

Directors' Report

The board of directors of the Company (Board) is pleased to present the Annual Report together with the audited Financial Statements of the Group for the year ended 31 December 2024.

Principal activities

The principal activities of the Group during the financial year were exploration, development and mining of copper, zinc, cobalt, gold, silver, molybdenum and lead deposits around the world.

The full details of the principal activities of the Company's subsidiaries are set out in Note 16 to the Consolidated Financial Statements.

An analysis of the Group's revenue for the year ended 31 December 2024 by reportable segments, together with their respective contributions to profit from operations (EBIT), is set out in Note 5 to the Consolidated Financial Statements.

Strategy and business review

MMG's vision is to create a leading international mining company for a low carbon future. We mine to create wealth for our people, host communities and shareholders with an ambition to grow and diversify our resource, production and value, by leveraging Chinese and international expertise.

MMG has established strong foundations that support future growth and development. The Company has four strategic drivers that are embedded into corporate planning and decision-making processes:

- **China Champion:** Building on the strength of the world's largest commodity consumer to create a sustainable competitive advantage.
- **Business Miner:** Adopting a mindset that leverages excellence in owning and operating mines to generate superior returns on investment, enhancing our ability to fund and deliver future growth.
- **Federation of MMG:** Embracing the advantages of an empowered and diverse operating structure with core group disciplines and guiding values that drive a unique way of working across our international footprint.
- **Delivering Progress:** Taking pride in mining's role in driving social progress through local, regional and national contributions and delivering materials for a changing world.

Aligned with achievement of its ambitions, the Company is structured along the following lines:

- **Operations:** Largely self-sufficient sites, with regional offices driving local efficiencies.
- **Group Operations Support:** A limited number of experts in areas critical to the operation of the global asset base.
- **Global Services:** Lowest cost delivery of truly global and shared activities.
- **Corporate:** A lean corporate office, based in Melbourne and Beijing, focused on only what is needed to operate and govern a listed business and deliver inorganic growth.

The recent changes to the MMG Board and management structure do not change the Company's overarching strategy and the Board, together with the Executive Committee and management, will continue to drive the ongoing success of the Group's business and pursue its growth and financial objectives. The Board is committed to sustaining the successful model that brings together the best fit management team and a strong relationship with China that draws upon the strength of the world's largest commodities consumer, provides deep understanding of markets and access to its sources of funding.

The Company is focused on containing costs, continually improving productivity, growing its resource base and maintaining a strong balance sheet while pursuing disciplined growth.

Directors' Report

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A review of the business of the Group during the year, possible risks and uncertainties that the Group may be facing, and a discussion on the Group's future business development are provided in the Chairman's Review, CEO's Report and the Management Discussion and Analysis in this Annual Report.

In addition to financial performance, the Group maintains a belief that a high standard of corporate social responsibility is essential for building good corporate and social relationships, motivating staff and creating sustainable returns. Further discussion on the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group is provided on pages 110 to 123 of this Annual Report.

Major customers and suppliers

During the year, sales to the largest customer and the five largest customers in aggregate accounted for approximately 36.2% and approximately 79.9% of the total sales of the Group respectively. Purchases from the five largest suppliers to the Group in aggregate accounted for approximately 17.5% of the total purchases of the Group during the year.

Apart from CMC, the ultimate controlling Shareholder, having an interest of 88.4% in one of the five largest customers, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors, owned more than 5% of the total number of issued shares of the Company) had any beneficial interest in any of the five largest customers or suppliers of the Group.

Results and appropriations

The results of the Group for the year ended 31 December 2024 are set out in the Consolidated Statement of Profit or Loss in the Financial Statements on page 131 of this Annual Report.

No interim dividend was declared for 2024 (2023: nil). The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

Rights Issue

On 4 June 2024, the Company announced a Rights Issue of 3,465,432,486 rights shares at HK\$2.62 per rights share on the basis of 2 rights shares for every 5 existing shares held by Shareholders. The result of the Rights Issue was confirmed on 12 July 2024 and 3,465,432,486 rights shares were allotted and issued on 15 July 2024. The rights shares are ranked pari passu in all respects with the then existing shares. The gross proceeds from the Rights Issue amounted to US\$1,152.4 million, excluding share issue costs of US\$10.5 million. Details of the Rights Issue are set out in the prospectus of the Company dated 20 June 2024.

Reserves

Movements in reserves of the Group during the year are set out in Note 25 to the Consolidated Financial Statements.

Distributable reserves

Details of the distributable reserves of the Company as at 31 December 2024 are set out in Note 25 to the Consolidated Financial Statements.

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 13 to the Consolidated Financial Statements.

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Borrowings

Particulars of borrowings of the Group, as at 31 December 2024, are set out in Note 26 to the Condensed Consolidated Financial Statements.

During 2024, the Company and its subsidiaries continued to maintain loan agreements that included conditions imposing specific performance obligations on a controlling Shareholder. A breach of such an obligation would cause a default in respect of loans that are significant to the operations of the issuer, the details of which are set out below.

Loan agreements with covenants relating to specific performance of the controlling shareholder

In accordance with the continuing disclosure requirements under Rule 13.21 of the Listing Rules, following are the details of the Group's facility agreements that contain covenants requiring specific performance obligations of the controlling Shareholders.

1. Facility granted by Industrial and Commercial Bank of China Limited to MMG Finance Limited

On 21 December 2020, MMG Finance Limited (MMG Finance) entered into a facility agreement (ICBC Facility) pursuant to which Industrial and Commercial Bank of China Limited (ICBC) agreed to provide MMG Finance with a US\$300.0 million revolving credit facility for a term of three years for general corporate purposes. The outstanding amount of US\$300.0 million was repaid in full in December 2023.

On 15 December 2023, the ICBC Facility was renewed for a further 3 years until 15 December 2026. (Extended ICBC Facility). As at 31 December 2024, there is no utilised amount of the Extended ICBC Facility.

