2.1 million tonnes vs. 2.3 million tonnes) due to unstable power supply from the national grid, alongside lower ore feed grade (2.14% vs. 2.18%).

The C1 costs for the full year of 2023 were US\$3.29/lb, which aligns with the latest guidance of US\$3.15 – US\$3.35/lb.

Kinsevere expansion project update

The construction of the Kinsevere Expansion Project (KEP), which includes the transition to the mining and processing of sulphide ore and the commencement of cobalt production, remains on track. The cobalt plant was commissioned in the fourth quarter, and the first production of cobalt hydroxide was achieved. The new tailing storage facility was commissioned to support the cobalt plant ramp-up.

The construction of the sulphide processing system continued with the majority of civil work completed in the fourth quarter. The site started receiving long-lead equipment and material. Mechanical and structural installation has also commenced. Progress has been made at the jaw crusher, coarse ore stockpile, SAG mill, flotation cells, thickeners and concentrator storage, as well as the main body of the roaster plant.

Moving forward, the focus will be on the ramp-up of the cobalt plant and completing the installation of the concentrator and the roaster, gas cleaning and acid plant (RGA) as well as operational readiness-related work.

This next phase of Kinsevere development will extend Kinsevere's mine life to at least 2035 and, once fully ramped up, will result in total annual production of approximately 80,000 tonnes of copper cathode and between 4,000-6,000 tonnes of cobalt in cobalt hydroxide. The first copper cathode from sulphides is expected in the second half of 2024, and a full ramp-up is expected in 2025.

Kinsevere 2024 outlook

Kinsevere copper cathode production for 2024 is expected to be in the range of 39,000 and 44,000 tonnes. This range reflects the declining supply of oxide ore due to the transition from the mining of oxide ores to the mining of sulphide ores. The supply from Sokoroshe II is expected to increase to compensate for the reduced oxide ore mined from the Kinsevere main pit.

C1 costs in 2024 are expected to be in the range of US\$2.80 – US\$3.15/lb. This represents an improvement from 2023 due to by-product credits from cobalt production and an increase in the supply of ore mined from Sokoroshe II to reduce the reliance on third-party ore. Looking ahead to 2025 and beyond, the combination of higher copper production and cobalt by-product credits is expected to significantly lower the mine's C1 costs.

Dugald River

	4Q23	4Q23 vs 4Q22	4Q23 vs 3Q23	FULL YEAR 23	FULL YEAR 23 vs FULL YEAR 22
Contained metal in concentrate					
Zinc (tonnes)	47,116	6%	-1%	151,844	-12%
Lead (tonnes)	6,927	16%	8%	19,907	-5%

Dugald River fourth quarter and 2023 performance

Dugald River produced 47,116 tonnes of zinc in zinc concentrate during the fourth quarter of 2023. This represents a 6% increase compared to the corresponding period in 2022 and a 1% reduction compared to the third quarter of 2023. Lead production reached 6,927 tonnes, a 16% increase compared to the prior corresponding period and an 8% increase compared to the previous quarter. The production growth compared to the same period last year was supported by strong performance in ore mined and milled volumes, head grades and recovery rates.

The mine achieved 517,755 tonnes of mined ore, slightly lower than the previous quarter but still the fourth-best quarterly performance in the mine's history. The mine saw its second-highest quarterly grade for lead and a record-high grade for silver, and the highest zinc grades for the year, attributed to the mining sequence. The processing plant's performance remained strong, achieving a zinc recovery rate of 89.8% in the fourth quarter and a record high of 90.0% for the full year, driven by continuous operational improvement activities.

Full-year zinc production of 151,844 tonnes of zinc in zinc concentrate exceeded the prior guidance of 140,000 to 150,000 tonnes, supported by strong and stable operations in the fourth quarter. However, this was 12% lower than the previous year due to the suspension of operations in the first quarter.

