

SECOND QUARTER PRODUCTION REPORT

FOR THE THREE MONTHS ENDED 30 JUNE 2024

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (Listing Rules) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (Board) of MMG Limited (Company or MMG) is pleased to provide the Second Quarter Production Report for the three months ended 30 June 2024.

The report is annexed to this announcement.

By order of the Board

MMG Limited
CAO Liang
CEO and Executive Director

Hong Kong, 24 July 2024

As at the date of this announcement, the Board comprises six directors, of which one is an executive director, namely Mr Cao Liang; two are non-executive directors, namely Mr Xu Jiqing (Chairman) and Mr Zhang Shuqiang; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan and Mr Chan Ka Keung, Peter.

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2024 SECOND QUARTER PRODUCTION REPORT

For the three months ended 30 June 2024

	2Q24	2Q24 vs 2Q23	2Q24 vs 1Q24	YTD 24	YTD 24 vs YTD 23
Copper (contained metal in concentrate, tonnes)					
Las Bambas	70,173	-14%	25%	126,198	-10%
Khoemacau ¹	8,907	-	- ²	9,982	-
Rosebery	346	-1%	16%	643	14%
Total	79,426	-3%	38%	136,823	-2%
Copper cathode (tonnes)					
Kinsevere	11,546	2%	19%	21,278	-2%
Total	11,546	2%	19%	21,278	-2%
Zinc (contained metal in concentrate, tonnes)					
Dugald River	34,524	-5%	-23%	79,284	38%
Rosebery	15,776	18%	9%	30,263	31%
Total	50,300	1%	-15%	109,547	36%
Lead (contained metal in concentrate, tonnes)					
Dugald River	4,618	8%	-25%	10,799	65%
Rosebery	5,768	11%	11%	10,970	27%
Total	10,386	9%	-9%	21,769	43%
Molybdenum (contained metal in concentrate, tonnes)					
Las Bambas	857	-35%	6%	1,667	-26%
Total	857	-35%	6%	1,667	-26%
Cobalt (contained metal, tonnes)					
Kinsevere	788	-	31%	1,390	-
Total	788	-	31%	1,390	-

¹ MMG completed the acquisition of the Khoemacau mine on 22 March 2024. The production for Khoemacau for the March quarter and year-to-date data of 2024 in this report accounts for figures for the period starting March 23, 2024.

² A comparison between the second quarter of 2024 and the first quarter of 2024 is not provided, as the first quarter of 2024 doesn't represent a complete quarter.

KEY POINTS

Safety - Our First Value

- The Total Recordable Injury Frequency (TRIF) for the second quarter of 2024 was 2.28 per million hours worked, a decrease from the first quarter 2024 TRIF of 2.64³. Notably, the TRIF for the month of June was 1.72 per million hours worked which was the lowest recorded this year with no High Potential Injuries recorded in the month.
- The Significant Events with Energy Exchange Frequency (SEEEF) for the second quarter 2024 was 1.38 per million hours worked, increased from 1.11 per million hours worked in the first quarter. The increased number of SEEE is a matter of concern and is being closely monitored. There is an increased focus from our sites on enhancing the implementation and execution of critical controls, as well as improving contractor management. Each site will continue to stress the importance of reporting, investigating, and learning from both actual and potential workplace incidents, ensuring that appropriate controls are established before tasks are undertaken.

Second Quarter Operation Performance

- During the reporting period, total copper production, which includes copper cathode and copper concentrate, was 90,972 tonnes, representing a 2% decrease from the prior corresponding period but a 36% increase from the first quarter of 2024. At Las Bambas, copper production decreased by 14% year-on-year but saw a 25% increase from the first quarter of 2024, thanks to ore supply from the Chalcobamba pit, despite lower average ore grades from the Ferrobamba pit due to the mining sequence. Kinsevere's production increased by 2% year-on-year, driven by enhanced power stability and higher ore milled throughput following increased ore supply from the Sokoroshe II pit. Khoemacau contributed 8,907 tonnes of copper, making its first full quarter of production following the completion of its acquisition on 22 March 2024.
- Total zinc production of 50,300 tonnes in the second quarter was 1% above the prior corresponding period in 2023. Dugald River production decreased by 5% compared to the same period of last year due to SAG mill bearing pad issues in June, despite strong performance in April and May. The production of Rosebery outperformed the prior corresponding period of 2023, achieving the second highest quarterly record for ore mined and milled volumes in the past 20 years, thanks to workforce stability, development focus to increase the number of available mining fronts and a series of operational improvement initiatives.
- At Las Bambas, MMG remains committed to working closely with the Government of Peru, local Governments, and community members for transparent and constructive dialogue. On 5 July 2024, Las Bambas completed a number of agreements with the Huanquire community, covering education, local business and most recently local employment. This has further strengthened the relationship with the local community and commitment to mutual success. The dialogue will continue to cover other topics from the negotiation agenda. Additionally, since the beginning of February, MMG machinery and personnel have been working alongside the community companies to continue the ramp-up of the Chalcobamba pit.
- The construction of the Kinsevere Expansion Project (KEP), which includes the transition to the mining and processing of sulphide ore and the commencement of cobalt production, remains on track. During the second quarter, 788 tonnes of contained cobalt in cobalt hydroxide production was achieved and the first sales of 346 tonnes was made in June. Additionally, the construction of the sulphide circuit in the concentrator was completed, and the commissioning process commenced. The mechanical construction of all major equipment for the RGA (Roaster-Gas-Acid) plant was also completed.