Under the Extended ICBC Facility, an event of default will occur in the event that the Company ceases to be a subsidiary of China Minmetals Non-ferrous Metals Co., Ltd (CMN) or MMG Finance ceases to be a wholly-owned subsidiary of the Company, and ICBC is entitled to declare all outstanding loans under the facilities immediately due and payable.

2. Facility granted by Bank of China Limited, Sydney Branch to MLB

On 26 April 2023, Minera Las Bambas S.A. (MLB) entered into a US\$275.0 million three-year revolving loan facility for its general funding requirements with Bank of China Limited, Sydney Branch (BOC Sydney Branch), (2023 BOC Facility). The 2023 BOC Facility replaced the US\$175.0 million working capital facility that BOC Sydney Branch granted to MLB from August 2019 to August 2022. As at 31 December 2024, there is no utilised amount of the 2023 BOC Facility.

Under the 2023 BOC Facility, upon the occurrence of the following events, BOC Sydney may, by not less than 5 days' notice to MLB, declare all outstanding loans under the facility agreement due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
 - (iii) directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in, and control of MLB, failing which the BOC Sydney Branch may also declare all outstanding loans under the Facility Agreement immediately due and payable.

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3. Facility granted by Industrial and Commercial Bank of China Limited, Panama Branch to MLB

On 18 June 2023, MLB entered into a US\$150.0 million revolving credit facility for working capital funding with ICBC Panama branch (June 2023 ICBC Facility). The June 2023 ICBC Facility is comprised of three tranches of US\$50.0 million available for a term of three years and to be drawn pursuant to the facility agreements with ICBC Panama branch. The June 2023 ICBC Facility replaced the US\$175.0 million working capital facility that ICBC Luxembourg granted to MLB from August 2019 to August 2022. As at 31 December 2024, there is no utilised amount of the June 2023 ICBC Facility.

Under the June 2023 ICBC Facility, upon the occurrence of the following events, ICBC Panama branch may, by not less than 3 days' notice to MLB, declare all outstanding loans under the facility agreements immediately due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
 - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MLB, failing which the ICBC Panama branch may also declare all outstanding loans under the facility agreements immediately due and payable.

4. Facility granted by China Construction Bank (Asia) Corporation Limited to MMG Finance Limited

On 2 January 2024, MMG Finance entered into revolving credit facility agreement with China Construction Bank (Asia) Corporation Limited (CCB) (CCB Facility) pursuant to which CCB agreed to provide MMG Finance the amount of US\$200.0 million for a term of three years for the purpose of satisfying general corporate funding requirements. As at 31 December 2024, there is no utilised amount of the CCB Facility.

Pursuant to the terms of the CCB Facility, upon the occurrence of the following events, CCB may, by not less than 3 days' notice to MMG Finance, declare all outstanding loans under the CCB Facility immediately due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
 - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MMG Finance, failing which CCB may also declare all outstanding loans under the CCB Facility immediately due and payable.

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5. Facility granted by China Construction Bank (Asia) Corporation Limited to MLB

On 20 February 2024, MLB entered into a US\$100.0 million revolving credit facility for general corporate purposes with CCB (February 2024 CCB Facility) for a term of three years. As at 31 December 2024, there is no utilised amount of the February 2024 CCB Facility.

Under the February 2024 CCB Facility, upon the occurrence of the following events, CCB may, by not less than 3 days' notice to MLB, declare all outstanding loans under the facility agreements immediately due and payable:

CMC does not at any time directly or indirectly:

- (a) has the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
 - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply; or
- (b) hold beneficially more than 50% of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

The same control requirements are imposed on the Company in relation to its interest in and control of MLB, failing which CCB may also declare all outstanding loans under the CCB Facility immediately due and payable.

6. Facility granted by China Development Bank to MMG Africa Resources Company Limited

On 15 March 2024, MMG Africa Resources Company Limited (MMG Africa Resources) entered into a facility agreement with China Development Bank (CDB) pursuant to which CDB agreed to provide a US\$1,050.0 million term loan facility (CDB Facility) for a term of seven years. As at 31 December 2024, the CDB Facility has an outstanding balance of US\$1,020.0 million.

Under the terms of the CDB Facility, CDB may, by not less than 20 business days' prior notice to MMG Africa Resources, cancel the CDB Facility and declare all outstanding loans under the CDB Facility immediately due and payable if, among other things, CMC does not at any time directly or indirectly:

- (a) has the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the MMG Africa Resources;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the MMG Africa Resources; or
 - (iii) give directions with respect to the operating and financial policies of MMG Africa Resources with which the directors or other equivalent officers of the MMG Africa Resources are obliged to comply; or
- (b) holds beneficially more than 51% of the issued share capital of MMG Africa Resources (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Under the terms of the CDB Facility, on and at any time after the occurrence of an event of default which is continuing, CDB may by notice to MMG Africa Resources:

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- (a) without prejudice to any loans then outstanding: (i) cancel the commitments (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero); or (ii) cancel any part of any commitment (and reduce such commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant commitment shall be immediately reduced accordingly);
- (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable, whereupon they shall become immediately due and payable;
- (c) declare that all or part of the loans be payable on demand, whereupon they shall immediately become payable on demand by the CDB; and/or
- (d) exercise any or all of its rights, remedies, powers or discretions under the finance documents.

7. Facility granted by China Development Bank, The Export-Import Bank of China, China Construction Bank (Asia) Corporation Limited and Bank of Communications Co., Ltd. to MLB

On 22 March 2024, MLB entered into a facility agreement with China Development Bank, The Export-Import Bank of China, CCB and Bank of Communications Co., Ltd. (BOCOM) (collectively, Lenders) pursuant to which the Lenders agreed to grant a revolving credit facility in the amount of US\$700.0 million for a term of three years (March Syndicated Facility). As at 31 December 2024, the March Syndicated Facility has an outstanding balance of US\$140.0 million.