The full-year C1 costs for 2023 were US\$0.93/lb, outperforming the revised guidance of US\$1.05 – US\$1.20/lb, driven by strong operational performance, lower treatment charges on spot sales and higher lead and silver volumes.

Dugald River 2024 outlook

Dugald River zinc production for 2024 is expected to be in the range of 175,000 and 190,000 tonnes of zinc in zinc concentrate. This is a substantial improvement over 2023 reflecting the anticipated stable operations and continuous operational improvements compared to the suspension of operations in the first quarter of 2023.

C1 costs in 2024 are expected to be in the range of US\$0.70 – US\$0.85/lb due to the increased production as well as lower anticipated zinc treatment charges.

Rosebery

	4Q23	4Q23 vs 4Q22	4Q23 vs 3Q23	FULL YEAR 23	FULL YEAR 23 vs FULL YEAR 22
Contained metal in concentrate					
Zinc (tonnes)	16,649	5%	40%	51,626	1%
Lead (tonnes)	5,797	24%	23%	19,147	6%
Copper (tonnes)	333	-12%	26%	1,163	1%

Rosebery fourth quarter and 2023 performance

Rosebery produced 16,649 tonnes of zinc in zinc concentrate in the fourth quarter of 2023, a 5% increase compared to the prior corresponding period and a 40% increase compared to the third quarter. Lead in lead concentrate production was 5,797 tonnes, a 24% increase compared to the prior corresponding period and a 23% increase compared to the previous quarter.

The production improvement was driven by higher ore mined and ore milled volumes in the fourth quarter of 2023 due to the mining sequence and reduced haul distances associated with a lower proportion of ore being sourced from deeper areas of the mine. Zinc ore grades were higher in the fourth quarter of 2023 compared to the third quarter reflective of the mining sequence and a higher contribution from remnant stopes. The fourth quarter of 2023 achieved the highest zinc recovery since 2017 with strong plant performance supported by continuous operational improvement initiatives.

Full-year zinc production of 51,626 tonnes was in line with the revised guidance of 48,000 to 53,000 tonnes and 1% above 2022 levels. Full-year C1 costs of US\$0.26/lb were below the guidance of US\$0.35 – US\$0.50/lb driven by the strong fourth quarter production performance and higher precious metals prices.

Rosebery 2024 outlook

Rosebery zinc production for 2024 is expected to be in the range of 50,000 to 60,000 tonnes of zinc in zinc concentrate, an improvement on 2023 mainly due to higher expected zinc grades. Including the contribution of by-product metals, zinc equivalent production for 2024 is expected to be in the range of 115,000 to 130,000 tonnes.

C1 costs for 2024 are expected to be in the range of US\$0.10/lb to US\$0.25/lb. This is an improvement on 2023 due to higher anticipated production levels and lower zinc treatment charges.

CORPORATE UPDATE

MINERAL RESOURCES AND ORE RESERVES STATEMENT

On 5 December 2023 MMG released its Mineral Resources and Ore Reserves Statement as at 30 June 2023.

The key changes are:

- the Group's Mineral Resources (contained metal) have increased for lead (17%).
- the Group's estimated Mineral Resource decreases (contained metal) have occurred in copper (13%), zinc (5%), molybdenum (15%), cobalt (18%), gold (12%) and silver (7%).
- the Group's Ore Reserves (contained metal) have increased for cobalt (7%).
- the Group's Ore Reserves (contained metal) have decreased for copper (9%), zinc (7%), lead (<1%), silver (8%), gold (13%) and molybdenum (2%).

Cost increases have impacted all sites and metals produced, which have not been offset by increased metal price assumptions in 2023. At Las Bambas drilling in Phase 5 and Phase 3 of the Ferrobamba pit have resulted in reductions in both Mineral Resources and Ore Reserves.

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CUPROUS CAPITAL LTD

On 21 November 2023, MMG announced that it entered into a Share Purchase Agreement with Cuprous Capital Ltd on 20 November 2023 to acquire the Khoemaçau Mine in Botswana for US\$1,875,000,000.