2024 Outlook

- The previous production guidance for Las Bambas, set at 280,000 to 320,000 tonnes of copper in 2024, remains unchanged. Actual production is expected to be towards the higher end of this range, thanks to continuous production and good progress on the development of the Chalcobamba pit. The C1 cost guidance has been revised to US\$1.55 – US\$1.75/lb, improved from the previous US\$1.60 – US\$1.80/lb, driven by operational efficiencies and by-product credit.
- Kinsevere copper cathode production guidance for 2024 remains unchanged within the range of 39,000 to 44,000 tonnes. However, C1 costs guidance for 2024 have been increased to US\$3.00 – US\$3.35/lb. This increase is attributed to lower by-product credit from cobalt sales, the increased mining costs due to accelerated operations at the Sokoroshe II pit and a change in the mining sequence at the Kinsevere pit to align with the Sulphide plant commissioning and ramp-up plans.

³ The TRIF for first quarter decreased from 2.74 to 2.64 to due to the reclassification of a recordable injury from MTI to non-work-related.

- In line with prior guidance, Khoemacau copper production for the full year of 2024 is expected to be between 40,000 and 50,000 tonnes (30,500 – 40,500 tonnes from 23 March 2024). C1 costs in 2024 are expected to be within the range of US\$2.30 – US\$2.65/lb.
- At Dugald River, there was an unplanned outage at the processing plant for SAG mill maintenance, specifically for repairs related to bearing pad issues. Plant operations resumed in late July, with additional maintenance works expected in August. Dugald River's zinc production in 2024 is now expected to be towards the lower end of the previous guidance of 175,000 to 190,000 tonnes, with C1 costs expected to maintain in the range of US\$0.70 - US\$0.85/lb.
- Rosebery's zinc production guidance for 2024 remains within 50,000 to 60,000 tonnes, with zinc equivalent production projected between 115,000 to 130,000 tonnes. The C1 costs guidance is now revised to US\$0.05 - US\$0.20/lb from the previous US\$0.10 - US\$0.25/lb, benefiting from strong by-product credits and lower zinc concentrate treatment charges.

COMMODITY PRICES, MARKETING AND SALES

	Quarter-Average			Quarter Close		
	Q2 2024	Q1 2024	Q4 2023	Q2 2024	Q1 2024	Q4 2023
Metal Price						
Copper (US\$/t)	9,753	8,438	8,158	9,477	8,729	8,476
Zinc (US\$/t)	2,833	2,450	2,498	2,919	2,391	2,640
Lead (US\$/t)	2,166	2,077	2,123	2,160	1,965	2,031
Molybdenum (US\$/t)	47,950	43,933	41,112	50,486	43,431	44,092
Gold (US\$/oz)	2,338	2,070	1,974	2,329	2,211	2,062
Silver (US\$/oz)	28.84	23.34	23.20	29.37	24.54	23.79
Cobalt (US\$/lb)	11.84	12.89	14.53	11.30	12.87	13.02

Sources: zinc, lead, and copper: LME⁴ cash settlement price; Molybdenum: Platts; gold and silver: LBMA, cobalt: Fastmarkets MB

Copper prices and copper concentrate market

LME copper prices continued to rally, with the average copper price reaching USD\$9,753 per tonne, making a 15.6% increase from the previous quarter. The cash settlement price closed at USD\$9,477 per tonne by the end of June, reflecting an 8.6% increase compared to the end of March 2024. This surge was supported by a near-term shortage in mine supply and positive market sentiment regarding a long-term demand boost in the AI sector, leading to funds inflows that pushed copper prices to a new record high of US\$10,800 per tonne on 20 May, the highest since October 2021. However, after reaching this peak, profit-taking by speculative investors led to a correction of the over-traded metal to lower prices, realigning them more closely with short-term fundamentals. Despite this correction, the copper prices remain relatively high, buoyed by geopolitical instabilities and long-term supply concerns.

In the copper concentrate market, the average copper spot TC/RC stood at negative US\$2.6 per tonne/0.26 US cents per pound in the second quarter of 2024, a continued decline to a new low. On the supply side, there has been a slight improvement, although demand has remained stable. Smelters, leveraging their benchmark-related feed supply, have managed to purchase concentrate at the spot market at nearly zero TC. The mid-term fundamental outlook for the copper concentrate market remains unchanged. Significant new smelting capacity is anticipated over the next two years, while development of new mines continues to lag. A Chilean miner and Chinese major smelters have settled TC/RC at US\$23.25 per tonne/2.325 US cents per pound for some tonnages for the second half of 2024 and the first half of 2025. This settlement represents the lowest level ever recorded for long-term contracts.

Zinc and lead prices and concentrate market

The LME zinc price averaged US\$2,833 per tonne for the June quarter, a 15.6% increase from the previous quarter. The tightness in zinc concentrate supply is expected to constrain smelter production. Furthermore, enhanced global manufacturing activity, along with China's infrastructure and real estate stimulus measures, are expected to boost zinc demand and sustain higher prices.