Pursuant to the terms of the March Syndicated Facility, upon the occurrence of the following events, the Lenders may, by not less than 20 days' notice to MLB, declare all outstanding loans under the March Syndicated Facility immediately due and payable if CMC at any time does not directly or indirectly:

- (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
 - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply; or
- (b) hold beneficially more than 50% of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

The same control requirements are imposed on the Company in relation to its interest in and control of MLB, failing which the Lenders may also declare all outstanding loans under the March Syndicated Facility immediately due and payable.

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8. Facility granted by China Construction Bank (Asia) Corporation Limited to MMG Finance

On 22 April 2024, MMG Finance, entered into a facility agreement with CCB agreed to provide a US\$100.0 million revolving credit facility (April 2024 CCB Facility) for a term of three years. As at 31 December 2024, the outstanding amount, US\$70.0 million of the April 2024 CCB Facility, was repaid in full.

Pursuant to the terms of the April 2024 CCB Facility, upon the occurrence of the following events, CCB may, by not less than 3 days' notice to MMG Finance, declare all outstanding loans under the CCB Facility immediately due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
 - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MMG Finance, failing which CCB may also declare all outstanding loans under the CCB Facility immediately due and payable.

9. Syndicated Facility granted by Bank of China Limited, Sydney Branch, Industrial and Commercial Bank of China (Asia) Limited, China Construction Bank (Asia) Corporation Limited, China Construction Bank, Agencia en Chile and Bank of Communications Co., Ltd. to MLB

On 6 September 2024, MLB, entered into a facility agreement with BOC Sydney Branch, Industrial and Commercial Bank of China (Asia) Limited, CCB, China Construction Bank, Agencia en Chile and BOCOM agreed to provide a US\$1,000.0 million revolving credit facility (2024 Syndicated Facility) for a term of five years. As at 31 December 2024, the 2024 Syndicated Facility has an outstanding balance of US\$900.0 million.

Pursuant to the terms of the 2024 Syndicated Facility, upon the occurrence of the following events, the BOC Sydney Branch, Industrial and Commercial Bank of China (Asia) Limited, CCB, China Construction Bank, Agencia en Chile and BOCOM may, by not less than 20 days' notice to the MLB, declare all outstanding loans under the 2024 Syndicated Facility immediately due and payable if CMC at any time does not directly or indirectly:

- (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of MLB;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of MLB; or
 - (iii) remove all, or the majority, of the directors or other equivalent officers of MLB; or
- (b) hold beneficially more than 50% of the issued share capital of MLB (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

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Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 225 to 226 of this Annual Report.

Share capital

Details of the movements in the Company's share capital are set out in Note 24 to the Consolidated Financial Statements.

Donations

Donations made by the Group during the year for charitable and community purposes amounted to approximately US\$510,246.

Directors

The Directors who held office during the year and up to the date of this report are as follows:

Chairman

Mr XU Jiqing (Non-executive Director)

Executive Directors

Mr CAO Liang (CEO)

(Appointed as an Executive Director and the CEO of the Company on 24 April 2024)

Mr LI Liangang (Interim CEO)

(Resigned as an Executive Director and the Interim CEO of the Company on 24 April 2024)

Non-executive Director

Mr ZHANG Shuqiang

Independent Non-executive Directors

Dr Peter CASSIDY

Mr LEUNG Cheuk Yan

Mr CHAN Ka Keung, Peter

Ms CHEN Ying

(Appointed as an Independent Non-executive Director of the Company on 29 July 2024)

On 24 April 2024, Mr CAO Liang was appointed as an Executive Director and the CEO of the Company in accordance with article 77 of the Articles of Associations of the Company, he was appointed to fill a casual vacancy and re-elected at the AGM held on 23 May 2024. On 29 July 2024, Ms CHEN Ying was appointed as an Independent Non-executive Director of the Company in accordance with article 77 of the Articles of Associations of the Company. On 12 April 2025, Mr ZHAO Jing Ivo was appointed as Executive Director of the Company in accordance with article 77 of the Articles of Associations of the Company.

In accordance with article 98 of the Articles of Associations of the Company, Mr XU Jiqing and Mr ZHANG Shuqiang who will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

Ms CHEN Ying and Mr ZHAO Jing Ivo, who will also retire by rotation at the forthcoming AGM, being eligible, offer themselves for re-election in accordance with Article 77 of the Articles of Associations of the Company.

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The Company has received from each of the Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers them to be independent.

Directors' service contracts

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract that is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensation.

Directors' interests in transaction, arrangement or contract of significance

No contracts of significance to which the Company, any of its holding companies, or any of their subsidiaries was a party, in which a Director had a material interest, subsisted at the end of the year or at any time during the year.

Directors' interests and short positions in shares, underlying shares and debentures

As at 31 December 2024, the interests and short positions of the Directors and the CEO of the Company or any of their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (SFO)), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (Model Code) were as follows:

Long position in the shares and the underlying shares of the company as at 31 December 2024

Name of Directors	Nature of interest	Number of underlying Shares held			Approximate percentage of total number of issued shares (%) ³
		Number of shares held	Options	Performance awards	
LI Liangang ¹	Personal	764,962	-	-	0.01
XU Jiqing ²	Personal	940,050	-	-	0.01

Notes:

- The interests of Mr LI Liangang in the 764,962 Shares were from the vested Performance Awards granted to him under 2020 Performance Awards which were subject to meeting performance conditions and vested on 1 June 2023. The 760,615 performance awards which were granted on 21 June 2021 under 2021 Performance Awards; and the 1,249,244 Performance Awards which were granted under 2022 Performance Awards on 21 April 2022, were lapsed on 24 April 2024 following resignation of Mr LI Liangang as Interim CEO and executive director of the Company with effect from 24 April 2024. The details of interests in the 2,009,859 Performance Awards of which are set out under the section headed 'Performance Awards' on pages 82 to 84 of this Annual Report.
- The 940,050 Shares held by Mr XU Jiqing were the balance of the vested Performance Awards granted to him under 2015 Performance Awards in 2015 and 2016 which were subject to holding locks for various periods of up to three years after vesting in 2018.
- The calculation is based on the number of shares and/or underlying shares as a percentage of the total number of issued shares of the Company (that is, 12,129,013,702 shares) as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors or the CEO of the Company or any of their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, which they are taken or deemed to have under such provisions of the

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SFO), or which were required to be entered in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. In addition, none of the Directors or the CEO of the Company or any of their associates had been granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) during the year ended 31 December 2024.

