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Consolidated Statement of Profit or Loss

	Notes	Year ended 31 December 2023 US$ million	2022 US$ million
Revenue	4	4,346.5	3,254.2
Net other (expense)/income	5	(2.2)	2.4
Expenses (excluding depreciation and amortisation)	6	(2,882.4)	(1,721.2)
Earnings before interest, income tax, depreciation and amortisation – EBITDA		**1,461.9**	**1,535.4**
Depreciation and amortisation expenses	6	(930.2)	(790.1)
Earnings before interest and income tax – EBIT		**531.7**	**745.3**
Finance income	7	24.3	15.0
Finance costs	7	(366.4)	(299.8)
Profit before income tax		**189.6**	**460.5**
Income tax expense	8	(67.5)	(217.0)
Profit for the year		**122.1**	**243.5**
Profit for the year attributable to:			
Equity holders of the Company		9.0	172.4
Non-controlling interests		113.1	71.1
		122.1	**243.5**
Earnings per share attributable to equity holders of the Company			
Basic earnings per share	9	US 0.10 cents	US 2.00 cents
Diluted earnings per share	9	US 0.10 cents	US 1.98 cents

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2023 US$ million	2022 US$ million
Profit for the year	**122.1**	**243.5**
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss		
Movement on hedging instruments designated as cash flow hedges	(54.9)	82.1
Income tax expense relating to cash flow hedges	17.6	(26.3)
Item that may not be reclassified to profit or loss		
Remeasurement on the net defined benefit liability	(1.0)	-
Other comprehensive (loss)/income for the year, net of income tax	**(38.3)**	**55.8**
Total comprehensive income for the year	**83.8**	**299.3**
Attributable to:		
Equity holders of the Company	(15.3)	207.3
Non-controlling interests	99.1	92.0
	83.8	**299.3**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	Notes	Year ended 31 December 2023 US$ million	2022 US$ million
ASSETS			
Non-current assets			
Property, plant and equipment	12	9,417.1	9,509.4
Right-of-use assets	13	118.1	111.2
Intangible assets	14	534.0	534.2
Inventories	17	115.0	122.2
Deferred income tax assets	18	150.0	315.7
Other receivables	19	168.8	167.5
Derivative financial assets	20	-	113.9
Other financial assets	21	2.7	1.5
Total non-current assets		**10,505.7**	**10,875.6**
Current assets			
Inventories	17	389.5	872.6
Trade and other receivables	19	476.0	342.5
Current income tax assets		79.5	60.5
Derivative financial assets	20	3.1	12.1
Cash and cash equivalents	22	447.0	372.2
Total current assets		**1,395.1**	**1,659.9**
Total assets		**11,900.8**	**12,535.5**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	3,224.6	3,220.5
Reserves and retained profits	24	(1,101.2)	(1,081.5)
		2,123.4	**2,139.0**
Non-controlling interests	16	2,188.6	2,089.5
Total equity		**4,312.0**	**4,228.5**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position
Continued

	Notes	Year ended 31 December 2023 US$ million	2022 US$ million
LIABILITIES			
Non-current liabilities			
Borrowings	25	3,375.8	4,209.6
Lease liabilities	26	125.6	117.4
Provisions	27	647.0	599.2
Trade and other payables	28	286.5	217.5
Deferred income tax liabilities	18	952.7	1,208.0
Total non-current liabilities		**5,387.6**	**6,351.7**
Current liabilities			
Borrowings	25	1,331.3	1,203.0
Lease liabilities	26	22.0	21.3
Provisions	27	127.3	81.0
Derivative financial liabilities	20	-	0.3
Trade and other payables	28	616.4	535.5
Current income tax liabilities		104.2	114.2
Total current liabilities		**2,201.2**	**1,955.3**
Total liabilities		**7,588.8**	**8,307.0**
Net current liabilities		**(806.1)**	**(295.4)**
Total equity and liabilities		**11,900.8**	**12,535.5**

The accompanying notes are an integral part of these consolidated financial statements.

LI Liangang
Interim CEO and Executive Director

XU Jiqing
Chairman of the Board and Non-Executive Director

Consolidated Statement of Changes in Equity

US$ million	Attributable To Equity Holders Of The Company				Non-Controlling Interests	Total Equity
	Share Capital	Total Reserves	Retained Profits	Total		
	(Note 23)	(Note 24)	(Note 24)		(Note 16)	
At 1 January 2023	**3,220.5**	**(1,826.7)**	**745.2**	**2,139.0**	**2,089.5**	**4,228.5**
Profit for the year	-	-	9.0	9.0	113.1	122.1
Other comprehensive loss	-	(24.3)	-	(24.3)	(14.0)	(38.3)
Total comprehensive (loss)/income for the year	**-**	**(24.3)**	**9.0**	**(15.3)**	**99.1**	**83.8**
Provision of surplus reserve	-	0.4	(0.4)	-	-	-
Employee long-term incentives	-	(1.5)	-	(1.5)	-	(1.5)
Employee share options and performance awards vested and exercised	4.1	(2.9)	-	1.2	-	1.2
Employee share options and performance awards lapsed	-	(0.1)	0.1	-	-	-
Total transactions with owners	**4.1**	**(4.1)**	**(0.3)**	**(0.3)**	**-**	**(0.3)**
At 31 December 2023	**3,224.6**	**(1,855.1)**	**753.9**	**2,123.4**	**2,188.6**	**4,312.0**

The accompanying notes are an integral part of these consolidated financial statements.

US$ million	Attributable To Equity Holders Of The Company				Non-Controlling Interests	Total Equity
	Share Capital	Total Reserves	Retained Profits	Total		
	(Note 23)	(Note 24)	(Note 24)		(Note 16)	
At 1 January 2022	**3,220.3**	**(1,862.7)**	**572.9**	**1,930.5**	**1,997.5**	**3,928.0**
Profit for the year	-	-	172.4	172.4	71.1	243.5
Other comprehensive income	-	34.9	-	34.9	20.9	55.8
Total comprehensive income for the year	**-**	**34.9**	**172.4**	**207.3**	**92.0**	**299.3**
Provision of surplus reserve	-	0.1	(0.1)	-	-	-
Employee long-term incentives	-	1.1	-	1.1	-	1.1
Employee share options exercised and vested	0.2	(0.1)	-	0.1	-	0.1
Total transactions with owners	**0.2**	**1.1**	**(0.1)**	**1.2**	**-**	**1.2**
At 31 December 2022	**3,220.5**	**(1,826.7)**	**745.2**	**2,139.0**	**2,089.5**	**4,228.5**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Notes	Year Ended 31 December 2023 US$ million	2022 US$ million
Cash flows from operating activities			
Receipts from customers		4,605.3	3,402.1
Payments to suppliers and employees		(2,621.8)	(2,319.9)
Payments for exploration expenditure		(49.6)	(30.8)
Income tax paid		(79.1)	(268.0)
Net settlement of commodity hedges		(4.9)	48.7
Net cash generated from operating activities	29	**1,849.9**	**832.1**
Cash flows from investing activities			
Purchase of property, plant and equipment	29	(790.0)	(564.5)
Purchase of intangible assets		(1.2)	(1.7)
Proceeds from disposal of subsidiary		-	27.5
Proceeds from disposal of property, plant and equipment		1.2	-
Net cash used in investing activities		**(790.0)**	**(538.7)**
Cash flows from financing activities			
Proceeds from external borrowings	25	1,650.0	500.0
Repayments of external borrowings	25	(2,458.8)	(1,491.4)
Proceeds from related party borrowing	25	1,150.0	200.0
Repayments of related party borrowing	25	(1,050.0)	(100.0)
Net settlement of interest rate swap		132.4	17.9
Proceeds from shares issued upon exercise of employee share options		1.2	0.1
Repayment of lease liabilities	26	(37.7)	(31.2)
Interest and financing costs paid on external borrowings		(279.0)	(182.2)
Interest and financing costs paid on related party borrowings		(100.3)	(95.6)
Withholding taxes paid in respect of financing arrangements		(14.6)	(9.1)
Interest received		21.7	15.0
Net cash used in financing activities		**(985.1)**	**(1,176.5)**
Net increase/(decrease) in cash and cash equivalents		**74.8**	**(883.1)**
Cash and cash equivalents at 1 January		372.2	1,255.3
Cash and cash equivalents at 31 December	22	**447.0**	**372.2**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. General Information

MMG Limited (the "Company") is a limited liability company and was incorporated in Hong Kong on 29 July 1988. The address of its registered office is Unit 1208, 12/F, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong. The principal place of business of the Company is disclosed in the Corporate Information section to the Group's 2023 Annual Report.

The Company is an investment holding company listed on the main board of The Stock Exchange of Hong Kong Limited ("HKEx").

The Company and its subsidiaries (the "Group") are engaged in the exploration, development and mining of copper, zinc, gold, silver, molybdenum and lead deposits around the world.

The consolidated financial statements for the year ended 31 December 2023 are presented in United States dollars ("US$") unless otherwise stated and were approved for issue by the Board of Directors of the Company (the "Board") on 5 March 2024.

2. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") – a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities at fair value through profit or loss which are measured at fair value.

The preparation of consolidated financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(a) Going Concern

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. Management of the Group continues to closely monitor the liquidity position of the Group, which includes the sensitised analysis of forecast cash balances for key financial risks (including commodity and foreign exchange risks) over the short and medium term to ensure adequate liquidity is maintained.

As at 31 December 2023, the Group had net current liabilities of US$806.1 million (31 December 2022: US$295.4 million) and cash and cash equivalents of US$447.0 million (31 December 2022: US$372.2 million). For the year ended 31 December 2023, the Group generated a net profit of US$122.1 million (2022: US$243.5 million) and operational net cash inflows of US$1,849.9 million (2022: US$832.1 million).

Cash flow forecasts include drawdowns from existing and new credit facilities and assume the successful extension of revolving credit facilities ("RCF"). With the inclusion of these assumptions, the Group will have sufficient liquidity to meet its operational, existing contractual debt service and capital expenditure requirements for the 12-month period from the approval of the consolidated financial statements.

Notes to Consolidated Financial Statements
Continued

Management notes the following considerations, relevant to the Group's ability to continue as a going concern:

- At 31 December 2023, total cash and cash equivalents of US$447.0 million (2022: US$372.2 million) were held by the Group;
- The Group has US$4,325.0 million undrawn facilities as at the date that the financial statements are authorised to be issue:
  - A US$350.0 million undrawn RCF from Album Enterprises Limited ("Album Enterprises") (a subsidiary of China Minmetals Non-ferrous Metals Co., Ltd ("CMN")) which will expire in August 2024;
  - A new US$275.0 million undrawn RCF from Bank of China ("BOC") which will expire in April 2026;
  - A new US$150.0 million undrawn RCF from Industrial and Commercial Bank of China ("ICBC") consisting of three tranches of US$50.0 million each set to expire in March, May and June 2026;
  - A new US$100.0 million undrawn RCF from Bank of Communication ("BOCOM") which will expire in August 2026;
  - A new US$200.0 million RCF from China Construction Bank ("CCB") of which US$50.0 million remains undrawn. It will expire in January 2027;
  - A new US$100.0 million undrawn RCF from CCB which will expire in February 2027;
  - A new US$1,000.0 million undrawn RCF from Top Create Resources Limited ("Top Create") (a subsidiary of CMN). This facility will expire in December 2026;
  - A new US$300.0 million Term Loan Facility from Top Create that supports the Kinsevere Expansion Project ("KEP") project which will expire in December 2030; and
  - A shareholder term loan facility of US$2,000.0 million from Top Create to support the acquisition of the Cuprous Capital Ltd ("CCL") and its subsidiaries (refer to Note 36 for more details).
- The Group expects to obtain, renew or extend a number of facilities:
  - A new RCF of US$700.0 million from syndicated banks currently being negotiated;
  - A new US$44.0 million term loan from external banks currently being negotiated to support the operations of Kinsevere;
  - New RCFs of US$200.0 million with external banks; and
  - The Tranche A repayment of the US$2,161.3 million term loan from Top Create of US $700.0 million is due in July 2024 but is expected to be deferred for three years.

In the event that forecast cash flow is not achieved or if existing or new debt facilities are insufficient or not obtained in a timely manner, the Group has the ongoing support of its major shareholder, CMN and its subsidiaries. Support to the Group may be in the form of providing additional debt facilities, deferral of debt service and repayment obligations in relation to existing shareholder loans from CMN, early payments for shipments of commodity or through further equity contributions.

Based on the above, and a review of the forecast financial position and results of the Group for the twelve months from approval of these consolidated financial statements, the directors are thus of the view that the Group will be able to meet its debts as and when they fall due and accordingly the consolidated financial statements have been prepared on the going concern basis.

Notes to Consolidated Financial Statements
Continued

(b) New standards and amendments to existing standards effective and adopted in 2023 with no significant impact to the Group

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules

1 The application of the new HKFRS in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of amendments to HKAS 12 "Income Taxes International Tax Reform-Pillar Two model Rules"

The Group has applied the amendments for the first time in the current year. HKAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group has applied the temporary exception immediately upon issue of these amendments and retrospectively, i.e. applying the exception from the date Pillar Two legislation is enacted or substantially enacted. The qualitative and quantitative information about the Group's exposure to Pillar Two income taxes is set out in Note 8.

In addition, the Group applied the following agenda decision of the Committee of the International Accounting Standards Board ("IASB") which is relevant to the Group given that HKFRSs Standards are largely aligned with IFRS Standards, the agenda decision of the Committee is equally applicable:

Definition of a Lease - Substitution Rights (IFRS 16 Leases)

In April 2023, the Committee published the agenda decision which addressed: (i) the level at which to evaluate whether a contract contains a lease when the contract is for the use of more than one similar asset i.e. by considering each asset separately or all assets together; and (ii) how to assess whether a contract contains a lease applying IFRS 16 when the supplier has substitution rights to substitute alternative assets, but would not benefit economically from the exercise of its right to substitute the asset throughout the period of use.

The Committee concluded that, (i) the level to assess whether the contract contains a lease is at each identified asset level; and (ii) the supplier's right is not substantive because the supplier is not expected to benefit economically from exercising its right to substitute an asset throughout the period of use.

The application of the Committee's agenda decision has had no material impact on the Group's consolidated financial statements.

(c) Amendments to standards that have been issued but not yet effective or early adopted by the Group

The Group has not early adopted the following amendments to standards that have been issued but are not effective for financial year 2023.

Notes to Consolidated Financial Statements Continued

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current liabilities with Covenant[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or 1 January 2024.

3 Effective for annual periods beginning on or 1 January 2025.

2.2 Consolidation

(a) Acquisition method of accounting for non-common control combination

The Group applies the acquisition method of accounting to account for business combinations other than common control combinations. The purchase consideration for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The purchase consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiaries. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, which is the date on which control is obtained. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

The excess of purchase consideration, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired are recorded as goodwill. If the total of purchase consideration, non-controlling interest recognised and previously held interest measured are less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

(b) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when it has existing rights to direct the relevant activities that significantly affect the entity's returns. The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Notes to Consolidated Financial Statements
Continued

(c) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint arrangement or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of the investment. The results of subsidiaries are accounted for by the investing Group entity on the basis of dividend received and receivable.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee of the Company.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the Company is US dollars (US$), which is also the presentation currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or reporting date where monetary items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the consolidated statement of profit or loss.

Notes to Consolidated Financial Statements
Continued

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.5 Property, plant and equipment

Cost

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss, if any. The cost of those items are measured in accordance with the measurement requirements of HKAS 2. The cost of property, plant and equipment includes the estimated cost of mine rehabilitation, restoration and dismantling.

Depreciation and amortisation

Property, plant and equipment are depreciated over the estimated useful lives of the assets on straight line, unit of production or reducing balance basis as indicated below. The useful lives below are subject to the lesser of the asset categories' useful life and the life of the mine:

- Freehold land – Not depreciated or unit of production (tonnes mined) as applicable;
- Buildings – straight line over the useful life of the asset as applicable which do not exceed 40 years;
- Plant and machinery – Units-of-production (tonnes mined or milled) or straight line over the useful life of the asset as applicable which does not exceed 20 years;
- Plant and machinery (other) – Straight line 2-15 years or reducing balance over remaining life;
- Mine property and development assets – Units-of-production (tonnes mined, milled, or metal produced);
- Exploration and evaluation assets – Not depreciated; and
- Construction in progress – Not depreciated.

Depreciation and amortisation commence when an asset is available for use.

The units-of-production method is applied based on assessments of proven and probable ore reserves and a portion of mineral resources available to be mined or processed by the current production equipment to the extent that such resources are considered to be economically recoverable. Resource and Reserves estimates are reviewed annually.

(a) Exploration and evaluation assets

Exploration and evaluation activities include expenditure to identify potential Mineral Resources, determine the technical feasibility and assess the commercial viability of the potential Mineral Resources.

Exploration and evaluation costs that are incurred before the Group has obtained the legal right to explore an area, or are incurred up to and including the pre-feasibility phase, are recognised in the consolidated statement

Notes to Consolidated Financial Statements
Continued

of profit or loss. Subsequent exploration and evaluation costs are capitalised as exploration and evaluation asset where the relevant capitalisation criteria under the applicable standard is met.

Exploration and evaluation costs that relate to an area of interest acquired as part of an asset acquisition or business combination are capitalised and the exploration and evaluation asset is measured at fair value on acquisition.

Exploration and evaluation assets are recognised as tangible assets and classified under property, plant and equipment. As these assets are not yet ready for use they are not depreciated.

Exploration and evaluation assets are carried forward if the rights to the area of interest are current and the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by the sale of the asset.

The assets are monitored for indications of impairment and an assessment is performed where an indicator of impairment exists. For the purpose of the impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGU") to which the exploration activity relates.

Once the technical feasibility and commercial viability of the development of an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to "mine property and development" assets within property, plant and equipment.

(b) Development expenditure

The following assets are classified directly as mine property and development assets from the commencement of development:

- Mineral rights balances representing identifiable exploration and evaluation assets including Mineral Resources and Ore Reserves acquired as part of a business combination and recognised at fair value at the date of acquisition; and
- Mine rehabilitation, restoration and dismantling assets.

After the technical feasibility and commercial viability of the development of an area of interest are demonstrated, all subsequent expenditure to develop the mine to the production phase is capitalised and classified as "mine property and development" assets.

(c) Overburden and waste removal

Overburden and other waste removal costs incurred in the development phase of a mine before production commences are initially capitalised as part of construction in progress. At the completion of development, costs are transferred to the mine property and development category of property, plant and equipment.

The Group defers a portion of waste removal costs incurred during the production phase of an open-pit operation as part of determining the cost of inventories. Current period waste mining expenses are allocated between current period inventory and deferred waste assets based on the ratio of waste tonnes mined to ore tonnes mined (waste to ore ratio). The amount of deferred waste asset is calculated for each separate component of the ore body identified based on mine plans. Current period expenses are deferred to the extent that the current period waste to ore ratio exceeds the life-of-mine waste to ore ratio for the identified component of ore body. Deferred waste assets are categorised in the mine property and development category of property, plant and equipment and are amortised over the life of the component on a units-of-production basis. Changes to estimates are accounted for prospectively.

Notes to Consolidated Financial Statements Continued

(d) Other expenditure

When further development expenditure is incurred in respect of the mine property after the commencement of the production phase, or additional property, plant and equipment are acquired, such expenditure is capitalised and carried forward only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Major spare parts are carried as property, plant and equipment when an entity expects to use them during more than one period or when they can be used only in connection with an item of property, plant and equipment. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the consolidated statement of profit or loss during the accounting period in which they are incurred.

(e) Disposal of property, plant and equipment

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and the carrying amount of the asset is recognised as a gain or loss in the consolidated statement of profit or loss within other income.

2.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the purchase consideration over the interest of the Group in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the non-controlling interest in the acquiree.

Goodwill is not amortised and is tested for impairment annually (refer to Note 2.7). For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the acquisition. Each unit or group of units to which the goodwill is allocated, represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(b) Software development

Development costs that are directly attributable to the design, testing and deployment of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs include direct materials, employee costs, services and an appropriate portion of relevant overheads.

Other development expenditure that does not meet these criteria and costs associated with maintaining computer software programs is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software development assets are amortised over their estimated useful lives, which do not exceed seven years.

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2.7 Impairment of non-financial assets

All intangible assets that have an indefinite useful life, for example goodwill, or are not ready for use are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment.

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and value in use of an asset. For the purposes of impairment assessment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Any impairment loss related to goodwill is recognised immediately as an expense and is not subsequently reversed. Any impairment loss related to non-financial assets other than goodwill is reviewed and may be reversed at subsequent reporting dates. A reversal of previously recognised impairment loss is limited to the lesser of the amount that would not cause the carrying amount to exceed its recoverable amount or the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised.