The June quarter experienced a significant tightening in the zinc concentrate market, with spot treatment charges reaching historically low levels. This tightening was primarily due to production disruptions and delays in new zinc mine projects, leading to a decrease in global zinc mine output this year. In addition, an increase in global concentrate demand has been driven by the restart of major European smelters and robust demand from Chinese smelters, which are looking to ramp up production to capitalize on the higher zinc metal prices. Consequently, this imbalance has led to a supply deficit in zinc concentrate, causing zinc treatment charges to turn negative.

The resurgence of positive investor sentiment towards base metals resulted in the LME lead price averaging 4.3% higher than the previous quarter, reaching US\$2,166 per tonne for the June quarter. As the number of new cars manufactured globally rises, the lead metal market has entered a supply deficit due to strong demand from automobile manufacturers, which is the primary sector for lead consumption. Meanwhile, lead smelter production remains constrained by the tight supply

⁴ LME (London Metal Exchange) data is used in this report under license from LME; LME has no involvement and accepts no responsibility to any third party in connection with the data; and onward distribution of the data by third parties is not permitted.

of both lead concentrate and secondary raw materials. Similar to zinc, the lead concentrate market experienced further significant tightening in the second quarter, with spot treatment charges turning negative for the first time since 2018.

Precious and other metals market

Precious metals experienced an increase and reached a new historical high in May. Ongoing geopolitical concerns led a rise in the prices of precious metals, fuelled by a risk-averse reaction. Additionally, the FED's dovish stance in May stimulated bullions to new heights. Consequently, the average prices of gold and silver surged by 12.9% and 23.6% respectively, on a quarter-on-quarter basis.

Provisional pricing

The following table provides a summary of the metal that was sold, which remains provisionally priced at the end of June 2024 and the month that final average pricing is expected to occur at the time of final invoicing.

Open Pricing Volumes at 30 June 2024

	July-24	Aug-24	Sep-24	Oct-24	Grand Total
Copper (tonnes)	44,694	135	70	-	44,899
Zinc (tonnes)	11,992	-	-	-	11,992
Lead (tonnes)	2,459	-	-	-	2,459
Molybdenum (tonnes)	277	153	-	-	430
Gold (ounces)	5,069	1,763	1,322	2,097	10,251
Silver (ounces)	624,244	155,552	119,957	148,252	1,048,005

During the quarter ended 30 June 2024, MMG entered into various commodity trades to hedge the sales prices for copper and zinc. The outstanding commodity trades included:

Zero/low-cost collar hedges:

- 37,100 tonnes of copper with put strike price of US\$9,751 per tonne and call strike price of US\$10,173 per tonne;
- 6,700 tonnes of zinc with put strike price of US\$2,887 per tonne and call strike price of US\$3,347 per tonne;

Fixed price swap hedges:

- 83,900 tonnes of copper with fixed price ranging from US\$9,207 per tonne to US\$9,444 per tonne;
- 51,600 tonnes of zinc with fixed price ranging from US\$2,832 per tonne to US\$2,856 per tonne;

Above hedges settlement ranged from July 2024 to January 2025.

OPERATIONS

Las Bambas

	2Q24	2Q24 vs 2Q23	2Q24 vs 1Q24	YTD 24	YTD 24 vs YTD 23
Contained metal in concentrate					
Copper (tonnes)	70,173	-14%	25%	126,198	-10%
Molybdenum (tonnes)	857	-35%	6%	1,667	-26%

Las Bambas Second Quarter 2024 Performance

Las Bambas produced 70,173 tonnes of copper in the second quarter of 2024, representing a 14% decrease compared to the same period in 2023, but a 25% increase from the first quarter of this year. During this period, ores from the Chalcobamba pit began being supplied to the processing plant. However, the average ore mined grades were lower than the previous year (0.58% vs. 0.69%), primarily due to mining of low-grade sectors at the Ferrobamba pit. As the operation progresses in the Chalcobamba pit, ore milled grades are expected to continue to improve from the third quarter onwards.

During the quarter, both mining activities and milling activities proceeded without interruption. Ore mined volume saw an increase of 63% compared to the previous quarter, despite adverse weather conditions affecting the previous quarter extended until April. Ore milled throughput rose by 12%, reaching 13.5 million tonnes compared to 12.1 million tonnes in the previous quarter when the production was affected by a planned maintenance shutdown.

Molybdenum production in the second quarter fell by 35% compared with the same period in 2023. The decline was due to lower molybdenum grades in the ore, which were a result of the mining sequence in the current sectors of both Ferrobamba and Chalcobamba pits.

Community and Transport Logistics Update

MMG remains committed to working closely with the Government of Peru, local Governments, and community members to ensure transparent and constructive dialogue.

The Chalcobamba pit is ramping up production with the six Huancuire community companies working alongside the Las Bambas team on development activities. At the same time, extensive and constructive dialogue between Las Bambas, the Huancuire Community and the Government of Peru continues to progress. On 5 July, Las Bambas completed a number of agreements with the Huancuire community covering education, local business and most recently local employment, further strengthening the relationship with the local community and a commitment to mutual success. Dialogue will continue to cover other topics from the negotiation agenda.

Las Bambas continues with active dialogue with communities and local government authorities along the Southern Road Corridor with government support. The Government-declared State of Emergency has been extended for 30 days starting from 5 July 2024.