Directors' interests in competing businesses

As at the date of this report, the interests of Directors in a business that competes or is likely to compete with the businesses of the Group, as defined in the Listing Rules, are as follows:

1. Mr XU Jiqing, a Non-executive Director and Chairman of the Company, is:
 - a director and the Chairman of CMN; and
 - Deputy General Manager of CMC (appointed in February 2025).
2. Mr ZHANG Shuqiang, a Non-executive Director of the Company, is:
 - the Auditor – General and General Manager of the Audit Department of CMC; and
 - Supervisor of CMCL.

Although the Group and the above companies are involved in businesses in the same industry, they are separate companies operated by separate and independent management. The Company is therefore capable of carrying on its business independently of, and at arm's length from, the CMC Group.

Permitted indemnity and directors' and officers' liability insurance

Pursuant to the Articles of Association of the Company and subject to the provisions of the Companies Ordinance, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all loss and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that such Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year.

Share Scheme

Performance Awards

The purpose of the Performance Awards is to assist in the retention and incentivisation of selected employees of Members of the Group and align their interests with the development and growth of the Group.

The Company may grant Performance Awards to anyone who is an employee of the Group or any other company that is associated with the Company and is so designated by Directors.

The Governance, Nomination, Remuneration and Sustainability Committee has reviewed the following plans for approval by the Board from 1 January 2024 to 31 December 2024:

- Structure of the 2024 Long Term Incentive (LTI) Plan; and Implement cash plan in place of the Long Term Incentive Equity Plan (LTIEP) if approval for the new 10-year LTI Umbrella Plan cannot be obtained by 31 December 2024;
- Vesting of 64.93% of Performance Share Awards under 2021 LTIEP; and
- Reviewed and discussed the 2025 Long Term Incentive Cash Plan.

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Pursuant to the Performance Awards granted under the LTIEP, Performance Awards were granted to eligible participants under the 2021 Performance Awards and 2022 Performance Awards. As at 31 December 2024, there were a total of 7,534,028 Performance Awards under 2021 Performance Awards vested in June 2024; and there were a total of 23,188,433 Performance Awards outstanding which granted under the 2022 Performance Awards, which represented approximately 0.19% of the total number of issued shares of the Company as at that date.

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 no Performance Awards outstanding as at 31 December 2024 as a result of vesting was completed in June 2024.

During the year ended 31 December 2024, the movements of the 2021 Performance Awards were as follows:

Categories and name of participants	Date of grant ²	Number of Performance Awards					Balance as at 31 December 2024
		Balance as at 1 January 2024	Granted during the year	Vested during the year ³	Cancelled during the year	Lapsed during the year ⁴	
Director							
LI Liangang ¹	21 June 2021	760,615	-	-	-	(760,615)	-
Employees of the Group	21 June 2021	12,904,828	-	(7,534,028)	-	(5,370,800)	-
TOTAL		13,665,443	-	(7,534,028)	-	(6,131,415)	-

Notes:

- 1 The interests of Mr LI Liangang in the 760,615 Performance Awards were lapsed following his resignation as the Interim CEO and an Executive Director of the Company on 24 April 2024.
- 2 The vesting and performance period of the Performance Awards is three years from 1 January 2021 to 31 December 2023. The vesting was completed on 5 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. Achievement of the Company and individual performance conditions have resulted in 64.93% of the 2021 Performance Awards granted to participants vesting on 5 June 2024. The weighted closing price on the vesting date and the date before the vesting date were HK\$3.01 and HK\$3.13 respectively. The closing price of the Shares of the Company immediately before the date on which the Performance Awards were granted on 21 June 2021 was HK\$3.39 per share.
- 3 Upon vesting was completed on 5 June 2024, a portion of the 7,534,028 Performance Awards were vested and 6,131,415 Performance Awards were lapsed during the reporting period. As a result, 7,534,028 Shares were issued on 5 June 2024.
- 4 Performance Awards lapsed due to non-achievement of performance conditions during the vesting period and cessation of employment during the period.

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.

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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 23,188,433 Performance Awards outstanding as at 31 December 2024, representing approximately 0.19% of the total number of issued shares of the Company as at that date.

During the year ended 31 December 2024, the movements of the 2022 Performance Awards were as follows:

Categories and name of participants		Number of Performance Awards					Balance as at 31 December 2024
		Balance as at 1 January 2024	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year ⁴	
Date of grant ²							
Director							
LI Liangang ¹	21 April 2022	1,249,244	-	-	-	(1,249,244)	-
Employees of the Group	21 April 2022	24,885,611	1,416,095 ³	-	-	(3,113,273) ⁴	23,188,433
TOTAL		26,134,855	1,416,095	-	-	(4,362,517)	23,188,433

Notes:

- The interests of Mr LI Liangang in the 1,249,244 Performance Awards were lapsed following his resignation as the Interim CEO and an Executive Director of the Company on 24 April 2024.
- 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. The closing price of the Shares of the Company immediately before the date on which the Performance Awards were granted on 21 April 2022 was HK\$3.50 per share.
- Pursuant to the terms of the Long Term Incentive Equity Plan, which governs (among others) the Performance Awards, adjustments of 1,416,095 award shares are required to be made to the number of Shares issuable upon exercise of the Performance Awards, as a result of the Rights Issue. Details of such adjustments are disclosed in the Company's announcement dated 12 July 2024.
- Performance Awards lapsed due to cessation of employment.