2.8 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(a) Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Notes to Consolidated Financial Statements Continued

Right-of-use assets in which the Group are reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

(b) Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate ("IBR") at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments. The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in rental rates, in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

(c) Lease modifications

The Group is allowed to apply the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional

Notes to Consolidated Financial Statements
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lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2.9 Financial assets

Classification

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- financial assets measured at amortised cost, or
- financial assets measured at fair value.

Gains or losses of assets measured at fair value will be recognised either through profit or loss ("FVTPL") or through other comprehensive income.

(a) Amortised cost

A financial asset shall be measured at amortised cost if it is held within a business model. The objective of which is to hold financial assets in order to collect contractual cash flows, where the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through profit or loss (FVTPL)

A financial asset shall be measured at FVTPL unless it is measured at amortised cost or at fair value through other comprehensive income.

Recognition and measurements

Regular purchases and sales of financial assets are recognised on the trade-date being the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value and transaction costs are expensed in the consolidated statement of profit or loss.

Financial assets at FVTPL are subsequently carried at fair value. Financial assets at amortised cost are measured at the amount recorded at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

Gains or losses arising from changes in the fair value of the financial assets at FVTPL are presented in the consolidated statement of profit or loss within expenses in the period in which they arise. The net gain or loss recognised in profit or loss arising from changes in the fair value of the financial assets at FVTPL excludes any dividend income. Dividend income from financial assets at FVTPL is recognised in the consolidated statement of profit or loss as part of other income when the right of the Group to receive payment is established, the Group is probable to obtain the economic benefits associated with it and the amount can be measured reliably.

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or have been transferred, and the Group has transferred substantially all risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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Impairment of financial assets

The Group applies an expected credit loss ("ECL") approach in respect of receivables classified as financial assets at amortised cost, which is assessed on an individual basis for each counterparty at the end of each reporting period where relevant. The Group reviews credit risk with respect to the counterparty, likelihood or risk of default and forward-looking reasonable and supportable documentation in assessing a loss allowance for the respective financial asset at the end of each reporting period. The Group's consideration of credit risk takes into account, among other things, the instrument type, credit risk rating, date of initial recognition, remaining term to maturity and geographical location of the debtor. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Credit loss is measured at the present value of such difference in cash flows, discounted using the effective interest rate determined at initial recognition. The Group measures the loss allowance equal to 12-month ECL ("12m ECL"). In the event when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(c) Derivative financial instruments and hedge accounting

For the year ended 31 December 2023, the Group has held derivative financial instruments, all of which have been detailed in Note 31.1 (a) and Note 31.1 (b). Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

In assessing the economic relationship between the hedged item and the hedging instrument the Group assumes that the interest rate benchmark on which the hedged cash flows and/or hedged risk are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

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The effective portion of changes in the fair value of the hedging instrument designated as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the interest rate benchmark reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'finance income' or 'finance costs' line item for a financing hedge (e.g., an interest rate swap) or in 'other income/expense' (for any other hedges, e.g., a commodity hedge). As to cash flow statements disclosure, cashflow resulting from commodity hedge is part of 'operating activities'; cashflow resulting from financing hedge (e.g., an interest rate swap) is part of 'financing activities'.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.10 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected loss is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

2.11 Inventories

Inventories comprise raw materials, stores and consumables, work in progress and finished goods. Inventories are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

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Costs are assigned to individual items of inventory based on weighted average costs. Costs include the costs of direct materials, overburden removal, mining, processing, labour, related transportation costs to the point of sale, an appropriate proportion of related production overheads, mine rehabilitation costs incurred in the extraction process and other fixed and variable costs directly related to mining activities. They exclude borrowings costs.

2.12 Trade and other receivables

Trade receivables are recognised initially at transaction price and subsequently measured at fair value through profit or loss. The terms of sales contracts with third parties contain provisional pricing arrangements whereby the selling price for contained metal is based on prevailing spot prices during a specified future date range after shipment to the customer (quotation period). For provisional pricing arrangements, the Group re-estimates the fair value of the final sales price adjustment continually by reference to forward market prices. The fair value of the final sales price is recognised as an adjustment to revenue. Refer to Note 2.20 for details.

Other receivables are measured at amortised cost using the effective interest method, less provision for impairment. If collection of trade and other receivables is expected in one year or less, trade and other receivables are classified as current assets. If not, they are presented as non-current assets.

2.13 Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- cash, which comprises of cash on hand and deposits held at call with banks, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- cash equivalents, which comprises of short-term highly liquid investments with original maturities of three months or less. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

2.14 Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(a) Financial liabilities

Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their

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intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(b) Equity instruments

Equity instruments are any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Subsequent to initial recognition, the equity instrument is not remeasured. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Expenses' line item in profit or loss (Note 6) as part of net foreign exchange loss/(gain) - net.

2.15 Mine rehabilitation, restoration and dismantling obligations

Provisions are made for the estimated cost of rehabilitation, restoration and dismantling relating to areas disturbed during the mine's operations up to the reporting date but not yet rehabilitated. Provision has been made in full for all the disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of recontouring, top soiling and revegetation to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations that will be incurred due to the impact of changes in environmental legislation, and many other factors, including future developments, changes in technology, price increases and changes in interest rates. The amount of the provision relating to mine rehabilitation, restoration and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time.

The provision is recognised as a liability, separated into current (estimated expenditure arising within 12 months) and non-current components, based on the expected timing of these cash flows. A corresponding asset is included in mine property and development assets, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, otherwise a corresponding expense is recognised in the profit or loss. The capitalised cost of this asset is recognised in property, plant and equipment and is amortised over the life of the mine.

At each reporting date, the rehabilitation liability is remeasured in line with changes in discount rates, and timing or amounts of the costs to be incurred. Rehabilitation, restoration and dismantling provisions are adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence considering the significant judgements and estimates involved. Changes in the liability relating to mine rehabilitation, restoration and dismantling obligations are added to or deducted from the related asset (where it is probable that future economic benefits will flow to the entity), other than the unwinding of discount on provisions, which is recognised as a finance cost in the consolidated statement of profit or loss. Changes to capitalised cost result in an adjustment to future depreciation charges.

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The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances.

2.16 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

A provision is recognised for the amount expected to be paid under short-term or long-term bonus entitlements if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the Director or employee and the obligation can be estimated reliably.

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the limited circumstances where no reliable estimate can be made.

2.17 Current and deferred income tax

The tax expense recognised for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense represents the sum of current and deferred income tax expense.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the jurisdictions or where a stability agreement is applicable where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the

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time of the transaction does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date or where a stability agreement is applicable and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention and agreement with tax authorities to settle the balances on a net basis.

Tax consolidation – Australia

The majority of the Australian subsidiaries of the Company are an income tax consolidated group and are taxed as a single entity. MMG Australia Limited is the head company of the Australian tax consolidated group.

The subsidiaries in the Australian tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone tax payer in its own right. In addition to its own current and deferred tax amounts, the head entity recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the other entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements between entities within the tax consolidated group entities are utilised as amounts receivable from or payable to other entities within the tax consolidated group.

2.18 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.19 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they are accrued by employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations – defined contribution plans

Arrangements for staff retirement benefits are made in accordance with local regulations and customs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

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(c) Long-term employee benefits

Long-term employee benefit obligations are measured at the present value of expected future payments to be made. Long-term benefits include post-employment defined benefit plan in Democratic Republic of the Congo ("DRC") and long service leave in Australia.

Post-employment defined benefit plan

Defined benefit obligation under the plan is measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method and recorded as non-current liabilities. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Consideration is given to expected future salary increase and historic attrition rates. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments are recognised as past service costs. Current and past service costs related to post-employment benefits are recognised immediately in the consolidated statement of profit and loss while unwinding of the liability at discount rates used are recorded as financial cost.

Long service leave

Long service leave is a period of paid leave granted to an employee in recognition of a long period of service to an employer. The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The Group applies simplified method of accounting as required by HKAS 19 Employee Benefits and all past service costs and actuarial gains and losses (where applicable) are recognised immediately.

(d) Share-based compensation to employees

The Group operates multiple equity-settled and cash-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the options or performance shares or cash awards is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options/performance shares granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability and remaining employees of the entity over

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a specified period). Non-market vesting conditions are included in assumptions about the number of options/performance shares that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the Group revises its estimates of the number of options/performance shares that are expected to vest based on the non-market vesting conditions. For cash-settled share-based compensation plans, at the end of each reporting period until the provision is settled , and at the date of settlement, the provision is remeasure to fair value. For cash awards that are vested, any changes in the fair value are recognised in profit or loss for the year. It recognises the impact of the revision of original estimates, if any, in the consolidated statement of profit or loss with a corresponding adjustment to equity or provision.

The proceeds received net of any directly attributable transaction costs are credited to share capital or paid by cash when the options are exercised. Options which lapse or are cancelled prior to their exercisable date are deleted from the register of outstanding options and the amount previously recognised in share-based payment reserve or liability will be transferred to retained profits.

2.20 Revenue recognition

Revenue is recognised when persuasive evidence of an arrangement exists, usually in the form of an executed sales agreement, indicating there has been a transfer of control and completion of distinctive performance obligations separately identified by the Group. Factors which indicate transfer of control include, but are not limited to, transfer of risk and reward, transfer of legal title to customer and a present right to payment.

Transaction price under the sales agreement is allocated to the various performance obligations under the relevant sales agreement and revenue is recognised in line with satisfaction of each performance obligation.

Revenue is presented net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

(a) Sale of goods

Sale of goods is recognised upon transfer of control, which for majority of the products is the bill of lading date when the commodity is delivered for shipment, or in case of bill-and-hold arrangements, once a holding and title certificate is issued to the buyer together with the invoice. Depending on various incoterms associated with the sales agreement, the Group may have other performance obligations such as shipping service. Revenue may be allocated to various performance obligations and is recognised for each performance obligation as such obligations are fulfilled. Allocation of transaction price to other performance obligations (e.g. shipping services) is based on best estimate of a similar stand-alone service.

Revenue is reported net of discounts and pricing adjustments. Royalties paid and payable are separately reported as expenses. Revenues from the sale of significant by-products, such as gold and silver, are included in sales revenue.

Price adjustments in case of provisionally priced sales

The Group has certain provisionally priced sales where the contract terms for the Group's concentrate sales allow for adjustment based on a final assay of the goods determined after discharge. The Group assesses such provisional pricing to be a variable consideration and recognises revenue at an amount representing the Group's estimate for the expected final consideration. This amount is based on the most recently determined estimate of product assays. The Group applies judgement regarding likelihood of significant reversals to ensure that revenue is only recognised to the extent that it is highly probable that significant reversal will not occur. Any adjustments to the final price are recognised as revenue.

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Changes in fair value of provisionally priced sales

The terms of sales contracts with third parties contain provisional pricing arrangements whereby the initial selling price (provisional price) for contained metal is based on prevailing spot prices before the shipment to the customer (provisional quotational period). Adjustment to the provisional price occurs based on movements in quoted market prices up to the completion of a specific future date range (quotational period). The period between provisional invoicing and quotational period completion is typically between 0 and 120 days.

In case of such provisional pricing arrangements, the Group re-estimates the fair value of the final sales price adjustment continually by reference to forward market prices. The fair value of the final sales price is recognised as an adjustment to revenue.

Payment from customers is due within 2-30 working days of receiving the provisional invoicing and any adjustments as per the final invoice are payable in 2-30 working days.

(b) Interest and dividend income

Interest income is recognised on a time-proportion basis, using the effective interest method. Dividend income is recognised when right to receive dividend is established.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's Shareholders or the Board, as appropriate.

3. Critical Accounting Estimates and Judgements

In preparing these consolidated financial statements, management has made estimates and judgements that affect the application of the Group's accounting policies. Estimates and judgements are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.1 Estimates

(a) Mine rehabilitation, restoration and dismantling obligations

Provision is made for the anticipated costs of future restoration, rehabilitation and dismantling of mining areas from which natural resources have been extracted in accordance with the accounting policy in Note 2.15. These provisions include future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demolition, decontamination, water purification and permanent storage of historical residues. These future cost estimates are discounted to their present value. The calculation of these provision estimates require assumptions such as the application of environmental legislation, the scope and timing of planned activities, available technologies, engineering cost estimates, inflation, and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine rehabilitation, restoration and dismantling provisions. For non-operating sites, changes to estimated costs are recognised immediately in the consolidated statement of profit or loss.

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(b) Mineral Resources and Ore Reserves estimates

The estimated quantities of economically recoverable Mineral Resources and Ore Reserves are based upon interpretations of geological and geophysical models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported Reserves and Resources estimates can impact the carrying value of property, plant and equipment through depreciation, restoration and dismantling obligations at the end of mine life, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the consolidated statement of profit or loss. The changes are effective from next financial year following Board approval of the revised Reserves and Resources estimates.

(c) Inventory valuation

Accounting for inventory involves the use of estimates. Such estimates include determination of the net realisable value of inventory (refer Note 2.11). Net realisable value is estimated based on expected selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale. Management utilises the mine plan of the respective operations in order to estimate the net realisable value. Where the net realisable value is lower than the cost of inventory, the inventory value is reduced to reflect such difference. In particular, the lower grade ore inventory is generally susceptible to such value reduction. A change in assumptions may result in the net realisable value estimate to vary significantly, thereby impacting the overall inventory valuation.

(d) Recoverability of non-financial assets

The recoverable amount of each of the Group's cash-generating units is determined as the higher of the asset's fair value less costs of disposal and its value in use in accordance with the accounting policy in Notes 2.7 and 12. These calculations require the use of estimates and assumptions including discount rates, exchange rates, commodity prices, exploration potential, future capital requirements and future operating performance.

(e) Deferral of waste removal costs

The Group defers a portion of waste removal costs incurred during the production phase of an open-pit operation as part of determining the cost of inventories. The amount of deferred waste asset is calculated for each separate component of the ore body as identified by management based on mine plans.

(f) Depreciation and amortisation

The Group allocates the depreciable amount of assets on a systematic basis over the relevant asset's useful life. Refer to Note 2.5 where depreciation methods and useful life estimates for major classes of assets has been disclosed. The estimation of the useful life of the asset is a matter of management judgement and changes in such estimation can result in material impact to the current and future depreciation and amortisation expenses. As per Group's policy, the depreciation method is re-assessed periodically and changes are made where management believes that such changes in depreciation method or useful life estimate are required to better reflect the pattern of consumption of economic benefits embodied in the asset.

Change in estimate during the year:

Management reassessed and amended the useful life and depreciation method for certain assets at Las Bambas based on expected usage as per latest operational plans.

The change has resulted in depreciation for the year to be lower by US$15.2 million. Management believes the amended useful lives and depreciation method better reflect the pattern of future economic benefits to be obtained from the impacted assets.

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3.2 Judgements

(a) Taxes

The Group is subject to tax in a number of jurisdictions. Some of these are in countries that carry higher levels of sovereign risk. Management continually assesses the levels of sovereign risk in determining whether political and administrative changes and reforms in laws, regulations or taxation may impact the Group's future performance.

Significant judgement is required in determining the tax position and the estimates and assumptions in relation to the provision for taxes and the recovery of tax assets, having regard to the nature and timing of their origination and compliance with the relevant tax legislation. There are some tax matters for which the ultimate tax determination is uncertain during the ordinary course of business, which could have a significant impact on the Group. Where the final outcome of pending tax matters is different from the amounts that were initially recognised, such differences will impact the balances in the accounting period in which such determination is made. Also refer to Note 35 in respect of tax matters with uncertain outcomes, which could result in further claims in future against the Group.

A number of above-mentioned tax matters exist at Las Bambas which is also currently subject to multiple audits and reviews by the Peruvian taxation authority in relation to value added taxes ("VAT"), withholding taxes and income taxes. Some of these tax matters relate to Glencore plc's period of ownership and may be subject to potential indemnity claims. At 31 December 2023, the Group had certain indemnity claims in court against Glencore plc and its subsidiaries ("Glencore"). These matters remain ongoing in the judicial process.

For some of the tax matters under audit in Peru, Minera Las Bambas S.A ("MLB") may appeal and not pay the assessed amount if unfavourable assessment resolutions were ultimately issued, or make judgements as to the timing of payments in relation to these matters. The timing of resolution and potential economic outflow of the unresolved tax matters are uncertain. Some of these uncertain tax matters are either incapable of being measured reliably or there is remote possibility of economic outflow at the reporting date. As such, no provision has been reflected in the consolidated financial statements for those tax matters.

Where income tax, VAT and withholding tax obligations have been assessed and deemed to have probable future economic outflows capable of reliable measurement, the Group has recognised a provision for these.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment.

(b) Leases

Certain contracts require management to exercise judgement in applying HKFRS 16 requirements to determine whether an identified asset exists for which the Group utilises substantially all the economic benefits and whether the Group may have a right to use or direct use of that asset. Management conclusion as to whether a lease component exists or not in any given contract may thus be subjective.

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4. Segment Information

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about operations of the Group that are regularly reviewed by the chief operating decision-maker ("CODM") in order to allocate resources to the segment and assess its performance.

The Company's Executive Committee has been identified as the CODM. The Executive Committee reviews the Group's internal reporting of these operations in order to assess performance and allocate resources.

The Group's reportable segments are as follows:

Las Bambas	The Las Bambas mine is a large open-pit, scalable, long-life copper and molybdenum mining operation with prospective exploration options. It is located in the Cotabambas, Apurimac region of Peru.
Kinsevere	Kinsevere is an open-pit copper mining operation located in the Haut-Katanga Province of the DRC.
Dugald River	The Dugald River mine is an underground zinc mining operation located near Cloncurry in North West Queensland.
Rosebery	Rosebery is an underground polymetallic base metal mining operation located on Tasmania's west coast.
Other	Includes corporate entities in the Group.

A segment result represents the EBIT by each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. Other information provided, except as disclosed in the following paragraph, to the CODM is measured in a manner consistent with that in these consolidated financial statements.

Segment assets exclude current income tax assets, deferred income tax assets and net inter-segment receivables. Segment liabilities exclude current income tax liabilities, deferred income tax liabilities and net inter-segment loans. The excluded assets and liabilities are presented as part of the reconciliation to total consolidated assets or liabilities.