Las Bambas 2024 Outlook

Las Bambas copper production for 2024 is expected to remain within the range of 280,000 to 320,000 tonnes. Thanks to uninterrupted production and good progress on the development of the Chalcobamba pit, production is expected to be at the higher end of the guidance. C1 cost guidance for 2024 is now improved to US\$1.55 - US\$1.75/lb, down from the previous guidance of US\$1.60 - US\$1.80/lb, driven by operational efficiencies and by-product credit.

Kinsevere

	2Q24	2Q24 vs 2Q23	2Q24 vs 1Q24	YTD 24	YTD 24 vs YTD 23
Contained metal production					
Copper cathode (tonnes)	11,546	2%	19%	21,278	-2%
Cobalt (tonnes)	788	0%	31%	1,390	0%

Kinsevere Second Quarter 2024 Performance

Kinsevere produced 11,546 tonnes of copper cathode in the second quarter of 2024, an increase of 2% from the prior comparable period, driven by improved ore milled throughput (546,119 tonnes vs. 520,001 tonnes). The plant benefited from enhanced power stability, and the increased ore supply from mining at the Sokoroshe II pit helped to offset the reduction in third-party ore supply. However, production was negatively impacted by lower milled grade (2.07% vs. 2.22%), due to mining sequences at Sokoroshe II and Kinsevere pits, and a reduced reliance on expensive, high-grade third-party ores.

The mine ramped up cobalt production in the second quarter, reaching 788 tonnes of contained cobalt in cobalt hydroxide. Additionally, the first cobalt sale of 346 tonnes was achieved in June.

Kinsevere expansion project update

The construction of the Kinsevere Expansion Project (KEP), which includes the transition to the mining and processing of sulphide ore and the commencement of cobalt production, remains on track.

During the second quarter, the construction of the sulphide circuit in the concentrator was completed, and the commissioning commenced. The construction of all major equipment for the RGA (Roaster-Gas-Acid) plant has been completed, with commissioning planned for the third quarter.

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

Kinsevere 2024 Outlook

In line with prior guidance, copper cathode production for 2024 is expected to be in the range of 39,000 to 44,000 tonnes.

C1 costs in 2024 are now expected to be in the range of US\$3.00 - US\$3.35/lb, reflecting an increase from the previous guidance of US\$2.80 - US\$3.15/lb. This adjustment is attributed to three factors:

- Lower-than-expected by-product credit from cobalt sales, largely driven by decline in price;
- Increased mining costs due to accelerated mining activities at the Sokoroshe II pit; and
- A change in the mining sequence at the Kinsevere pit to align with the Sulphide plant commissioning and ramp-up plans.

These adjustments in mining operations at the Sokoroshe II and the Kinsevere pit will result in larger than expected ore stockpiles. The costs associated with the mining of these additional ores have been incorporated into the revised 2024 C1 costs guidance. However, these ore stockpiles will be processed in the future, which is expected to positively impact future C1 costs.

Khoemacau

	2Q24	2Q24 vs 2Q23	2Q24 vs 1Q24 ⁵	YTD 24	YTD 24 vs YTD 23
Contained metal in concentrate					
Copper (tonnes)	8,907	-	- ⁶	9,982	-
Silver (oz) ⁷	301,622	-	-	338,681	-

Khoemacau Second Quarter 2024 Performance

In the second quarter of 2024, Khoemacau produced 8,907 tonnes of copper. The mining operations during this period were influenced by equipment availability and high turnover of skilled labor, a situation intensified by a competitive labor market in Botswana, due to an increase in underground mining operations in the country. To address this issue, Khoemacau mine has sourced a significant number of replacements who are being trained and inducted.

Mining activities were concentrated in lower-grade sectors due to the mining sequence, which, coupled with dilution, adversely impacted ore grades (1.57% in the second quarter vs. 1.68% in the first quarter). Measures are now being taken to reduce the dilution factor, with the expectation of achieving better ore grades in the forthcoming quarters.

Khoemacau 2024 Outlook

In line with prior guidance, Khoemacau copper production for the full year of 2024 is expected to be between 40,000 and 50,000 tonnes (30,500 - 40,500 tonnes from 23 March 2024). C1 costs⁸ in 2024 are expected to be within the range of US\$2.30 - US\$2.65/lb.

MMG is committed to supporting the ramp-up of Khoemacau to achieve an annual production of 60,000 tonnes of copper by 2026, facilitated by ongoing mining development efforts to increase mining fronts, operational flexibility and mined grades. These efforts will be further enhanced by the completion of the Primary Vent Fans as well as paste fill project. C1 costs are expected to improve as the operation scales up to 60,000 tonnes annually. In addition, the company is dedicated to completing the construction of an expansion project by 2028, which aims to increase production capacity to 130,000 tonnes of copper. It is expected to reach full capacity by 2029, further contributing to the reduction of C1 costs.

⁵ MMG completed the acquisition of the Khoemacau mine on 22 March 2024. Production for the March quarter and year-to-date data of 2024 includes figures starting from 23 March 2024.

⁶ A comparison between the second quarter of 2024 and the first quarter of 2024 is not provided, as the first quarter of 2024 doesn't represent a complete quarter.

⁷ The silver production is subject to a silver stream of the Khoemacau Mine currently in favour of Royal Gold Inc. which covers 100% of the payable silver produced until the delivery of 40.0 million silver ounces, and 50% thereafter. Royal Gold Inc. pays a cash price equal to 20% of spot silver price for each ounce delivered. The stream covers Zone 5 and Mango North-East deposits, with remaining deposits unencumbered.