The Khoemaçau Mine is a large, long-life copper mine located in northwest Botswana, in the emerging Kalahari Copperbelt. The Khoemaçau Mine's 4,040 km² tenement package hosts the 10th largest African copper Mineral Resource by total contained copper metal and is one of the largest copper sedimentary systems in the world outside of the Central African Copperbelt.

The Company has received written Shareholders' approval in respect of the Acquisition from China Minmetals H.K. (Holdings) Limited, which holds approximately 67.55% of the total issued Shares of the Company, in accordance with Rule 14.44 of the Listing Rules. Accordingly, no general meeting will be convened by the Company to approve the Acquisition.

The Acquisition is subject to the fulfillment or waiver of certain Conditions and may or may not proceed to Completion. On 22 December 2023, Khoemaçau Copper Mining (Pty) Ltd, a subsidiary of Cuprous Capital Ltd, received approval from the Minister of Minerals and Energy of Botswana in respect of the transfer of a controlling interest in the Project Licenses and Prospecting Licenses associated with the Khoemaçau Copper Mine, brought about by the Acquisition.

Although the condition of the Ministry of Minerals and Energy of Botswana approval has been completed, the acquisition remains conditional at this stage and may or may not proceed.

LAS BAMBAS TAX UPDATE

On 5 September 2023, MMG announced that Minera Las Bambas S.A. (MLB) received an assessment notice in connection with an audit undertaken in respect of income tax determined by MLB for the 2017 tax year (2017 Income Tax Assessment) in the amount of approximately US\$960 million. The 2017 Income Tax Assessment was issued by the National Superintendence of Tax Administration of Peru (SUNAT) on the basis that all of the interest accrued under bank loans during the period of January 2017 to December 2017 was non-deductible (amongst other items of expenditure also determined by SUNAT to be non-deductible).

On 14 December 2023, SUNAT advised that it had reviewed the 2017 Income Tax Assessment and has reduced the total payable to approximately US\$927 million. MLB continues to appeal the 2017 Income Tax Assessment.

EXECUTIVE COMMITTEE CHANGES

The Board announced that with effect from 6 March 2024, Mr Ross Carroll will retire from his role as the Chief Financial Officer (CFO) of MMG and will depart the company on 1 July 2024, following a transition period. Mr Carroll was appointed as CFO of the Company in December 2015. The Board would like to express their sincere gratitude to Mr Carroll for his valuable contribution to the Company during his tenure of office.

Additionally, with effect from 1 February 2024:

- Mr Song Qian will be appointed to the role of Executive General Manager Finance. Mr Qian brings to the role significant executive experience with China Minmetals Corporation (CMC) and was most recently the CFO of Minmetals Innovation Investment Co., Limited. Prior to this role he was the Vice President of Capital Markets of CMC from 2019 to 2022.
- Mr Nan Wang, currently Executive General Manager Australia and Africa, will be appointed to the role of Executive General Manager Operations.
- Mr Troy Hey's responsibilities as Executive General Manager Corporate Relations will be expanded.

-ENDS-

CORPORATE DETAILS

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MMG Limited Executive Committee

LI Liangang, Interim Chief Executive Officer and Executive Director
Ross CARROLL, Chief Financial Officer
Troy HEY, Executive General Manager – Corporate Relations
WEI Jianxian, Executive General Manager – Americas
Nan WANG, Executive General Manager – Australia & Africa

Share registrar

Computershare Hong Kong Investor Services Limited
17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Important dates

5 March 2024 – Annual Results Announcement
23 April 2024 – MMG 2024 First Quarter Production Report*

**This information is subject to change.*

For details please contact Corporate Relations below.

