TRANSCRIPTION

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INTRODUCTION

SHEN Ying Sherry (MMG, Head of Investor Relations):

- Hello everyone, thank you for dialling into the MMG Limited 2025 Interim Results Investor presentation. I am Sherry Shen, the company's Head of Investor Relations. First, let me introduce the MMG leadership team joining this presentation:
  Mr. ZHAO Jing Ivo, CEO and Executive Director
  Mr. QIAN Song, Chief Financial Officer
  Mr. WANG Nan, Executive General Manager – Operations
  Mr. Troy Hey, Executive General Manager – Corporate Relations
  Ms. GUAN Xiangjun Sandra, Interim Executive General Manager – Commercial and Development
- Please note the disclaimer on screen. This presentation will provide a first half year in review, an overview of MMG's financial results and a Strategy and Outlook update. Questions will be taken only at the end of the presentation.
- Please note that this presentation offers two methods for participating in the Q&A session: via telephone or online text submission. For participants joining via telephone, please press *1 on your telephone keypad to ask a question. To cancel your question, press *2. For participants joining via the online platform, please click the "Raise Hand" button in the top right corner of the live session interface to submit your question in text. I will now hand over to Mr. ZHAO Jing Ivo.

2025 First half in Review

ZHAO Jing Ivo (MMG, CEO):

- Thank you, Sherry. Welcome everyone. The team and I are delighted to share our 2025 Interim Results. It's exciting to be here with so many of you and thank you also to those joining online, thank you all for your attention and support for MMG. Let's begin the presentation.
- At MMG, safety is our first value. First of all, in line with the company's tradition of building a strong safety culture, today's presentation will begin with our safety performance. Here, I must emphasize again: safety is the top priority in all of the company's work. Whether in daily operations, project challenges, or emergency responses, safety is the primary driver for decision-making. All teams are required to always: promote proactive safety behaviours, embed critical controls, and strengthen contractor oversight. Only by building a solid safety foundation can we steadily advance our work. Based on MMG's first half data, the company's Total Recordable Injury

Frequency (TRIF) per million hours worked was 1.8, and the Significant Events with Energy Exchange Frequency Rate per million hours worked (SEEE-F) was 0.78, with safety indicators outperforming peer companies. However, we must continue to enhance management, strengthen our safety culture, and implement improvement measures to continuously improve safety performance.

- In the first half of 2025, the company made significant progress in both production operations and financial management, delivering an impressive performance. Our flagship asset, Las Bambas, continued to demonstrate strong momentum — copper production steadily increased while unit operating costs significantly decreased. Meanwhile, production at our other two copper mines also grew, and the market tailwinds from rising prices of key metals such as copper, gold, silver, and zinc further drove the company's performance to achieve exponential growth. During the reporting period, the company's net profit after tax reached USD 566 million, with USD 340 million attributable to equity shareholders. Total net profit after tax increased by more than 600% compared to the same period last year. At the same time, profitability and cash flow strengthened in tandem: EBITDA reached USD 1.54 billion, up 98% year-on-year, while net operating cash flow reached USD 1,185 million, up 130% year-on-year. The company's financial health also reached a new milestone: the gearing ratio dropped from 41% at the end of last year to 33%, marking the lowest level since the acquisition of Las Bambas. These figures reflect the company's comprehensive capabilities in production, market, and financial management, laying a solid foundation for future development. We will continue to move forward steadily, driving sustainable growth for the company and creating long-term value for shareholders and all stakeholders.
- In terms of specific production performance, the company's total copper production in the first half of the year reached approximately 260,000 tonnes, a significant increase of 64% year-on-year, marking a remarkable breakthrough in production scale. Total zinc production reached nearly 110,000 tons, achieving stable operations. From the perspective of revenue contribution structure, with the dual benefits of steadily increasing copper production and high copper prices, the company's copper business has continued to grow in significance. In the first half of the year, copper revenue accounted for 78% of total revenue. I will discuss the organic growth of the company’s three copper mines.
- At Las Bambas, we implemented a dual-core model of "Operational Excellence Standards plus Community Development Benchmark" to systematically unlock the resource potential of this world-class asset. In the first half of this year, through the coordinated mining of the Chalcobamba and Ferrobamba pits and optimized ore blending, the mine achieved an average ore grade of over 0.9%, laying a solid foundation for achieving the annual copper production target of 400,000 tonnes. It is worth emphasizing that, to fully tap into the resource potential of this world-class mine, we have established a three-dimensional exploration system focusing on "Deep, Edge, and Peripheral" areas. Currently, we are prioritizing growth-oriented exploration projects in the “Ring of fire” region. As exploration work continues to advance, we aim to convert more resources into JORC-compliant reserves, thereby effectively increasing the resource and reserve base.