⁸ Khoemacau C1 costs calculated on a post by-product and pre silver stream basis.

Dugald River

	2Q24	2Q24 vs 2Q23	2Q24 vs 1Q24	YTD 24	YTD 24 vs YTD 23
Contained metal in concentrate					
Zinc (tonnes)	34,524	-5%	-23%	79,284	38%
Lead (tonnes)	4,618	8%	-25%	10,799	65%

Dugald River Second Quarter 2024 Performance

Dugald River produced 34,524 tonnes of zinc in zinc concentrate and 4,618 tonnes of lead in lead concentrate during the second quarter of 2024. This represents a decrease of 5% and an increase of 8% for zinc and lead, respectively, compared to the same period of last year.

Despite strong performance in April and May, plant performance and production in June were adversely impacted by issues with the SAG mill bearing pads. This resulted in lower ore milled throughput of 24% compared to the previous quarter.

On a positive note, the processing plant achieved record high lead recovery of 70.8% in the second quarter and continued high zinc recovery, supported by continuous operational improvement initiatives.

Dugald River 2024 outlook

During a recent inspection of the SAG mill, an issue with the bearing pads was identified, leading to an unplanned maintenance shutdown of the Dugald River processing plant while repairs were undertaken; plant operations resumed in late July. Additional maintenance works are expected to take place in August to ensure operational integrity of the SAG mill. The Dugald River team is working closely with both internal and external specialist resources to facilitate the repairs. The focus will be to recover any deferred production in 2024. Dugald River zinc production for 2024 is now expected to be towards the lower end of the previously issued guidance of 175,000 to 190,000 tonnes of zinc in zinc concentrate. C1 costs are expected to be in the range of US\$0.70 - US\$0.85/lb.

Rosebery

	2Q24	2Q24 vs 2Q23	2Q24 vs 1Q24	YTD 24	YTD 24 vs YTD 23
Contained metal in concentrate					
Zinc (tonnes)	15,776	18%	9%	30,263	31%
Lead (tonnes)	5,768	11%	11%	10,970	27%
Copper (tonnes)	346	-1%	16%	643	14%
Zinc Equivalent⁹	34,823	7%	8%	66,998	20%

Rosebery Second Quarter 2024 Performance

Rosebery produced 15,776 tonnes of zinc in zinc concentrate during the second quarter of 2024, an 18% increase compared to the prior corresponding period of 2023 and a 9% increase compared to the previous quarter. Ore mined and milled volumes achieved the second highest quarter in the past 20 years, reflecting workforce stability, development focus to increase the number of available mining fronts, and a lower proportion of ore being sourced from deeper areas of the mine. In addition, continuous operational improvement initiatives supported strong plant performance in again achieving the highest zinc recovery rate (88.6%) since 2017.

⁹ Zinc Equivalent production accounts for combined value of zinc, lead, silver, gold and copper. Other metals are converted to Zinc Equivalent via unit value calculations using 2023 average commodity prices including zinc price of US\$2,647/t, lead price of US\$2,138/t, silver price of US\$23.35/oz, gold price of US\$1,942/oz and copper price of US\$8,478/t.

Rosebery 2024 Outlook

In line with prior guidance, Rosebery zinc production for 2024 is expected to be in the range of 50,000 to 60,000 tonnes of zinc in zinc concentrate. Including the contribution of by-product metals, zinc equivalent production for 2024 is expected to be in the range of 115,000 to 130,000 tonnes.

C1 is now expected to be in the range of US\$0.05 - US\$0.20/lb with the improvement mainly driven by strong by-product credits and lower zinc concentrate treatment charges.

CORPORATE UPDATE

CEO, EXECUTIVE DIRECTOR AND EXECUTIVE COMMITTEE CHANGES

On 24 April 2024, the MMG Board announced that Mr LI Liangang resigned as the Interim CEO and an Executive Director, with effect from 24 April 2024. It was announced that Mr CAO Liang was appointed as the CEO and an Executive Director of the Company, with effect from 24 April 2024.

On 31 May 2024, the MMG Board announced that the Company received notice of the resignation of Mr WEI Jianxian as Executive General Manager Americas and as a member of the Executive Committee with effect from 31 May 2024. Mr WEI Jianxian resigned to take a career break to consider retirement. The Board further announced that Mr ZHAO Jing (Ivo) was appointed as the Interim Executive General Manager Americas of the Company with effect from 1 June 2024.

KHOEMACAU JOINT VENTURE

On 30 May 2024, MMG, MMG Africa Holdings Company Limited (a wholly-owned subsidiary of MMG), CNIC Corporation Limited (CNIC) and Comor Holdings Corporation Limited (Comor Holdings) (a wholly-owned subsidiary of CNIC) and MMG Africa Resources Company Limited (the Joint Venture Company) entered into the Subscription and Shareholders' Agreement (SSA). Under the SSA, the parties conditionally agreed to subscribe for subscription shares at the agreed price and form a Joint Venture to manage the Khoemaçau Mine. With effect from 6 June 2024, MMG's interest is 55% (up to US\$611.1 million) and Comor Holdings' interest is 45% (up to US\$500.0 million). The SSA outlines the governance of the Joint Venture Company's management and affairs.

