Management Discussion and Analysis

Results for the year ended 31 December 2024

For the purpose of the management discussion and analysis, the Group's results for the year ended 31 December 2024 are compared with results for the year ended 31 December 2023.

Year ended 31 December	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	**4,479.2**	**4,346.5**	**3%**
Operating expenses	(2,299.2)	(2,814.1)	18%
Exploration expenses	(62.6)	(49.6)	(26%)
Administration expenses	(26.3)	(11.9)	(121%)
Khoemacau acquisition transaction and integration expenses	(15.3)	(1.0)	(1,430%)
Net other expenses	(27.1)	(8.0)	(239%)
EBITDA	**2,048.7**	**1,461.9**	**40%**
Depreciation, amortisation & impairment expenses	(1,058.7)	(930.2)	(14%)
EBIT	**990.0**	**531.7**	**86%**
Net finance costs	(368.6)	(342.1)	(8%)
Profit before income tax	**621.4**	**189.6**	**228%**
Income tax expense	(255.4)	(67.5)	(278%)
Profit after income tax for the year	**366.0**	**122.1**	**200%**
Attributable to:			
Equity holders of the Company	161.9	9.0	1,699%
Non-controlling interests[1]	204.1	113.1	80%
	366.0	**122.1**	**200%**

1 Amounts attributable to non-controlling interests related to the 37.5% interest in Las Bambas and the 45.0% interest in Khoemacau (from 6 June 2024) not owned by the Company.

Profit attributable to equity holders of the Company

MMG's profit of US$366.0 million for the year ended 31 December 2024 includes profit attributable to equity holders of US$161.9 million and profit attributable to non-controlling interests of US$204.1 million. This compares to a profit attributable to equity holders of US$9.0 million and profit attributable to non-controlling interests of US$113.1 million for the year ended 31 December 2023.

The following table provides a reconciliation of reported profit after tax attributable to equity holders.

Year ended 31 December	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Profit after tax – Las Bambas 62.5% interest	329.8	188.6	75%
Profit after tax – Khoemacau 55.0% interest	2.1	-	n/a
Loss after tax – other continuing operations	(10.5)	(55.9)	81%
Administration expenses	(26.3)	(11.9)	(121%)
Khoemacau acquisition transaction and integration expenses	(15.3)	(1.0)	(1,430%)
Net finance costs (excluding Las Bambas and Khoemacau)	(130.2)	(98.5)	(32%)
Other	12.3	(12.3)	200%
Profit for the year attributable to equity holders	**161.9**	**9.0**	**1,699%**

Management Discussion and Analysis
Continued

Overview of operating results

The Group's continuing operations comprise Las Bambas, Kinsevere, Khoemacau, Dugald River and Rosebery. Exploration, corporate activities and other subsidiaries are classified as 'Other'.

Year ended 31 December	Revenue 2024 US$ million	Revenue 2023 US$ million	Revenue Change % Fav/(Unfav)	EBITDA 2024 US$ million	EBITDA 2023 US$ million	EBITDA Change % Fav/(Unfav)
Las Bambas	2,977.6	3,417.3	(13%)	1,594.3	1,396.7	14%
Kinsevere	423.6	354.6	19%	67.8	(32.0)	312%
Khoemacau	295.8	-	n/a	125.9	-	n/a
Dugald River	461.8	331.2	39%	169.4	33.8	401%
Rosebery	306.0	240.0	28%	123.2	77.8	58%
Other	14.4	3.4	324%	(31.9)	(14.4)	(122%)
Total	**4,479.2**	**4,346.5**	**3%**	**2,048.7**	**1,461.9**	**40%**

The following discussion and analysis of the financial information and results should be read in conjunction with the financial statements.

Revenue increased by US$132.7 million (3%) to US$4,479.2 million compared to 2023, driven by higher commodity prices (US$467.2 million), which offset lower sales volumes (US$334.5 million).

Favourable commodity price variances of US$467.4 million were primarily due to higher net realised prices for copper (US$288.5 million), zinc (US$102.0 million), gold (US$43.1 million), silver (US$40.3 million), and lead (US$1.7 million, attributed to US$2.6 million lower treatment charges). This was partly offset by lower realised prices for molybdenum (US$8.2 million). Price variances include mark-to-market adjustments on open sales contracts and impacts of commodity hedging.

Unfavourable sales volumes variances of US$334.6 million were primarily due to lower sales volume of copper concentrate (US$679.1 million) and molybdenum concentrate (US$39.1 million) at Las Bambas. This was a result of higher copper concentrate shipments in 2023, which depleted the inventory accumulated during a period of nationwide road blockages in 2022. This decrease was partially offset by the inclusion of copper concentrate sales from Khoemacau (US$295.8 million) and cobalt sales from Kinsevere (US$20.5 million), and higher copper cathode sales (US$12.5 million) at Kinsevere. At Dugald River, compared with 2023, the lead concentrate sales increased by US$19.9 million, and zinc concentrate sales rose by US$17.0 million, as the 2023 production was impacted by a 34-day suspension of operations in the first half of 2023. Additionally, Rosebery saw higher sales volumes (US$17.9 million) driven by increased production.

Revenue by commodity Year ended 31 December	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Copper	3,308.4	3,304.2	0%
Zinc	481.1	359.4	34%
Lead	84.9	67.9	25%
Gold	209.2	233.5	(10%)
Silver	246.7	205.7	20%
Molybdenum	128.4	175.8	(27%)
Cobalt	20.5	-	n/a
Total	**4,479.2**	**4,346.5**	**3%**

Management Discussion and Analysis
Continued

Price

Average LME base metals prices for copper, zinc, gold and silver were higher for the year ended 31 December 2024 compared to 2023. The average prices for lead, molybdenum and cobalt were lower.

Average LME cash price[1] Year ended 31 December	2024	2023	Change % Fav/(Unfav)
Copper (US$/tonne)	9,144	8,483	8%
Zinc (US$/tonne)	2,777	2,649	5%
Lead (US$/tonne)	2,072	2,137	(3%)
Gold (US$/ounce)	2,387	1,943	23%
Silver (US$/ounce)	28.24	23.39	21%
Molybdenum (US$/tonne)	46,943	53,231	(12%)
Cobalt (US$/tonne)	25,005	34,271	(27%)

1 Sources: zinc, lead, cobalt and copper: LME cash settlement price; Molybdenum: Platts; gold and silver: LBMA. LME (London Metal Exchange) data is used in this report under licence from LME; LME is not involved 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.

Sales volumes

Payable metal in products sold Year ended 31 December 2024	2024	2023	Change % Fav/(Unfav)
Copper (tonnes)	378,682	419,584	(10%)
Zinc (tonnes)	184,937	176,292	5%
Lead (tonnes)	42,135	34,389	23%
Gold (ounces)	85,429	121,316	(30%)
Silver (ounces)	8,574,347	8,926,822	(4%)
Molybdenum (tonnes)	3,138	4,037	(22%)
Cobalt (tonnes)	1,617	-	n/a

Payable metal in products sold Year ended 31 December 2024	Copper tonnes	Zinc tonnes	Lead tonnes	Gold ounces	Silver ounces	Molybdenum tonnes	Cobalt tonnes
Las Bambas	302,868	-	-	56,170	3,534,990	3,138	-
Kinsevere	44,892	-	-	-	-	-	1,617
Khoemacau	29,666	-	-	-	907,222	-	-
Dugald River	-	136,853	21,743	-	1,853,146	-	-
Rosebery	1,256	48,084	20,392	29,259	2,278,989	-	-
Total	**378,682**	**184,937**	**42,135**	**85,429**	**8,574,347**	**3,138**	**1,617**

Payable metal in products sold Year ended 31 December 2023	Copper tonnes	Zinc tonnes	Lead tonnes	Gold ounces	Silver ounces	Molybdenum tonnes
Las Bambas	374,743	-	-	94,925	5,361,326	4,037
Kinsevere	43,710	-	-	-	-	-
Khoemacau	-	-	-	-	-	-
Dugald River	-	128,628	17,535	-	1,358,919	-
Rosebery	1,131	47,664	16,854	26,391	2,206,577	-
Total	**419,584**	**176,292**	**34,389**	**121,316**	**8,926,822**	**4,037**

Management Discussion and Analysis
Continued

Operating expenses include expenses of operating sites, excluding depreciation and amortisation. Site expenses include mining and processing expenses, changes in inventories, royalty expenses, selling expenses and other operating expenses.