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.

Directors' Report

Continued

Substantial shareholders' interests and short positions in the shares and underlying shares of the company

So far as is known to the Directors and the CEO of the Company, as at 31 December 2024, the following persons had interests or short positions in the shares or underlying shares of the Company that were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or that were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the shares of the company as at 31 December 2024

Name of substantial Shareholders	Capacity	Number of shares held ¹	Approximate percentage of total number of issued shares (%) ²
China Minmetals Corporation (CMC)	Interest of controlled corporations	8,186,032,923	67.49
China Minmetals Corporation Limited (CMCL)	Interest of controlled corporations	8,186,032,923	67.49
China Minmetals Non-ferrous Metals Co., Ltd (CMN)	Interest of controlled corporations	8,186,032,923	67.49
Album Enterprises Limited (Album Enterprises)	Interest of controlled corporations	8,186,032,923	67.49
China Minmetals H.K. (Holdings) Limited (Minmetals HK)	Beneficial owner	8,186,032,923	67.49

Notes:

- Following completion of the Rights Issue of allotted 2,338,866,549 new Shares to Minmetals HK on 15 July 2024, the number of Shares/interests held in respective substantial Shareholders increased from 5,847,166,374 to 8,186,032,923, representing 67.49% of the issued voting Shares of the Company. The detail of new Shares subscribed by Minmetals HK are set out in Company's announcement, the results of the Rights Issue dated 12 July 2024.
- Minmetals HK is owned as to approximately 39.04%, 38.95% and 22.01% by CMCL, Album Enterprises and Top Create respectively. Album Enterprises and Top Create are wholly-owned by CMN that, in turn, it is wholly-owned by CMCL. CMCL is owned as to approximately 87.5% by CMC and approximately 0.8% by Minmetals (Beijing) Metal Products Co., Ltd. that (formerly known as China National Metal Products Co. Ltd.), in turn, is a wholly-owned subsidiary of CMC. Accordingly, each of CMC, CMCL, CMN and Album Enterprises was deemed as interested in the 8,186,032,923 Shares of the Company held by Minmetals HK.
- China Minmetals Non-ferrous Metals Holding Co., Ltd (CMNH), a wholly-owned subsidiary of CMCL, it had ceased as substantial Shareholder of the Company as it was deregistered with effect from 20 September 2024.
- The calculation is based on the number of shares that each person is interested in (whether directly/indirectly interested or deemed to be interested) as a percentage of the total number of issued shares (that is, 12,129,013,702 shares) of the Company as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, there was no other person who was recorded in the register of the Company, as having an interest or short positions in the shares or underlying shares of the Company who was required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was recorded in the register required to be kept by the Company under Section 336 of the SFO.

Directors' Report

Continued

Connected transactions

During the year ended 31 December 2024 the Group had the following material connected transactions, details of which are set out below:

1. On 4 April 2023, the Company announced that MMG Kinsevere SARL had entered into an agreement with MCC International Incorporation Ltd. (MCCI) for the procurement of materials required for the construction of the concentrator plant that forms part of the processing facility for the Kinsevere Expansion Project (KEP), valued at a lump-sum payment of approximately US\$17.0 million. During 2024, approximately US\$4.9 million was paid to MCCI pursuant to the terms of the agreement.

On the same date, MMG Kinsevere had entered into an agreement with Metkins Construction S.A. for the procurement of materials in the DRC to enable the construction of the concentrator plant at Kinsevere as part of the KEP including sand, pebble and concrete, and local co-ordination works for all materials. The procurement agreement was value at a total sum of US\$9.0 million and approximately US\$5.3 million was paid to Metkins during 2024.

MCCI is a wholly-owned subsidiary of MCC Ltd. MCC Ltd.'s parent company, China Metallurgical Group Corporation (MCC Group), is a wholly-owned subsidiary of CMC, the controlling Shareholder of the Company, and MCCI is therefore an associate of CMC and a connected person of the Company under the Listing Rules. MCCI has a 49% ownership interest in Metkins. As a more than 30%-controlled company of CMC, Metkins is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the materials purchase agreements both constitute connected transactions for the Company.

2. On 19 September 2023, the Company announced that MMG Kinsevere had entered into a goods and services agreement with Beijing Dadi Trading Company Limited (Beijing Dadi) for the supply of Machine Maintenance Devices for the KEP, valued at a lump-sum payment of approximately US\$162,322. During 2024, US\$2.1 million was paid to Beijing Dadi for additional goods and services pursuant to the terms of the agreement.

When the goods and services agreement was executed, some of the relevant percentage ratios in respect of the agreement were more than 0.1% but less than 5%, when aggregated with other connected transactions with connected persons providing services to the KEP in the previous 12-month period. Those agreements were for the supply of piping materials of the cobalt plant with Beijing Dadi (valued at approximately US\$47,700), and agreement with Beijing Dadi for supply of materials for leaching tank (valued at approximately US\$31,500), supply of SAG mill ball charger (valued at approximately US\$36,000), supply of bolts and nuts for leaching tank (valued at approximately US\$10,800), supply of cables for tailing transfer system (valued at approximately US\$20,094), supply of three flanges (valued at approximately US\$699), supply of sampling device (valued at approximately US\$2.31 million), supply of bag breaker (valued at approximately US\$48,500), supply of hose pumps (valued at approximately US\$345,800) and supply of supplemented gap spare parts (valued at approximately US\$47,000).