The equity interest in the Joint Venture Company indirectly held by MMG was diluted from 100% to 55% upon completion. The results of operations and financial position of the joint venture Group will be included in the Group's consolidated financial statements.

RESULTS OF THE RIGHTS ISSUE

On 12 July 2024, the MMG Board announced that as at 4:00 p.m. on 5 July 2024, being the latest time for payment for and acceptance of the Rights Shares and the application and payment for the excess Rights Shares, (i) a total of 27 valid acceptances in respect of 3,402,286,705 Rights Shares provisionally allotted under the Rights Issue had been received, representing approximately 98.18% of the total number of Rights Shares available under the Rights Issue, and (ii) a total of 11 valid applications for 6,383,560,006 excess Rights Shares had been received, representing approximately 184.21% of the total number of Rights Shares available under the Rights Issue. In aggregate, a total of 38 valid acceptances and applications in respect of 9,785,846,711 Rights Shares, representing approximately 282.38% of the total number of Rights Shares available under the Rights Issue, had been received.

Pursuant to the Committed Shareholder Irrevocable Undertaking, China Minmetals H.K. (Holdings) Limited had accepted and subscribed for 2,338,866,549 Rights Shares.

Dealings in the Rights Shares, in their fully-paid form, commenced on the HKEX at 9:00 a.m. on Tuesday, 16 July 2024.

LAS BAMBAS TAX UPDATE

MMG has announced that Minera Las Bambas S.A. (MLB) has now received favourable decisions from the Tax Court in Peru determining that MLB is not liable to penalty withholding tax at a 30% rate in respect of all years under dispute, including the 2014, 2015, 2016 and 2017 tax years.

Since the first decision announced on 18 June 2024, in respect of the 2017 tax year, the Tax Court has determined that the nature of the relationship between MLB, MMG and the Chinese lender banks (the Lenders) is not for tax avoidance purposes. Therefore, the Court concluded that the interpretation of The National Superintendence of Tax Administration of Peru (SUNAT) was against the law and revoked the appealed Assessments in relation to the 2017 tax year in the amount of US\$152 million, the 2015 tax year in the amount of US\$158 million (announced on 27 June 2024), and the 2014 and 2016 tax years in the amount of US\$48 million and \$199 million respectively (announced on 14 July 2024).

It is not clear at this point whether SUNAT intends to appeal these decisions. We note that appeals in the Peruvian tax administration and judicial systems can take many years to resolve.

-ENDS-

CORPORATE DETAILS

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Nan WANG, Executive General Manager - Operations
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Sandra GUAN, Interim Executive General Manager - Commercial and Development

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Important dates

13 August 2024 - MMG 2024 Interim Results

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APPENDIX - GUIDANCE

2024 Guidance Summary

Las Bambas	2024 Guidance	2023 Actual
Copper - production	280,000 - 320,000 tonnes	302,033 tonnes
Copper - C1 costs	US\$1.55 - US\$1.75 / lb	US\$1.60 / lb
Kinsevere		
Copper - production	39,000 - 44,000 tonnes	44,068 tonnes
Copper - C1 costs	US\$3.00 - US\$3.35 / lb	US\$3.29 / lb
Khoemacau		
Copper - production	30,500 - 40,500 tonnes ¹⁰	-
Copper - C1 costs ¹¹	US\$2.30 - US\$2.65 / lb	-
Dugald River		
Zinc - production	175,000 - 190,000 tonnes	151,844 tonnes
Zinc - C1 costs	US\$0.70 - US\$0.85 / lb	US\$0.93 / lb
Rosebery		
Zinc - production	50,000 - 60,000 tonnes	51,626 tonnes
Zinc Equivalent - production ¹²	115,000 - 130,000 tonnes	120,196 tonnes
Zinc - C1 costs	US\$0.05 - US\$0.20 / lb	US\$0.26 / lb

¹⁰ Khoemacau 2024 production guidance accounts for figures from 23 March onwards.

¹¹ Khoemacau C1 costs calculated on a post by-product and pre silver stream basis.

¹² Zinc Equivalent production accounts for combined value of zinc, lead, silver, gold and copper. Other metals are converted to Zinc Equivalent via unit value calculations using 2023 average commodity prices including zinc price of US\$2,647/t, lead price of US\$2,138/t, silver price of US\$23.35/oz, gold price of US\$1,942/oz and copper price of US\$8,478/t.