Total operating expenses decreased by US$514.9 million (18%) to US$2,299.2 million. This reduction was primarily due to reduced stock movement costs at Las Bambas (US$625.8 million), reflecting higher copper concentrate shipments in 2023 after a period of nationwide road blockages in 2022. Stock movement costs were also favourable at Kinsevere (US$61.2 million) due to a build-up in ore stocks driven by higher mining volumes and Dugald River (US$21.6 million) due to lower net drawdowns of concentrate stocks driven by higher production. These favourable inventory variances were partly offset by higher production costs (US$195.8 million), primarily due to the integration of Khoemacau starting from March 2024.

Further details are set out below in the mine analysis section.

Exploration expenses increased by US$13.0 million (26%) to US$62.6 million, attributable to increased drilling activity at Las Bambas (US$16.6 million). This includes expanded land access for drilling in the Ferrobamba pit (Ferrobamba Deeps, South, and East) and the Chalcobamba pit, as well as exploration in new areas: Chicñahui (Bordebamba), Escohorno, Pumamarca, Antuyo, and Palcca Picosayhua.

Administrative expenses increased by US$14.4 million (121%) to US$26.3 million in 2024, mainly due to higher employee benefits expenses driven by an increase in long-term incentives (US$7.0 million) and short-term incentives (US$3.2 million), as well as redundancy costs associated with an internal restructure (US$4.0 million).

Khoemacau acquisition transaction and integration expenses increased by US$14.3 million to US$15.3 million due to transaction expenses of US$9.0 million (2023: US$1.0 million) and integration expenses of US$6.3 million. These costs were net of recharges to the joint venture partner.

Net other expenses increased by US$19.1 million (239%) to US$27.1 million, attributable to the losses on disposal and write-off of property, plant and equipment (US$10.4 million) and provisions for tax audits in Peru (US$8.2 million).

Depreciation, amortisation and impairment expenses increased by US$128.5 million (14%) to US$1,058.7 million, primarily attributable to impairment (US$53.0 million), increased mining volumes at Kinsevere (US$35.1 million), and the inclusion of Khoemacau's depreciation and amortisation expenses (US$32.5 million).

Net finance costs increased by US$26.5 million (8%) to US$368.6 million, primarily due to interest on Khoemacau acquisition loans (US$78.9 million) and finance costs arising from the streaming arrangement at Khoemacau (US$21.6 million). This was partly offset by lower interest from lower debt balances (US$59.0 million) and interest receivable from SUNAT (US$23.0 million) following a favourable Judiciary outcome on the 2009 Income Tax matter.

Income tax expense increased by US$187.9 million due to higher underlying profit before tax. Underlying income tax expense for 2024 of US$255.4 million includes non-creditable withholding tax expenses in Peru of US$15.7 million (2023: US$47.3 million).

Mines analysis

Las Bambas

Location

Peru

Products

Copper concentrate
Molybdenum concentrate

Cu Mo Au Ag

Revenue (US$ million)

$2,977.6

Ore milled (tonnes)

51,586,909

Ownership

MMG Limited	62.5%
CNIC Corporation Limited	22.5%
CITIC Metal Co., Ltd.	15.0%

Copper in copper concentrate produced (tonnes)

322,912

Las Bambas achieved US $1.6 billion EBITDA, a 14% year on year increase driven by reduced production costs and higher commodity prices.

In the fourth quarter of 2024, the site achieved its highest quarterly production since 2019. This strong result was driven by the commencement of mining at Chalcobamba and made possible by the ongoing focus on community engagement and uninterrupted transportation throughout the year.

Mines Analysis: Las Bambas
Continued

Year ended 31 December	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	63,819,945	46,429,483	37%
Ore milled (tonnes)	51,586,909	52,871,670	(2%)
Waste movement (tonnes)	122,617,927	122,908,814	(0%)
Copper in copper concentrate (tonnes)	322,912	302,033	7%
Payable metal in product sold			
Copper (tonnes)	302,868	374,743	(19%)
Gold (ounces)	56,170	94,925	(41%)
Silver (ounces)	3,534,990	5,361,326	(34%)
Molybdenum (tonnes)	3,138	4,037	(22%)

Year ended 31 December	2024 US$ million	2023 US$ million	Change% Fav/(Unfav)
Revenue	**2,977.6**	**3,417.3**	**(13%)**
Operating expenses			
Production expenses			
Mining	(465.4)	(490.4)	5%
Processing	(299.5)	(316.3)	5%
Other	(489.2)	(474.0)	(3%)
Total production expenses	**(1,254.1)**	**(1,280.7)**	**2%**
Freight	(85.2)	(96.2)	11%
Royalties	(90.7)	(104.5)	13%
Other[1]	100.1	(532.3)	119%
Total operating expenses	**(1,329.9)**	**(2,013.7)**	**34%**
Other expenses	(53.4)	(6.9)	(674%)
EBITDA	**1,594.3**	**1,396.7**	**14%**
Depreciation and amortisation expenses	(762.2)	(800.0)	5%
EBIT	**832.1**	**596.7**	**39%**
EBITDA margin	**54%**	**41%**	

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

Revenue in 2024 reached US$2,977.6 million, a decrease of US$439.7 million (13%) compared to 2023. Lower sales volumes of copper (US$563.4 million), gold (US$73.8 million), silver (US$41.8 million) and molybdenum (US$39.1 million), along with lower molybdenum prices (US$8.2 million), drove this decline. The lower sales volumes reflect the impact of significantly higher concentrate shipments in 2023, which depleted inventory accumulated during the 2022 nationwide road blockages. This was partly offset by higher prices for copper (US$239.8 million), gold (US$29.4 million) and silver (US$17.5 million).

Total production expenses for 2024 were US$1,254.1 million, representing a decrease of US$26.6 million (2%) compared to 2023. This reduction was primarily attributable to higher deferred mining costs relating to the Chalcobamba pit development (US$28.6 million) and lower unit prices for diesel (US$45.0 million), explosives (US$8.1 million), reagents (US$4.9 million) and grinding media (US$2.9 million). Production expenses were also lower due to reduced spending on social conflicts mitigation (US$17.2 million) and copper concentrate

Mines Analysis: Las Bambas Continued

transportation (US$8.9 million). This was partly offset by higher material mined volumes (US$21.0 million), increased maintenance (US$21.9 million) owing to uninterrupted operations in 2024 and expanded drilling activities at Chalcobamba (US$18.3 million). Additionally, employee benefits were higher (US$18.7 million) due to increased profit share incentives for 2024.

Freight and royalty expenses were lower by 11% and 13% respectively, reflecting lower sales volume and revenue.

Operating expenses were favourably impacted by stock movement, with a build-up of concentrate inventory (US$42.2 million) and ore stockpiles (US$69.7 million) in 2024, compared to drawdowns of concentrate (US$468.3 million) and ore (US$47.0 million) in 2023.

Other expenses totalled US$53.4 million, a US$46.5 million increase compared to 2023. The increase is primarily attributable to: (1) foreign exchange losses of US$6.5 million, contrasting with US$14.6 million in foreign exchange gains in 2023 due to fluctuations in the Peruvian Sol; (2) higher exploration costs of US$16.6 million, reflecting expanded land access for drilling activities; and (3) provisions for tax audits in Peru (US$8.2 million).

Depreciation and amortisation expenses decreased by US$37.8 million (5%) in 2024 compared to 2023. This reduction reflects the US$39.7 million amortisation of capitalised mining assets at Ferrobamba Phase 3 following the completion of mining operations and a US$12.9 million favourable impact from extending the useful life of tailing dam facility assets. These reductions were partly offset by higher ore mined and copper production volumes.

The C1 cost of US$1.51/lb for 2024 was lower than the 2023 C1 cost of US$1.60/lb due to higher copper production rates and lower cash production expenses.

2025 Outlook

Las Bambas copper production for 2025 is expected to reach 360,000 - 400,000 tonnes. The higher end of the range represents full-year operation at both the Chalcobamba and Ferrobamba pits, assuming the absence of significant social unrest in Peru. The lower end accounts for conservative assumptions regarding operational disruption days and variations in ore grade.

Las Bambas C1 costs in 2025 are expected to range from US$1.50 - US$1.70/lb, exceeding actual 2024 levels. This is primarily due to:

- Higher employee benefits, primarily driven by improved profitability and a one-time collective bargaining agreement payment.
- Reduced capitalised mining costs resulting from a shift to ore mining.
- Increased social program spending related to forthcoming commitments.