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APPENDIX - GUIDANCE

2024 Guidance Summary

	2024 Guidance	2023 Actual
Las Bambas		
Copper – production	280,000 – 320,000 tonnes	302,033 tonnes
Copper – C1 costs	US\$1.60 – US\$1.80 / lb	US\$1.60 / lb
Kinsevere		
Copper – production	39,000 – 44,000 tonnes	44,068 tonnes
Copper – C1 costs	US\$2.80 – US\$3.15 / lb	US\$3.29 / lb
Dugald River		
Zinc – production	175,000 – 190,000 tonnes	151,844 tonnes
Zinc – C1 costs	US\$0.70 – US\$0.85 / lb	US\$0.93 / lb
Rosebery		
Zinc – production	50,000 – 60,000 tonnes	51,626 tonnes
Zinc Equivalent - production ²	115,000 – 130,000 tonnes	120,196 tonnes
Zinc – C1 costs	US\$0.10 – US\$0.25 / lb	US\$0.26 / lb

² Zinc Equivalent production accounts for combined value of zinc, lead, silver, gold and copper. Other metals are converted to Zinc Equivalent via unit value calculations using 2023 average commodity prices including zinc price of US\$2,647/t, lead price of US\$2,138/t, silver price of US\$23.35/oz, gold price of US\$1,942/oz and copper price of US\$8,478/t.

APPENDIX – PRODUCTION RESULTS

Las Bambas

		QUARTER ENDED					FULL YEAR	
		DEC 2022	MAR 2023	JUN 2023	SEP 2023	DEC 2023	2023	2022
Ore mined	tonnes	10,652,973	7,072,182	14,302,135	13,994,474	11,060,692	46,429,483	43,178,984
Ore milled	tonnes	13,519,105	12,315,247	13,556,728	13,186,120	13,813,575	52,871,670	44,043,203
Waste movement	tonnes	27,717,626	16,101,477	35,535,160	37,413,165	33,859,011	122,908,814	116,206,593
COPPER								
Ore mined - grade	%	0.72	0.64	0.69	0.69	0.72	0.69	0.69
Ore milled - grade	%	0.64	0.58	0.69	0.71	0.67	0.66	0.67
Recovery	%	83.7	84.5	85.4	86.1	88.2	86.2	85.3
Production								
Copper concentrate	tonnes	211,962	185,926	237,766	219,972	234,222	877,886	754,164
Grade	%	34.5	31.4	34.1	37.1	34.5	34.4	33.8
Containing	tonnes	73,093	58,426	81,168	81,566	80,873	302,033	254,836
Sales								
Total concentrate sold	tonnes	108,509	77,027	416,769	378,800	249,172	1,121,769	670,349
Payable metal in products sold	tonnes	38,361	24,408	136,356	128,922	85,057	374,743	221,918
GOLD & SILVER								
Payable metal in product sold - gold	oz	10,342	6,007	35,306	31,585	22,027	94,925	62,901
Payable metal in product sold - silver	oz	566,570	359,122	1,897,489	1,829,556	1,275,158	5,361,326	3,293,364
MOLYBDENUM								
Production								
Molybdenum concentrate	tonnes	2,574	1,996	2,817	1,632	1,747	8,192	7,428
Grade	%	47.3	47.2	46.7	46.5	45.4	46.5	47.6
Contained metal produced	tonnes	1,217	942	1,315	759	793	3,810	3,532
Sales								
Total product sold	tonnes	1,696	2,142	2,170	2,715	1,618	8,645	6,669
Payable metal in products sold	tonnes	805	1,016	1,024	1,262	736	4,037	3,156