- At Khoemacau, the resource reserves are also substantial, with proven resources capable of supporting a stable annual output of 130,000 tonnes of copper. Currently, the feasibility study, design, and preliminary work for this project are progressing Well. Our goal is to produce the first concentrate production from the expansion project by no later than 2028. Notably, the company has the mining rights to a mining area of 4,040 square kilometers in the Kalahari Copper Belt. However, the current exploration area accounts for less than 10% of this total. Preliminary exploration has revealed that the Zone 5 structural belt exhibits characteristics conducive to hosting large-scale, high-grade deposits. This indicates significant potential for future development, with the capacity to expand production to an annual output of 200,000 tonnes.
- At Kinsevere, the expansion project to achieve an annual output of 80,000 tonnes of cathode copper has entered a critical phase. The team is systematically advancing work around three core tasks: capacity ramp-up, technical optimization, and power supply stability. In June, the recovery rate of the sulphide ore concentrator exceeded 75%, and the calcine conversion rate of the roaster reached 88%. To address the issue of power supply instability in the local grid, the project team has begun exploring a "dual-assurance" power solution. This includes the addition of a 12 MW diesel generator while simultaneously conducting analysis for a solar power and BESS project. The goal is to achieve an upgrade in power supply assurance and align it with the capacity expansion strategy as soon as possible.
- For MMG, investing actively in sustainable development underpins our company's growth. Take Las Bambas as an example. Through the implementation of "The Heart of Las Bambas" project, we have carried out a series of impactful initiatives. The scholarship program has effectively improved local education levels; the specialised medical campaigns have helped to safeguard the health of community residents; and the agricultural projects have promoted economic diversification within the community. More importantly, initiatives such as the construction of the Kutuctay Bridge, a works for taxes program, and our innovative approach to deeply integrating community development into the mine's value chain, have not only significantly improved local infrastructure but also achieved a deeper level of understanding and mutual prosperity between the community and the mine. We firmly believe that these efforts will contribute to strong momentum for the stable operation of the mine, laying a solid foundation for the company's long-term development. Now I will hand over to Mr. QIAN Song.

Financial results

QIAN Song (MMG, CFO):

- Thank you, Ivo. Good morning investors and analysts. Next, I will present the company's financial performance and outlook. In the first half of 2025, thanks to steady production growth at our mines, effective implementation of cost control strategies, and favorable increases from metal prices, the company's financial performance improved significantly, with key indicators achieving substantial year-on-year growth. Revenue reached USD 2.8 billion, up 47% year-on-year. Unit costs at our mines decreased; EBITDA reached US$1.5 billion, up 98% year-on-year. Net profit attributable to shareholders increased to US$340 million. In terms of net profit contribution attributable to shareholders from each asset, the largest profit contribution came from the Las Bambas mine, with profit contributions from our other mines also showing improvement.