These cost increases are partly mitigated by improved operational efficiency resulting from higher production volumes and the ongoing business improvement savings program.

Mines analysis

Kinsevere

Location

Democratic Republic of Congo

Products

Copper cathode
Cobalt hydroxide

Revenue (US$ million)

$423.6

Ore milled (tonnes)

2,609,130

Ownership

MMG Limited 100%

Copper cathode produced (tonnes)

44,597

Kinsevere delivered a turnaround in EBITDA of US $67.8 million, driven by higher copper sales volumes and prices supported by lower third-party ore consumption.

Kinsevere's expansion project successfully completed mechanical construction as planned, and commissioning of the concentrator and roasting systems is underway to gradually increase production.

Mines Analysis: Kinsevere
Continued

Year ended 31 December	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	3,343,818	1,726,145	94%
Ore milled (tonnes)	2,609,130	2,107,223	24%
Waste movement (tonnes)	18,418,088	32,646,890	(44%)
Copper cathode (tonnes)	44,597	44,068	1%
Cobalt (tonnes)	2,926	105	2,687%
Payable metal in product sold			
Copper (tonnes)[1]	44,892	43,710	3%
Cobalt (tonnes)	1,617	-	n/a

Year ended 31 December	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	**423.6**	**354.6**	**19%**
Operating expenses			
Production expenses			
Mining	(64.3)	(18.7)	(244%)
Processing	(164.9)	(188.0)	12%
Other	(98.6)	(90.8)	(9%)
Total production expenses	**(327.8)**	**(297.5)**	**(10%)**
Freight	(10.2)	(7.3)	(40%)
Royalties	(26.6)	(17.8)	(49%)
Other[2]	28.9	(32.2)	190%
Total operating expenses	**(335.7)**	**(354.8)**	**5%**
Other expenses	(20.1)	(31.8)	37%
EBITDA	**67.8**	**(32.0)**	**312%**
Depreciation, amortisation and impairment expenses	(118.4)	(27.5)	(331%)
EBIT	**(50.6)**	**(59.5)**	**15%**
EBITDA margin	**16%**	**(9%)**	

1 Kinsevere sold copper includes copper cathode, copper scrap and copper ore.

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

Mines Analysis: Kinsevere Continued

Kinsevere revenue increased by US$69.0 million (19%) to US$423.6 million in 2024 compared to 2023, driven by higher copper prices (US$36.0 million), additional cobalt sales volumes (US$20.5 million) and higher copper sales volumes (US$12.5 million).

Total production expenses increased by US$30.3 million (10%) in 2024 compared to 2023. This increase resulted from: higher mining costs due to accelerated mining at Sokoroshe II pit and lower capitalisation of deferred mining costs (US$53.1 million); higher costs at the newly commissioned cobalt plant (US$26.3 million) and sulphide ore circuit of the concentrator (US$4.8 million); and increased power cost (US$4.4 million). Lower third-party ore consumption (US$63.0 million) partially offset these increases.

Royalties increased by US$8.8 million (49%) due to higher copper revenue and cobalt sales.

Other operating expenses were US$61.1 million lower in 2024 than in 2023, primarily due to a US$61.2 million favourable change in inventories resulting from increased ore stocks driven by higher mining volumes.

Depreciation and amortisation expenses increased by US$90.9 million (331%) in 2024 compared to 2023. This increase stemmed from a US$53.0 million impairment at Kinsevere, reflecting a weakened cobalt outlook, and an additional US$35.1 million increase due to higher mining volumes at the Sokoroshe II pit.

The C1 costs of US$3.26/lb for 2024 were lower than the 2023 C1 costs of US$3.29/lb due to higher by-product credits, partially offset by increased cash production expenses.

2025 Outlook

Kinsevere copper cathode production for 2025 is expected to be between 63,000 and 69,000 tonnes. Following the mechanical completion of the Kinsevere expansion project on 15 September 2024, the focus is on ramping up the concentrator and roasting systems and integration with the existing SXEW plant. This phased approach is expected to gradually increase copper cathode production towards nameplate capacity.

C1 costs in 2025 are expected to be between US$2.50/lb and US$2.90/lb. This improvement compared to 2024 is primarily attributed to the ramp-up of the Kinsevere sulphide copper project.

Mines analysis

Khoemacau

Location

Botswana

Products

Copper concentrate

Revenue (US$ million)

$295.8

Ore milled (tonnes)

2,356,502

Ownership

MMG Limited	55%
CNIC Corporation Limited	45%

Copper in copper concentrate produced (tonnes)*

30,961

* Production for 2024 includes figures starting from 23 March 2024.

MMG completed the acquisition of the Khoemacau mine in March 2024 and the asset achieved almost US $126 million EBITDA in its first nine months as part of the portfolio.

The Khoemacau expansion feasibility study, targeting an increased annual production capacity of 130,000 tonnes, continues to progress.

Mines Analysis: Khoemacau
Continued

Year ended 31 December	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	2,457,492	-	-
Ore milled (tonnes)	2,356,502	-	-
Copper (tonnes)	30,961	-	-
Silver (ounces)[1]	1,062,542	-	-
Payable metal in product sold			
Copper (tonnes)	29,666	-	-
Silver (ounces)	907,222	-	-

1 The silver production is subject to a silver stream 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 other deposits unencumbered.

Year ended 31 December	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	**295.8**	**-**	**-**
Operating expenses		**-**	**-**
Production expenses			
Mining	(104.9)	-	-
Processing	(24.5)	-	-
Other	(32.1)	-	-
Total production expenses	**(161.5)**	**-**	**-**
Freight	(0.3)	-	-
Royalties	(8.7)	-	-
Other[2]	4.6	-	-
Total operating expenses	**(165.9)**	**-**	**-**
Other expenses	(4.0)	-	-
EBITDA	**125.9**	**-**	**-**
Depreciation and amortisation expenses	(32.5)	-	-
EBIT	**93.4**	**-**	**-**
EBITDA margin	**43%**	**-**	**-**

Mines Analysis: Khoemacau Continued

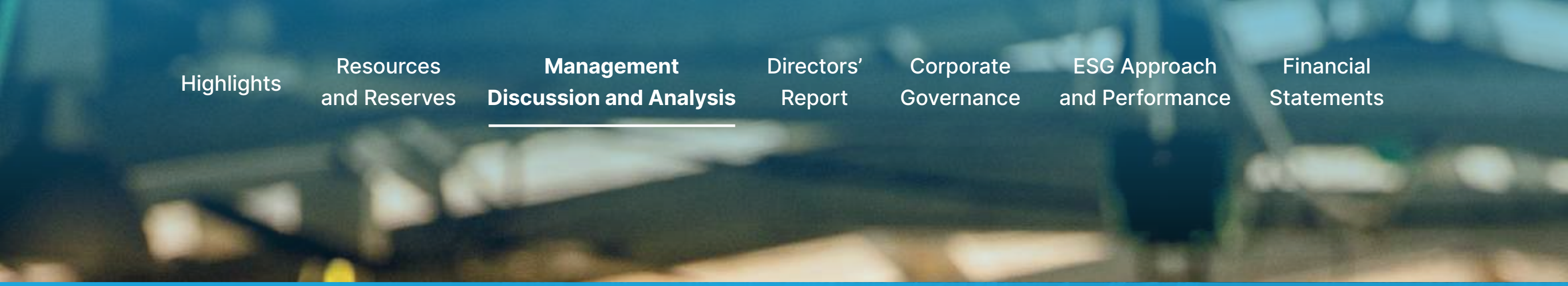
Following MMG's acquisition of Khoemacau on 22 March 2024, production data from 23 March to 31 December 2024 shows 30,961 tonnes of copper in copper concentrate were produced.

The 2024 results take into account sales revenue, operating expenses and depreciation and amortisation from 23 March 2024.

Calculated on a post by-product and pre-silver stream basis, Khoemacau's C1 costs for 2024 were US$2.54/lb.

2025 Outlook

Khoemacau copper production for 2025 is expected to be between 43,000 and 53,000 tonnes. Khoemacau C1 costs in 2025 are expected to be within the range of US$2.30 - US$2.65/lb (post by-product and pre silver stream basis).



Mines analysis

Dugald River

Location

Australia

Products

Zinc concentrate
Lead concentrate

Ag Zn Pb

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.