Kinsevere

		QUARTER ENDED					FULL YEAR	
		DEC 2022	MAR 2023	JUN 2023	SEP 2023	DEC 2023	2023	2022
Ore mined	tonnes	1,379,736	733,775	538,985	80,115	373,270	1,726,145	3,100,273
Oxide ore mined	tonnes	435,655	145,508	124,946	49,985	364,889	685,328	1,397,102
Sulphide ore mined	tonnes	944,080	588,267	414,039	30,130	8,381	1,040,817	1,703,171
Ore milled	tonnes	507,028	483,742	520,001	565,000	538,480	2,107,223	2,348,699
Waste movement	tonnes	2,407,226	3,153,461	5,777,291	12,467,812	11,248,326	32,646,890	7,087,508
COPPER								
Ore mined - grade	%	0.92	0.63	0.36	0.97	1.49	0.76	1.13
Oxide ore mined – AsCu ³ grade	%	2.51	2.44	1.28	1.45	1.54	1.67	0.94
Sulphide ore mined – Cu grade	%	2.25	2.37	2.06	2.83	1.74	2.25	2.22
Ore milled - grade	%	2.52	2.22	2.22	2.19	1.95	2.14	2.18
Recovery	%	97.6	95.9	96.5	96.6	97.0	96.5	96.6
Production								
Contained metal produced - cathode	tonnes	12,406	10,310	11,331	12,220	10,206	44,068	49,070
Sales								
Total product sold	tonnes	12,243	10,236	11,271	12,126	10,077	43,710	48,735
Payable metal in products sold	tonnes	12,243	10,236	11,271	12,126	10,077	43,710	48,735
COBALT								
Production								
Contained cobalt in cobalt hydroxide	tonnes	-	-	-	-	105	105	-
Sales								
Total product sold	tonnes	-	-	-	-	-	-	-

³ AsCu represents Acid Soluble Copper.

Dugald River

		QUARTER ENDED					FULL YEAR	
		DEC 2022	MAR 2023	JUN 2023	SEP 2023	DEC 2023	2023	2022
Ore mined	tonnes	521,874	226,292	387,712	518,757	517,755	1,650,517	1,873,332
Ore milled	tonnes	487,154	250,972	401,868	507,179	500,084	1,660,104	1,844,212
ZINC								
Ore mined - grade	%	10.19	9.55	10.04	10.28	10.59	10.22	10.51
Ore milled - grade	%	10.31	9.49	9.99	10.30	10.49	10.16	10.53
Recovery	%	88.8	87.8	90.9	90.6	89.8	90.0	89.3
Production								
Zinc concentrate	tonnes	91,343	42,077	73,251	95,184	95,333	305,845	349,689
Grade	%	48.8	49.7	49.8	49.8	49.4	49.6	49.6
Containing	tonnes	44,579	20,900	36,474	47,354	47,116	151,844	173,395
Sales								
Total product sold	tonnes	88,247	61,468	70,259	82,034	99,366	313,128	338,835
Payable metal in products sold	tonnes	36,437	25,195	28,906	33,605	40,922	128,628	140,980
LEAD								
Ore mined - grade	%	1.96	1.60	1.55	1.84	2.05	1.80	1.81
Ore milled - grade	%	2.03	1.49	1.56	1.83	2.06	1.78	1.82
Recovery	%	60.5	60.5	68.0	69.3	67.4	67.2	62.1
Production								
Lead concentrate	tonnes	11,109	4,375	7,158	10,523	11,958	34,014	37,767
Grade	%	53.8	51.7	59.8	61.2	57.9	58.5	55.3
Containing	tonnes	5,974	2,261	4,279	6,441	6,927	19,907	20,869
Sales								
Total product sold	tonnes	10,662	10,540	3,223	9,638	8,993	32,393	36,693
Payable metal in products sold	tonnes	5,759	5,138	1,827	5,448	5,122	17,535	19,116
SILVER								
Ore milled - grade	g/t	64	57	54	61	70	61	59
Payable metal in products sold	oz	375,275	405,900	123,695	395,812	431,900	1,358,919	1,342,406