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The segment revenue and results for the year ended 31 December 2023 are as follows:

US$ million	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
	For the year ended 31 December 2023					
Revenue by metal:						
- *Copper*[1]	2,938.0	354.6[3]	-	8.2	3.4	3,304.2
- *Zinc*[2]	-	-	264.1	95.3	-	359.4
- *Lead*	-	-	35.9	32.0	-	67.9
- *Gold*	180.8	-	-	52.7	-	233.5
- *Silver*	122.7	-	31.2	51.8	-	205.7
- *Molybdenum*	175.8	-	-	-	-	175.8
Revenue from contracts with customers	**3,417.3**	**354.6**	**331.2**	**240.0**	**3.4**	**4,346.5**
EBITDA	**1,396.7**	**(32.0)**	**33.8**	**77.8**	**(14.4)**	**1,461.9**
Depreciation and amortisation expenses (Note 6)	(800.0)	(27.5)	(53.1)	(56.8)	7.2	(930.2)
EBIT	**596.7**	**(59.5)**	**(19.3)**	**21.0**	**(7.2)**	**531.7**
Finance income (Note 7)						24.3
Finance costs (Note 7)						(366.4)
Income tax expense (Note 8)						(67.5)
Profit for the year						**122.1**
Other segment information:						
Additions to non-current assets (excluding deferred tax assets, inventories and financial instruments)	351.0	332.2	92.3	68.0	4.9	**848.4**

The segment assets and liabilities at 31 December 2023 are as follows:

US$ million	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
	At 31 December 2023					
Segment assets[4]	**9,449.3**	**852.8**	**687.0**	**295.8**	**386.4**	**11,671.3**
Current/deferred income tax assets						229.5
Consolidated assets						**11,900.8**
Segment liabilities[5]	**3,093.2**	**317.4**	**367.6**	**197.8**	**2,555.9**	**6,531.9**
Current/deferred income tax liabilities						1,056.9
Consolidated liabilities						**7,588.8**
Segment non-current assets	**8,635.8**	**725.9**	**620.9**	**255.6**	**267.5**	**10,505.7**

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The segment revenue and results for the year ended 31 December 2022 are as follows:

	For the year ended 31 December 2022					
US$ million	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
Revenue by metal:						
- Copper[1]	1,795.9	421.5[3]	-	8.6	1.7	2,227.7
- Zinc[2]	-	-	417.9	129.2	-	547.1
- Lead	-	-	38.1	34.8	-	72.9
- Gold	105.7	-	-	45.8	-	151.5
- Silver	66.0	-	28.3	41.5	-	135.8
- Molybdenum	119.2	-	-	-	-	119.2
Revenue from contracts with customers	**2,086.8**	**421.5**	**484.3**	**259.9**	**1.7**	**3,254.2**
EBITDA	**1,121.9**	**131.7**	**210.2**	**98.6**	**(27.0)**	**1,535.4**
Depreciation and amortisation expenses (Note 6)	(665.7)	(27.8)	(57.7)	(46.9)	8.0	(790.1)
EBIT	**456.2**	**103.9**	**152.5**	**51.7**	**(19.0)**	**745.3**
Finance income (Note 7)						15.0
Finance costs (Note 7)						(299.8)
Income tax expense (Note 8)						(217.0)
Profit for the year						**243.5**
Other segment information:						
Additions to non-current assets (excluding deferred tax assets, inventories and financial instruments)	354.4	44.8	59.1	52.3	38.3	**548.9**

The segment assets and liabilities at 31 December 2022 are as follows:

	At 31 December 2022					
US$ million	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
Segment assets[4]	**10,275.6**	**539.6**	**654.3**	**276.1**	**413.7**	**12,159.3**
Current/deferred income tax assets						376.2
Consolidated assets						**12,535.5**
Segment liabilities[5]	**3,965.4**	**240.2**	**358.4**	**175.4**	**2,245.4**	**6,984.8**
Current/deferred income tax liabilities						1,322.2
Consolidated liabilities						**8,307.0**
Segment non-current assets	**9,231.8**	**387.6**	**583.1**	**245.3**	**427.8**	**10,875.6**

Notes to Consolidated Financial Statements
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1 Commodity derivative realised and unrealised net losses with a total amount of US$15.9 million (2022: net gains of US$58.2 million) were included in "Revenue" of Copper;

2 Commodity derivative realised and unrealised net losses with a total amount of US$3.0 million (2022: net gains of US$14.4 million) were included in "Revenue" of Zinc;

3. Commodity hedge trades with realised net losses of US$0.3 million (2022: net realised and unrealised gains of US$20.8 million) under "Kinsevere" were executed by another subsidiary of the Company, MMG Finance Limited located in Hong Kong;

4 Included in segment assets of US$386.4 million (2022: US$413.7 million) under the other unallocated items is cash of US$39.1 million (2022: US$171.7 million) mainly held in the Group treasury entities and US$213.2 million trade receivables (2022: US$102.9 million) for MMG South America Company Limited ("MMG SA") in relation to copper concentrate sales; and

5 Included in segment liabilities of US$2,555.9 million (2022: US$2,245.4 million) under the other unallocated items are borrowings of US$2,459.9 million (2022: US$2,160.9 million), which are managed at the Group level.

5. Net Other (Expense)/Income

	2023 US$ million	2022 US$ million
Loss on disposal of property, plant and equipment	(2.6)	(9.0)
Sundry income	0.4	11.4
Total net other (expense)/income	**(2.2)**	**2.4**

6. Expenses

Profit before income tax includes the following expenses:

	2023 US$ million	2022 US$ million
Changes in inventories of finished goods and work in progress	506.8	(298.2)
Write-down of inventories to net realisable value	17.9	3.3
Employee benefit expenses[1]	320.6	277.9
Contracting and consulting expenses[3]	565.5	529.1
Energy costs	360.9	305.4
Stores and consumables costs	511.1	422.9
Depreciation and amortisation expenses[2]	913.2	773.8
Other production expenses[3]	210.4	165.5
Cost of goods sold	**3,406.4**	**2,179.7**
Other operating expenses	59.2	41.0
Royalty expenses	140.9	116.4
Selling expenses[3]	127.4	119.3
Total operating expenses including depreciation and amortisation[4]	**3,733.9**	**2,456.4**
Exploration expenses[1,2,3]	49.6	30.8
Administrative expenses[1,3]	12.9	16.0
Auditors' remuneration	1.8	1.7
Foreign exchange loss/(gain) – net	3.5	(6.6)
(Gain)/loss on financial assets at fair value through profit or loss	(1.2)	0.3
Other expenses[1,2,3]	12.1	12.7
Total expenses	**3,812.6**	**2,511.3**

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1 In aggregate US$45.1 million (2022: US$44.0 million) employee benefit expenses by nature is included in the administrative expenses, exploration expenses, and other expenses categories. Total employee benefit expenses were US$365.7 million (2022: US$321.9 million) (Note 11).

2 In aggregate US$17.0 million (2022: US$16.3 million) depreciation and amortisation expenses are included in exploration expenses and the other expenses category. Total depreciation and amortisation expenses were US$930.2 million (2022: US$790.1 million).

3 The expense under these categories include certain amounts in respect of lease and non-lease contracts which were not recognised as right-of-use assets on the consolidated statement of financial position following the guidance as per HKFRS 16 or where the contracts were low value for a lease assessment under HKFRS 16 requirements. Expenditure in respect of such contracts assessed as leases but which did not qualify for recognition as right-of-use assets included US$102.8 million (2022: US$87.8 million) in respect of variable lease payments contracts and US$0.4 million (2022: US$1.0 million) and US$0.9 million (2022: US$1.3 million) for short-term and low-value lease contracts, respectively.

4 Operating expenses include mining and processing costs, royalties, selling expenses (including transportation) and other costs incurred by operations.

7. Finance Income and Finance Costs

	2023 US$ million	2022 US$ million
Finance income		
Interest income	24.3	15.0
	24.3	15.0
Finance costs		
Interest expense-3rd party	(239.9)	(166.8)
Interest expense-related party (Note 30(a))	(108.2)	(96.1)
Withholding taxes in respect of financing arrangements	(15.2)	(10.3)
Unwinding of discount on lease liabilities	(12.9)	(11.8)
Unwinding of discount on provisions	(22.9)	(13.4)
Other finance (cost)/refund- 3rd party	(0.3)	0.1
Other finance cost – related party (Note 30(a))[1]	(4.0)	(1.5)
	(403.4)	**(299.8)**
Gain reclassified from equity to profit or loss on		
interest rate swaps designated as cash flow hedges (Note 20)	37.0	-
Finance costs – total	**(366.4)**	**(299.8)**

1 For the year ended 31 December 2023, other finance cost – related party includes an amount of US$4.0 million (2022: US$1.5 million) guarantee fee, paying for guarantee CMC and CMN provided for obtaining certain RCF from external banks.

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8. Income Tax Expense

Hong Kong profits tax is provided at a rate of 16.5% where there are net assessable profits derived for the year. The income tax rates applicable for the main jurisdictions in which the Group operates are: Australia (30.0%), Peru (32.0%) and the DRC (30.0%). Tax rates for some jurisdictions are covered by historical legal agreements with governments. Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

	2023 US$ million	2022 US$ million
Current income tax benefit/(expense)		
– HK income tax	0.4	(2.6)
– Overseas income tax	(139.9)	(182.5)
Deferred income tax benefit/(expense)		
– HK income tax	1.0	(1.0)
– Overseas income tax	71.0	(30.9)
Income tax expense	**(67.5)**	**(217.0)**

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On December 2023, Pillar Two legislation was enacted or substantively enacted in certain jurisdictions the Group operates. The Group is in the scope of the enacted or substantively enacted legislation. However, the legislation was enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group expects to be in a position to report the potential exposure in its next interim financial statements for the period ending 30 June 2024.

The tax on the Group's profit before income tax differs from the prima facie amount that would arise using the applicable tax rate to profit of the consolidated companies as follows:

	2023 US$ million	2022 US$ million
Profit before income tax	189.6	460.5
Calculated at domestic tax rates applicable to profits or losses in the respective countries	(47.4)	(128.5)
Net non-taxable/(non-deductible) amounts	4.5	(33.4)
Over/(under) provision in prior years	47.4	(2.5)
Non-creditable withholding tax	(70.7)	(52.8)
Others	(1.3)	0.2
Income tax expense	**(67.5)**	**(217.0)**

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In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:

	Year Ended 31 December					
	2023 US$ million			2022 US$ million		
	Before tax amount	Tax benefit	Net of income tax amount	Before tax amount	Tax expense	Net of income tax amount
Items that will be reclassified subsequently to profit or loss:						
Fair value gain/(loss) on IRS	(17.9)	5.8	(12.1)	82.1	(26.3)	55.8
Movement on IRS closure	(37.0)	11.8	(25.2)	-	-	-
	(54.9)	**17.6**	**(37.3)**	**82.1**	**(26.3)**	**55.8**

9. Earnings Per Share

Basic earnings per share is calculated by dividing the earnings for the year attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Company's share options and performance awards on issue, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined at the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and performance awards. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of share options and performance awards.

	2023 US$ million	2022 US$ million
Earnings attributable to equity holders of the Company in the calculation of basic and diluted earnings per share	9.0	172.4

	Number of Shares '000	
	2023	2022
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	8,649,544	8,639,618
Shares deemed to be issued in respect of long-term incentive equity plans	38,654	57,552
Weighted average number of ordinary shares used in the calculation of the diluted earnings per share	8,688,198	8,697,170
Basic earnings per share	**US 0.10 cents**	**US 2.00 cents**
Diluted earnings per share	**US 0.10 cents**	**US 1.98 cents**

10. Dividends

The Directors did not recommend the payment of an interim or final dividend for the year ended 31 December 2023 (2022: nil).

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11. Employee Benefit Expenses, Including Directors' Emoluments

	2023 US$ million	2022 US$ million
Salaries and other benefits	349.7	303.9
Retirement scheme contributions (a)	16.0	18.0
Total employee benefit expenses (Note 6)	**365.7**	**321.9**

(a) Retirement schemes

The Group provides retirement benefits to all eligible Hong Kong employees under the Mandatory Provident Fund (MPF Scheme). Under the MPF Scheme, the Group and its employees make monthly contributions to the MPF Scheme at 5% of the employees' salaries as defined under the Mandatory Provident Fund legislation. Contributions of both the Hong Kong subsidiaries and their employees are subject to a maximum of HK$1,500 per month and thereafter contributions are voluntary and are not subject to any limitation. The MPF Scheme is administered by an independent trustee and its assets are held separately from those of the Group.

The Group provides a superannuation contribution for all Australian-based employees to their nominated superannuation fund. This contribution is to provide benefits for employees and their dependants in retirement, and for relevant employees, for disability or death. In accordance with the applicable regulation in Australia, the Group was required to withhold and deposit 10.5% of ordinary time earnings of all Australian-based employees. This rate increased to 11% with effect from 1 July 2023. Also, in accordance with the applicable regulation in Australia, the Group caps the superannuation contributions at the maximum super contribution base. The maximum super contribution base is used to determine the maximum limit on any individual employee's earnings base for each quarter of any financial year. Organisations do not have to provide the minimum support for the part of earnings above this limit.

The Group provides for retirement benefits to those employees who reach statutory retirement age in the DRC in accordance with the Collective Bargaining Agreement with its employees at the Kinsevere mine. A provision for the retirement benefit is recognised which is measured as the present value of the expected future payments to be made taking into consideration the period of employee service and their job position at the reporting date.

The Group provides on a monthly basis to various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the People's Republic of China ("PRC"). The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made.

The Group provides pension contributions on a monthly basis for all Peru based employees. There are two pension schemes in Peru: the National Pension System and the Private Pension System. Employees can elect to join one of the two pension schemes. Contributions to both schemes are deducted from the employee's monthly base salary and no cap applies.

- The National Pension System (Sistema Nacional de Pensiones – ONP), is administered by the state and the mandatory contribution is 13% of the employee's total remuneration;
- The Private Pension System (Sistema Privado de Pensiones –SPP) is formed by the Private Pension Funds Administrators (Administradoras Privadas de Fondos de Pensiones – AFP) and the mandatory contribution is 10% of the monthly base salary, not including fees and insurances. The overall deduction to employee´s salary is approximately 14%, including fees and insurances charged by AFP.

There is also an Early Retirement Fund for employees who are classified as working in high risk jobs in the following areas: underground mining, mining extraction to open pit, centres of mining, metallurgical and steel

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production, exposed to risk of toxicity, insalubrity and danger and construction activities. The employee and company provide monthly contributions towards the early retirement fund. This additional amount is added to the employee's preferred pension scheme.

The Group provides Social Security contributions to all Laos employees in accordance with the relevant legislation. Contributions will only be made under the National Social Security Scheme and will be calculated on the accumulation of the employee's total gross remuneration, capped at the maximum contribution base of LAK4,500,000. The current contribution rates are:

- 6% of the gross remuneration must be contributed by the employer;
- 5.5% of the gross remuneration must be contributed by the employee.

12. Property, Plant and Equipment

US$ million	Land and buildings	Plant and machinery	Mine property and development	Exploration and evaluation	Construction in progress	Total
At 1 January 2023						
Cost	937.6	4,993.8	10,388.8	106.4	502.5	16,929.1
Accumulated depreciation, amortisation and impairment	(386.5)	(2,325.8)	(4,601.0)	(106.4)	-	(7,419.7)
Net book amount at 1 January 2023	**551.1**	**2,668.0**	**5,787.8**	**-**	**502.5**	**9,509.4**
Year ended 31 December 2023						
At the beginning of the year	551.1	2,668.0	5,787.8	-	502.5	9,509.4
Additions (Note 29(b))	3.7	110.0	242.8	-	457.0	813.5
Depreciation and amortisation	(55.4)	(285.0)	(561.6)	-	-	(902.0)
Disposals, net	(2.4)	(1.4)	-	-	-	(3.8)
Transfers, net	2.9	47.5	190.2	-	(240.6)	-
At the end of the year	**499.9**	**2,539.1**	**5,659.2**	**-**	**718.9**	**9,417.1**
At 31 December 2023						
Cost	940.5	5,251.3	10,713.9	106.4	718.9	17,731.0
Accumulated depreciation, amortisation and impairment	(440.6)	(2,712.2)	(5,054.7)	(106.4)	-	(8,313.9)
Net book amount at 31 December 2023	**499.9**	**2,539.1**	**5,659.2**	**-**	**718.9**	**9,417.1**

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US$ million	Land and buildings	Plant and machinery	Mine property and development	Exploration and evaluation	Construction in progress	Total
At 1 January 2022						
Cost	936.5	4,810.7	10,324.1	106.4	436.0	16,613.7
Accumulated depreciation, amortisation and impairment	(329.4)	(2,121.6)	(4,293.2)	(106.4)	-	(6,850.6)
Net book amount at 1 January 2022	**607.1**	**2,689.1**	**6,030.9**	**-**	**436.0**	**9,763.1**
Year ended 31 December 2022						
At the beginning of the year	607.1	2,689.1	6,030.9	-	436.0	9,763.1
Additions (Note 29(b))	0.2	100.5	128.0	-	291.2	519.9
Depreciation and amortisation	(59.6)	(262.2)	(442.8)	-	-	(764.6)
Disposals, net	-	(9.0)	-	-	-	(9.0)
Transfers, net	3.4	149.6	71.7	-	(224.7)	-
At the end of the year	**551.1**	**2,668.0**	**5,787.8**	**-**	**502.5**	**9,509.4**
At 31 December 2022						
Cost	937.6	4,993.8	10,388.8	106.4	502.5	16,929.1
Accumulated depreciation, amortisation and impairment	(386.5)	(2,325.8)	(4,601.0)	(106.4)	-	(7,419.7)
Net book amount at 31 December 2022	**551.1**	**2,668.0**	**5,787.8**	**-**	**502.5**	**9,509.4**

Impairment testing of non-current assets and goodwill

In accordance with the Group's accounting policies and processes, the Group performs its impairment testing annually at 31 December. In addition, CGUs are reviewed at each reporting period to determine whether there is an indication of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is made at the reporting period.

In respect of Las Bambas, the CGU is subject to impairment testing due to goodwill being attributed to the CGU which requires an annual impairment assessment.

In respect of Kinsevere and Dugald River, impairment losses have been recognised in 2019 and 2015 respectively. Management has reviewed the operational performance and considered the operation's sensitivity to a range of factors including commodity prices, throughput, grade, recovery, operation, capital expenditure and progress of development projects and concluded that there is currently no further impairment or any requirement to reverse the previously recognised impairment.

No impairment indicators were noted in respect of Rosebery.

(i) Approach to recognition of an impairment loss

An impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of each CGU has been estimated using its fair value less costs of disposal ("Fair Value"), which is consistent with the approach from the prior year. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning process, including Life of Mine Planning, three-year budgets, periodic

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forecasts and CGU specific studies. Expected operating performance improvements reflecting the Group's objectives to maximise free cash flow, optimise operational activity, apply technology, improve capital and labour productivity and other production efficiencies are also included along with the expected costs to realise the initiatives.

All reserves and resources have been included in the valuations at justifiable reasonable conversion rates, supported by proof of concept studies. Exploration targets are included in the valuation based on management's expectation of identifying and converting potential resources to reserves and successfully utilising such resources.

(ii) Key assumptions

The key assumptions impacting the discounted cash flow models used to determine the Fair Value include:

- Commodity prices;
- Operating costs;
- Production rates;
- Capital requirements;
- Political instability and social unrest impacting regulatory approvals and timing thereof;
- Real post-tax discount rates;
- Foreign exchange rates;
- Reserves and resources and conversion of exploration targets;
- Recovery of taxes;
- Optimisation of operational activity and productivity; and
- Rehabilitation timing.

In determining some of the key assumptions, management considered external sources of information where appropriate.

Commodity price and exchange rate assumptions are based on the latest internal forecasts benchmarked to analyst consensus forecasts. The long-term cost assumptions are based on actual costs adjusted for planned operational changes and input cost assumptions over the life of mine.

The long-term price assumed for copper is US$4.03 per pound (2022: US$3.86 per pound) and for zinc is US$1.30 per pound (2022: US$1.25 per pound).

The long term AUD:USD exchange rate is 0.73 (2022: 0.75).

The real post-tax discount rates used in the Fair Value estimates of the CGU's are listed below at 10.75% for Kinsevere (2022: 10.5%), 6.75% for Dugald River and Rosebery (2022: 6.5%) and 8.0% for Las Bambas (2022: 7.75%), reflecting a 0.25% increase in the Weighted Average Cost of Capital (WACC).

Management considers the estimates applied in this impairment assessment are reasonable. However, such estimates are subject to significant uncertainties and judgements. Refer to (iv) below for sensitivity analysis.

(iii) Valuation methodology

Las Bambas

The Las Bambas Fair Value is determined through CGU discounted cash flows at 31 December 2023. The valuation is based on the current operation and further regional exploration targets included in the initial valuation to acquire the mine in 2014. Management continues to work with local communities to secure land access to continue its exploratory drilling activities, to materialise the potential from such exploration targets.

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The cash flows assume additional capital investment in the processing plant, tailings facilities and mine developments as well as expected cost reductions from operational improvement programs. Significant upcoming projects are included that are subject to regulatory permits and approvals. Future cash flow forecasts include estimates for the cost of obtaining access to land where the rights do not currently exist.

Political instability at a national level may result in delays of environmental and drilling permits and the ability to engage with the community and carry out exploration drilling. Although access to the heavy haul road for concentrate transportation significantly improved from March 2023, management continues to progress dialogue with local communities and the Government of Peru to ensure the continuity of road access into the future. This includes continuing to deliver on the Company's obligations in relation to social and community development programs and supporting the Government of Peru to progress public investment projects which will improve the condition of the public road which Las Bambas' uses for the transport of concentrate to the port, which is expected to reduce disruptions of road usage into the future.

The impairment assessment of the Las Bambas CGU at 31 December 2023 did not result in the recognition of any impairment.

Kinsevere

The Kinsevere Fair Value at 31 December 2023 assumes delivery of the Kinsevere Expansion Project (KEP) and further regional exploration targets which are at varying levels of confidence. KEP was approved in March 2022 and construction is currently underway. KEP will extend the life of Kinsevere by modifying and extending the existing oxide processing facilities to include a sulphide ore and cobalt processing circuit. The cobalt circuit was commissioned in Q4 2023 with first copper cathode from sulphides expected in the second half of 2024.

The impairment assessment of the Kinsevere CGU at 31 December 2023 did not result in the recognition of any further impairment.

In 2019, management had recognised a pre-tax impairment of US$150.0 million due to operational challenges and risks associated with political and legislative matters. Significant risks and uncertainties still exist in respect of the application of the Mining Code (2018), additional duties and taxes, and recoverability of VAT receivable from the DRC Government. The valuation is also sensitive to factors such as copper and cobalt price, discount rate, recovery, ore loss, KEP schedule and performance and dilution. Considering such risks and sensitivities, no reversal of previously recognised impairment was required. The Group will continue to monitor and assess if a reversal of impairment is required in future periods.