Mines analysis

Rosebery

Location

Australia

Products

Zinc concentrate
Lead concentrate
Precious Metals Concentrate
Gold Doré

Revenue (US$ million)

$306.0

Ore milled (tonnes)

1,033,778

Ownership

MMG Limited 100%

Zinc in concentrate produced (tonnes)

56,313

Zinc equivalent (tonnes)

133,563

Showing no signs of slowing down - even after 90 years of operation - EBITDA for Rosebery increased 58% to US $123.2 million.

This result was driven by strong prices for zinc, gold, silver, and copper, lower treatment charges, and higher sales volumes of zinc and lead. It was partially offset by increased production costs due to higher ore mined and processed.

Mines Analysis: Rosebery
Continued

Year ended 31 December	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	1,033,718	922,275	12%
Ore milled (tonnes)	1,033,778	918,074	13%
Zinc in zinc concentrate (tonnes)	56,313	51,626	9%
Lead in lead concentrate (tonnes)	20,879	19,147	9%
Copper in precious metals concentrate (tonnes)	1,288	1,163	11%
Gold (ounces)	33,377	30,096	11%
Silver (ounces)	2,413,983	2,583,418	(7%)
Payable metal in product sold			
Copper (tonnes)	1,256	1,131	11%
Zinc (tonnes)	48,084	47,664	1%
Lead (tonnes)	20,392	16,854	21%
Gold (ounces)	29,259	26,391	11%
Silver (ounces)	2,278,989	2,206,577	3%

Year ended 31 December	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	**306.0**	**240.0**	**28%**
Operating expenses			
Production expenses			
Mining	(82.5)	(78.2)	(5%)
Processing	(37.4)	(33.0)	(13%)
Other	(32.6)	(29.8)	(9%)
Total production expenses	**(152.5)**	**(141.0)**	**(8%)**
Freight	(8.5)	(7.8)	(9%)
Royalties	(9.5)	(3.7)	(157%)
Other[1]	(2.5)	(4.0)	38%
Total operating expenses	**(173.0)**	**(156.5)**	**(11%)**
Other expenses	(9.8)	(5.7)	(72%)
EBITDA	**123.2**	**77.8**	**58%**
Depreciation and amortisation expenses	(78.8)	(56.8)	(39%)
EBIT	**44.4**	**21.0**	**111%**
EBITDA margin	**40%**	**32%**	

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

Mines Analysis: Rosebery Continued

Rosebery's 2024 revenue increased by US$66.0 million (28%) to US$306.0 million in 2024, driven by lower zinc treatment charges (US$10.4 million); higher prices for zinc (US$10.0 million), gold (US$14.3 million), silver (US$12.1 million), and copper (US$1.1 million); and increased sales volumes for lead (US$6.7 million), precious metals (US$7.4 million), zinc (US$2.9 million) and copper (US$0.8 million).

Total production expenses increased by US$11.5 million (8%) compared to 2023, primarily due to higher processing costs (US$4.4 million) from increased mill throughput and higher mining costs (US$4.3 million) from increased ore mined volumes. Employee benefits rose US$2.5 million, aligning with the greater workforce availability in 2024. These increases were partially offset by a US$2.4 million reduction in ground support costs from operational efficiency improvements.

Royalties increased by US$5.8 million (157%), reflecting higher revenue and profit.

Other expenses increased by US$4.1 million (72%) due to increased exploration and study costs for the Rosebery life extension program.

Depreciation and amortisation expenses were higher than 2023 by US$22.0 million (39%), driven by increased mining and milling volumes.

Rosebery's zinc C1 costs were negative US$0.10/lb for the 2024 full year, compared to positive US$0.26/lb in 2023, reflecting higher precious metal by-products credits, higher zinc production, and lower treatment charges.

2025 Outlook

Rosebery zinc production for 2025 is expected to be in the range of 45,000 to 55,000 tonnes of zinc in zinc concentrate. The lower zinc production reflects a shift in focus towards by-product production. Including the contribution of by-product metals, zinc equivalent production for 2025 is expected to be in the range of 110,000 to 125,000 tonnes. C1 costs for 2025 are expected to be in the range of US$0.25/lb to US$0.40/lb. The anticipated higher C1 costs are due to lower by-product prices and higher zinc treatment charges used in the estimation compared to 2024.

Management Discussion and Analysis
Continued

Cash flow analysis

Net cash flow

Year ended 31 December	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Net operating cash flows	1,611.9	1,849.9	(13%)
Net investing cash flows	(2,970.2)	(790.0)	(276%)
Net financing cash flows	1,104.0	(985.1)	212%
Net cash inflows	**(254.3)**	**74.8**	**(440%)**

Net operating cash inflows decreased by US$238.0 million (13%) to US$1,611.9 million, primarily due to unfavourable working capital movements (US$826.6 million) from lower copper concentrate drawdown at Las Bambas. Higher EBITDA (US$586.8 million) partially offset this decline.

Net investing cash outflows increased by US$2,180.2 million (276%) to US$2,970.2 million. This reflects the US$2,042.8 million acquisition cost (net of cash acquired) for the 100% share capital of Khoemacau Copper Mine in Botswana (March 2024) and US$117.8 million in Khoemacau capital expenditure.

Net financing cash flows were favourable by US$2,089.1 million (212%) compared to 2023. This resulted from the US$1,152.4 million of net cash raised from the Rights Issue, higher net drawdown of the external borrowing (US$860.8 million) and non-controlling interest equity contribution (US$482.9 million). These gains were partially offset by higher shareholder loan repayments (US$265.0 million), net interest rate swap settlement (US$132.4 million) in 2023, and higher net finance costs (US$6.8 million).

Financial resources and liquidity

	31 December 2024 US$ million	31 December 2023 US$ million	Change US$ million
Total assets	14,985.9	11,900.8	3,085.1
Total liabilities	(8,707.4)	(7,588.8)	(1,118.6)
Total equity	**6,278.5**	**4,312.0**	**1,966.5**

Total equity increased by US$1,966.5 million to US$6,278.5 million as at 31 December 2024.

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

MMG Group	31 December 2024 US$ million	31 December 2023 US$ million
Total borrowings (excluding prepaid finance charges)[1]	4,635.1	4,748.1
Less: cash and cash equivalents	(192.7)	(447.0)
Net debt	**4,442.4**	**4,301.1**
Total equity	6,278.5	4,312.0
Net debt +Total equity	**10,720.9**	**8,613.1**
Gearing ratio	**0.41**	**0.50**

1 Borrowings at an MMG Group level reflect 100% of the borrowings of the Las Bambas and Khoemacau Joint Venture Groups. Las Bambas Joint Venture Group borrowings as at 31 December 2024 were US$1,040.0 million (31 December 2023: US$2,016.8 million) and Las Bambas Joint Venture Group cash and cash equivalents as at 31 December 2024 were US$60.7 million (31 December 2023: US$399.2 million). Khoemacau Joint Venture Group borrowings as at 31 December 2024 were US$1,028.9 million and Khoemacau Joint Venture Group cash and cash equivalents as at 31 December 2024 were US$19.5 million. For the purpose of calculating the gearing ratio, Las Bambas and Khoemacau Joint Venture Groups' borrowings have not been reduced to reflect the MMG Group's 62.5% and 55.0% equity interest, respectively. This is consistent with the basis of the preparation of MMG's financial statements.

Management Discussion and Analysis
Continued

Available debt facilities

As at 31 December 2024, the Group had available in its undrawn debt facilities an amount of US$2,950 million (31 December 2023: US$4,325 million).

Some of the Group's available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings at 31 December 2024. Certain financial covenants are measured with reference to the financial performance of the Group or its subsidiaries, and may be influenced by future operational performance.

Material acquisitions and disposals

Completion of the Acquisition of the Khoemacau Mine

Completion of the acquisition of the Khoemacau Mine occurred on 22 March 2024. In accordance with the share purchase agreement, at completion the Company paid to the Sellers the aggregate consideration of approximately US$1,734.7 million.

In addition to the payment of the aggregate consideration, in accordance with the share purchase agreement, the Company advanced an aggregate amount of approximately US$348.6 million, being the aggregate debt settlement amount, to settle certain debt balances of the acquired group.