Beijing Dadi is a wholly-owned subsidiary of MCCT, which is a wholly-owned subsidiary of MCC Ltd. The MCC Group has an interest of 49.18% in MCC Ltd. The MCC Group is a wholly-owned subsidiary of CMC. As a result, the goods and services agreement constitutes a connected transaction for the Company.

3. On 18 December 2023, the Company announced that MMG Kinsevere had entered into a goods and services agreement with China ENFI Engineering Corporation (ENFI Corporation) in supply of LV Cabinets for the KEP, valued at a lump-sum payment of approximately US\$2.3 million. During 2024, approximately US\$1.3 million was paid to ENFI Corporation pursuant to the terms of the agreement.

Directors' Report

Continued

When the agreement was executed, some of the relevant percentage ratios in respect of the agreement were more than 0.1% but less than 5%, when aggregated with other connected transactions with connected persons providing services to the KEP in the previous 12-month period. Those agreements were for the supply of fence materials for TSF3 with Minmetals Logistics Group (valued at approximately US\$34,941), supply of instrumentation for concentrator plant with Beijing Dadi (valued at approximately US\$384,000) and supply of technical review on RGA plant with Changsha Research Institute of Mining and Metallurgy Co., Ltd (valued at approximately US\$45,000).

A 90% stake of ENFI Corporation is held by China ENFI Engineering Co., Ltd (ENFI Ltd), ENFI Ltd is a wholly-owned subsidiary of Metallurgical Corporation of China Ltd. (MCC Ltd.). MCC Group holds a 49.18% stake in MCC Ltd. MCC Group is a wholly-owned subsidiary of CMC. Therefore, ENFI Corporation and the Company are connected persons. As a result, the goods and services agreement constitutes a connected transaction for the Company.

4. On 27 March 2024, the Company announced that MMG Dugald River Pty Ltd (MMG Dugald) entered into a sales agreement with Minmetals North-Europe Aktiebolg (Minmetals North-Europe) in relation to the sale of zinc concentrate to Minmetals North Europe valued at a lump-sum payment of approximately US\$10.0 million. During 2024, approximately US\$11.3 million was paid to Minmetals North-Europe pursuant to the terms of the agreement.

On 8 July 2024, the Company announced that MMG Dugald River Pty Ltd (MMG Dugald) entered into another sales agreement with Minmetals North-Europe in relation to the sale of zinc concentrate to Minmetals North Europe valued at a lump-sum payment of approximately US\$12.0 million. During 2024, approximately US\$14.7 million was paid to Minmetals North-Europe pursuant to the terms of the agreement.

Minmetals North-Europe is a wholly-owned subsidiary of CMC, the ultimate controlling Shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. Accordingly, the agreements with MMG Australia constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

5. On 16 April 2024, the Company announced that it had resolved to satisfy the Performance Awards in respect of the 2021 and 2022 Performance Awards, to the extent they vest in accordance with their terms, by way of issue and allotment of an aggregate of up to 51,189,439 new Award Shares pursuant to the general mandate granted to the Board at the AGM held on 23 May 2024. Certain incentive participants under the Company's Long Term Incentive Equity Plan are directors of the Company and/or directors of Significant Subsidiaries of the Company, each of whom is a connected person of the Company under the Listing Rules. Accordingly, the proposed issuance of new Award Shares by the Company to such incentive participants, to the extent that the relevant performance awards vest in accordance with their terms (of up to 15,619,812 new connected Award Shares), constituted non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, approval by the Independent Shareholders at the 2024 AGM.

On 29 April 2024, the Company despatched (i) a circular to provide Shareholders with details of the issue of new Award Shares, advice from the Independent Board Committee and advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders, in relation to the issue of new Award Shares and (ii) a Notice of Meeting to Shareholders convening an AGM on 23 May 2024 at which the issue of Award Shares was considered. The issue of the new Award Shares was approved by the shareholders entitled to vote at the AGM.

Directors' Report

Continued

6. On 30 May 2024, following completion of the acquisition of Khoemacau Mine, the Company announced that the Company, MMG Africa Holdings Company Limited, Comor Holdings Corporation Limited (Comor Holdings), CNIC, and MMG Africa Resources Company Limited entered into a subscription and shareholders' agreement, (i) pursuant to which MMG Africa Holdings Company Limited and Comor Holdings (Subscribers) conditionally agreed to subscribe for and MMG Africa Resources Company Limited agreed to allot and issue shares at the subscription price on completion, and (ii) in accordance with which the relationship between the Subscribers as shareholders of MMG Africa Resources Company Limited, and the management and the affairs of MMG Africa Resources Company Limited as a joint venture, will be governed from Completion. Comor Holdings, a wholly-owned subsidiary of CNIC, paid a subscription price of US\$500.0 million by way of advancing a loan for acquisition of the Khoemacau Mine (CNIC Loan) for 45% of the total issued shares of MMG Africa Resources Company Limited.

Comor Holdings is a wholly-owned subsidiary of CNIC, which itself is a substantial shareholder of a subsidiary of the Company, Comor Holdings is a connected person of the Company at the subsidiary level. Therefore, the CNIC Loan is a connected transaction of the Company under Chapter 14A of the Listing Rules. As the CNIC Loan is on normal commercial terms or better, and no security over the assets of the Group had been granted in respect of the CNIC Loan, it is wholly exempted from the reporting, announcement, circular and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

Continuing connected transactions

During the year ended 31 December 2024, the Group had the following material continuing connected transactions, details of which are set out below:

1. On 27 June 2014, MMG South America Company Limited (MMG SA) entered into an agreement with CMN in relation to the sale of copper concentrate to be purchased by MMG SA from the Las Bambas Project to the CMN Group (Las Bambas CMN Copper Sale Framework Agreement), subject to the approval of the Independent Shareholders. The Independent Shareholders approved the Las Bambas CMN Copper Sale Framework Agreement, and the proposed annual caps on sales, at an EGM held on 21 July 2014.

