

Mines analysis

Dugald River

Location

Australia



Products

Zinc concentrate
Lead concentrate



Revenue (US\$ million)

\$461.8



Ore milled (tonnes)

1,755,369



Ownership



■ MMG Limited

100%

Zinc in zinc concentrate produced (tonnes)

163,588

Dugald River's EBITDA increased fourfold to US \$169 million. A result driven by strong zinc and silver prices and lower treatment charges. Higher sales volumes of zinc, lead, and silver, and lower treatment charges also made a positive contribution. The site's production and financial metrics all showed improvement including a reduction in C1 costs and an improved EBITA margin.



Mines Analysis: Dugald River Continued

Year ended 31 December	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	1,783,162	1,650,517	8%
Ore milled (tonnes)	1,755,369	1,660,104	6%
Zinc in zinc concentrate (tonnes)	163,588	151,844	8%
Lead in lead concentrate (tonnes)	20,781	19,907	4%
Payable metal in product sold			
Zinc (tonnes)	136,853	128,628	6%
Lead (tonnes)	21,743	17,535	24%
Silver (ounces)	1,853,146	1,358,919	36%

Year ended 31 December	2024 US\$ million	2023 US\$ million	Change % Fav/(Unfav)
Revenue	461.8	331.2	39%
Operating expenses			
Production expenses			
Mining	(112.0)	(99.4)	(13%)
Processing	(67.4)	(66.1)	(2%)
Other	(80.8)	(81.7)	1%
Total production expenses	(260.2)	(247.2)	(5%)
Freight	(18.8)	(16.6)	(13%)
Royalties	(20.2)	(14.9)	(36%)
Other ¹	6.1	(15.4)	140%
Total operating expenses	(293.1)	(294.1)	0%
Other income/(expenses)	0.7	(3.3)	121%
EBITDA	169.4	33.8	401%
Depreciation and amortisation expenses	(56.1)	(53.1)	(6%)
EBIT	113.3	(19.3)	687%
EBITDA margin	37%	10%	

¹ Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mines Analysis: Dugald River Continued

Dugald River revenue increased by US\$130.6 million (39%) to US\$461.8 million in 2024, driven by lower zinc treatment charges (US\$47.8 million), higher zinc prices (US\$32.8 million), increased sales volumes for lead concentrate sales (US\$19.9 million) and zinc concentrate (US\$17.0 million), and higher silver prices (US\$10.7 million).

Total production expenses rose 5% (US\$13.0 million), mainly due to increased mining costs (US\$12.6 million) from higher development meters and ore mined volumes.

Royalties increased by US\$5.3 million (36%), reflecting higher gross revenue.

Other operating expenses included favourable changes in inventories of US\$21.5 million due to a lower drawdown of finished goods (US\$16.9 million) and a net build-up of ore stockpiles (US\$4.1 million).

Dugald River's zinc C1 costs were US\$0.65/lb in 2024 compared to US\$0.93lb in 2023, primarily due to higher zinc production, lower treatment charges, and increased by-product credits.

2025 Outlook

Dugald River zinc production for 2025 is expected to be in the range of 170,000 and 185,000 tonnes of zinc in zinc concentrate. This represents a return to previous production levels. C1 costs in 2025 are expected to be in the range of US\$0.75/lb to US\$0.90/lb, an increase from 2024 due to lower by-product prices and higher zinc treatment charges used in the estimation compared to 2024.