Khoemacau Joint Venture

On 30 May 2024, MMG, MMG Africa Holdings Company Limited (a wholly-owned subsidiary of MMG), CNIC and Comor Holdings (a wholly-owned subsidiary of CNIC) and MMG Africa Resources Company Limited (the joint venture company) entered into an agreement to subscribe for shares at an agreed price and form a joint venture to manage the Khoemacau Mine. With effect from 6 June 2024, following completion of the subscription, MMG's interest was 55% and Comor Holdings' interest was 45%. The subscription and shareholders' agreement outlines the governance of the joint venture's management and affairs.

The operational results and financial position for the joint venture group have been included in this report.

Management Discussion and Analysis
Continued

Acquisition of Anglo American's Nickel Business in Brazil

On 18 February 2025, MMG announced that its wholly-owned subsidiary (MMG Singapore Resources Pte. Ltd.) entered into an agreement to acquire 100% of Anglo American's nickel business in Brazil ("Nickel Brazil") for an aggregate cash consideration of up to US$500 million. This includes an upfront cash consideration of US$350 million, contingent consideration of up to US$100 million linked to the realised nickel price[1], and contingent consideration of up to US$50 million linked to a final investment decision at development projects, Jacaré and Morro Sem Boné[2]. The acquisition aligns with the Group's growth strategy to expand its earnings, geographical footprint, and base metal commodity exposure, marking the Group's first investment in Brazil and the addition of nickel to its mineral resources and ore reserves.

The acquisition constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the Shareholders' approval requirements, under Chapter 14 of the Listing Rules.

As closing is subject to the fulfilment (or waiver, where applicable) of conditions, the acquisition may or may not proceed to closing. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Subject to the terms of the agreement, MMG and Anglo American have agreed to work towards completion in the third quarter of 2025.

Notes:

1. The payment will be calculated as 50% of incremental, post-tax revenue from nickel sales above the agreed realised nickel price of US$7.10/lb contained nickel, i.e. after the typical discounts for ferronickel products has been applied to the benchmark price for a period of 48 months.
2. A total of US$40 million is payable upon the Group making a final investment decision on the full-scale development of the Jacaré greenfield development project and US$10 million upon the Group making a final investment decision on the full-scale development of the Morro Sem Boné greenfield development project.

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 subscription price of the rights share represented a discount of approximately 31.41% to the closing price of HK3.82 per Share on 31 May 2024, being the last trading day before the subscription price of the rights share was fixed. The rights shares are ranked pari passu in all respects with the then existing shares which have no nominal value.

The results of the Rights Issue were disclosed on 12 July 2024 and 3,465,432,486 ordinary shares were allotted and issued on 15 July 2024. The Rights Issue was oversubscribed by 2.8 times and the gross proceeds from the Rights Issue amounted to US$1,152.4 million, net of transaction costs.

Details of the Rights Issue are set out in the Prospectus of the Company dated 20 June 2024. The Company intended to apply the proceeds for the following purposes:

- up to US$611 million (approximately HK$4,766 million) for repayment of amounts outstanding under the US$611 million shareholder loan facility between Top Create Resources Limited and MMG Africa Holdings Company Limited, which will mature in March 2031. This loan was used to fund the Company's equity contribution into the joint venture for the purpose of funding the acquisition of the Khoemacau Mine in Botswana;
- up to US$200 million (approximately HK$1,560 million) for the partial repayment of amounts still outstanding under the US$2,262.0 million term shareholder loan facility between Top Create Resources Limited and MMG South America Company Limited, of which US$700 million matured in July 2024; and
- the remaining proceeds used for repayment of outstanding revolving credit facilities to various banks.

Management Discussion and Analysis
Continued

As at the date of this report, the Group has utilised the net proceeds from the Rights Issue as follows:

Items	Intended use of the net proceeds (US$ in million)	Actual use of the net proceeds up to date of this report (US$ in million)	Unutilised proceeds up to date of this report (US$ in million)
Repayment of short term Khoemacau acquisition funding	Up to 611	611	0
Partial repayment of MMG South America shareholder loan Tranche A	Up to 200	175*	0
Repayment of outstanding Revolving Credit Facilities	Remaining proceeds	345	0

* The repayment deadline for the remaining MMG South America shareholder loan of Tranche A has been extended.

As at the date of this report, the Company has completed the intended utilisation of the proceeds, with the remaining balance being used to repay interest expenses incurred from the short term Khoemacau acquisition funding and for the payment of transaction costs.

The repayment of these debt facilities will provide greater flexibility for the Company to fund the general corporate and working capital purposes of the Company and ongoing development of the Company's mines including but not limited to essential infrastructure and equipment.

Development projects

The **Chalcobamba development**, located approximately three kilometres from the existing processing plant at Las Bambas, is crucial to an annual production increase to a range of 350,000 to 400,000 tonnes. The mine began early work with community companies at the Chalcobamba pit in early February 2024, and the plant has received a stable supply of ore from the Chalcobamba pit since the second half of 2024. MMG remains committed to transparent and constructive dialogue with the Peruvian government, local governments, and the Huancuire community to ensure sustainable growth and stable operations at Chalcobamba. Las Bambas is a significant contributor to the Peruvian economy and will continue to support social contributions and create financial and business opportunities for local and regional communities.

Kinsevere Expansion Project, which includes transitioning to the mining and processing of sulphide ore and commencing cobalt production, achieved mechanical completion on 15 September 2024, 15 days ahead of the scheduled date. With a nameplate capacity of 80,000 tonnes of copper cathode per annum, KEP will extend Kinsevere's mine life to at least 2035. The focus in 2025 will be on ramping up the concentrator and roasting systems and integration with the existing SXEW plant.

Khoemacau Expansion Project - utilising the existing 3.65Mtpa process plant, the Company is committed to accessing the higher-grade areas of the Khoemacau mine and working towards a higher production run rate of 60,000 tonnes of copper in copper concentrate annually by 2026-2027. This will be facilitated by ongoing mining development efforts to increase mining fronts, operational flexibility and access to higher-grade areas. These efforts will be further enhanced by constructing a paste fill plant to increase extraction rates and completion of the installation of Primary Vent Fans. C1 costs are expected to improve as the operation scales up.

In addition, the Company plans to expand the mine's capacity to 130,000 tonnes of copper in copper concentrate per annum by building a new 4.5Mtpa process plant, increasing Zone 5 output, and developing additional expansion deposits. Construction is anticipated to begin in 2026, with first concentrate production in 2028 and a projected C1 cost of US$1.55/lb at full capacity, subject to the outcomes of the feasibility study.

There were no other major development projects noted during the year ended 31 December 2024.

Management Discussion and Analysis
Continued

Contracts and commitments

During the year 2024, a total of 726 contracts were reviewed through market engagements or in-contract renegotiations. The approximate annual operational or capital values addressed by these activities amounted to US$990.7 million.

Extensive contracting activities were undertaken across all operational sites to secure essential supplies and meet other critical requirements. These actions were crucial for supporting the planned execution of projects, ensuring the continuity of our operations, and effectively managing potential disruption risks.

Las Bambas

New and revised agreements optimised production and development options at Las Bambas, including specific Chalcobamba contracts prioritising local community participation. These agreements encompass a range of services: studies and engineering via a consolidated head contractor, project construction, mining services (blasting and drilling), fuel supply, equipment maintenance, catering and camp services, transportation, health and medical services, road maintenance, customs and freight forwarding, plant shutdown services, grinding media, major component repair, and parts and consumables. Proactive investments in increased on-site concentrate storage capacity secured operational continuity and enhanced future flexibility. Streamlined internal procedures and strategic operational contracting for 2025, finalised at year-end 2024, are poised to optimize workload and leverage contract synergies for significant economies of scale.

Kinsevere

Several new and extended agreements were finalised, including, but not limited to water monitoring service, environment audit, air quality monitoring service, hospital services, explosives, and concentrator reagents. These agreements support the steady and continuously improving operation of Kinsevere while fulfilling its social responsibilities.

Khoemacau

Khoemacau implemented a supply improvement program in 2024, incorporating warehouse improvements and an intelligent stock cataloguing system to streamline inventory and reduce active line items. Supply chain personnel training yielded contract savings and aligned key performance indicators. Full integration into MMG's supply chain standards was completed in the fourth quarter of 2024, following its commencement in the second quarter.

Several new and extended operational agreements were finalised, covering concentrate offtake, mining development and production, explosives, onsite laboratory services, and fuel supply. Khoemacau continue to promote citizen economic empowerment in Botswana through procurement.