APPENDIX - PRODUCTION RESULTS

Las Bambas

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2023	SEP 2023	DEC 2023	MAR 2024	JUN 2024	JUN 2024	JUN 2023
Ore mined	tonnes	14,302,135	13,994,474	11,060,692	9,436,103	15,356,651	24,792,754	21,374,317
Ore milled	tonnes	13,556,728	13,186,120	13,813,575	12,139,666	13,545,788	25,685,454	25,871,975
Waste movement	tonnes	35,535,160	37,413,165	33,859,011	30,618,313	32,750,707	63,369,020	51,636,637
COPPER								
Ore mined - grade	%	0.69	0.69	0.72	0.58	0.58	0.58	0.68
Ore milled - grade	%	0.69	0.71	0.67	0.54	0.59	0.57	0.64
Recovery	%	85.4	86.1	88.2	86.2	86.7	86.5	85.0
Production								
Copper concentrate	tonnes	237,766	219,972	234,222	184,434	244,780	429,214	423,693
Grade	%	34.1	37.1	34.5	30.4	28.7	29.4	32.9
Containing	tonnes	81,168	81,566	80,873	56,025	70,173	126,198	139,594
Sales								
Total concentrate sold	tonnes	416,769	378,800	249,172	205,828	227,015	432,843	493,796
Payable metal in products sold	tonnes	136,356	128,922	85,057	61,599	64,069	125,668	160,764
GOLD & SILVER								
Payable metal in product sold - gold	oz	35,306	31,585	22,027	15,107	9,282	24,389	41,312
Payable metal in product sold - silver	oz	1,897,489	1,829,556	1,275,158	902,514	683,871	1,586,385	2,256,611
MOLYBDENUM								
Production								
Molybdenum concentrate	tonnes	2,817	1,632	1,747	1,826	1,833	3,659	4,813
Grade	%	46.7	46.5	45.4	44.4	46.8	45.6	46.9
Contained metal produced	tonnes	1,315	759	793	810	857	1,667	2,257
Sales								
Total product sold	tonnes	2,170	2,715	1,618	1,899	1,708	3,607	4,312
Payable metal in products sold	tonnes	1,024	1,262	736	848	787	1,635	2,039

Kinsevere

		QUARTER ENDED				YEAR-TO-DATE		
		JUN 2023	SEP 2023	DEC 2023	MAR 2024	JUN 2024	JUN 2024	
Ore mined	tonnes	538,985	80,115	373,270	505,139	1,094,781	1,599,920	1,272,760
Oxide ore mined	tonnes	124,946	49,985	364,889	488,437	938,330	1,426,767	270,469
Sulphide ore mined	tonnes	414,039	30,130	8,381	16,701	156,451	173,152	1,002,292
Ore milled	tonnes	520,001	565,000	538,480	505,806	546,119	1,051,925	1,003,743
Waste movement	tonnes	5,777,291	12,467,812	11,248,326	5,931,575	5,518,554	11,450,129	8,930,752
COPPER								
Ore mined - grade	%	0.36	0.86	1.49	1.64	1.48	1.53	0.52
Oxide ore mined - AsCu ¹³ grade	%	1.28	1.45	1.54	1.69	1.70	1.69	1.90
Sulphide ore mined - Cu grade	%	2.06	2.83	1.74	1.15	1.13	1.13	2.24
Ore milled - grade	%	2.22	2.19	1.95	2.00	2.07	2.03	2.22
Recovery	%	96.5	96.6	97.0	96.0	96.3	96.2	96.2
Production								
Contained metal produced - cathode	tonnes	11,331	12,220	10,206	9,732	11,546	21,278	21,641
Sales								
Total product sold	tonnes	11,271	12,126	10,077	9,578	11,319	20,897	21,507
Payable metal in products sold	tonnes	11,271	12,126	10,077	9,578	11,319	20,897	21,507
COBALT								
Production								
Contained cobalt in cobalt hydroxide	tonnes	0	0	105	602	788	1,390	0
Sales								
Total product sold	tonnes	-	-	-	-	346	346	-

¹³ AsCu represents Acid Soluble Copper.

Khoemacau

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2023	SEP 2023	DEC 2023	MAR 2024	JUN 2024	JUN 2024	JUN 2023
Ore mined	tonnes	-	-	-	71,581	684,588	756,169	-
Ore milled	tonnes	-	-	-	73,778	670,921	744,699	-
COPPER								
Ore mined - grade	%	-	-	-	1.68	1.57	1.58	-
Ore milled - grade	%	-	-	-	1.65	1.54	1.54	-
Recovery	%	-	-	-	90.0	88.3	88.3	-
Production								
Copper concentrate	tonnes	-	-	-	3,590	30,836	34,426	-
Grade	%	-	-	-	29.9	28.9	29.0	-
Containing	tonnes	-	-	-	1,075	8,907	9,982	-
Sales								
Total concentrate sold	tonnes	-	-	-	3,731	31,234	34,965	-
Payable metal in products sold	tonnes	-	-	-	1,120	8,597	9,717	-
SILVER¹⁴								
Ore milled - grade	g/t	-	-	-	17.9	16.8	16.9	-
Contained silver in copper concentrate	oz	-	-	-	37,059	301,622	338,681	-

¹⁴ The silver stream of the Khoemacau Mine currently in favour of Royal Gold Inc. which covers 100% of the payable silver produced until the delivery of 40.0 million silver ounces, and 50% thereafter. Royal Gold Inc. pays a cash price equal to 20% of spot silver price for each ounce delivered. The stream covers Zone 5 and Mango North-East deposits, with remaining deposits unencumbered.