Dugald River

The impairment assessment of the Dugald River CGU at 31 December 2023 resulted in in positive headroom requiring no impairment.

Previously, in 2015, management had recognised a pre-tax impairment loss of US$573.6 million for Dugald River. Given the value of the headroom and considering that the fair value is highly sensitive to zinc price, exchange rates and operational performance, management believes no reversal of previously recognised impairment is required. The Group will continue to monitor and assess if a reversal of impairment is required in future periods.

Rosebery

The Rosebery Fair Value is determined through the 2023 Life of Mine Planning discounted cashflows. No indicators of impairment were noted for Rosebery and the Fair Value currently supports the carrying value of the CGU. Consequently, no impairment was recognised.

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(iv) Sensitivity analysis

Commodity prices, the level of production activity as well as the success of converting reserves, resources, exploration targets and increasing the resource estimates over the lives of mines are key assumptions in the determination of Fair Value. Due to the number of risk factors that could impact production activity, such as processing throughput, changing ore grade and/or metallurgy and revisions to mine plans in response to physical or economic conditions, no quantified sensitivity has been determined. Changes to these assumptions may however result in an impact on the Fair Value and result in an impairment in the future.

A sensitivity analysis is presented below for both Las Bambas and Kinsevere. The sensitivities assume that the specific assumption moves in isolation, whilst all other assumptions are held constant. However in reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact. Management action is also usually taken to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

Las Bambas

The key assumptions to which the calculation of recoverable amount for Las Bambas is most sensitive are discount rate, copper prices, operating costs, tax disputes, permitting delays, land access and timing of identifying and converting potential resources and reserves thereby realising the exploration potential. An unfavourable movement in any one of these factors may result in a material impairment to the asset with a favourable movement resulting in a substantial improvement to the recoverable amount.

- A movement of 1% to the discount rate would impact recoverable amount by approximately US$900 million;
- A change of 5% in copper price over the remaining mine life would impact the recoverable amount by approximately US$1,000 million; and
- A change of 5% in operating costs would impact the recoverable amount by approximately US$450 million.

Political instability and community blockades are potential risks which may result in delays in environmental and drilling permits and the ability to access land required for carrying out exploration activities and ultimately the development of operations. They may also cause delays to critical capital projects impacting cashflows. MMG remains committed to working closely with the government of Peru and community members to reach an enduring agreement. Potential impacts on Las Bambas' cashflows due to a level of delays in permits and disruptions by communities have been considered in the Las Bambas fair value.

At the time of the Las Bambas acquisition in 2014, the initial valuation included significant value to be realised from exploration targets. Las Bambas' future cash flows remain significantly dependent on the realisation of the value from exploration activities. Identification and exploitation of resources depends on obtaining permits and timely and continued access to drilling targets. There is also a risk that exploration activities may result in lower than expected actual resources whereby the value assigned to the exploration potential may not be fully recoverable.

Management expects that the impact of delays caused by community disputes, access to land or the amount and timing of exploration potential realised would result in a revision to the mine plan.

The occurrence of one or more of the above assumptions in isolation, without a change in other assumptions which may have an offsetting impact, is likely to result in recognition of a material impairment.

Kinsevere

The key assumptions to which the calculation of Fair Value for Kinsevere is most sensitive are copper and cobalt prices and discount rate. An unfavourable movement in any one of these factors in isolation may result in a material impairment to the asset with a favourable movement resulting in a substantial improvement to the recoverable amount.

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- A change of 5% in copper price over the remaining mine life would impact the recoverable amount by approximately US$150 million;
- A change of 5% in cobalt price over the remaining mine life would impact the recoverable amount by approximately US$50 million; and
- A movement of 1% to the discount rate would impact recoverable amount by approximately US$50 million.

13. Right-of-use Assets

US$ million	Land and building	Plant and machinery	Total
At 1 January 2023			
Cost	13.3	148.0	161.3
Accumulated depreciation	(10.7)	(39.4)	(50.1)
Net book amount at 1 January 2023	**2.6**	**108.6**	**111.2**
Year ended 31 December 2023			
At the beginning of the year	2.6	108.6	111.2
Additions, net	5.2	28.5	33.7
Depreciation	(2.7)	(24.1)	(26.8)
At the end of the year	**5.1**	**113.0**	**118.1**
At 31 December 2023			
Cost	16.9	168.0	184.9
Accumulated depreciation	(11.8)	(55.0)	(66.8)
Net book amount at 31 December 2023	**5.1**	**113.0**	**118.1**
At 1 January 2022			
Cost	12.6	144.2	156.8
Accumulated depreciation	(9.2)	(43.0)	(52.2)
Net book amount at 1 January 2022	**3.4**	**101.2**	**104.6**
Year ended 31 December 2022			
At the beginning of the year	3.4	101.2	104.6
Additions, net	0.8	26.0	26.8
Depreciation	(1.6)	(18.6)	(20.2)
At the end of the year	**2.6**	**108.6**	**111.2**
At 31 December 2022			
Cost	13.3	148.0	161.3
Accumulated depreciation	(10.7)	(39.4)	(50.1)
Net book amount at 31 December 2022	**2.6**	**108.6**	**111.2**

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14. Intangible Assets

US$ million	Goodwill	Software development	Total
At 1 January 2023			
Cost	739.9	215.9	955.8
Accumulated amortisation and impairment	(211.4)	(210.2)	(421.6)
Net book amount at 1 January 2023	**528.5**	**5.7**	**534.2**
Year ended 31 December 2023			
At the beginning of the year	528.5	5.7	534.2
Additions, net	-	1.2	1.2
Amortisation	-	(1.4)	(1.4)
At the end of the year	**528.5**	**5.5**	**534.0**
At 31 December 2023			
Cost	739.9	217.1	957.0
Accumulated amortisation and impairment	(211.4)	(211.6)	(423.0)
Net book amount at 31 December 2023	**528.5**	**5.5**	**534.0**
At 1 January 2022			
Cost	739.9	214.3	954.2
Accumulated amortisation and impairment	(211.4)	(205.5)	(416.9)
Net book amount at 1 January 2022	**528.5**	**8.8**	**537.3**
Year ended 31 December 2022			
At the beginning of the year	528.5	8.8	537.3
Additions	-	2.2	2.2
Amortisation	-	(5.3)	(5.3)
At the end of the year	**528.5**	**5.7**	**534.2**
At 31 December 2022			
Cost	739.9	215.9	955.8
Accumulated amortisation and impairment	(211.4)	(210.2)	(421.6)
Net book amount at 31 December 2022	**528.5**	**5.7**	**534.2**

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15. Investment in Subsidiaries

The following is a list of the principal subsidiaries of the Group at 31 December 2023 and 2022:

				Proportion of issued capital held by the Company			
				2023		2022	
Name of company	Place of incorporation/ operation	Principal activities	Particulars of issued or paid-up capital	Directly	Indirectly	Directly	Indirectly
MMG Australia Limited	Australia	Mineral exploration and production, management and employment services	490,000,000 Ordinary Shares at A$[1]1 a share	-	100%	-	100%
MMG Dugald River Pty Ltd	Australia	Holds Dugald River Assets	301,902,934 Ordinary Shares at A$1 a share	-	100%	-	100%
MMG Exploration Pty Ltd	Australia	Investment holding	1 Ordinary Share at A$1 a share	-	100%	-	100%
MMG Management Pty Ltd	Australia	Treasury and management services	1 Ordinary Share at A$1 a share	-	100%	-	100%
Topstart Limited	British Virgin Islands	Investment holding	1,386,611,594 Ordinary Shares at US$1 a share	100%	-	100%	-
Anvil Mining Limited	British Virgin Islands	Investment holding	100 Class A Common Shares at US$1	-	100%	-	100%
MMG Resources Inc.	Canada	Mineral exploration	200 Common Shares at C$[1]1 a share	-	100%	-	100%
MMG Kinsevere SARL	DRC	Mineral exploration and production	10,000 Ordinary Shares at CDF[1] 10,000 a share	-	100%	-	100%
MMG Exploration Holdings Limited	Hong Kong	Mineral exploration and holding company	1 Ordinary Share providing a share capital of HK$[1]1	100%	-	100%	-

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Name of company	Place of incorporation/ operation	Principal activities	Particulars of issued or paid-up capital	Proportion of issued capital held by the Company			
				2023		2022	
				Directly	Indirectly	Directly	Indirectly
MMG Finance Limited	Hong Kong	Administration and treasury services	1 Ordinary Share providing a share capital of HK$1	100%	-	100%	-
MMG South America Company Limited	Hong Kong	Investment holding and sales of copper concentrate	1,880,000 Ordinary Shares providing a share capital of HK$1,880,000	100%	-	100%	-
MMG South America Management Company Limited	Hong Kong	Holding investments in Peru	1,200 Ordinary Shares providing a share capital of HK$28,046,249,501	-	62.5%	-	62.5%
MMG Netherlands B.V.	Netherlands	Investment holding	5,000 Ordinary Shares at EUR[1]1 a share	-	62.5%	-	62.5%
Minera Las Bambas S.A.	Peru	Mineral exploration and production	15,107,754,037 Common Shares at PEN[1] 1 a share	-	62.5%	-	62.5%
Album Investment Pte Ltd	Singapore	Investment holding	488,211,901 Ordinary Shares at S$[1]1 a share	-	100%	-	100%
Album Resources Pte Ltd	Singapore	Investment holding	488,211,901 Ordinary Shares at S$[1]1 a share	-	100%	-	100%
MMG Swiss Finance AG	Switzerland	Investment holding and financial services	100,000 Ordinary Shares at CHF[1]1 a share	-	62.5%	-	62.5%
MMG Beijing Co., Ltd	Beijing	Corporate management services	Registered capital of CNY[1] 10,000,000	100%	-	100%	-

1. A$, C$, CDF, HK$, S$, PEN, CHF, CNY and EUR stand for Australian dollar, Canadian dollar, Congo dollar, Hong Kong dollar, Singapore dollar, Peruvian Sol, Swiss Franc, Chinese Yuan and Euro respectively.

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16. Principal Subsidiaries with Material Non-Controlling Interests

The Group had total non-controlling interests of US$2,188.6 million at 31 December 2023 (2022: US$2,089.5 million) which relate to the Las Bambas Joint Venture Group.

The summarised financial information is shown on a 100% basis. It represents the amounts shown in the Las Bambas Joint Venture Group's consolidated financial statements prepared in accordance with HKFRSs under Group's accounting policies, before inter-company eliminations.

	At 31 December	
US$ million	**2023**	**2022**
Summarised Consolidated Statement of Financial Position		
Assets	**9,930.7**	**10,685.5**
Current	1,227.8	1,225.2
Include: Cash and cash equivalents	399.2	171.8
Non-current	8,702.9	9,460.3
Liabilities	**(4,094.4)**	**(5,113.6)**
Current	(970.1)	(1,393.0)
Non-current	(3,124.3)	(3,720.6)
Net assets	**5,836.3**	**5,571.9**

	Year Ended 31 December	
	2023	**2022**
Summarised Consolidated Statement of Comprehensive Income		
Revenue	3,417.3	2,086.8
Net financial cost	202.6	181.1
Income tax expense	92.4	85.5
Profit for the year	**301.0**	**189.5**
Other comprehensive (loss)/income for the year	(37.3)	55.8
Total comprehensive income	**263.7**	**245.3**
Total comprehensive income attributable to:		
Equity holders of the Company	164.6	153.3
Non-controlling interests	99.1	92.0
	263.7	**245.3**

	Year Ended 31 December	
	2023	**2022**
Summarised Consolidated Statement of Cash Flows		
Net increase/(decrease) in cash and cash equivalents	227.4	(664.5)
Cash and cash equivalents at 1 January	171.8	836.3
Cash and cash equivalents at 31 December	**399.2**	**171.8**

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17. Inventories

	2023 US$ million	2022 US$ million
Non-current		
Work in progress	**115.0**	**122.2**
Current		
Stores and consumables	164.7	130.7
Work in progress	175.7	177.6
Finished goods	49.1	564.3
	389.5	**872.6**
Total	**504.5**	**994.8**

18. Deferred Income Tax

The movements in deferred income tax assets/(liabilities) during the years are as follows:

US$ million	Property, plant and equipment	Provisions	Tax losses	Others	Total
At 1 January 2022	**(1,104.1)**	**239.1**	**-**	**30.9**	**(834.1)**
(Charged)/credited to profit or loss (Note 8)	(167.8)	10.5	152.1	(26.7)	(31.9)
Charged to other comprehensive income (Note 8)	-			(26.3)	(26.3)
At 31 December 2022	**(1,271.9)**	**249.6**	**152.1**	**(22.1)**	**(892.3)**
Credited/(charged) to profit or loss (Note 8)	158.6	69.2	(148.0)	(7.8)	72.0
Charged to other comprehensive loss (Note 8)	-	-	-	17.6	17.6
At 31 December 2023	**(1,113.3)**	**318.8**	**4.1**	**(12.3)**	**(802.7)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to income tax levied by the same taxation authority on either the same taxation entity or different taxation entities, and there is an intention to settle the balances on a net basis. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	2023 US$ million	2022 US$ million
Deferred income tax assets	150.0	315.7
Deferred income tax liabilities	(952.7)	(1,208.0)
	(802.7)	**(892.3)**

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The Group only recognises deferred income tax assets for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses in the foreseeable future. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. At 31 December 2023 and 2022, the Group had unrecognised deferred tax losses and temporary differences as follows:

	2023 US$ million	2022 US$ million
Tax losses (tax effected)	29.9	33.5
Deductible temporary differences (tax effected)	45.3	47.0
At 31 December	**75.2**	**80.5**

Unrecognised tax losses of US$21.9 million (2022: US$23.8 million) were with expiry years ranging from 2024 to 2038 (2022: from 2023 to 2037). Other losses will be carried forward indefinitely.

19. Trade and Other Receivables

	2023 US$ million	2022 US$ million
Non-current other receivables		
Prepayment	0.3	-
Other receivables – government taxes (net of provisions)[1]	20.3	11.4
Sundry receivables, net of provisions[2]	148.2	156.1
	168.8	**167.5**
Current trade and other receivables		
Trade receivables[3] (Note 31.1(c) (d) and (e),31.3 and 31.4)	354.8	212.7
Prepayments	32.9	20.0
Other receivables – government taxes[1]	66.0	74.0
Sundry receivables	22.3	35.8
	476.0	**342.5**

1 The government taxes amount mainly consists of VAT receivables associated with the Group's operations in Peru and DRC.

2 Sundry receivables amount mainly consists of receivables from Glencore in MLB acquisition project and VAT2011/12 receivables from SUNAT.

3 At 31 December 2023 and 2022, trade receivables of the Group mainly related to the mining operations. The majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received in line with requirement under the sales contract, usually within 30 days of submission of all required documentation and fulfilment of obligations under the respective incoterm for the sales; Upon issuance of final invoice at end of the quotational period, any remaining balance is then payable within 30 days from such final invoice being issued. All the trade receivables at 31 December 2023 and 2022 were within 6 months from the date of invoice. At 31 December 2023, there was no trade receivable past due (2022: nil). At 31 December 2023, the Group's trade receivables, other receivables and prepayments included an amount of US$160.9 million (2022: US$106.4 million) which were due from related companies of the Group (Note 30(d)). The carrying amounts of the Group's trade receivables are all denominated in US$.

Notes to Consolidated Financial Statements Continued

20. Derivative Financial Assets/(Liabilities)

	2023 US$ million	2022 US$ million
Assets		
Non-current		
Interest rate swap[1]	-	113.9
Current		
Commodity derivative-Copper	3.1	8.1
Commodity derivative-Zinc	-	4.0
	3.1	**126.0**
Liabilities		
Current		
Commodity derivative-Copper	-	(0.3)
	-	**(0.3)**

1 In June 2020, the Group entered into a notional US$2,100 million 5-year amortising interest rate swap ("IRS") with Bank of China, Sydney branch ("BOC Sydney"). The purpose of the arrangement was to fix approximately half of the interest rate exposure accompanying the floating interest rate project facility at Las Bambas for a period of 5 years. The IRS was designated as a cash flow hedge and consequently fair value changes were initially recognised under other comprehensive income ("OCI") and recycled to the profit and loss when realised in accordance with the repayment schedule on the project facility.

In June 2023, management closed the IRS. As at the date of closure, the IRS had a positive valuation of $96.0 million cash proceeds received on 3 July 2023. Fair value gains on the IRS are retained in the OCI and is recycled to profit and loss over the life of the original IRS based on the cashflow profile of the IRS at the time of closure. For the year ended 31 December 2023, post-tax OCI from IRS contracts was loss of US$37.3 million (2022: gain of US$55.8 million). Refer to Note 31.1 (b) for further details. As at 31 December 2023, the OCI remaining credit balance is US$40.2 million (31 December 2022: US$77.5 million).

21. Other Financial Assets

	2023 US$ million	2022 US$ million
Non-current financial assets (Note 31.1(c) (e),31.3 and 31.4)		
Financial assets at fair value through profit or loss – listed[1]	2.7	1.5
	2.7	**1.5**

1 Financial assets at fair value through profit or loss are listed investments outside Hong Kong and their carrying values are equal to their market values.

Notes to Consolidated Financial Statements
Continued

22. Cash and Cash Equivalents

	2023 US$ million	2022 US$ million
Cash at bank and in hand	138.8	191.2
Short-term bank deposits and others[2]	308.2	181.0
Total[1] (Note 31.1 (b) (c) and (e), 31.3 and 31.5)	**447.0**	**372.2**

1 Total cash and cash equivalents include US$399.2 million (2022: US$171.8 million) of cash held limited for use by Las Bambas Joint Venture Group.

2 The effective interest rate on short-term bank deposits as at 31 December 2023 range from 5.37% to 5.70% (31 December 2022: 4.37% to 4.55%). These deposits have an average 29 days (2022: 18 days) to maturity.

The carrying amounts of the cash and cash equivalents are denominated in various currencies. Refer to Note 31.1 (c) for details.

23. Share Capital

	Number of Ordinary Shares		Share Capital	
	2023 '000	2022 '000	2023 US$ million	2022 US$ million
Issued and fully paid:				
At 1 January	8,639,767	8,639,126	3,220.5	3,220.3
Employee share options exercised[1]	3,159	641	1.9	0.2
Employee performance awards vested[2]	13,121	-	2.2	-
At 31 December	**8,656,047**	**8,639,767**	**3,224.6**	**3,220.5**

1 During the year ended 31 December 2023, a total of 3,158,983 (2022: 640,980) new shares were issued as a result of employee share options exercised at a weighted average exercise price of HK$2.29 per share under the Company's 2016 Share Option Scheme which were pursuant to 2013 Share Option Scheme. The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$2.83 (2022: HK$3.08) (Note 33), refer to Note 33 for more details of 2016 Share Option Scheme;

2 During the year ended 31 December 2023, a total of 13,120,972 new shares were issued as a result of 2020 Performance Awards vesting on 1 June 2023. The closing price of the shares of the Company immediately before the date on which the performance award was exercised was HK$2.35. Refer to Note 33 for more details of 2020 Performance Awards.