Several growth projects contracts were finalised for the backfill project, including filter plant, civils, structural, mechanical, platework & piping (SMPP), with the remaining procurement packages expected to be awarded in the near term. Exploration infill drilling contracts were completed as planned, aligning with the expansion feasibility study.

Management Discussion and Analysis
Continued

Dugald River

The 2024 contracts and commitments update for the Dugald site demonstrates significant progress in several key areas, particularly in supply chain management and operational efficiency. The site was dedicated to continuously reviewing long-term energy options, with an emphasis on increasing the adoption of renewable energy sources. A successful transition to a new camp management supplier was completed. Furthermore, a strengthened focus on local and social procurement, showcased at an October supplier roadshow in Cloncurry and Mt Isa, demonstrates a commitment to community engagement and regional economic development.

Rosebery

The 2024 contracts and commitments update for the Rosebery site highlights a commitment to both operational efficiency and environmental sustainability. Key achievements in 2024 include a new three-year electricity supply agreement with a local provider, and the successful operation of three diesel-electric loaders, which have reduced the site's carbon footprint. Strategic partnerships with engineering service and drilling suppliers bolstered the Rosebery project team.

Group

New and revised agreements were finalised for IT, Legal, APS (Asset Planning and Support), Assurance, Risk and Audit, and Insurance. These were supplemented by several professional services consultancy agreements covering SHEC (Safety, Health, Environment, and Community), Legal, HR (Human Resources), Corporate Affairs, Assurance, Risk and Audit, Climate, and Social Performance.

People

As at 31 December 2024, the Group employed a total of 5,195 full-time equivalent employees (2023: 4,542) in its continuing operations (excluding contractors and casual employees) with the majority of employees based in Australia, Peru, the DRC, Botswana, China and Laos.

The total employee benefits expenses for the Group's operations for the year ended 31 December 2024, including Directors' emoluments, totalled US$434.4 million (2023: US$365.7 million). The increase was primarily due to Khoemacau's acquisition and the update valuation of MMG Long Term Incentive Equity Plans based on performance measures estimation.

The Group has remuneration policies that align with market practice and remunerates its employees based on the accountabilities of their role, their performance, market practice, legislative requirements and the performance of the Group. Employee benefits include market-competitive fixed remuneration, performance-related incentives, a limited company equity scheme and, in specific cases, insurance and medical support. A range of targeted training and development programs are provided to employees across the Group that are designed to improve individual capability and enhance employee and Group performance.

Management Discussion and Analysis
Continued

Exploration activities

Las Bambas

Extensive drilling activities were conducted at several Las Bambas targets in 2024.

At Ferrobamba, drilling focused on the Ferrobamba Deeps UG (Underground) target beneath the existing Ore Reserve pit, informing 2025 studies to evaluate the mineralisation and potential mining methods (open pit and/or an underground development).

Additional drilling targeted near-surface skarn and porphyry copper mineralisation at Ferrobamba South (extending mineralization south and at depth), Ferrobamba East (east of the open pit), Jatun Charcas (West, East, and North), Chalcobamba Northwest and Deeps (near existing infrastructure), North Plant and Tomoco.

Kinsevere

In 2024, 3,940 meters of diamond drilling were completed within the Kinsevere tenement targeting the Mashi extension prospects. This resource testing campaign aimed to extend previously identified mineralisation laterally and downdip. Drilling results from Kinsevere Saddle and Kimbwe Kafubu in 2023 and 2024 were reflected in the 2024 Mineral Resource and Ore Reserves report.

Khoemacau

Regional exploration in 2024 focused on the Zone 9, Mango South Dome and Banana South-West Hinge (Chalcocite Zone) prospects. Drilling at the Banana Chalcocite prospect, targeting three areas identified by airborne electromagnetic data within a favourable higher stratigraphic siltstone unit. Drilling of 2 deep holes in Zone 5 commenced and is expected to be completed in the first quarter of 2025.

Dugald River

In 2024, surface exploration drilling at Dugald River concentrated on three key areas: the Wallaroo Copper prospect, Targets M1 & M2 and Extended Dugald River (EDR) Zn-Pb-Ag extension. To improve efficiency and target intersection, casing wedges were used where feasible. Diamond drilling at the Wallaroo Prospect continued to test the southern limits of alteration and mineralisation. At M1 & M2, drilling focused on the southern extents of each magnetic anomaly. Geological data refined interpretation of each target area, with Wallaroo results significantly enhancing the understanding of the structural controls on brecciation, alteration and mineralisation. In the third and fourth quarters, drilling probed the down-dip extent of a high-grade Zn-Pb-Ag zone within the northern EDR.

Rosebery

In 2024, a total of 123,171 meters of drilling was completed at Rosebery, with 81,518 meters dedicated to growth drilling. Underground growth drilling focussed on extending the Z- and U- lenses to the north and south, respectively. Further extensional drilling targeted previously mined lenses (AB, T, V, P and K- lenses), including new targets such as P- hanging wall and K- Cu.

Surface exploration drilling (15,614 meters in 82 holes) concentrated primarily at the historical mine of Hercules and South Hercules. Additional surface drilling was conducted north of the Rosebery mine at Oak, Bastyan, Lake Rosebery, as well as south of the mine at Snake Gully, and the historical Jupiter mine. Exploration at Hercules, Oak, Lake Rosebery and Snake Gully will continue in 2025.

Management Discussion and Analysis
Continued

Project	Hole type	Meterage (metres)	Number of holes	Average length (metres)
Americas				
Las Bambas	Diamond (Ferrobamba Deeps)	45,368	61	744
	Diamond (Ferrobamba South)	8,383	8	1,048
	Diamond (Ferrobamba East)	2,070	3	690
	Diamond (Chalcobamba NW)	3,188	3	1,063
	Diamond (Chalcobamba Deeps)	1,203	3	401
	Diamond (Jatun Charcas)	1,599	3	533
	Diamond (Jatun Charcas North)	4,642	11	422
	Diamond (Jatun Charcas West)	3,170	5	634
	Diamond (Plant North)	1,280	3	427
	Diamond (Tomoco)	777	2	389
Africa				
Kinsevere	Diamond (Mashi Extension)	3,940	10	394
Khoemacau	Diamond (Banana SW Hinge)	1,188	3	396
	Diamond (Zone 9)	1,276	4	319
	Diamond (South Mango Dome)	1,470	6	245
	Diamond (Zone 5)	3,117	2	1,559
Australia				
Dugald River	Diamond (Wallaroo)	4,584	6	764
	Diamond (M1)	1,530	2	765
	Diamond (M2)	989	1	989
	Diamond EDR (Zn-Pb-Ag)	3,907	5	781
Rosebery	Diamond – surface exploration	32,724	109	300
	Diamond – underground exploration	48,794	196	249
Total		**175,199**	**446**	**393**

Management Discussion and Analysis
Continued

Events after the reporting 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.

Financial and other risk management

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

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

(a) Commodity price risk

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

During the year ended 31 December 2024, the Group entered into various commodity trades to hedge the sales prices for copper and zinc. Unsettled commodity trades as of 31 December 2024 included

- Zero/low-cost collar hedges:
  - 5,500 tons of copper with put strike price ranging from US$9,250/tonne to US$10,385/tonne and call strike price ranging from US$9,750/tonne to US $10,700/tonne;
  - 900 tons of zinc with put strike price ranging from US$2,850/tonne to US$2,900/tonne and call strike price ranging from US$3,315/tonne to US$3,430/tonne.
- Fixed price swap hedges:
  - 13,800 tons of copper with fixed price ranging from US$9,008/tonne to US$9,253/tonne;
  - 8,550 tons of zinc with fixed price ranging from US$2,690/tonne to US$3,150/tonne.
- Above hedges settlement ranged from January to May 2025.

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

Management Discussion and Analysis
Continued

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

	Term	Carrying amount of hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedged item US$ million	Settled portion of hedging instrument realised gains US$ million	Hedging gain recognised in cash flow hedge reserve US$ million	Cost of hedging reserve US$ million
Cash flow hedges:							
At 31 December 2024							
Derivative financial assets/(liabilities)	**March 2024 to May 2025**	2.9	2.9	(2.9)	1.2	2.0	-
At 31 December 2023							
Derivative financial assets	**March 2023 to December 2023**	-	-	-	10.8	-	-

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

	2024			2023	
Commodity	Commodity price movement	Increase in profit US$ million	Decrease in OCI US$ million	Commodity price movement	Increase in profit US$ million
Copper	+10%	9.3	(5.5)	+10%	11.2
Zinc	+10%	-	-	+10%	7.2
Total		**9.3**	**(5.5)**		**18.4**

Commodity	Commodity price movement	Decrease in profit US$ million	Increase in OCI US$ million	Commodity price movement	Decrease in profit US$ million
Copper	-10%	(8.8)	5.5	-10%	(10.9)
Zinc	-10%	0.1	-	-10%	(7.2)
Total		**(8.7)**	**5.5**		**(18.1)**

Management Discussion and Analysis
Continued

(b) Interest rate risk

The Group is exposed to interest rate risk primarily through interest bearing borrowings and investment of surplus cash holdings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk.