- Compared to peer companies, MMG has demonstrated outstanding profitability. In the first half of the year, the company's EBITDA margin increased to 55%, ranking among the top globally for similar companies. Now, let's take a closer look at the performance of each of our mining assets.
- The Las Bambas mine demonstrated exceptional production and operational performance: in the first half of the year, the mine's output increased significantly, producing over 210,000 tons of copper contained in copper concentrate. Notably, three key indicators - ore processing volume, feed grade, and recovery rate - all achieved strong growth. The steady production growth, combined with effective cost reduction and efficiency improvement measures, reduced cash cost (C1 cost) to nearly $1 per pound of copper, positioned the mine near the first quartile of the global copper cost curve, strengthening its competitive advantage. EBITDA increased by 122% year-on-year, reaching $1.3 billion.
- Following the completion of the acquisition in March 2024, Khoemacau continued to increase production in the first half of this year, achieving an EBITDA of USD 90 million, a year-on-year growth of 167%. In line with MMG's growth plans, Khoemacau will further increase its production capacity to 130,000 tonnes by 2028. Along with this capacity expansion, the mine's financial metrics are expected to continue to strengthen.
- In the first half of 2025, Kinsevere achieved an EBITDA of USD 30 million, a 27% decrease compared to the same period last year. The ramp up of the expansion project towards 80,000-tonne cathode copper annual production continued to progress. During the ramp-up process, the mine's short-term profitability has been under pressure. Production ramp-up was affected by country-wide power supply instability, resulting in relatively high unit production costs for the sulfide ore processing facilities. Currently, backup generators are being installed. The right-hand chart shows that various technical indicators of the expansion project are continuously being optimized. As production increases and unit production costs decrease, the profitability of the Kinsevere mine is expected to gradually improve.
- Dugald River increased ore processing volumes and maintained a recovery rate of over 90%. Its production reached 84,000 tonnes, a year-on-year increase of 6%. Due to impacts including inventory movement and ground support costs, operating costs at the mine increased. Dugald River’s EBITDA was USD 66 million, representing an 18% decrease compared to the same period last year.
- Our Rosebery mine continued to implement its polymetallic outputs strategy, producing 24,000 tonnes in the first half of the year, while zinc equivalent production totalled 55,000 tonnes. Revenue from other metals, including gold, silver, lead, and copper, significantly exceeded that from zinc. Thanks to by-product credits from revenue contributions of other metals included in zinc's C1 costs, the mine achieved a negative zinc C1 cost of USD 0.32 per pound in the first half of the year. EBITDA for the same period reached USD 55 million, with diversified metal revenues serving as the core driver of profitability.
- Leveraging a strong operational performance, the company optimized of our financial structure, steadily reducing debt. As of the end of June, the gearing ratio further decreased to 33% from its lowest level at the end of last year, 41%, bringing the gearing structure to its most robust state in over a decade. With the improved profitability of Las Bambas, we completed our first dividend distribution from Las Bambas to MMG and its joint venture partners in the second quarter,

marking the realization of investment returns for the mine's joint venture shareholders. Using the dividend funds, MMG injected capital into the Khoemacau joint venture and repaid US$500 million in shareholder loans ahead of schedule, further reducing overall debt levels. The chart on the right of the slide provides a detailed overview of the company's future debt repayment schedule. With the support of our major shareholder, China Minmetals, MMG can flexibly adjust the scale of shareholder loans based on liquidity conditions and funding needs, further enhancing financial flexibility. With the company's financing structure and current strong operating cash flow, MMG's financial structure is secure and stable, with a safe and manageable debt repayment schedule.

- In terms of capital allocation, the company's capital expenditure estimation for 2025 has been adjusted to USD 1.1–1.25 billion, covering maintenance and inspection investments, development project investments, and capitalized mining expenditures. Here, we have listed some of the key expenditure projects. Undertaking reasonable investments to drive long-term value growth is a critical component of the company's development strategy. Additionally, the acquisition of the Nickel Brazil asset is progressing and expected to be completed by the end of the year, with an initial consideration of USD 350 million.
- I would also like to report that MMG's Board places great importance on shareholder returns, conducting reviews of dividend matters twice a year. In April this year, the Board approved the Company's dividend policy. We remain committed to building on our operational excellence to continuously enhance the company's profitability, with financial stability as a priority and a focus on maximizing long-term shareholder value. At the same time our efforts will be directed toward increasing shareholder returns, including addressing any dividend obstacles and paying dividends for the listed company as soon as possible. That concludes my report. I will now hand back to Mr. ZHAO to introduce the company's strategy and outlook.