On 11 January 2016, pursuant to the terms of the Las Bambas CMN Copper Sale Framework Agreement, MMG SA and CMN entered into an agreement to set out the specific terms on which the sale and purchase of the copper concentrate between CMN and MMG SA will be made (Las Bambas CMN Copper Concentrate Offtake Agreement).

In accordance with the Las Bambas CMN Copper Sale Framework Agreement, the term of the Las Bambas CMN Copper Concentrate Offtake Agreement is for the term of the life of the Las Bambas mine. The annual caps with respect to the Las Bambas CMN Copper Sale Framework Agreement are set as a fixed quantity of copper contained in copper concentrate from the Las Bambas Project to be sold by MMG SA to members of the CMN Group in a year, which for the year commencing 1 January 2024 was set at 277,000 tonnes. During the year ended 31 December 2024, approximately 181,500 tonnes of copper contained in copper concentrate were sold by MMG SA to members of the CMN Group under the Las Bambas CMN Copper Concentrate Offtake Agreement.

CMN is a controlling Shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Las Bambas CMN Copper Sale Framework Agreement and Las Bambas CMN Copper Concentrate Offtake Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Directors' Report

Continued

2. On 11 January 2016, pursuant to the Shareholders' Agreement, MLB and CITIC Metal Peru Investment Limited (CITIC) entered into an agreement for the sale and purchase of CITIC's entitlement to copper concentrate from the Las Bambas mine (CITIC Copper Concentrate Offtake Agreement). The term of the CITIC Copper Concentrate Offtake Agreement is for the term of the life of the Las Bambas mine. The annual caps with respect to the CITIC Copper Sale Framework Agreement are set as a fixed quantity of copper contained in copper concentrate from the Las Bambas Project to be sold by MLB to CITIC in a year, which for the year commencing 1 January 2024 was set at 127,000 tonnes. During the year ended 31 December 2024, approximately 82,500 tonnes of copper contained in copper concentrate were sold by MLB to CITIC under the CITIC Copper Concentrate Offtake Agreement.

As CITIC controls more than 10% of the total number of issued shares of MMG SAM, it is a substantial shareholder of MMG SAM. CITIC is therefore a connected person of the Company and the transactions contemplated under the CITIC Copper Concentrate Offtake Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

3. On 9 December 2021, MMG Australia Limited (MMG Australia) entered into an agreement with Minmetals North-Europe in relation to the sale of concentrate for the period from 1 January 2022 to 31 December 2023 (Rosebery Concentrate Sales Agreement). The annual cap for sales for each year of this agreement is US\$100.0 million. During the year ended 31 December 2023, sales of US\$65,179,451.0 were transacted under the Rosebery Concentrate Sales Agreement.

On 21 December 2023, the Company announced that MMG Australia entered into an agreement with Minmetals North-Europe in relation to the sale of concentrate for the period from 1 January 2024 to 31 December 2025 (Rosebery Concentrate Sales Agreement). The annual cap for sales for each year of this agreement is US\$100.0 million. During the year ended 31 December 2024, sales of approximately US\$84.5 million were transacted under the Rosebery Concentrate Sales Agreement.

Minmetals North-Europe is a wholly-owned subsidiary of CMC, the ultimate controlling Shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. Accordingly, the agreements with MMG Australia constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

4. On 16 December 2021, MMG Dugald River entered into an agreement with Minmetals North-Europe in relation to the sale of zinc concentrate for the period from 1 January 2022 to 31 December 2024 (Dugald River Zinc Concentrate Sales Agreement). The annual cap for sales for each year of this agreement was increased in April 2022 from US\$145.0 million to US\$205.0 million. During the year ended 31 December 2024, sales of approximately US\$96.3 million was transacted under the Dugald River Zinc Concentrate Sales Agreement.

Minmetals North-Europe is a wholly-owned subsidiary of CMC, the ultimate controlling Shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the agreement with MMG Dugald River constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

5. On 15 March 2023, the Company announced that it had entered into a shipping framework agreement with Minmetals Logistics in relation to the provision of ocean transport by Minmetals Logistics for the shipment of the products of the Group during 2023 and 2024 with annual caps of US\$10.0 million. During the year ended 31 December 2024, approximately US\$5.1 million was paid to Minmetals Logistics under the shipping framework agreement.

Directors' Report

Continued

Minmetals Logistics is a wholly-owned subsidiary of CMC, the ultimate controlling Shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the shipping framework agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

6. On 24 March 2023, the Company announced that MLB had entered into a molybdenum concentrate sales framework agreement with CMN for sales of molybdenum concentrate during 2023, 2024 and 2025 to CMN and its associates with an annual cap of US\$110.0 million (Las Bambas Molybdenum Concentrate Sales Framework Agreements). During the year ended 31 December 2024, sales of approximately US\$41.9 million was transacted under the molybdenum concentrate sales framework agreement.

CMN is the controlling Shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the Las Bambas Molybdenum Concentrate Sales Framework Agreements each constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

7. On 9 May 2024, the Company announced that MMG Kinsevere had entered into the sales framework agreement with CMN in relation to the sale of the crude cobalt hydroxide concentrate during 2024, 2025 and 2026 to CMN and its associates with an annual cap of US\$103.0 million (Cobalt Sales Framework Agreement). During the year ended 31 December 2024, sales of approximately US\$7.0 million was transacted under the Cobalt Sales Framework Agreement.

CMN is the controlling Shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the Cobalt Sales Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

8. On 29 October 2024, Khoemacau Copper Mining Pty Ltd had entered into the copper concentrate sales agreement (Khoemacau Copper Concentrate Sales Agreement) with CMN in relation to the sale of copper concentrate during 2024 and 2025 to CMN and its associates with an annual cap of US\$20.0 million in 2024 and US\$130.0 million in 2025. During the year ended 31 December 2024, sales of approximately US\$6.9 million was transacted under the Khoemacau Copper Concentrate Sales Agreement.