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

The Group is exposed to the risk-free rate of SOFR. The exposures arise on derivative and non-derivative financial assets and liabilities. The current exposures mainly arise on non-derivative financial assets and liabilities.

At 31 December 2024 and 2023, if the interest rate had increased/(decreased) by 100 basis points, with all other variables held constant, post-tax profit would have changed as follows:

	2024		2023	
	+100 basis points	-100 basis points	+100 basis points	-100 basis points
US$ million	Increase/ (decrease) in profit after tax	(Decrease)/ increase in profit after tax	Increase/ (decrease) in profit after tax	(Decrease)/ increase in profit after tax
Financial assets				
Cash and cash equivalents	0.8	(0.8)	3.0	(3.0)
Financial liabilities				
Borrowings - variable interest rate	(21.5)	21.5	(17.6)	17.6
Total	**(20.7)**	**20.7**	**(14.6)**	**14.6**

(c) Foreign exchange risk

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

Management Discussion and Analysis
Continued

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

US$ million	US$	PEN	A$	BWP$	OTHERS	Total
At 31 December 2024						
Financial assets						
Cash and cash equivalents	173.2	6.4	3.1	5.6	4.4	**192.7**
Trade receivables	443.7	-	-	-	-	**443.7**
Other receivables	51.6	188.0	0.4	3.4	0.1	**243.5**
Derivative financial assets	11.0	-	-	-	-	**11.0**
Other financial assets	1.0	-	-	-	-	**1.0**
Financial liabilities						
Trade and other payables	(465.7)	(413.0)	(68.0)	(35.0)	(7.2)	**(988.9)**
Borrowings	(4,628.8)	-	-	-	-	**(4,628.8)**
Lease liabilities	(109.0)	(9.3)	(29.9)	-	-	**(148.2)**
Derivative financial liabilities	(0.7)	-	-	-	-	**(0.7)**
	(4,523.7)	**(227.9)**	**(94.4)**	**(26.0)**	**(2.7)**	**(4,874.7)**

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

Management Discussion and Analysis
Continued

Based on the Group's net monetary assets and financial liabilities at 31 December 2024 and 2023, a movement of the US dollar against the principal non-functional currencies as illustrated in the table below, with all other variables held constant, would cause changes in post-tax profit as follows:

US$ million	2024		2023	
	Weakening of US dollar	Strengthening of US dollar	Weakening of US dollar	Strengthening of US dollar
	Decrease in profit after tax	Increase in profit after tax	Decrease in profit after tax	Increase in profit after tax
10% movement in Australian dollar (2023: 10%)	(6.6)	6.6	(5.1)	5.1
10% movement in Peruvian sol (2023: 10%)	(15.5)	15.5	(10.7)	10.7
10% movement in Botswana pula	(1.8)	1.8	-	-
Total	**(23.9)**	**23.9**	**(15.8)**	**15.8**

(d) Credit risk

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

Investments in cash, short-term bank deposits and similar assets are with approved counterparty banks. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure exposure to credit risk is limited to acceptable levels. There has been no change in the estimation techniques or significant assumptions made during the year ended 31 December 2024 in assessing the expected credit loss ("ECL") for these financial assets. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure. Impairment is provided for where the credit risk is perceived to exceed the acceptable levels and there are concerns on recoverability of the relevant assets. The management of the Group considers cash and cash equivalents that are deposited with financial institutions with high credit rating to be low credit risk financial assets.

Other receivables include balances related to various matters including other taxes, indemnities. These balances are assessed at the reporting date considering contractual and non-contractual legal rights to receive such amounts as well as the expectation of recoverability based on expert third party advice and management assessment based on all available information. There are no significant increases in credit risk for these balances since their initial recognition and the Group provided impairment based on a 12-month ECL. For the years ended 31 December 2024 and 2023, the Group assessed the ECL for these balances and considered no significant impact to the consolidated financial statements.

Management Discussion and Analysis
Continued

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

	2024	2023
CMN	42.6%	46.6%
CITIC Metal	16.6%	20.2%
Trafigura	16.2%	8.2%

The Group's largest debtor at 31 December 2024 was CMN with a balance of US$228.9 million (2023: US$159.1 million) and the five largest debtors accounted for 81.5% (2023: 77.6%) of the Group's trade receivables. Credit risk arising from sales to large concentrate customers is managed by contracts that stipulate a provisional payment of at least 90% of the estimated value of each sale. For most sales a second provisional payment is received within 60 days of the vessel arriving at the port of discharge. Final payment is recorded after completion of the quotation period and assaying.

The credit risk by geographic region was:

	At 31 December	
US$ million	**2024**	**2023**
Asia	361.7	264.7
Europe	74.5	78.6
Others	7.5	11.5
	443.7	**354.8**

(e) Liquidity risk

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

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

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

Management Discussion and Analysis
Continued

US$ million	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying value
At 31 December 2024						
Financial assets						
Cash and cash equivalents	192.7	-	-	-	**192.7**	**192.7**
Trade receivables	443.7	-	-	-	**443.7**	**443.7**
Other receivables	127.5	116.0	-	-	**243.5**	**243.5**
Derivative financial assets	11.0	-	-	-	**11.0**	**11.0**
Other financial assets	-	1.0	-	-	**1.0**	**1.0**
Financial liabilities						
Trade and other payables	(679.3)	(309.6)	-	-	**(988.9)**	**(988.9)**
Borrowings (including interest)	(1,132.9)	(1,312.8)	(2,630.7)	(271.6)	**(5,348.0)**	**(4,628.8)**
Lease liabilities (including interest)	(36.1)	(34.0)	(74.5)	(55.9)	**(200.5)**	**(148.2)**
Derivative financial liabilities	(0.7)	-	-	-	**(0.7)**	**(0.7)**
	(1,074.1)	**(1,539.4)**	**(2,705.2)**	**(327.5)**	**(5,646.2)**	**(4,874.7)**
At 31 December 2023						
Financial assets						
Cash and cash equivalents	447.0	-	-	-	**447.0**	**447.0**
Trade receivables	354.8	-	-	-	**354.8**	**354.8**
Other receivables	93.4	150.7	5.1	-	**249.2**	**249.2**
Derivative financial assets	3.1	-	-	-	**3.1**	**3.1**
Other financial assets	-	2.7	-	-	**2.7**	**2.7**
Financial liabilities						
Trade and other payables	(616.4)	(286.5)	-	-	**(902.9)**	**(902.9)**
Borrowings (including interest)	(1,599.6)	(1,285.1)	(1,899.6)	(824.3)	**(5,608.6)**	**(4,707.1)**
Lease liabilities (including interest)	(33.9)	(32.6)	(66.0)	(73.7)	**(206.2)**	**(147.6)**
	(1,351.6)	**(1,450.8)**	**(1,960.5)**	**(898.0)**	**(5,660.9)**	**(4,700.8)**

Management Discussion and Analysis
Continued

Country and community risks

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

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

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

Contingent liabilities

Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the reporting period, no material claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authorities. At 31 December 2024, these guarantees amounted to US$330.7 million (2023: US$310.5 million).

Contingent Liabilities - tax related contingencies

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

Management Discussion and Analysis
Continued

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

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

Included within such uncertain tax matters are audits of the 2014, 2015, 2016 and 2017 tax periods for MLB in relation to withholding taxes on interest and fees paid under certain loans, which were provided to MLB pursuant to facility agreements entered into among MLB and a consortium of Chinese banks in connection with the acquisition of the Las Bambas mine in 2014. MLB received assessment notices from the Peruvian tax authority ("SUNAT"), which advised that, in its opinion, MLB and the Chinese banks are related parties and thus a 30% withholding tax rate ought to be imposed rather than the 4.99% applied.