Strategy and outlook

ZHAO Jing Ivo (MMG, CEO):

- MMG's core business will remain firmly focused on copper and other base metals that are critical to a low-carbon future. Currently, the global energy system is undergoing profound and sustained transformation. At the same time, urbanization continues to progress steadily, and electrification is increasingly penetrating and deepening across various sectors, including industry, transportation, and daily life. Against this backdrop, the installed capacity of renewable energy sources such as solar and wind power is expanding rapidly. Energy storage systems have become an indispensable component for ensuring stable energy supply, and the market share of electric vehicles is steadily rising and continuously growing. Given these robust development trends, it is expected that the demand for metals such as copper, zinc, and nickel will remain strong and sustained. This will undoubtedly provide vast opportunities for MMG's future growth.
- As shown on this global map, we are achieving a strategic presence across the world's Major Mineralized Belts. In terms of our development strategy, the company consistently prioritizes enhancing operational value and maximizing asset growth potential. At the same time, we actively explore diversification opportunities across different regions and commodity sectors to

strengthen the company's diversified business portfolio. Regarding production expectations, the company's total copper production this year is projected to reach up to 520,000 tonnes, while total zinc production is expected to reach up to 240,000 tonnes. If operating conditions remain stable and unaffected by external factors, Las Bambas is expected to contribute 400,000 tonnes of copper production this year. Additionally, Kinsevere and Khoemacau will continue to play a significant role in driving the company's copper production growth. In the zinc sector, Dugald River and Rosebery are on track to achieve their zinc production targets.

- This year marks the conclusion of China's 14th Five-Year Plan, and we are fully committed to advancing the implementation of MMG's next five-year plan. Notably, we plan to share with investors the five-year development blueprint for the company and each of our mines. I firmly believe that, with the collective efforts and unwavering dedication of our colleagues across all departments, 2025 will be a year of abundant achievements for us. On behalf of the Board of Directors, I would like to extend my heartfelt gratitude to all our employees, shareholders, partners, and stakeholders for their trust and support over the years. Thank you all!

<QUESTIONS AND ANSWERS>

SHEN Ying Sherry (MMG, Head of Investor Relations): Thank you, Mr. Zhao and Mr. Qian. The presentation on the company's performance and strategy has concluded. We will now begin the Q&A session with consecutive interpretation. Participants may ask questions via phone or the webcast platform. For phone participants, press "*1" to ask a question and "*2" to cancel. Online participants can use the "raise hand" button on the webcast platform. The first question today comes from Jimmy FENG with Citi. Please go ahead.

Jimmy FENG (Citi, Analyst): Congratulations on MMG's excellent interim results. I have three questions. My first question pertains to the C1 cost of Las Bambas. In the first half of the year, the C1 cost was US$1.06/lb, significantly lower than expectations. With full-year guidance at US$1.4–1.6/lb, could you explain the factors contributing to the expected cost increase in the second half, assuming no road blockades? Thank you.

QIAN Song (MMG, CFO): Thank you for your question. In the first half of the year, the C1 cost of Las Bambas was indeed US$1.06/lb, however, we have maintained relatively conservative full-year guidance to allow for prudent risk management. If production volumes at Las Bambas remain high, cash costs are expected to stay low.

Jimmy FENG (Citi, Analyst): My second question is related to the road blockades at Las Bambas. In the first half, road blockades caused inventory issues, have these been resolved? Additionally, is there a risk of road blockades in the second half, and are there specific timeframes to monitor?

ZHAO Jing Ivo (MMG, CEO): The roadblocks at the end of the first half of the year did indeed have some impact on mining companies in Peru. Road blockades disrupted Las Bambas operations for 15 days. These issues were resolved as of July 15. At present, road transportation is functioning efficiently, and we aim to clear inventory in the coming months.