Rosebery

		QUARTER ENDED					FULL YEAR	
		DEC 2022	MAR 2023	JUN 2023	SEP 2023	DEC 2023	2023	2022
Ore mined	tonnes	217,455	200,911	241,386	224,889	255,089	922,275	886,118
Ore milled	tonnes	231,950	202,098	238,795	219,932	257,249	918,074	896,861
ZINC								
Ore mined - grade	%	8.16	6.48	6.45	6.42	8.17	6.94	6.71
Ore milled - grade	%	7.75	5.76	6.49	6.34	7.32	6.53	6.66
Recovery	%	87.9	83.7	86.2	85.1	88.4	86.2	85.6
Production								
Zinc concentrate	tonnes	29,087	18,170	24,019	22,222	30,983	95,394	94,436
Grade	%	54.4	53.7	55.6	53.4	53.7	54.1	54.2
Containing	tonnes	15,815	9,750	13,352	11,875	16,649	51,626	51,156
Sales								
Total product sold	tonnes	29,050	22,287	15,507	30,361	32,486	100,640	93,917
Payable metal in products sold	tonnes	13,467	10,339	7,241	14,138	15,071	46,788	43,712
LEAD								
Ore mined - grade	%	2.54	2.47	2.76	2.52	2.73	2.64	2.53
Ore milled - grade	%	2.79	2.43	2.79	2.80	2.92	2.75	2.68
Recovery	%	72.1	69.8	78.2	76.5	77.3	75.9	75.1
Production								
Lead concentrate	tonnes	7,319	5,780	7,710	7,319	9,105	29,914	28,117
Grade	%	63.8	59.4	67.5	64.4	63.7	64.0	64.3
Containing	tonnes	4,667	3,431	5,206	4,713	5,797	19,147	18,077
Sales								
Total product sold	tonnes	8,188	5,507	4,887	7,999	9,425	27,818	29,010
Payable metal in products sold	tonnes	4,941	3,296	2,940	4,906	5,713	16,854	17,345

Rosebery (continued)

		QUARTER ENDED					FULL YEAR	
		DEC 2022	MAR 2023	JUN 2023	SEP 2023	DEC 2023	2023	2022
Ore mined	tonnes	217,455	200,911	241,386	224,889	255,089	922,275	886,118
Ore milled	tonnes	231,950	202,098	238,795	219,932	257,249	918,074	896,861
OTHER METALS								
Ore milled - gold	g/t	1.2	1.1	1.2	1.3	1.4	1.2	1.2
Ore milled - silver	g/t	82.8	102.5	129.2	98.1	100.6	107.9	95.1
Ore milled - copper	%	0.25	0.17	0.21	0.19	0.22	0.20	0.20
Production								
Silver in concentrate								
Containing - silver in lead concentrate	oz	213,766	210,477	283,657	237,869	332,569	1,064,573	975,816
Gold in concentrate								
Containing - gold in lead concentrate	oz	897	910	1,151	1,141	1,919	5,121	4,297
Precious metals concentrate								
Containing - copper	tonnes	2,373	1,415	2,038	1,684	2,067	7,203	7,055
Containing - copper	tonnes	380	218	348	264	333	1,163	1,147
Containing - gold	oz	3,360	2,474	3,980	3,638	4,337	14,428	11,325
Containing - silver	oz	275,130	312,639	546,114	316,272	337,488	1,512,513	1,197,559
Gold doré								
Containing - gold	oz	4,196	4,434	4,305	4,602	4,996	18,336	17,990
Containing - gold	oz	2,548	2,551	2,406	2,710	2,880	10,546	11,087
Containing - silver	oz	1,212	994	1,489	1,586	1,797	6,332	5,624
Sales								
Gold doré sold	oz	3,600	3,419	4,633	4,272	4,129	16,454	17,388
Payable metal in product sold - copper	tonnes	359	209	351	277	294	1,131	1,166
Payable metal in product sold - gold	oz	6,377	4,790	7,691	6,738	7,172	26,391	26,148
Payable metal in product sold - silver	oz	460,801	400,847	665,918	555,437	584,375	2,206,577	2,071,434