Notes to Consolidated Financial Statements
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24. Reserves and Retained Profits

US$ million	Special capital reserve	Exchange translation reserve	Merger reserve[1]	Surplus reserve[2]	Share-based payment reserve	Cash flow hedge reserve[3]	Other reserve	Total reserves	Retained profits	Total
At 1 January 2023	**9.4**	**2.7**	**(1,946.9)**	**50.2**	**9.9**	**48.5**	**(0.5)**	**(1,826.7)**	**745.2**	**(1,081.5)**
Profit for the year	-	-	-	-	-	-	-	-	9.0	**9.0**
Other comprehensive loss for the year	-	-	-	-	-	(23.3)	(1.0)	(24.3)	-	**(24.3)**
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**-**	**-**	**(23.3)**	**(1.0)**	**(24.3)**	**9.0**	**(15.3)**
Provision of surplus reserve	-	-	-	0.4	-	-	-	0.4	(0.4)	**-**
Employee long-term incentives	-	-	-	-	(1.5)	-	-	(1.5)	-	**(1.5)**
Employee share options and performance awards vested and exercised	-	-	-	-	(2.9)	-	-	(2.9)	-	**(2.9)**
Employee share options lapsed	-	-	-	-	(0.1)	-	-	(0.1)	0.1	**-**
Total transactions with owners	**-**	**-**	**-**	**0.4**	**(4.5)**	**-**	**-**	**(4.1)**	**(0.3)**	**(4.4)**
At 31 December 2023	**9.4**	**2.7**	**(1,946.9)**	**50.6**	**5.4**	**25.2**	**(1.5)**	**(1,855.1)**	**753.9**	**(1,101.2)**

Notes to Consolidated Financial Statements
Continued

US$ million	Special capital reserve	Exchange translation reserve	Merger reserve[1]	Surplus reserve[2]	Share-based payment reserve	Cash flow hedge reserve[3]	Other reserve	Total reserves	(Accum-ulated losses)/ retained profits	Total
At 1 January 2022	**9.4**	**2.7**	**(1,946.9)**	**50.1**	**8.9**	**13.6**	**(0.5)**	**(1,862.7)**	**572.9**	**(1,289.8)**
Profit for the year	-	-	-	-	-	-	-	-	172.4	172.4
Other comprehensive income for the year	-	-	-	-	-	34.9	-	34.9	-	34.9
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**34.9**	**-**	**34.9**	**172.4**	**207.3**
Provision of surplus reserve	-	-	-	0.1	-	-	-	0.1	(0.1)	-
Employee long-term incentives	-	-	-	-	1.1	-	-	1.1	-	1.1
Employee share options vested and exercised	-	-	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Total transactions with owners	**-**	**-**	**-**	**0.1**	**1.0**	**-**	**-**	**1.1**	**(0.1)**	**1.0**
At 31 December 2022	**9.4**	**2.7**	**(1,946.9)**	**50.2**	**9.9**	**48.5**	**(0.5)**	**(1,826.7)**	**745.2**	**(1,081.5)**

1 Merger reserve represents the excess of investment cost in entities that have been accounted for under merger accounting for common control combinations in accordance with AG5 (Accounting Guideline 5 issued by the HKICPA) against their share capital;

2 According to the General Law of Companies in Peru, surplus reserve is constituted by transferring 10%, as a minimum, of the net income for each period, after deducting accumulated losses, until reaching an amount equivalent to a fifth of capital.

3 The cashflow hedge reserve records the portion of the gain or loss on a hedging instrument and the related transaction in a cash flow hedge that are determined to be effective. For year ended 31 December 2023, there was realised gains of US$37.0 million (net of tax amount: US$25.2 million) (2022: nil) which were transferred to "financial costs" from interest rate swap closure (Note 7 and 31.1 (b)).

Distributable reserves

At 31 December 2023 and 2022, the Company did not have any distributable reserves available for distribution to shareholders.

Notes to Consolidated Financial Statements
Continued

25. Borrowings

	2023 US$ million	2022 US$ million
Non-current		
Loan from related parties (Note 30(d))	1,831.3	2,231.3
Bank borrowings, net	1,544.5	1,978.3
	3,375.8	**4,209.6**
Current		
Loan from related parties (Note 30(d))	900.0	400.0
Bank borrowings, net	431.3	803.0
	1,331.3	**1,203.0**
Analysed as:		
– Secured	2,016.8	2,675.7
– Unsecured	2,731.3	2,781.2
	4,748.1	**5,456.9**
Prepayments – finance charges	(41.0)	(44.3)
	4,707.1	**5,412.6**
Borrowings (excluding: prepayments) were repayable as follows:		
– Within one year	1,336.8	1,208.8
– More than one year but not exceeding two years	1,078.0	1,136.8
– More than two years but not exceeding five years	1,620.4	2,181.6
– More than five years	712.9	929.7
	4,748.1	**5,456.9**
Prepayments – finance charges	(41.0)	(44.3)
Total (Notes 31.1(b), (c), (e) and 31.3)	**4,707.1**	**5,412.6**

An analysis of the carrying amounts of the total borrowings (excluding prepayments) by type and currency is as follows:

	2023 US$ million	2022 US$ million
US dollars		
– At floating rates	2,586.8	1,713.6
– At fixed rates	2,161.3	3,743.3
	4,748.1	**5,456.9**

The effective interest rate of borrowings during the year ended 31 December 2023 was 5.2% (2022: 4.3%) per annum.

Notes to Consolidated Financial Statements
Continued

At 31 December 2023, certain borrowing of the Group was secured as follow:

(a) US$2,016.8 million (2022: US$2,653.6 million) from China Development Bank, ICBC, BOC Sydney and Export-Import Bank of China was secured by share security over the entire share capital of MMG South America Management Co Ltd and each of its subsidiaries including MLB, a debenture over the assets of MMG South America Management Co Ltd, an assets pledge agreement and production unit mortgage in respect of all of the assets of MLB, assignments of shareholder loans between MMG South America Management Co Ltd and its subsidiaries and security agreements over bank accounts of MLB.

Note: The US$22.1 million borrowing as at 31 December 2022 from ICBC Peru Bank, Banco de Crédito del Peru and Scotiabank Peru secured by mine fleet equipment procured under asset finance arrangements was fully paid during the year ended 31 December 2023.

Reconciliation of borrowings arising from financing activities

				Non-Cash Changes		
US$ million	Notes	1 January 2023	Financing Cashflow[1]	Effective Interest	Other Changes[2]	31 December 2023
Loans from related parties	30(d)	**2,631.3**	100.0	-	-	**2,731.3**
Bank borrowings	25	**2,781.3**	(808.8)	-	3.3	**1,975.8**
Accrued interest[3]	28, 30(d)	**46.0**	(327.8)	332.7	-	**50.9**
		5,458.6	(1,036.6)	332.7	3.3	**4,758.0**

				Non-Cash Changes		
US$ million	Notes	1 January 2022	Financing Cashflow[1]	Effective Interest	Other Changes[2]	31 December 2022
Loan from related parties	30(d)	**2,531.3**	100.0	-	-	**2,631.3**
Bank borrowings	25	**3,766.8**	(991.4)	-	5.9	**2,781.3**
Accrued interest[3]	28, 30(d)	**42.8**	(249.6)	252.8	-	**46.0**
		6,340.9	(1,141.0)	252.8	5.9	**5,458.6**

1 Net bank borrowings financing cashflow is made up of repayments of and proceeds from borrowings in the consolidated statement of cash flows.

2 Other changes include the amortisation of capitalised prepayments on borrowings.

3 Accrued interest includes both interest on external bank borrowings and related party borrowings.

A fundamental reform of major interest rate benchmarks has been undertaken globally to replace some interbank offered rates ("IBORs") with alternative nearly risk-free rates. As at 31 December 2023, the London Interbank Offered Rate ("LIBOR") has ceased to be published. As such, the Group has finalised its US dollar LIBOR replacement to SOFR in respect of key existing borrowings and certain operating contracts that had LIBOR provisions actively in use.

During the year ended 31 December 2023, the Group transitioned US$2,653.6 million bank borrowings, and US$620.0 million related parties' facilities to SOFR with a credit adjustment spread. No other terms were amended as part of the transition. The Group accounted for the change to SOFR using the practical expedient in HKFRS 9, which allows the Group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate.

The Group also updated certain sales, supply and trade finance contracts that refer to LIBOR to calculate interest or interest on receiving early payments. These have been transitioned to Term SOFR plus a credit adjustment spread for trade finance contracts.

Notes to Consolidated Financial Statements
Continued

26. Lease Liabilities

	2023 US$ million	2022 US$ million
Non-current		
Lease liabilities	125.6	117.4
Current		
Lease liabilities	22.0	21.3
Total (Notes 31.1(c) and (e), 31.3)	**147.6**	**138.7**
Lease liabilities were repayable as follows:		
– Within one year	22.0	21.3
– More than one year but not exceeding two years	22.2	15.3
– More than two years but not exceeding five years	43.0	35.4
– More than five years	60.4	66.7
	147.6	**138.7**

The weighted average incremental borrowing rates applied to new lease liabilities at 31 December 2023 was from 5.15% to 8.60% (2022: from 3.13% to 6.84%).

Refer to Note 31.1(e) for maturity profile of the undiscounted lease liabilities. In respect of such lease liabilities, the Group generally does not have any early termination options. However, in case of certain leases the Group has extension option exercisable at the discretion of the Group. Such extension options allow for operational flexibility in managing the Group's assets. Where the Group assesses at lease commencement date that it is reasonably certain to exercise the extension options, rentals during the extension period are included in determination of lease liability. The undiscounted potential estimated exposure in respect of future lease payments for extension options which the Group is not reasonably certain to exercise is presented as follows:

	2023 US$ million	2022 US$ million
- Within one year	0.4	0.7
- More than one year but not exceeding two years	0.6	3.9
- More than two years but not exceeding five yeas	3.3	10.4
- More than five years	41.0	43.4
Total	**45.3**	**58.4**

As presented under financing cashflows in the consolidated statement of cashflows, cash outflows for lease payments of US$37.7 million (2022: US$31.2 million) include repayment of US$24.8 million principal (2022: US$19.4 million) and US$12.9 million interest (2022: US$11.8 million).

In respect of lease contracts not recognised as right-of-use assets in line with HKFRS 16 requirements (refer to Note 6), payments of US$104.1 million (2022: US$90.1 million) have been presented under operating cash flows.

Notes to Consolidated Financial Statements Continued

27. Provisions

	2023 US$ million	2022 US$ million
Non-current		
Employee benefits	28.3	17.4
Mine rehabilitation, restoration and dismantling (a)	443.8	401.8
Other provisions[1]	174.9	180.0
Total non-current provisions	**647.0**	**599.2**
Current		
Employee benefits	49.0	26.2
Workers' compensation	0.1	0.2
Mine rehabilitation, restoration and dismantling (a)	3.8	3.2
Other provisions[1]	74.4	51.4
Total current provisions	**127.3**	**81.0**
Aggregate		
Employee benefits	77.3	43.6
Workers compensation	0.1	0.2
Mine rehabilitation, restoration and dismantling (a)	447.6	405.0
Other provisions[1]	249.3	231.4
Total provisions	**774.3**	**680.2**

1 Other provisions primarily include amounts for certain tax related matters.

(a) Mine rehabilitation, restoration and dismantling

	2023 US$ million	2022 US$ million
At 1 January	405.0	475.3
Recognition /(reversal) of provisions	20.5	(68.1)
Payments made	(1.6)	(3.0)
Unwinding of discount on provisions	22.4	13.1
Exchange rate differences	1.3	(12.3)
At 31 December	**447.6**	**405.0**

Provision is made in these consolidated financial statements for the anticipated costs of the mine rehabilitation obligations under the mining leases and exploration licences.

Notes to Consolidated Financial Statements
Continued

28. Trade and Other Payables

The analysis of the trade and other payables is as follows:

	2023 US$ million	2022 US$ million
Non-Current		
Other payables and accruals	**286.5**	**217.5**
Current		
Trade payables		
- Less than 6 months	322.5	271.9
- More than 6 months	-	0.4
	322.5	272.3
Related party interest payable (Note 30(d))	45.5	37.6
Other payables and accruals	248.4	225.6
Total current trade and other payables	**616.4**	**535.5**
Aggregate		
Trade payables[1]	322.5	272.3
Related party interest payable(Note 30(d))	45.5	37.6
Other payables and accruals[2]	534.9	443.1
Total trade and other payables (Notes 31.1(c),(e) and 31.3)	**902.9**	**753.0**

1 At 31 December 2023, the Group's trade and other payables included an amount of US$4.2 million (2022: US$3.5 million) (Note 30(d)), which was due to a related company of the Group. The ageing analysis of the trade payables is based on the creditors' invoice date.

2 At 31 December 2023, the Group's other payables and accruals included an amount of US$5.4 million (2022: US$8.4 million) accrued interest on external bank borrowings.

Notes to Consolidated Financial Statements
Continued

29. Notes to Consolidated Statement of Cash Flows

(a) Reconciliation of profit for the year to net cash generated from operating activities is as follows:

	2023 US$ million	2022 US$ million
Profit for the year	**122.1**	**243.5**
Adjustments for:		
Finance income (Note 7)	(24.3)	(15.0)
Finance costs	366.4	309.3
Depreciation and amortisation expenses (Note 6)	930.2	790.1
Loss on disposal of property, plant and equipment (Note 5)	2.6	9.0
(Gain)/loss on financial assets at FVTPL (Note 6)	(1.2)	0.3
Share-based payment	(1.5)	1.1
Unrealised gain on commodity hedge[1]	(3.1)	(11.8)
Changes in working capital:		
Inventories	490.3	(311.9)
Trade and other receivables	(126.2)	(142.7)
Trade and other payables	67.2	56.8
Provisions	50.8	(28.6)
Tax assets and tax liabilities	(23.4)	(68.0)
Net cash generated from operating activities	**1,849.9**	**832.1**

1 The unrealised gain on commodity derivative is recognised in revenue.

(b) In the Consolidated Statement of Cash Flows, purchase of property, plant and equipment comprises:

	2023 US$ million	2022 US$ million
Total additions (Note 12)	813.5	519.9
Adjustments for non-cash (addition)/reduction		
(Recognition)/reversal of provisions for mine rehabilitation, restoration and dismantling[1]	(21.8)	80.4
Other non-cash additions	(1.7)	(35.8)
Purchase of property, plant and equipment	**790.0**	**564.5**

1 The transfer from provision for mine rehabilitation, restoration and dismantling included the impact of exchange rate differences on foreign currency provisions for mine rehabilitation, restoration and dismantling for operating sites. Refer to Note 27(a) for details.

Notes to Consolidated Financial Statements
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30. Significant Related Party Transactions

The Group is controlled by CMN through China Minmetals H.K. (Holdings) Limited ("Minmetals HK"), which is a subsidiary of CMN. At 31 December 2023, 67.6% (31 December 2022: 67.7%) of the Company's shares were held by CMN and 32.4% (31 December 2022: 32.3%) were widely held by the public. The Directors consider the ultimate holding company to be CMC, a stated-owned company incorporated in the PRC, of which CMN is a subsidiary.

For the purposes of the related party transaction disclosures, the Directors believe that meaningful information in respect of related party transactions has been adequately disclosed. In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

(a) Transactions with CMC and its group companies (other than those within the Group)

	2023 US$ million	2022 US$ million
Sales		
Sales of non-ferrous metals	2,027.5	1,308.5
Commodity derivatives transaction		
(Loss)/gain on commodity derivatives	(15.6)	36.9
Other (loss)	(1.3)	-
Purchases		
Purchases of consumables and services	(22.9)	(29.8)
Finance costs – net		
Interest expense (Note 7)	(108.2)	(96.1)
Other finance cost (Note 7)	(4.0)	(1.5)

Guarantee

CMN continues to provide a credit guarantee supporting MMG Finance Limited ("MMF", a subsidiary of the Company), in respect of the US$300.0 million RCF with ICBC. This facility was extended during the year and now expires in 2026 (refer Note 2.1 (a)).

(b) Transactions and balances with other state-owned enterprises

During the year ended 31 December 2023, the Group's significant transactions with Chinese state-owned enterprises (excluding CMC and its subsidiaries) are sales of non-ferrous metals and purchases of consumables and services and the related receivables and payables balances. These transactions were based on terms as set out in the underlying agreements, on statutory rates or market prices or actual cost incurred, or as mutually agreed.

Notes to Consolidated Financial Statements
Continued

(c) Key management compensation

Key management includes Directors (executive and non-executive) and members of the Executive Committee. The key management personnel remuneration for the Group was as follows:

	2023 US$ million	2022 US$ million
Salaries and other short-term employee benefits	4.0	3.9
Short-term incentives and discretionary bonus	1.6	1.6
Long-term incentives	0.5	0.5
Post-employment benefits	0.1	0.1
	6.2	**6.1**

(d) Year-end balances

	2023 US$ million	2022 US$ million
Amounts payable to related parties		
Loan from Top Create Resources Limited ("Top Create")[1 2] (Note 25)	2,461.3	2,161.3
Loan from Album Trading Company[3] (Note 25)	270.0	270.0
Loan from Album Enterprises Limited (Note 25)	-	200.0
Interest payable to related parties (Note 28)	45.5	37.6
Trade and other payable to CMN (Note 28)	4.2	3.5
	2,781.0	**2,672.4**
Amounts receivable from related parties(Note 19)		
Trade receivables from CMN	159.1	102.6
Other receivables from CMN	1.8	2.6
Prepayments from CMN	-	1.2
	160.9	**106.4**
Derivative financial assets from a related party	**3.1**	**1.8**

1 The loan amount from Top Create includes the amounts drawn by the Company on 22 July 2014 (US$1,843.8 million) and 16 February 2015 (US$417.5 million) pursuant to a facility agreement dated 22 July 2014 between MMG SA and Top Create. In accordance with that agreement, a loan facility of up to US$2,262.0 million was made available to MMG SA, for a period of eleven years commencing on the date of the first drawdown of the loan. The loan repayments falling due in four separate tranches in July 2023 (US$200.0 million), July 2024 (US$700.0 million), July 2025 (US$861.3 million) and July 2026 (US$400.0 million). In July 2023, MMG SA successfully deferred US$200.0 million of the first tranche to an indefinite future date at which the US$300.0 million Top Create facility for KEP is available. The facility incurs interest at a separate all-in fixed rate for each of the repayment tranches of between 2.20% and 4.50% per annum, which is payable annually.

2 The loan amount from Top Create includes US$300 million drawn by the Company on 7 December 2023 pursuant to a facility agreement dated 7 December 2023 between MMF and Top Create. In accordance with that agreement, a loan facility of up to US$1.0 billion was made available to MMF, for a period of three years commencing on the date of the first drawdown of the loan. The interest rate is SOFR plus margin.

3 The borrowing from Album Trading Company Limited (a subsidiary of CMN) is a project facility and will mature in June 2026. The interest rate is SOFR plus margin and a credit adjustment spread.

Notes to Consolidated Financial Statements
Continued

31. Financial and Other Risk Management

31.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including commodity price risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk and risk arising from the interest benchmark reform. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group can use derivative financial instruments such as interest rate swaps, collar hedges and commodity swaps to manage certain exposures. The Group does not and is prohibited from entering into derivative contracts for speculative purposes.

Financial risk management is carried out by the Group Treasury function under proposals approved by the Board. Group Treasury identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The Board approves written principles for overall risk management, as well as policies covering specific areas, such as those identified below.

(a) Commodity price risk

The prices of copper, zinc, lead, gold, silver and molybdenum are affected by numerous factors and events that are beyond the control of the Group. These metal prices change on a daily basis and can vary significantly up and down over time. The factors impacting metal prices include both broader macro-economic developments and micro-economic considerations relating more specifically to the particular metal concerned.

During the year ended 31 December 2023, the Group entered into various commodity trades to hedge the sales prices for copper and zinc. The outstanding commodity trades included:

- Zero/low-cost collar hedges:
  - 3,000 tons of copper with put strike price of US$9,000/ton and call strike price of US$9,300/ton;
- Fixed price swap hedges:
  - 24,500 tons of copper with fixed price ranging from US$8,607/ton to US$8,672/ton;
- Above hedges settlement ranged from January to April 2024.

A change in commodity prices during the year can result in favourable or unfavourable financial impact for the Group.

Notes to Consolidated Financial Statements
Continued

The following table contains details of the hedging instrument used in the Group's hedging strategy:

	Term	Carrying amount of hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedged item US$ million	Settled portion of hedging instrument realised gains/(losses) US$ million	Hedging gain/(loss) recognised in cash flow hedge reserve US$ million	Cost of hedging reserve US$ million
Cash flow hedges:							
At 31 December 2023							
Derivative financial assets/(liabilities)	**March 2023 to December 2023**	-	-	-	10.8	-	-
At 31 December 2022							
Derivative financial assets/(liabilities)	**March 2022 to December 2022**	-	-	-	47.0	-	-

The following table details the sensitivity of the Group's financial assets balance to movements in commodity prices. Financial assets arising from revenue on provisionally priced sales are recognised at the estimated fair value of the total consideration of the receivable and subsequently remeasured at each reporting date. At the reporting date, if the commodity prices increased/(decreased) by 10% and taking into account the commodity hedges, with all other variables held constant, the Group's post-tax profit would have changed as set out below:

	2023		2022	
Commodity	**Commodity price movement**	**Increase in profit US$ million**	**Commodity price movement**	**(Decrease)/ increase in profit US$ million**
Copper	+10%	11.2	+10%	(21.5)
Zinc	+10%	7.2	+10%	0.3
Total		**18.4**		**(21.2)**

Commodity	**Commodity price movement**	**Decrease in profit US$ million**	**Commodity price movement**	**Increase in profit US$ million**
Copper	-10%	(10.9)	-10%	21.8
Zinc	-10%	(7.2)	-10%	-
Total		**(18.1)**		**21.8**

(b) Interest rate risk

The Group is exposed to interest rate risk primarily through interest bearing borrowings and investment of surplus cash holdings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk. Details of the Group's cash and cash equivalents have been disclosed in Note 22 while the details of the Group's borrowings are set out in Note 25.