In June and July 2024, MLB received favourable decisions of the Tax Court in Peru determining that MLB is not liable to penalty withholding tax at a 30% rate. The Tax Court decision relates to the 2014, 2015, 2016 and 2017 tax periods. The Tax Court stated that the purpose of the related-party provisions in the Income Tax law is to prevent tax avoidance practices and according to the Court, 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 SUNAT was against the law and dismissed it and revoked the appealed Assessments in relation to the 2014 to 2017 tax periods in the amount of US$557.0 million. The assessments for omitted taxes, along with the corresponding penalties and interest, have been revoked, and the outstanding debt is currently recorded as zero in SUNAT's system.

Having received the above Tax Court decisions, external legal and tax advice, the Group has the continued point of view that the Company and its controlled entities are not related parties to Chinese banks under Peruvian tax law. Additionally, the Peruvian tax law was amended (with effect from October 2017) to provide expressly that parties are not related by being under state ownership for the purposes of withholding taxes.

Since September 2024, SUNAT filed judicial lawsuits challenging the Tax Court's decisions. MLB has already submitted its response and commenced its legal defence for FY 2017 and FY 2016. In January 2025 SUNAT filed judicial appeals on FY 2014 and FY 2015 cases. MLB has responded within the deadline. A final decision in the Judiciary may take several years.

Peru – Income Taxes (2016, 2017, and 2018)

Las Bambas received assessment notices from SUNAT in connection with the 2016, 2017 and 2018 income tax audit during 2023 and 2024. SUNAT assessments and interpretations include:

- Denying the deductions for all interest on borrowings expensed during the 2016 tax year. This included the loans from Chinese banks where SUNAT denied the interest deductions on the basis that the borrowings were from related parties and that the alleged related party debt should be included in calculating Las Bambas' related party 'debt to equity' ratio (the 'thin capitalisation' threshold) which would then be breached;
- Alleging that interest payable on the shareholder loan from MMG Swiss Finance A.G. is non-deductible due to the application of the "Causality Principle" (i.e., the loan has no relevance to the income-producing activities of Las Bambas);
- Alleging that the accounting treatment of the merger of Peruvian entities (subsequent to the acquisition of Las Bambas in 2014) should have resulted in a negative equity adjustment which would result in Las Bambas having no equity for the purposes of calculating its thin capitalisation allowance; and
- Denying recognition of previous years' tax losses, including 2014, 2015 and 2016 development costs.

Management Discussion and Analysis Continued

The Assessment issued by SUNAT for tax, interest and penalties for the tax periods above totalled PEN7,474.0 million (approximately US$1,992.0 million).

In September 2024, MLB received Tax Court Resolutions related to 2016 and 2017 income tax audits. MLB successfully addressed the objections and the tax exposure was reduced from US$1,121.0 million to zero.

The income tax 2018 audit concluded with the same interpretation of previous years regarding the non-deductibility of interest expenditure. Due to the favourable rulings for FY 2016 and 2017, a favourable outcome is also expected for FY 2018.

Las Bambas has notified the Peruvian Government of a dispute pursuant to the Peru-Netherlands Bilateral Investment Treaty (Treaty) in respect of the deductions denied for interest on the loans from Chinese banks, and the Peruvian Government has confirmed its inability to resolve the dispute by way of commercial negotiation. Due to the favourable rulings, the arbitration has not commenced.

Considering Las Bambas' positive results and advice from the Las Bambas' tax and legal advisers, the Group did not recognise a liability in its consolidated financial statements for any assessed amount. However, SUNAT have appealed as mentioned above. If Las Bambas' defence is unsuccessful in the appeal, it could result in significant liabilities being recognised.

Future prospects

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 resources, production and value, by leveraging Chinese and international expertise. Our strong relationship with China draws upon the strength of the world's largest commodities consumer and provides a deep understanding of markets and access to its sources of funding.

The Company is focused on maximising the value of our existing assets by increasing our safety performance, improving competitiveness, containing costs, continually improving productivity, building successful relationships with our host communities and governments and growing our resource base. We are actively pursuing our next phase of disciplined growth.

Las Bambas copper production for 2025 is expected to reach 360,000 - 400,000 tonnes. Kinsevere copper cathode production is expected at 63,000 - 69,000 tonnes. Khoemacau copper production for 2025 is expected to be between 43,000 and 53,000 tonnes. For zinc, 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. Rosebery zinc production for 2025 is expected to be in the range of 45,000 to 55,000 tonnes of zinc in zinc concentrate.

Las Bambas

Las Bambas annual production is expected to produce 350,000-400,000 tonnes of copper in copper concentrate in the short-to-medium term. Since the second half of 2024, mining operations at the Chalcobamba pit have stabilised, providing high-grade ore to the Las Bambas processing plant. In 2025, Las Bambas will continue to drive mining operations in both the Chalcobamba and Ferobamba pits as well as maintaining robust community engagement and supporting a range of social programs focused on local business development, education, health, infrastructure and agriculture, among others.

Management Discussion and Analysis
Continued

Kinsevere

In the DRC, the mechanical construction of the Kinsevere expansion project was completed on 15 September 2024. The mine is now focusing on ramping up the concentrator and roasting systems and integrating them with the existing SXEW plant. This phased approach is expected to gradually increase copper cathode production towards nameplate capacity. MMG will continue to invest in regional exploration programs focusing on proving up discoveries within an operating radius of the Kinsevere mine.

Khoemacau

The Khoemacau Mine is a rare, high-grade copper producing asset with a planned expansion that will leverage existing skills and infrastructure at a low capital intensity and in the bottom half of the global cost curve. The mine's 4,040 km^2 tenement package hosts the 10th largest African copper Mineral Resource by total contained copper metal and is one of the largest copper sedimentary systems in the world outside of the Central African Copperbelt.

Subsequent to the acquisition completed on 22 March, 2024, the Company is implementing a comprehensive plan to increase annual copper concentrate production to 60,000 tonnes by 2026-2027. This will be facilitated by ongoing mining development efforts to increase mining fronts, operational flexibility and access to higher-grade areas. These efforts will be further enhanced by constructing a paste fill plant to increase extraction rates and completion of the installation of Primary Vent Fans. C1 costs are expected to improve as the operation scales up.

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. This will involve constructing a new 4.5 Mtpa process plant, expanding Zone 5 output, and developing expansion deposits.

Dugald River

Dugald River remains committed to safe, greener and sustainable production to support the delivery of 2,000,000 tonnes of ore mined per year. This will pave the way for targeted zinc equivalent production to remain at around 200,000 tonnes annually. Dugald River is looking at the feasibility of building a wind farm to complement the long-term solar offtake agreement with energy provider APA. This is part of our ongoing commitment to reduce our carbon footprint.

Rosebery

At Rosebery, MMG's strategic priority is to extend the operational life of the mine. This is being supported by initiatives including an accelerated resource extension and near-mine exploration drilling program (initiated in 2023), and a recently approved sustainable tailings storage solution.

The drilling program, utilising both underground and surface drilling, has already resulted in the increase in Rosebery's ore reserves by 47%, with zinc, lead, silver, gold and copper increasing by over 30% (as detailed in MMG's Mineral Resources and Ore Reserves Statement as at 30 June 2024).

In addition, final approval for the further expansion of the existing tailings storage facility (TSF) was received in December 2024, a key enabler of the ore reserve increase and mine life extension. In 2025, the mine will focus on the Stage 11 and 12 embankment raises at the Bobadil TSF, and a capacity increase at 2/5 Dam. These projects, subject to permitting approvals, have the potential to extend the life of the existing tailings facilities to 2030.

Management Discussion and Analysis
Continued

Capital expenditure plan in 2025

Total capital expenditure in 2025 is expected to be between US$1,200 million and US$1,300 million. This includes US$550-600 million for Las Bambas (tailings dam facility expansion, Ferrobamba pit infrastructure, and Chalcobamba execution); US$300 million and US$350 million for Khoemacau (including US$170-190 million for expansion studies and early works, plus paste-fill plant design and construction); and US$200 million for Kinsevere, reflecting reduced spending on the Kinsevere Expansion Project, increased capitalised waste mining expenditure during ramp-up of the project and spending on debottlenecking projects. Should MMG successfully complete the acquisition of Nickel Brazil, additional capital expenditure will be required in 2025.

MMG will continue to focus on the next phase of growth. Currently, the company has no future plans for material investments or capital assets sanctioned by the Board, other than those detailed in this report or announced to the market.