Dugald River

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2023	SEP 2023	DEC 2023	MAR 2024	JUN 2024	JUN 2024	JUN 2023
Ore mined	tonnes	387,712	518,757	517,755	457,910	450,602	908,512	614,004
Ore milled	tonnes	401,868	507,179	500,084	501,631	382,915	884,546	652,840
ZINC								
Ore mined - grade	%	10.04	10.28	10.59	9.73	10.11	9.92	9.86
Ore milled - grade	%	9.99	10.30	10.49	9.86	9.99	9.92	9.80
Recovery	%	90.9	90.6	89.8	89.2	89.7	89.4	89.7
Production								
Zinc concentrate	tonnes	73,251	95,184	95,333	90,256	68,950	159,206	115,328
Grade	%	49.8	49.8	49.4	49.6	50.1	49.8	49.7
Containing	tonnes	36,474	47,354	47,116	44,760	34,524	79,284	57,374
Sales								
Total product sold	tonnes	70,259	82,034	99,366	80,013	87,611	167,624	131,728
Payable metal in products sold	tonnes	28,906	33,605	40,922	32,967	36,386	69,353	54,101
LEAD								
Ore mined - grade	%	1.55	1.84	2.05	1.82	1.84	1.83	1.57
Ore milled - grade	%	1.56	1.83	2.06	1.85	1.70	1.78	1.54
Recovery	%	68.0	69.3	67.4	65.7	70.8	67.8	65.3
Production								
Lead concentrate	tonnes	7,158	10,523	11,958	10,884	7,958	18,842	11,533
Grade	%	59.8	61.2	57.9	56.8	58.0	57.3	56.7
Containing	tonnes	4,279	6,441	6,927	6,181	4,618	10,799	6,540
Sales								
Total product sold	tonnes	3,223	9,638	8,993	14,390	9,191	23,581	13,763
Payable metal in products sold	tonnes	1,827	5,448	5,122	7,830	4,955	12,785	6,965
SILVER								
Ore milled - grade	g/t	54	61	70	66	67	67	55
Payable metal in products sold	oz	123,695	395,812	431,900	648,351	437,654	1,086,005	529,595

Rosebery

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2023	SEP 2023	DEC 2023	MAR 2024	JUN 2024	JUN 2024	JUN 2023
Ore mined	tonnes	241,386	224,889	255,089	249,032	269,579	518,611	442,297
Ore milled	tonnes	238,795	219,932	257,249	245,895	272,339	518,234	440,892
ZINC								
Ore mined - grade	%	6.45	6.42	8.17	6.53	6.75	6.64	6.46
Ore milled - grade	%	6.49	6.34	7.32	6.67	6.54	6.60	6.16
Recovery	%	86.2	85.1	88.4	88.3	88.6	88.5	85.1
Production								
Zinc concentrate	tonnes	24,019	22,222	30,983	26,938	29,231	56,169	42,189
Grade	%	55.6	53.4	53.7	53.8	54.0	53.9	54.8
Containing	tonnes	13,352	11,875	16,649	14,487	15,776	30,263	23,102
Sales								
Total product sold	tonnes	15,507	30,361	32,486	25,036	25,064	50,100	37,793
Payable metal in products sold	tonnes	7,241	14,138	15,071	11,505	11,606	23,111	17,579
LEAD								
Ore mined - grade	%	2.76	2.52	2.73	2.45	2.58	2.51	2.63
Ore milled - grade	%	2.79	2.80	2.92	2.78	2.75	2.76	2.63
Recovery	%	78.2	76.5	77.3	76.2	76.9	76.6	74.6
Production								
Lead concentrate	tonnes	7,710	7,319	9,105	7,831	8,933	16,764	13,490
Grade	%	67.5	64.4	63.7	66.4	64.6	65.4	64.0
Containing	tonnes	5,206	4,713	5,797	5,202	5,768	10,970	8,637
Sales								
Total product sold	tonnes	4,887	7,999	9,425	8,459	9,408	17,867	10,395
Payable metal in products sold	tonnes	2,940	4,906	5,713	5,250	5,926	11,176	6,236

Rosebery (continued)

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2023	SEP 2023	DEC 2023	MAR 2024	JUN 2024	JUN 2024	JUN 2023
Ore mined	tonnes	241,386	224,889	255,089	249,032	269,579	518,611	442,297
Ore milled	tonnes	238,795	219,932	257,249	245,895	272,339	518,234	440,892
OTHER METALS								
Ore milled - gold	g/t	1.2	1.3	1.4	1.3	1.2	1.2	1.2
Ore milled - silver	g/t	129.2	98.1	100.6	93.7	95.0	94.4	117.0
Ore milled - copper	%	0.21	0.19	0.22	0.19	0.18	0.18	0.19
Production								
Silver in concentrate								
Containing - silver in lead concentrate	oz	283,657	237,869	332,569	254,887	291,363	546,250	494,135
Gold in concentrate								
Containing - gold in lead concentrate	oz	1,151	1,141	1,919	1,218	1,538	2,756	2,062
Precious metals concentrate								
Containing - copper	tonnes	2,038	1,684	2,067	1,858	2,114	3,972	3,452
Containing - gold	oz	3,980	3,638	4,337	4,059	4,469	8,528	6,454
Containing - silver	oz	546,114	316,272	337,488	349,255	398,847	748,102	858,753
Gold doré								
Containing - gold	oz	4,305	4,602	4,996	5,067	3,905	8,972	8,739
Containing - silver	oz	2,406	2,710	2,880	3,095	2,268	5,363	4,031
Containing - silver	oz	1,489	1,586	1,797	2,004	1,262	3,266	2,483
Sales								
Gold doré sold	oz	4,633	4,272	4,129	5,348	3,707	9,055	8,053
Payable metal in product sold - copper	tonnes	351	277	294	314	339	653	560
Payable metal in product sold - gold	oz	7,691	6,738	7,172	7,358	7,563	14,921	12,481
Payable metal in product sold - silver	oz	665,918	555,437	584,375	577,694	693,693	1,271,387	1,066,765