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The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the overall Group's exposure, the prevailing interest rate market and any funding counterparty requirements. Regular reporting of the Group's debt and interest rates is provided to the MMG Executive Committee.

The Group is exposed to the risk-free rate of SOFR. The exposures arise on derivative and non-derivative financial assets and liabilities. The Group cash flow hedge relationship was affected by the interest rate benchmark reform. With the IRS closure (Note 20), the cash flow hedge relationship was discontinued. The current exposures mainly arise on non-derivative financial assets and liabilities. Interest rate benchmark transition for non-derivative financial instruments is disclosed in Note 25.

The following table contains details of the cash flow hedge was affected by the IRS closure:

	At 31 December 2023 and for Year Ended 31 December 2023		
	Balance in cash flow hedge reserve US$ million	Amount reclassified from the cash flow hedge reserve to profit or loss US$ million	Line item affected in profit or loss because of the reclassification
Discontinued Cash Flow Hedges:			
Interest Rate Swap	**40.2**	**37.0**	**Financial cost, Income tax expense**

The following table contains details of the hedging instrument used in the Group's hedging strategy as at 31 December 2022:

				Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness				
	Term	Notional amortising amount US$ million	Carrying amount of hedging instrument US$ million	Hedging instrument US$ million	Hedged item US$ million	Settled portion of hedging instrument realised gains/(losses) US$ million	Hedging gain recognised in cash flow hedge reserve[2] US$ million	Hedge ineffectiveness recognised in profit or loss US$ million
Cash flow hedges:								
At 31 December 2022								
Derivative financial assets (Note 20)[1]	June 2020 – June 2025	**1,560**	**113.9**	**82.1**	**(82.1)**	**17.9**	**55.8**	**-**

1 In 2020, the Group has entered into a notional US$2,100 million 5-year amortising interest rate swap with BOC Sydney. Refer to Note 20 for further details; and

2 The hedging gain recognised in cash flow hedge reserve is the amount after tax.

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At 31 December 2023 and 2022, if the interest rate had increased/(decreased) by 100 basis points, taking into account the interest rate swap, with all other variables held constant, post-tax profit and other comprehensive income (OCI) would have changed as follows:

	2023		2022			
	+100 basis points	-100 basis points	+100 basis points		-100 basis points	
US$ million	Increase/ (decrease) in profit after tax	(Decrease)/ increase in profit after tax	Increase/ (decrease) in profit after tax	Increase in OCI	(Decrease)/ increase in profit after tax	Decrease in OCI
Financial assets						
Cash and cash equivalents	3.0	(3.0)	2.5	-	(2.5)	-
Financial liabilities						
Borrowings (taking into account the impact of the interest rate swap)	(17.6)	17.6	(9.7)	13.6	9.7	(13.6)
Total	**(14.6)**	**14.6**	**(7.2)**	**13.6**	**7.2**	**(13.6)**

(c) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and functional currency of the majority of subsidiaries within the Group is US dollars. The majority of revenue received by the Group is in US dollars. The Group's foreign currency exchange risk arises predominantly from the currency of the countries in which the Group's operations are located. Any decision to hedge foreign currency risk is assessed periodically in light of the Group's exposure, the prevailing foreign currency market and any funding counterparty requirements.

The following table shows the foreign currency risk arising from the monetary assets and liabilities, which are shown by foreign currency of the Group.

US$ million	Notes	US$	PEN	A$	HK$	Others	Total
At 31 December 2023							
Financial assets							
Cash and cash equivalents	22	425.3	16.5	0.8	0.4	4.0	**447.0**
Trade receivables	19	354.8	-	-	-	-	**354.8**
Other receivables		30.9	211.4	6.8	-	0.1	**249.2**
Derivative financial assets	20	3.1	-	-	-	-	**3.1**
Other financial assets	21	2.7	-	-	-	-	**2.7**
Financial liabilities							
Trade and other payables	28	(459.3)	(384.8)	(52.0)	-	(6.8)	**(902.9)**
Borrowings	25	(4,707.1)	-	-	-	-	**(4,707.1)**
Lease liabilities	26	(118.8)	(0.2)	(28.6)	-	-	**(147.6)**
		(4,468.4)	**(157.1)**	**(73.0)**	**0.4**	**(2.7)**	**(4,700.8)**

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US$ million	Notes	US$	PEN	A$	HK$	Others	Total
At 31 December 2022							
Financial assets							
Cash and cash equivalents	22	346.4	21.2	-	1.8	2.8	**372.2**
Trade receivables	19	212.7	-	-	-	-	**212.7**
Other receivables		28.0	235.6	6.5	-	-	**270.1**
Derivative financial assets	20	126.0	-	-	-	-	**126.0**
Other financial assets	21	1.5	-	-	-		**1.5**
Financial liabilities							
Trade and other payables	28	(333.2)	(332.6)	(62.1)	-	(25.1)	**(753.0)**
Borrowings	25	(5,412.6)	-	-	-	-	**(5,412.6)**
Lease liabilities	26	(114.0)	(0.2)	(24.5)	-	-	**(138.7)**
Derivative financial liabilities	20	(0.3)	-	-	-	-	**(0.3)**
		(5,145.5)	**(76.0)**	**(80.1)**	**1.8**	**(22.3)**	**(5,322.1)**

Based on the Group's net monetary assets and financial liabilities at 31 December 2023 and 2022, a movement of the US dollar against the principal non-functional currencies as illustrated in the table below, with all other variables held constant, would cause changes in post-tax profit as follows:

	2023		2022	
	Weakening of US dollar	Strengthening of US dollar	Weakening of US dollar	Strengthening of US dollar
US$ million	Decrease in profit after tax	Increase in profit after tax	Decrease in profit after tax	Increase in profit after tax
10% movement in Australian dollar (2022: 10%)	(5.1)	5.1	(5.6)	5.6
10% movement in Peruvian sol (2022: 10%)	(10.7)	10.7	(5.2)	5.2
Total	**(15.8)**	**15.8**	**(10.8)**	**10.8**

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to counterparty credit risk through sales of metal products on normal terms of trade, through deposits of cash and settlement risk on foreign exchange transactions. While the most significant exposure to credit risk is through sales of metal products on normal terms of trade, the majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received promptly after delivery and the balance within 30 to 120 days from delivery. The aging analysis of the trade receivables is provided in Note 19, and 100% of the balance is aged less than 6 months based on invoice date. The carrying amount of the Group's trade receivables at FVTPL as disclosed in Note 19 best represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

Investments in cash, short-term deposits and similar assets are with approved counterparty banks. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure exposure to credit risk is limited to acceptable levels. There has been no change in the estimation techniques or significant assumptions made during the year ended 31 December 2023 in assessing the ECL for these financial assets. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure. Impairment is provided for where the credit risk is perceived to exceed the acceptable levels and there are concerns on recoverability of the relevant assets. The management of the Group considers cash

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and cash equivalents that are deposited with financial institutions with high credit rating to be low credit risk financial assets.

Other receivables include balances related to various matters including other taxes, indemnities. These balances are assessed at the reporting date considering contractual and non-contractual legal rights to receive such amounts as well as the expectation of recoverability based on expert third party advice and management assessment based on all available information. There are no significant increases in credit risk for these balances since their initial recognition and the Group provided impairment based on a 12 month ECL. For the years ended 31 December 2023 and 2022, the Group assessed the ECL for these balances and considered no significant impact to the consolidated financial statements.

The Group's most significant customers are CMN, CITIC Metal Peru Investment Limited (CITIC Metal), and Trafigura Pte Ltd (Trafigura). Revenue earned from these customers as a percentage of total revenue was:

	2023	2022
CMN	46.6%	34.5%
CITIC Metal	20.2%	16.2%
Trafigura	8.2%	14.0%

The Group's largest debtor at 31 December 2023 was CMN with a balance of US$159.1 million (2022: US$102.6 million) and the five largest debtors accounted for 77.6% (2022: 84.0%) of the Group's trade receivables. Credit risk arising from sales to large concentrate customers is managed by contracts that stipulate a provisional payment of at least 90% of the estimated value of each sale. For most sales a second provisional payment is received within 60 days of the vessel arriving at the port of discharge. Final payment is recorded after completion of the quotation period and assaying.

The credit risk by geographic region was:

	At 31 December	
US$ million	**2023**	**2022**
Asia	264.7	154.0
Europe	78.6	31.2
Australia	11.0	6.4
Other	0.5	21.1
	354.8	**212.7**

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

Management utilises short and long-term cash flow forecasts and other consolidated financial information to ensure that appropriate liquidity buffers are maintained to support the Group's activities.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in each maturity grouping are the contractual undiscounted cash flows for financial instruments.

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US$ million	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying value
At 31 December 2023						
Financial assets						
Cash and cash equivalents (Note 22)	447.0	-	-	-	**447.0**	**447.0**
Trade receivables (Note 19)	354.8	-	-	-	**354.8**	**354.8**
Other receivables	93.4	150.7	5.1	-	**249.2**	**249.2**
Derivative financial assets (Note 20)	3.1	-	-	-	**3.1**	**3.1**
Other financial assets (Note 21)	2.7	-	-	-	**2.7**	**2.7**
Financial liabilities						
Trade and other payables (Note 28)	(616.4)	(286.5)	-	-	**(902.9)**	**(902.9)**
Borrowings (including interest) (Note 25)	(1,599.6)	(1,285.1)	(1,899.6)	(824.3)	**(5,608.6)**	**(4,707.1)**
Lease liabilities (including interest) (Note 26)	(33.9)	(32.6)	(66.0)	(73.7)	**(206.2)**	**(147.6)**
	(1,348.9)	**(1,453.5)**	**(1,960.5)**	**(898.0)**	**(5,660.9)**	**(4,700.8)**
At 31 December 2022						
Financial assets						
Cash and cash equivalents (Note 22)	372.2	-	-	-	**372.2**	**372.2**
Trade receivables (Note 19)	212.7	-	-	-	**212.7**	**212.7**
Other receivables	114.7	145.5	9.9	-	**270.1**	**270.1**
Derivative financial assets (Note 20)	75.0	51.0	-	-	**126.0**	**126.0**
Other financial assets (Note 21)	1.5	-	-	-	**1.5**	**1.5**
Financial liabilities						
Trade and other payables (Note 28)	(535.5)	(217.5)	-	-	**(753.0)**	**(753.0)**
Derivative financial liabilities (Note 20)	(0.3)	-	-	-	**(0.3)**	**(0.3)**
Borrowings (including interest) (Note 25)	(1,510.1)	(1,357.8)	(2,530.6)	(1,090.5)	**(6,489.0)**	**(5,412.6)**
Lease liabilities (including interest) (Note 26)	(32.7)	(25.4)	(59.6)	(85.4)	**(203.1)**	**(138.7)**
	(1,302.5)	**(1,404.2)**	**(2,580.3)**	**(1,175.9)**	**(6,462.9)**	**(5,322.1)**

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Available debt facilities

As at the date that the financial statements are authorised to be issue, the Group (excluding the Las Bambas Joint Venture Group) had available in its undrawn debt facilities an amount of US$3,350 million (31 December 2022: US$300.0 million). These include:

1. A new US$1,000.0 million RCF from Top Create was undrawn and available. It will expire in December 2026;
2. A new US$200.0 million RCF from China Construction Bank ("CCB") of which US$50.0 million was undrawn and available. It will expire in January 2027;
3. A new US$300.0 million Term Loan Facility from Top Create supporting KEP project was undrawn and available. It will expire in December 2030; and
4. A new US$2,000.0 million shareholder term loan facility with Top Create to support an acquisition of CCL and its subsidiaries (refer to Note 36 for more details) was undrawn and available.

As at the date that the financial statements are authorised to be issue, the Las Bambas Joint Venture Group had available in its undrawn debt facilities of US$975.0 million (31 December 2022: US$800.0 million). These include:

1. A US$350.0 million RCF from Album Enterprises was undrawn and available. This facility was successfully extended for 1 year and will expire in August 2024;
2. A new US$275.0 million RCF from BOC was undrawn and available. This facility will expire in April 2026;
3. A new US$150.0 million RCF from ICBC made up from three tranches of US$50.0 million each was undrawn and available. This facility will expire in March, May and June 2026;
4. A new US$100.0 million RCF from CCB was undrawn and available. This facility will expire in February 2027; and
5. A new US$100.0 million RCF from BOCOM was undrawn and available. This facility will expire in August 2026;

Note: The US$800.0 million revolving credit facility available at 31 December 2022 provided by China Development Bank, Bank of China, Bank of Communications and The Export-Import Bank of China for operation and general corporate purposes was cancelled in September 2023.

The Group's certain available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings at 31 December 2023. Certain financial covenants are measured with reference to the financial performance of the Group or its subsidiaries, and may be influenced by future operational performance.

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31.2 Country and community risks

The Group conducts all of its operations outside of Hong Kong and, as such, it is exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country. Material risks include, but are not limited to, regime or policy change, fluctuation in currency exchange rates, changes to licensing regimes and amendments to concessions, licences, permits and contracts, changing political conditions and governmental regulations and community disruptions. Changes in any aspects above and in the country where the Group operates may adversely affect the Group's operations and profitability. The decline in growth and macroeconomic activity in many developing nations has resulted in governments seeking alternative means of increasing their income, including increases to corporate tax, VAT and royalty rates, coupled with increased audit and compliance activity.

The DRC Government during 2018 made changes to the 2002 Mining Code and Mining Regulations. These changes were enacted (2018 Mining Code) and continue to result in an increased tax burden on mining companies; In Peru, over the past decades, Las Bambas has experienced heightened political instability with succession of regimes with differing political policies. As the community disruptions and political situation are expected to evolve in the near future, the Group will continue to work closely with the relevant authorities and community groups to minimise the potential risk of social instability and disruptions to the Las Bambas operations.

Some of the countries in which the Group operates carry higher levels of sovereign risk. Political and administrative changes and reforms in law, regulations or taxation may impact sovereign risk. Political and administrative systems can be slow or uncertain and may result in risks to the Group including the ability to obtain tax refunds in a timely manner. The Group has processes in place to monitor any impact on the Group and implement responses to such changes.

31.3 Fair values of financial instruments

The fair values of cash and cash equivalents and short-term monetary financial assets and financial liabilities approximate their carrying values. The fair values of other monetary financial assets and liabilities are either based upon market prices, where a market exists, or have been determined by discounting the expected future cash flows by the current interest rate for financial assets and financial liabilities with similar risk profiles.

The fair value of commodity derivatives is determined based on the discounted future cash flows. Future cash flows are estimated based on forward commodity price from observable yield curves at the end of the reporting period and contracted price, discounted by the current interest rate.

The fair values of listed equity investments have been valued by reference to market prices prevailing at the reporting date.

The carrying values of other receivables less impairment provisions and trade payables are a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair values of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

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The carrying amounts and fair values of financial assets and liabilities by category and class at 31 December 2023 and 2022 are:

US$ million	Notes	Amortised cost (assets)	Financial assets/ (liabilities) at fair value through profit or loss	Amortised cost (liabilities)	Total carrying value	Total fair value
At 31 December 2023						
Financial assets						
Cash and cash equivalents	22	447.0	-	-	**447.0**	**447.0**
Trade receivables	19	-	354.8	-	**354.8**	**354.8**
Other receivables		249.2	-	-	**249.2**	**249.2**
Derivative financial assets	20	-	3.1	-	**3.1**	**3.1**
Other financial assets	21	-	2.7	-	**2.7**	**2.7**
Financial liabilities						
Trade and other payables	28	-	-	(902.9)	**(902.9)**	**(902.9)**
Borrowings	25	-	-	(4,707.1)	**(4,707.1)**	**(4,850.1)**
Lease liabilities	26	-	-	(147.6)	**(147.6)**	**(147.6)**
		696.2	**360.6**	**(5,757.6)**	**(4,700.8)**	**(4,843.8)**

US$ million	Notes	Amortised cost (assets)	Financial assets/ (liabilities) at fair value through profit or loss	Financial assets at fair value designated under cash flow hedge	Amortised cost (liabilities)	Total carrying value	Total fair value
At 31 December 2022							
Financial assets							
Cash and cash equivalents	22	372.2	-	-	-	**372.2**	**372.2**
Trade receivables	19	-	212.7	-	-	**212.7**	**212.7**
Other receivables		270.1	-	-	-	**270.1**	**270.1**
Derivative financial assets	20	-	12.1	113.9	-	**126.0**	**126.0**
Other financial assets	21	-	1.5	-		**1.5**	**1.5**
Financial liabilities							
Trade and other payables	28	-	-	-	(753.0)	**(753.0)**	**(753.0)**
Derivative financial liabilities	20	-	(0.3)	-	-	**(0.3)**	**(0.3)**
Borrowings	25	-	-	-	(5,412.6)	**(5,412.6)**	**(5,533.6)**
Lease liabilities	26	-	-	-	(138.7)	**(138.7)**	**(138.7)**
		642.3	**226.0**	**113.9**	**(6,304.3)**	**(5,322.1)**	**(5,443.1)**

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31.4 Fair value estimation

The table below analyses financial instruments carried at fair value, by the valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2023 and 31 December 2022.

US$ million	Level 1	Level 2	Total
At 31 December 2023			
Trade receivables (Note 19)	-	354.8	**354.8**
Derivative financial assets[2] (Note 20)	-	3.1	**3.1**
Financial assets at fair value through profit and loss – listed[1] (Note 21)	2.7	-	**2.7**
	2.7	**357.9**	**360.6**
At 31 December 2022			
Trade receivables (Note 19)	-	212.7	**212.7**
Derivative financial assets[2] (Note 20)	-	126.0	**126.0**
Derivative financial liabilities[2] (Note 20)	-	(0.3)	**(0.3)**
Financial assets at fair value through profit and loss – listed[1] (Note 21)	1.5	-	**1.5**
	1.5	**338.4**	**339.9**

There were no transfers between levels 1, 2 during the reporting period.

1 The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Instruments included in level 1 comprise investments in listed stock exchanges.

2 The fair value of the interest rate swap is determined based on discounted future cash flows. Future cash flows are estimated based on forward interest rates from observable yield curves at the end of the reporting period and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties. The fair value of the collar hedge and fixed price swap is determined based on discounted future cash flows. Future cash flows are estimated based on London Metal Exchange contract future rates for commodities at the end of the reporting period and contracted commodity prices, discounted at a rate that reflects the credit risk of various counterparties.

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31.5 Capital risk management

The Group's objectives in managing capital are to safeguard its ability to continue as a going concern, support sustainable growth, enhance shareholder value and provide capital for potential acquisitions and investment.

The gearing ratio for the Group is set out below, with gearing defined as net debt (total borrowings excluding finance charge prepayments, less cash and cash equivalents) divided by the aggregate of net debt and total equity.

The Group	2023 US$ million	2022 US$ million
Total borrowings (excluding prepaid finance charges)[1] (Note 25)	4,748.1	5,456.9
Less: cash and cash equivalents (Note 22)	(447.0)	(372.2)
Net debt	**4,301.1**	**5,084.7**
Total equity	4,312.0	4,228.5
Net debt + Total equity	**8,613.1**	**9,313.2**
Gearing ratio	**0.50**	**0.55**

1 Borrowings at an MMG Group level reflect 100% of borrowings of the Las Bambas Joint Venture Group. The Las Bambas Joint Venture Group's borrowings have not been reduced to reflect the MMG Group's 62.5% equity interest in that entity. This is consistent with the basis of preparation of MMG's financial statements.

Under the terms of relevant debt facilities held by the Group, the gearing ratio for covenant compliance purposes is calculated exclusive of US$2,161.3 million (2022: US$2,161.3 million) of shareholder debt that was used to fund the MMG Group's equity contribution to the Las Bambas Joint Venture Group. For the purpose of the above, it has however been included as borrowings.