CMN is the controlling Shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the Copper Concentrates Sales Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

9. Upon the completion of the acquisition of Minerals and Metals Group on 31 December 2010, the following material continuing transaction became a continuing connected transaction under Chapter 14A of the Listing Rules (Grandfathered Continuing Connected Transaction).

On 10 June 2010, MMG Management Pty Ltd, a wholly-owned subsidiary of the Company, entered into a loan facility agreement with Album Enterprises (Grandfathered MMG Loan Facility) pursuant to which MMG Management Pty Ltd agreed to make loan facilities available to Album Enterprises on an uncommitted basis. During the year ended 31 December 2024, no amounts were advanced or outstanding under the Grandfathered MMG Loan Facility. Album Enterprises is a substantial Shareholder and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Grandfathered MMG Loan Facility constitutes a Grandfathered Continuing Connected Transaction for the Company and the Company will comply with Listing Rule 14A.60 in respect of this transaction.

The Company has followed its pricing policies and guidelines when determining the price and terms of the connected transactions and continuing connected transactions conducted during the year.

Directors' Report

Continued

Review of continuing connected transactions

The continuing connected transactions described above for the year ended 31 December 2024 have been reviewed by the Independent Non-executive Directors of the Company.

The Independent Non-executive Directors of the Company have confirmed that the continuing connected transactions have been entered into:

- (a) the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or better; and
- (c) in accordance with the respective terms of the Las Bambas CMN Copper Sale Framework Agreement, the Las Bambas CMN Copper Concentrate Offtake Agreement, the CITIC Copper Concentrate Offtake Agreement, the Rosebery Concentrate Sales Agreement, the Dugald River Zinc Concentrate Sales Agreement, the Shipping Framework Agreement, the Las Bambas Molybdenum Concentrate Sales Framework Agreements, the Cobalt Sales Framework Agreement and the Khoemaçau Copper Concentrates Sales Agreement that are fair and reasonable, in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and with reference to Practice Note 740 (Revised) 'Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules' issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing its conclusion in respect of the continuing connected transactions for the year ended 31 December 2024 disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

In addition, the auditor of the Company has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transactions for the year ended 31 December 2024:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group where the transactions involve the provision of goods or services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

the Las Bambas CMN Copper Sale Framework Agreement, the Las Bambas CMN Copper Concentrate Offtake Agreement, the CITIC Copper Concentrate Offtake Agreement, the Rosebery Concentrate Sales Agreement, the Dugald River Zinc Concentrate Sales Agreement, the Shipping Framework Agreement, the Las Bambas Molybdenum Concentrate Sales Framework Agreements, the Cobalt Sales Framework Agreement and the Khoemaçau Copper Concentrate Sales Agreement have exceeded the respective annual caps or revised annual cap as disclosed in the announcements of the Company.

Directors' Report

Continued

Controlling shareholders' interests in contracts

On 22 July 2014 Top Create, a subsidiary of CMN, a controlling Shareholder, extended a loan facility for a principal sum of up to US\$2,262.0 million to MMG SA for a term of four years for the purpose of acquiring the Las Bambas Project. On 29 December 2017, 22 December 2020, 27 December 2022, 25 July 2023 and 28 June 2024 the loan facility was amended by the parties for the purpose of (among other things) extending the term of the loan, deferring payment dates and adjusting interest rates. Such loan facility was exempt from the announcement and reporting requirements of the Listing Rules with respect to connected transactions on the basis that it was unsecured and on normal commercial terms.

Particulars of other contracts of significance that exist between the Company (or one of its subsidiary companies) and a controlling Shareholder (or any of its subsidiaries) are set out under Connected Transactions on pages 86 to 91 of this Annual Report.

Related party transactions

Details of the related party transactions undertaken in the normal course of business are set out in Note 33 to the Consolidated Financial Statements.

Related party transactions set out in Note 33 to the Consolidated Financial Statements also constitute connected transactions and continuing connected transactions of the Company under the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules except for those transactions that are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Purchase, sale or redemption of the company's listed securities

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Emolument policy

The Group's Emolument Policy is formulated by the Governance, Remuneration, Nomination and Sustainability Committee on the basis of employees' merit, market practice, qualifications and competence.

The determination of remuneration for the Directors takes into consideration factors such as remuneration paid by comparable companies, accountabilities of the Directors, applicable regional employment conditions. In the circumstance of Executive Directors, appropriate 'at-risk' performance-based remuneration is also provided.

The Company has adopted Performance Awards as incentives to the Executive Directors and eligible employees. Details of the Performance Awards are set out under the sections headed 'Performance Awards'. In relation to MMG, it has adopted both long-term and short-term 'at-risk' incentive plans to reward its Executive Directors and eligible employees and to align their incentive remuneration with the performance of MMG.

Directors' Report

Continued

Retirement schemes

Details of the Group's retirement schemes are set out in Note 12 to the Consolidated Financial Statements.

Directors and senior management

Particulars of the Directors and senior management of the Company are set out on pages 68 to 72 of this Annual Report.

Independent auditor

The Consolidated Financial Statements have been audited by Deloitte Touche Tohmatsu who will retire at the forthcoming AGM and, being eligible, offer themselves for re-appointment.

Corporate governance report

Details of the Corporate Governance Report are set out on pages 94 to 109 of this Annual Report.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of its Board, as at the latest practicable date prior to the printing of this report, the Company has maintained sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

Events after the balance sheet date

On 18 February 2025, the Group entered into an agreement to acquire the Anglo American nickel business in Brazil. The total consideration is up to US\$500 million including upfront cash consideration of US\$350 million and contingent consideration of US\$150 million. The completion of this transaction is still subject to the fulfillment of the conditions under the agreement.

Other than the matter above, 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.

By order of the Board



XU Jiqing
Chairman

4 March 2025