32. Directors' and Senior Management's Emoluments

(a) Directors' emoluments

The remuneration of every Director for the year ended 31 December 2023 is set out below:

	For The Year Ended 31 December 2023					
Name of Director	Fees US$'000	Salaries US$'000	Other benefits[1] US$'000	Short-term incentive plans[2] US$'000	Long-term incentive plans[3] US$'000	Total US$'000
Mr LI Liangang	-	962	17	304	93	1,376
Mr XU Jiqing (Chairman)[6]	-	-	1	-	-	1
Mr LEUNG Cheuk Yan	138	-	-	-	-	138
Dr Peter William CASSIDY	144	-	1	-	-	145
Mr ZHANG Shuqiang	-	-	-	-	-	-
Mr Peter Ka Keung CHAN	154	-	1	-	-	155
	436	**962**	**20**	**304**	**93**	**1,815**

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The remuneration of every Director for the year ended 31 December 2022 is set out below:

	For The Year Ended 31 December 2022					
Name of Director	Fees US$'000	Salaries US$'000	Other benefits[1] US$'000	Short-term incentive plans[2] US$'000	Long-term incentive plans[3] US$'000	Total US$'000
Mr LI Liangang[4]	-	985	22	266	236	1,509
Mr JIAO Jian (Chairman)[5]	-	-	1	-	-	1
Mr XU Jiqing[6]	-	-	1	-	-	1
Mr LEUNG Cheuk Yan	145	-	-	-	-	145
Dr Peter William CASSIDY	155	-	1	-	-	156
Mr ZHANG Shuqiang	-	-	1	-	-	1
Mr Peter Ka Keung CHAN	165	-	1	-	-	166
	465	**985**	**27**	**266**	**236**	**1,979**

1 Other benefits include statutory superannuation, pension contributions and non-monetary benefits. Not all benefits apply to each executive; benefits are applied variably based on contractual obligations.

2 Short-term incentive ("STI") plans include at-risk, performance-linked remuneration, STI plans and discretionary bonuses.

The STI plan is an annual cash award determined by performance against Group financial and safety targets and individual performance. For operational roles, additional components include performance targets related to production rates, unit costs, and operational safety.

Participation in the at-risk incentive plans is offered to participants as a percentage of their fixed remuneration according to seniority and their ability to influence the performance of the Group. All employees on long-term employment contracts are eligible to participate in a STI plan. The incentive plans' provision for STIs was re-assessed at the reporting date.

3 Long-term incentive ("LTI") plans are performance-linked remuneration LTI plans, and most recently consist of the 2021 and 2022 Long-Term Incentive Equity plans ("LTIEP"), which are Performance Awards Schemes vesting at the conclusion of a three year performance period, and the 2023 Performance Incentive Cash Award plan. The vesting of LTI plans is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant, including amongst others, achievement of financial, resources growth and market-related performance targets at the conclusion of the respective vesting period.

Participation in the at-risk incentive plans is offered to participants as a percentage of their fixed remuneration according to seniority and their ability to influence the performance of the Group. The LTI plans are limited to senior managers invited to participate by the Board. The incentive plans' provision for LTI plans was re-assessed at the reporting date. The values attributed to the LTI plans are estimated values based on an assessment of the likely outcomes for each LTI plans and may be adjusted based on the actual outcome. The values attributed to the LTI plans are subject to Board approval at end of the vesting period.

4 Mr Li Liangang was appointed as the interim CEO and an Executive Director of the Company on 5 January 2022.

5 Mr. JIAO Jian resigned as the Chairman and Non-executive Director of the Company on 31 March 2023; and

6 Mr Xu Jiqing was appointed as the Chairman of the board on 21 August 2023.

Notes to Consolidated Financial Statements
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(b) Five highest-paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one Director (2022: one) whose emoluments are reflected in the analysis presented above and four (2022: four) senior executives and senior management whose remuneration by band are set out in the "Senior management remuneration by band" section in this Note.

Details of the emoluments payable to all five individuals during the year are as follows:

	2023 US$'000	2022 US$'000
Salaries and other short-term employee benefits	3,551	3,662
Short-term incentives and discretionary bonus	1,641	1,547
Long-term incentives	536	521
Post-employment benefits	120	182
	5,848	**5,912**

During the years ended 31 December 2023 and 2022, no emoluments were paid or payable by the Group to the Directors or any of the five highest-paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

(c) Senior management remuneration by band

The emoluments fell within the following bands:

	Number of Individuals	
	2023	2022
HK$4,000,001 - HK$4,500,000 (US$510,391- US$574,190)	-	1
HK$6,000,001 - HK$6,500,000 (US$765,591 - US$829,390)	1	-
HK$6,500,001 - HK$7,000,000 (US$829,391- US$893,190)	-	1
HK$7,000,001 - HK$7,500,000 (US$893,191 - US$956,990)	1	-
HK$8,000,001 - HK$8,500,000 (US$1,020,791 - US$1,084,580)	1	-
HK$9,000,001 - HK$9,500,000 (US$1,148,381-US$1,212,180)	-	1
HK$10,500,001-HK$11,000,000 (US$1,339,781-US$1,403,580)	1	-
HK$11,500,001 - HK$12,000,000 (US$1,467,381-US$1,531,180)	-	2
HK$12,000,001-HK$12,500,000 (US$1,531,181-US$1,594,980)	1	-
	5	**5**

Notes to Consolidated Financial Statements Continued

33. Long-Term Incentive Plans

Share Option Scheme

Pursuant to share option scheme adopted at the extraordinary general meeting of the Company held on 26 March 2013 (2013 Share Option Scheme), options were granted to eligible participants under 2016 Options. At 31 December 2023, there were no options outstanding granted under 2016 Options and the 2013 Share Option Scheme has been expired.

During the year ended 31 December 2023, the movement in the number of options granted under the 2016 Share Option Scheme was as follows.

2016 Options

On 15 December 2016, the Company granted options to the eligible participants pursuant to the 2013 Share Option Scheme (2016 Options). There were no options outstanding at 31 December 2023.

During the year ended 31 December 2023, the movements of the 2016 Options were as follows:

				Number of Options				
Category and name of participant	Date of grant[1]	Exercise price per share (HK$)	Exercise period[2]	Balance at 1 January 2023	Granted during the year	Exercised during the year[3]	Lapsed during the year[4]	Balance at 31 December 2023
Employees of the Group	15 December 2016	2.29	4 years after date of vesting	**3,261,984**	**-**	**(3,158,983)**	**(103,001)**	**-**

1 The closing price of the shares of the Company immediately before the date on which the options were granted on 15 December 2016 was HK$2.25 per share.

2 The vesting and performance period of the options is three years from 1 January 2016 to 31 December 2018, with 60% of vested options exercisable from 1 January 2019 and 40% of the vested options subject to a 12-month exercise deferral period, such options being exercisable after 1 January 2020. The vesting of options is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth and market-related performance targets during the vesting period. Options vest on a percentage basis based on the target performance level achieved. Achievement of the Company and individual performance conditions have resulted in 33.33% of the 2016 Options granted to participants vesting on 22 May 2019.

3 The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$2.83 per share.

4 Options lapsed due to the expiry of the exercise period.

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During the year ended 31 December 2022, the movements of the 2016 Options were as follows:

Category and name of participant	Date of grant[1]	Exercise price per share (HK$)	Exercise period[2,5]	Number of Options: Balance at 1 January 2022	Granted during the year	Exercised during the year[3]	Lapsed during the year[4]	Balance at 31 December 2022
Employees of the Group	15 December 2016	2.29	4 years after date of vesting	**4,074,630**	**-**	**(640,980)**	**(171,666)**	**3,261,984**

1 The closing price of the shares of the Company immediately before the date on which the options were granted on 15 December 2016 was HK$2.25 per share.

2 The vesting and performance period of the options is three years from 1 January 2016 to 31 December 2018, with 60% of vested options exercisable from 1 January 2019 and 40% of the vested options subject to a 12-month exercise deferral period, such options being exercisable after 1 January 2020. The vesting of options is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth and market-related performance targets during the vesting period. Options vest on a percentage basis based on the target performance level achieved. Achievement of the Company and individual performance conditions have resulted in 33.33% of the 2016 Options granted to participants vesting on 22 May 2019.

3 The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$3.08 per share.

4 Options lapsed due to cessation of employment.

5 No options were cancelled during the year.

The estimated fair value of the options granted on 15 December 2016 was approximately US$0.1371 each, estimated at the date of grant by using the Black-Scholes option-pricing model.

The value of the share options was subject to a number of assumptions and limitations of the option-pricing model, including a risk-free interest rate, option price volatility, expected life of the option, market price of the Company's shares and expected dividend. The risk-free interest rate was 1.89%; the expected volatility used in calculating the value of options was 40% and the expected dividend was assumed to be nil.

The validity period of the options is from the date of vesting until four years from 22 May 2019 to 22 May 2023. The vesting and performance period of the options is three years from 1 January 2016 to 31 December 2018. If a participant leaves employment before the expiry of the vesting period, the option will lapse unless the participant leaves due to certain specific reasons including ill-health, injury or disability, retirement with the agreement of the employer, redundancy, death, the participating employing company ceasing to be part of the Group and any other reason, if the Board so decides.

Performance Awards (Shares)

Pursuant to the performance awards granted under the LTIEP, performance awards were granted to eligible participants under 2020 Performance Awards, 2021 Performance Awards and 2022 Performance Awards. At 31 December 2023, there were a total of 39,800,298 performance awards (2022: 91,110,744) outstanding granted under the 2021 and 2022 Performance Awards, which represented approximately 0.46% (2022: 1.05%) of the total number of issued shares of the Company at that date.

Notes to Consolidated Financial Statements Continued

2020 Performance Awards

On 29 April 2020, the Company granted performance awards to the eligible participants pursuant to the Long-Term Incentive Equity Plan (2020 Performance Awards). There were no performance awards outstanding at 31 December 2023.

During the year ended 31 December 2023, the movements of the 2020 Performance Awards were as follows:

		Number of Performance Awards					
Category and name of participant	**Date of grant[1, 2]**	**Balances at 1 January 2023**	**Granted during the year**	**Vested and exercised during the year**	**Cancelled during the year**	**Lapsed during the year[3]**	**Balance at 31 December 2023**
Director							
LI Liangang	29 April 2020	2,295,115	-	(764,962)	-	(1,530,153)	-
Employees of the Group	29 April 2020	45,943,153	-	(12,356,010)	-	(33,587,143)	-
Total		**48,238,268**	**-**	**(13,120,972)**	**-**	**(35,117,296)**	**-**

1 The closing price of the shares of the Company immediately before the date on which the awards were granted on 29 April 2020 was HK$1.34 per share.

2 The vesting and performance period of the performance awards is three years from 1 January 2020 to 31 December 2022. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration. Achievement of the Company and Individual performance conditions have resulted in 33.33% of the 2020 Performance Awards granted to participants vesting on 1 June 2023.

3 Performance awards lapsed due to non-achievement of some performance conditions during the vesting period and cessation of employment during the year.

During the year ended 31 December 2022, the movements of the 2020 Performance Awards were as follows:

		Number of Performance Awards					
Category and name of participant	**Date of grant[1, 2]**	**Balances at 1 January 2022**	**Granted during the year**	**Vested and exercised during the year**	**Cancelled during the year**	**Lapsed during the year[3]**	**Balance at 31 December 2022**
Directors							
GAO Xiaoyu[5]	29 April 2020	12,130,042	-	-	-	(12,130,042)	-
LI Liangang[4]	29 April 2020	2,295,115	-	-	-	-	2,295,115
Employees of the Group	29 April 2020	49,148,035	-	-	-	(3,204,882)	45,943,153
Total		**63,573,192**	**-**	**-**	**-**	**(15,334,924)**	**48,238,268**

1 The closing price of the shares of the Company immediately before the date on which the awards were granted on 29 April 2020 was HK$1.34 per share.

2 The vesting and performance period of the performance awards is three years from 1 January 2020 to 31 December 2022. The time of vesting will be on or around June 2023. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration .

3 Performance awards lapsed due to cessation of employment.

4 Mr Li Liangang was appointed as the interim CEO and Executive Director of the Company on 5 January 2022. He was granted 2,295,115 performance awards on 29 April 2020.

5 Mr Gao Xiaoyu resigned as the CEO and Executive Director of the Company on 5 January 2022. His interests in the performance awards lapsed on the same day.

Notes to Consolidated Financial Statements
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The performance awards are granted for nil cash consideration. The vesting of the performance awards will be subject to the achievement by each participant of certain performance conditions, among other things, independently assessed measures of achievement of non-market based conditions such as resources growth and financial and market based conditions such as total shareholder return. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting.

The estimated fair value of the performance awards granted on 29 April 2020 was approximately US$0.1462 each, estimated at the date of grant by using Monte Carlo Simulations (for market based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 0.80%; the expected volatility used in calculating the value of performance awards was 60.29% and the expected dividend was assumed to be nil.

During the year ended 31 December 2023, the Group reversed a share award expense of approximately US$0.8 million (2022: recognised a share award expense of approximately US$0.2 million) in relation to the 2020 Performance Awards.

2021 Performance Awards

On 21 June 2021, the Company granted performance awards to the eligible participants pursuant to the Long-Term Incentive Equity Plan (2021 Performance Awards). There were 13,665,443 performance awards outstanding at 31 December 2023, representing approximately 0.16% of the total number of issued shares of the Company at that date.

During the year ended 31 December 2023, the movements of the 2021 Performance Awards were as follows:

		Number of Performance Awards					
Category and name of participant	**Date of grant[1, 2]**	**Balances at 1 January 2023**	**Granted during the year**	**Vested and exercised during the year**	**Cancelled during the year**	**Lapsed during the year[3]**	**Balance at 31 December 2023**
Director							
LI Liangang	21 June 2021	760,615	-	-	-	-	760,615
Employees of the Group	21 June 2021	14,060,567	-	-	-	(1,155,739)	12,904,828
Total		**14,821,182**	**-**	**-**	**-**	**(1,155,739)**	**13,665,443**

1 The closing price of the shares of the Company immediately before the date on which the awards were granted on 21 June 2021 was HK$3.39 per share.

2 The vesting and performance period of the performance awards is three years from 1 January 2021 to 31 December 2023. The time of vesting will be on or around June 2024. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration .

3 Performance awards lapsed due to cessation of employment.

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During the year ended 31 December 2022, the movements of the 2021 Performance Awards were as follows:

		Number of Performance Awards					
Category and name of participant	Date of grant[1, 2]	Balances at 1 January 2022	Granted during the year	Vested and exercised during the year	Cancelled during the year	Lapsed during the year[3]	Balance at 31 December 2022
Directors							
GAO Xiaoyu[5]	21 June 2021	4,019,967	-	-	-	(4,019,967)	-
LI Liangang[4]	21 June 2021	760,615	-	-	-	-	760,615
Employees of the Group	21 June 2021	15,801,682	-	-	-	(1,741,115)	14,060,567
Total		**20,582,264**	**-**	**-**	**-**	**(5,761,082)**	**14,821,182**

1 The closing price of the shares of the Company immediately before the date on which the awards were granted on 21 June 2021 was HK$3.39 per share.

2 The vesting and performance period of the performance awards is three years from 1 January 2021 to 31 December 2023. The time of vesting will be on or around June 2024. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration .

3 Performance awards lapsed due to cessation of employment.

4 Mr Li Liangang was appointed as the interim CEO and Executive Director of the Company on 5 January 2022. He was granted 760,615 performance awards on 21 June 2021.

5 Mr Gao Xiaoyu resigned as the CEO and Executive Director of the Company on 5 January 2022. His interests in the performance awards lapsed on the same day.

The performance awards are granted for nil cash consideration. The vesting of the performance awards will be subject to the achievement by each participant of certain performance conditions, among other things, independently assessed measures of achievement of non-market based conditions such as resources growth and financial and market based conditions such as total shareholder return. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting.

The estimated fair value of the performance awards granted on 21 June 2021 was approximately US$0.3928 each, estimated at the date of grant by using Monte Carlo Simulations (for market based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 0.45%; the expected volatility used in calculating the value of performance awards was 69.06% and the expected dividend was assumed to be nil.

During the year ended 31 December 2023, the Group recognised a share award expense of approximately US$0.1 million (2022: US$0.6 million) in relation to the 2021 Performance Awards.

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2022 Performance Awards

On 21 April 2022, the Company granted performance awards to the eligible participants pursuant to the Long-Term Incentive Equity Plan (2022 Performance Awards). There were 26,134,855 performance awards outstanding at 31 December 2023, representing approximately 0.30% of the total number of issued shares of the Company at that date.

During the year ended 31 December 2023, the movements of the 2022 Performance Awards were as follows:

		Number of Performance Awards					
Category and name of participant	Date of grant[1, 2]	Balances at 1 January 2023	Granted during the year	Vested and exercised during the year	Cancelled during the year	Lapsed during the year[3]	Balance at 31 December 2023
Director							
LI Liangang	21 April 2022	1,249,244	-	-	-	-	1,249,244
Employees of the Group	21 April 2022	26,802,050	-	-	-	(1,916,439)	24,885,611
Total		**28,051,294**	**-**	**-**	**-**	**(1,916,439)**	**26,134,855**

1 The closing price of the shares of the Company immediately before the date on which the awards were granted on 21 April 2022 was HK$3.50 per share.

2 The vesting and performance period of the performance awards is three years from 1 January 2022 to 31 December 2024. The time of vesting will be on or around June 2025. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration .

3 Performance awards lapsed due to cessation of employment.

During the year ended 31 December 2022, the movements of the 2022 Performance Awards were as follows:

		Number of Performance Awards					
Category and name of participant	Date of grant[1, 2]	Balances at 1 January 2022	Granted during the year	Vested and exercised during the year	Cancelled during the year	Lapsed during the year[3]	Balance at 31 December 2022
Director							
LI Liangang	21 April 2022	-	1,249,244	-	-	-	1,249,244
Employees of the Group	21 April 2022	-	28,633,414	-	-	(1,831,364)	26,802,050
Total		**-**	**29,882,658**	**-**	**-**	**(1,831,364)**	**28,051,294**

1 The closing price of the shares of the Company immediately before the date on which the awards were granted on 21 April 2022 was HK$3.50 per share.

2 The vesting and performance period of the performance awards is three years from 1 January 2022 to 31 December 2024. The time of vesting will be on or around June 2025. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration .

3 Performance awards lapsed due to cessation of employment.

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The performance awards are granted for nil cash consideration. The vesting of the performance awards will be subject to the achievement by each participant of certain performance conditions, among other things, independently assessed measures of achievement of non-market based conditions such as resources growth and financial and market based conditions such as total shareholder return. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting.

The estimated fair value of the performance awards granted on 21 April 2022 was approximately US$0.4114 each, estimated at the date of grant by using Monte Carlo Simulations (for market based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 2.87%; the expected volatility used in calculating the value of performance awards was 68.26% and the expected dividend was assumed to be nil.

During the year ended 31 December 2023, the Group reversed a share award expense of approximately US$0.8 million (2022: recognise a share award expense of approximately US$3.2 million) in relation to the 2022 Performance Awards.

Performance Incentive Cash Award (Cash)

Pursuant to the Board approval, a performance incentive cash award was granted on 19 June 2023 to eligible participants under the 2023 Performance Incentive Cash Award ("PICA"). The award requires the Company to pay the intrinsic value of the PICA to the employees at the date of exercise. At 31 December 2023, there were a total of 45,164,002 PICA (2022: nil) outstanding.

During the year ended 31 December 2023, the movement of PICA was as follows:

		Number of Performance Incentive Cash Award					
Category and name of participant	**Date of grant[1, 2]**	**Balances at 1 January 2023**	**Granted during the year**	**Vested and exercised during the year**	**Cancelled during the year**	**Lapsed during the year[3]**	**Balance at 31 December 2023**
Directors							
LI Liangang	19 June 2023	-	1,700,976	-	-	-	1,700,976
Employees of the Group	19 June 2023	-	45,777,105	-	-	(2,314,065)	43,463,040
Total		**-**	**47,478,081**	**-**	**-**	**(2,314,065)**	**45,164,016**

1 The closing price of the shares of the Company immediately before the date on which the PICA were granted on 19 June 2023 was HK$2.60 per share.

2 The vesting and performance period of the PICA is three years from 1 January 2023 to 31 December 2025. The time of vesting will be on or around June 2026. The vesting of PICA is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. PICA vests on a percentage basis based on the threshold and target performance levels achieved. PICA is granted for nil cash consideration .

3 PICA lapsed due to cessation of employment.

Notes to Consolidated Financial Statements
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The fair value of PICA was determined using Monte Carlo Simulations (for market based conditions) and reference to market price of the Company's shares at the date of each valuation date.

At 31 December 2023, the Group has recorded liabilities of approximately US$2.90 million (2022: nil). The value of PICA was subject to a number of assumptions and limitations of the PICA pricing model, including a risk-free interest rate, price volatility, expected life of the PICA, price multiplier, market price of the Company's shares and expected dividend. The risk-free interest rate was 4.31%; the expected volatility used in calculating the value of PICA was 62.77% and the expected dividend was assumed to be nil.

During the year ended 31 December 2023, the Group recognised a cash-award expense of approximately US$2.9 million (2022: nil) in relation to the PICA.

34. Commitments

Capital commitments

Commitments for capital expenditure contracted for at the reporting date but not recognised as liabilities, are set out in the table below:

	2023 US$ million	2022 US$ million
Property, plant and equipment		
Within one year	225.6	143.9
Over one year but not more than five years	119.8	127.6
	345.4	**271.5**
Intangible assets		
Within one year	1.9	2.7
Over one year but not more than five years	0.4	-
	2.3	**2.7**

Aggregate	2023 US$ million	2022 US$ million
Property, plant and equipment and intangible assets		
Contracted but not provided for	**347.7**	**274.2**

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35. Contingent Liabilities

Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the reporting period, no material claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authorities. At 31 December 2023, these guarantees amounted to US$310.5 million (2022: US$297.5 million).

Contingent Liabilities – tax related contingencies

The Group has operations in multiple countries, each with its own taxation regime. The nature of the Group's activities requires it to comply with various taxation obligations including corporation tax, royalties, withholding taxes, transfer pricing arrangements with related parties, resource and production-based taxes, environmental taxes and employment related taxes. Application of tax laws and interpretation of tax laws may require judgement to assess risk and estimate outcomes, particularly in relation to the application of income taxes and withholding tax to the Group's cross-border operations and transactions. The evaluation of tax risks considers both assessments received and potential sources of challenge from tax authorities. Additionally, the Group is currently subject to a range of audits and reviews by taxation authorities in Australia, Peru, Zambia and the DRC. No disclosure of an estimate of financial effect of the subject matter has been made in the consolidated financial statements as, in the opinion of the management, such disclosure may seriously prejudice the position of the Group in dealing with these matters.

Tax matters with uncertain outcomes arise in the normal course of business and occur due to changes in tax law, changes in interpretation of tax law, periodic challenges and disagreements with tax authorities, and legal proceedings. The status of proceedings for such uncertain tax matters will impact the ability to determine the potential exposure, and in some cases, it may not be possible to determine a range of possible outcomes, including timing of resolution or determining a reliable estimate of the potential exposure.

Peru – Withholding Taxes (2014, 2015, 2016 and 2017)

Included within such uncertain tax matters are audits of the 2014, 2015, 2016 and 2017 tax periods for MLB in relation to withholding taxes on interest and fees paid under certain loans, which were provided to MLB pursuant to facility agreements entered into among MLB and a consortium of Chinese banks in connection with the acquisition of the Las Bambas mine in 2014. MLB received assessment notices from the Peruvian tax authority (National Superintendence of Tax Administration of Peru or "SUNAT"), which advised that, in its opinion, MLB and the Chinese banks are related parties and thus a 30% withholding tax rate ought to be imposed rather than the 4.99% applied. The assessments of omitted tax plus penalties and interest as at 31 December 2023 totalled PEN2,069.5 million (approximately US$551.8 million) (31 December 2022: PEN2,015.1 million (approximately US$527.5 million)).

In relation to these assessments, having received external legal and tax advice, the Group has formed the view that the Company and its controlled entities are not related parties to Chinese banks under Peruvian tax law. Additionally, the Peruvian tax law was amended (with effect from October 2017) to provide expressly that parties are not related by being under state ownership for the purposes of withholding taxes. Las Bambas has appealed the assessments issued by SUNAT in the Peru Tax Court and the pronouncement is pending. In parallel, MLB filed an Amparo lawsuit to request a Constitutional Court the nullity of WHT Assessments due to the violation of MLB's constitutional rights in the issuance of SUNAT Assessments. Where MLB is not successful in rebutting or appealing such challenge(s), this could result in significant additional tax liabilities.

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Peru –Income Taxes (2016 and 2017)

- *Peru –2016 Income Tax*

  In January 2023, Las Bambas received assessment notices from SUNAT in connection with the 2016 income tax audit (2016 Income Tax Assessment). The assessment denied the deductions for all interest on borrowings expensed during the 2016 tax year. This included the loans from Chinese banks where SUNAT denied the interest deductions on the basis that the borrowings were from related parties and that the alleged related party debt should be included in calculating Las Bambas' related party 'debt to equity' ratio (the 'thin capitalisation' threshold) which would then be breached. SUNAT also alleged that interest payable on the shareholder loan from MMG Swiss Finance A.G. is non-deductible, due to the application of the "Causality Principle" (i.e., the loan has no relevance to the income-producing activities of Las Bambas). Further, SUNAT separately alleged that the accounting treatment of the merger of Peruvian entities (subsequent to the acquisition of Las Bambas in 2014) should have resulted in a negative equity adjustment which would result in Las Bambas having no equity for the purposes of calculating its thin capitalisation allowance. The Assessment issued by SUNAT for tax, interest and penalties for the income tax year 2016 totalled PEN651.0 million (approximately US$173.0 million) as at 31 December 2023.

  On 27 July 2023, SUNAT confirmed that it had considered Las Bambas' appeal against the Assessment and concluded that the Assessment remains correct and valid. Las Bambas will appeal to the Peru Tax Court.

- *Peru –2017 Income Tax*

  In August 2023, Las Bambas received assessment notices from SUNAT in connection with the 2017 income tax audit (2017 Income Tax Assessment). Similar to the 2016 Income Tax Assessment, SUNAT has continued to challenge Las Bambas' treatment of interest expense in the 2017 tax year on the same basis as that described above. Further, SUNAT has not recognised previous years' tax losses, including 2014, 2015 and 2016 development costs (US$710 million). The Assessment for tax, interest and penalties for the income tax year 2017 totalled PEN 3,610.4 million (approximately US$961.0 million) as at 30 November 2023. However, on 30 November 2023 SUNAT issued Resolution No. 4070140000905 and declared the nullity of tax debt. An updated Assessment for 2017 was received on 13 December 2023 and notified a tax debt of PEN 3,460.2 million (approximately US$924.0 million).

Regarding the above SUNAT interpretations, management strongly disagrees and is of the view that SUNAT has disregarded all available evidence and independent opinions on the accounting treatment, submitted by Las Bambas for consideration during the 2016 and 2017 income tax assessment process. Further, in not recognising prior years' tax losses, SUNAT has failed to acknowledge the Tax Court decisions in respect of development costs for the 2012 and 2013 years which were ruled in MLB's favour. The risk remains that this treatment will also be applied for future income tax years.

Las Bambas has notified the Peru Government of a dispute pursuant to the Peru-Netherlands Bilateral Investment Treaty (Treaty) and the Peru Government has confirmed its inability to resolve the dispute by way of commercial negotiation. Las Bambas is currently evaluating its legal options to seek damages from the Government of Peru for a number of breaches of the Treaty.

Considering the Las Bambas' proposed appeals and advice from the Las Bambas' tax and legal advisers, the Group did not recognise a liability in its consolidated financial statements for any assessed amount. If Las Bambas is unsuccessful in its challenge on the SUNAT assessments, this could result in significant liabilities being recognised.

Notes to Consolidated Financial Statements
Continued

36. Events After the End of the Reporting Period

Other than the matters outlined below, there have been no matters that have occurred subsequent to the reporting date, which have significantly affected, or may significantly affect, the Group's operations, results or state of affairs in future years.

- On 20 November 2023, the Group entered into a Share Purchase Agreement with Cupric Canyon Capital L.P., The Ferreira Family Trust, Resource Capital Fund VII L.P., and the Missouri Local Government Employees' Retirement System ("Sellers"). The Group has conditionally agreed to purchase the entire issued share capital of Cuprous Capital Ltd ("CCL") from the Sellers at a purchase price of US$1,875.0 million.

  As at the date of this report, the acquisition had been approved by the Minister of Minerals and Energy of Botswana; the Competition and Consumer Authority of Botswana; the State Administration for Market Regulation of the People's Republic of China ("PRC") and the requisite majority of the relevant Shareholders as required under the Listing Rules.

- The group obtained new RCFs of US$300.0 million from CCB of which US$150.0 million is undrawn. Refer to Note 2.1(a) and Note31.1 (e) for more details.

Notes to Consolidated Financial Statements
Continued

37. Company Statement of Financial Position, Reserves and Accumulated Losses

(a) Company Statement of Financial Position

	Note	At 31 December 2023 US$ million	At 31 December 2022 US$ million
ASSETS			
Non-current assets			
Loans to a subsidiary		103.4	119.9
Interests in subsidiaries		2,420.7	2,487.4
		2,524.1	**2,607.3**
Current assets			
Other receivables		0.1	1.3
Cash and cash equivalents		0.7	1.9
		0.8	3.2
Total assets		**2,524.9**	**2,610.5**
EQUITY			
Share capital		3,224.6	3,220.5
Reserves and accumulated losses	(b)	(713.7)	(614.7)
Total equity		**2,510.9**	**2,605.8**
LIABILITIES			
Current liabilities			
Other payables		0.2	0.1
Borrowings from a subsidiary		13.8	4.6
Total liabilities		**14.0**	**4.7**
Net current liabilities		**(13.2)**	**(1.5)**
Total equity and liabilities		**2,524.9**	**2,610.5**

LI Liangang
Interim CEO and Executive Director

XU Jiqing
Chairman of the Board and Non-Executive Director

Notes to Consolidated Financial Statements
Continued

(b) Company reserves and accumulated losses

US$ million	Special capital reserve	Share-based payment reserve	Accumulated losses	Total
At 1 January 2022	**9.4**	**8.9**	**(613.5)**	**(595.2)**
Loss for the year	-	-	(20.5)	**(20.5)**
Employee long-term incentives	-	1.1	-	**1.1**
Employee share options exercised and vested	-	(0.1)	-	**(0.1)**
At 31 December 2022	**9.4**	**9.9**	**(634.0)**	**(614.7)**
Loss for the year	-	-	(94.6)	**(94.6)**
Employee long-term incentives	-	(1.5)	-	**(1.5)**
Employee share options vested and exercised	-	(2.9)	-	**(2.9)**
Employee share options lapsed	-	(0.1)	0.1	**-**
At 31 December 2023	**9.4**	**5.4**	**(728.5)**	**(713.7)**

Five-year Financial Summary

US$ million	2023	2022	2021	2020	2019
Results – the Group					
Revenue	4,346.5	3,254.2	4,255.0	3,033.7	3,011.6
EBITDA	**1,461.9**	**1,535.4**	**2,725.4**	**1,379.7**	**1,461.5**
EBIT	**531.7**	**745.3**	**1,827.4**	**451.9**	**341.9**
Finance income	24.3	15.0	5.4	1.9	11.2
Finance costs	(366.4)	(299.8)	(329.0)	(401.4)	(523.1)
Profit/(loss) before income tax	**189.6**	**460.5**	**1,503.8**	**52.4**	**(170.0)**
Income tax expense	(67.5)	(217.0)	(583.3)	(46.8)	(25.3)
Profit/(loss) for the year	**122.1**	**243.5**	**920.5**	**5.6**	**(195.3)**
Attributable to:					
Equity holders of the Company	9.0	172.4	667.1	(64.7)	(230.4)
Non-controlling interests	113.1	71.1	253.4	70.3	35.1
	122.1	**243.5**	**920.5**	**5.6**	**(195.3)**

A summary of the Group results that relate to current operations involving the exploration for, and development of mining projects, is presented below.

US$ million	2023	2022	2021	2020	2019
Results – current operations					
EBIT	531.7	745.3	1,827.4	451.9	341.9
Significant non-recurring items	-		-	-	150.0
Underlying EBIT[1]	**531.7**	**745.3**	**1,827.4**	**451.9**	**491.9**

1 Underlying EBIT represents EBIT adjusted for significant non-recurring items (before tax). During the year ended 31 December 2019, the underlying loss attributable to equity holders of the Company excludes non-recurring item relating to the impairment of Kinsevere assets of US$105.0 million (post-tax).

Five-year Financial Summary
Continued

US$ million	2023	2022	2021	2020	2019
Assets and liabilities – the Group					
Property, plant and equipment	9,417.1	9,509.4	9,763.1	10,075.9	10,394.2
Right-of-use assets	118.1	111.2	104.6	122.8	140.6
Intangible assets	534.0	534.2	537.3	546.5	567.5
Inventories	504.5	994.8	682.9	492.7	488.6
Trade and other receivables	644.8	510.0	399.4	601.4	571.9
Cash and cash equivalents	447.0	372.2	1,255.3	192.7	217.5
Other financial assets	2.7	1.5	1.8	1.7	3.1
Derivative financial assets	3.1	126.0	32.7	-	-
Current income tax assets	79.5	60.5	62.3	25.7	101.3
Deferred income tax assets	150.0	315.7	184.7	238.6	180.4
Total assets	**11,900.8**	**12,535.5**	**13,024.1**	**12,298.0**	**12,665.1**
Capital and reserves attributable to equity holders of the Company	2,123.4	2,139.0	1,930.5	936.4	1,012.2
Non-controlling interests	2,188.6	2,089.5	1,997.5	1,733.3	1,665.7
Total equity	**4,312.0**	**4,228.5**	**3,928.0**	**2,669.7**	**2,677.9**
Borrowings	4,707.1	5,412.6	6,298.1	7,179.5	7,628.3
Lease liabilities	147.6	138.7	131.1	148.7	160.8
Trade and other payables	902.9	753.0	615.8	582.4	591.3
Derivative financial liabilities	-	0.3	4.9	40.0	-
Other financial liabilities	-	-	-	145.4	135.7
Current income tax liabilities	104.2	114.2	277.6	22.7	2.4
Provisions	774.3	680.2	749.8	644.4	588.7
Deferred income tax liabilities	952.7	1,208.0	1,018.8	865.2	880.0
Total liabilities	**7,588.8**	**8,307.0**	**9,096.1**	**9,628.3**	**9,987.2**
Total equity and liabilities	**11,900.8**	**12,535.5**	**13,024.1**	**12,298.0**	**12,665.1**

Glossary

A$	Australian dollar, the lawful currency of Australia
AGM	annual general meeting of the Company
Album Enterprises	Album Enterprises Limited, a wholly owned subsidiary of CMN
associate(s)	has the meaning ascribed to it under the Listing Rules
Australia	The Commonwealth of Australia
Board	the board of directors of the Company
Board Charter	the board charter of the Company
BOC Sydney	Bank of China Limited, Sydney Branch
BOCOM	Bank of Communications Co., Ltd.
CCL	Cuprous Capital Ltd, a company incorporated in British Columbia, Canada
CDB	China Development Bank
CEO	Chief Executive Officer
CFO	Chief Financial Officer
China	has the same meaning as PRC
CITIC	CITIC Metal Peru Investment Limited
CMC	China Minmetals Corporation, a state-owned enterprise incorporated under the laws of the PRC
CMC Group	CMC and its subsidiaries
CMCL	China Minmetals Corporation Limited, a subsidiary of CMC
CMN	China Minmetals Non-ferrous Metals Co., Ltd, a subsidiary of CMC
CMNH	China Minmetals Non-ferrous Metals Holding Co., Ltd, a subsidiary of CMC
Company	MMG Limited, a company incorporated in Hong Kong, the securities of which are listed and traded on the Main Board of the Stock Exchange
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Director(s)	the director(s) of the Company
DRC	Democratic Republic of Congo
EBIT	earnings before interest (net finance costs) and income tax
EBITDA	earnings before interest (net finance costs), income tax, depreciation, amortisation and impairment expense
EBITDA margin	EBITDA divided by revenue
Executive Committee	the executive committee of the Group, which consists of all Executive Directors of the Company, Chief Executive Officer/Interim Chief Executive Officer, Chief Financial Officer, Executive General Manager – Finance, Executive General Manager – Commercial and Development, Executive General Manager – Corporate Relations, Executive General Manager – Americas and Executive General Manager – Operations
EXIM Bank	The Export-Import Bank of China
Group	the Company and its subsidiaries
HK$	Hong Kong dollar, the lawful currency of Hong Kong

Glossary
Continued

HKFRS	Hong Kong Financial Reporting Standards, which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKAS) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA)
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Stock Exchange	(please refer to the definition of 'Stock Exchange')
ICBC	Industrial and Commercial Bank of China Limited
ICBC Luxembourg	Industrial and Commercial Bank of China Limited, Luxembourg Branch
ICBC Macau	Industrial and Commercial Bank of China Limited, Macau Branch
ICMM	International Council on Mining and Metals
JORC Code	Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'
KEP	Kinsevere Expansion Project
Las Bambas Project	the development, construction and operation of the copper mines, processing facilities and associated infrastructure at the Las Bambas copper project located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of products from such mines
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	London Metal Exchange
MCC23	23rd Metallurgical Construction Group Co., Ltd, an indirect wholly owned subsidiary of CMC
Minerals and Metals Group	the collective brand name of the portfolio of international mining assets held by Album Resources Private Limited, a wholly owned subsidiary of the Company
Mineral Resources	as defined under the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction
Minmetals HK	China Minmetals H.K. (Holdings) Limited, an indirectly owned subsidiary of CMC
Minmetals Logistics	Minmetals Logistics Group Co., Ltd, a wholly owned subsidiary of CMC
Minmetals North-Europe	Minmetals North-Europe AB, a wholly owned subsidiary of CMC
MLB	Minera Las Bambas S.A., a non wholly owned subsidiary of MMG and the owner of the Las Bambas mine
MMG or MMG Limited	has the same meaning as the Company
MMG Australia	MMG Australia Limited, a wholly owned subsidiary of the Company
MMG Dugald River	MMG Dugald River Pty Ltd, a wholly owned subsidiary of the Company
MMG Finance	MMG Finance Limited, a wholly owned subsidiary of the Company
MMG SA	MMG South America Company Limited, a wholly owned subsidiary of the Company
MMG SAM	MMG South America Management Company Limited, a non wholly owned subsidiary of the Company
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules

Glossary
Continued

Ore Reserves	as defined under the JORC Code, the economically mineable part of a Measured and / or Indicated Mineral Resource
PRC	the People's Republic of China excluding, for the purpose of this document only, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan, unless the context requires otherwise
RCF	Revolving Credit Facilities
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SDG	Sustainable Development Goals
Share(s)	fully paid ordinary share(s) of the Company
Shareholder(s)	the shareholder(s) of the Company
SHEC	Safety, Health, Environment and Community
Stock Exchange	The Stock Exchange of Hong Kong Limited
SUNAT	National Superintendence of Tax Administration of Peru
Top Create	Top Create Resources Limited, a wholly owned subsidiary of CMN
TSF	Tailings Storage Facilities
TRIF	total recordable injury frequency per million hours worked
US$	United States dollar, the lawful currency of the United States of America
VAT	value added tax

Corporate Information

Board of Directors

Chairman
XU Jiqing
(Non-executive Director)

Executive Director
LI Liangang
(Interim Chief Executive Officer)

Non-executive Director
ZHANG Shuqiang

Independent Non-executive Directors
Peter CASSIDY
LEUNG Cheuk Yan
CHAN Ka Keung, Peter

Audit and Risk Management Committee

Chairman
CHAN Ka Keung, Peter

Members
ZHANG Shuqiang
XU Jiqing
Peter CASSIDY
LEUNG Cheuk Yan

Governance, Remuneration, Nomination and Sustainability Committee

Chairman
Peter CASSIDY

Members
XU Jiqing
LEUNG Cheuk Yan
CHAN Ka Keung, Peter

Disclosure Committee

Members
LI Liangang
Song QIAN
Troy HEY
Nicholas MYERS
WONG Lok Wun, Anfield

General Counsel

Nicholas MYERS

Company Secretary

WONG Lok Wun, Anfield

Legal Adviser

Linklaters, Hong Kong

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor

Share Registrar

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

Principal Bankers

China Development Bank
Industrial and Commercial Bank of China Limited
Bank of China Limited
The Export-Import Bank of China
Bank of America Merrill Lynch Limited
Australia and New Zealand Banking Group Limited
Banco Bilbao Vizcaya Argentaria, S.A.

Investor and Media Enquiries

Jarod ESAM
Head of Business Evaluation and Investor Relations
T +61 3 9288 9124
E investorrelations@mmg.com

Andrea ATELL
Interim General Manager Stakeholder Relations
T +61 3 9288 0758
E corporateaffairs@mmg.com

Registered Office

Unit 1208, 12/F
China Minmetals Tower
79 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

Office and Principal Place of Business

Hong Kong
Unit 1208, 12/F
China Minmetals Tower
79 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong
T +852 2216 9688
F +852 2840 0580

Australia
Level 24
28 Freshwater Place Southbank
Victoria 3006 Australia
T +61 3 9288 0888
F +61 3 9288 0800
E info@mmg.com

Website

www.mmg.com

Share Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 1208

Additional Shareholder Information

The Chinese version of the Annual Report is prepared based on the English version. If there is any inconsistency between the English and Chinese versions of this Annual Report, the English text shall prevail to the extent of the inconsistency.

MMG