Regarding the protests triggered by Peruvian artisanal miners raising demands to the government, no agreement has been reached between the two parties so far. We will continue to monitor the situation, work to minimize disruptions caused by roadblocks, and ensure the stability of operations and production. Despite the blockades, Las Bambas has consistently operated at full capacity. With Peru's presidential election scheduled for April next year, we anticipate an increased risk of protests in the country.

Jimmy FENG (Citi, Analyst): Got it. Thank you. My final question is about finance costs. I noticed a reduction in debt and finance costs, which are currently at US$1.4 billion. Could you provide an outlook for the second half?

QIAN Song (MMG, CFO): For the first half, finance costs were US$139 million, down US$33 million from US$168 million in the same period last year. In actual terms, the reduction is US$75 million. For the full year, we aim to lower finance costs to approximately US$320 million.

Jimmy FENG (Citi, Analyst): Thank you. I have no further questions.

SHEN Ying Sherry (MMG, Head of Investor Relations): The next question comes from Hannah YANG with Morgan Stanley. Please go ahead.

Hannah YANG (Morgan Stanley, Analyst): Congratulations on your outstanding results. I have two questions. First, with Peru's upcoming presidential election, there is a potential risk of road blockades. During the 2022 presidential election of Peru, significant disruptions occurred, and Las Bambas ceased operations for six months. What measures will Las Bambas take to mitigate potential impacts this time? Second, in the first half of the year, the gearing ratio of MMG decreased significantly, what is MMG's long-term guidance for the gearing ratio?

ZHAO Jing Ivo (MMG, CEO): In May 2022, Las Bambas experienced a shutdown of approximately 55 days due to community invasions, marking the longest shutdown in the mine's history. Subsequently, we launched the "Heart of Bambas" community strategy to rebuild and strengthen relationships with the community, achieving positive interactions through a series of dialogues. Since March 2023, there have been no large-scale roadblocks or invasion incidents at Las Bambas, which has been the main reason for the continued stability in production.

At the end of 2022, political unrest caused by Peru's then-president led to nationwide road blockades, disrupting transport for three months until March 2023. However, the operation of Las Bambas remained unaffected.

To address risks, the mine has implemented the following measures:

- Strengthening good relationships with the community to lay a solid foundation for stable production.
- Enhancing connections with surrounding roads and suppliers to ensure smooth transportation.
  Continuously monitoring social and political changes, especially formulating contingency plans in advance for the upcoming election, to ensure the stability of production and transportation.

QIAN Song (MMG, CFO): Over the past two years, the company has implemented a series of forward-looking financial arrangements based on performance growth. These include the early repayment of the Las Bambas project loan and its replacement with low-cost bank financing, the removal of funding restrictions on the Las Bambas mine, the implementation of dividends at the project company level, and phased capital injections into the Kinsevere mine. These measures, supported by operating cash flow, have achieved significant results, with reductions in leverage ratio, loan balance, and net financing amount, as well as a notable optimization of financing costs.

In the first half of the year, we generated US$1.185 billion in cash flow, allocating US$400 million to capex, US$417 million to debt repayment, and US$500 million to cash reserves. We aim to balance debt repayment with a diversified financial strategy, considering market conditions, company value, development plans, and profitability. This approach ensures financial stability while determining an optimal debt level.

Hannah YANG (Morgan Stanley, Analyst): Thank you. I have no further questions.

SHEN Ying Sherry (MMG, Head of Investor Relations): Thank you. The next question comes from Lawrence LAU with BOCI. Please go ahead.

Lawrence LAU (BOCI, Analyst): Thank you. I have three questions.

First, regarding the profit-sharing mechanism at Las Bambas, could you elaborate on how this mechanism works? Specifically, what percentage of profits is shared with the community and third parties?

Second, in the first half of the year, inventory of Las Bambas increased by US$96 million due to the accumulation of low-grade ore, could you clarify the grade of this ore and explain the approach of site to handling it? Will this affect the grade of processed ore in the second half of the year?

Third, a new 12-megawatt diesel generator was introduced to address power supply issues at Kinsevere. Once operational, how much will this reduce reliance on electricity from the local grid?

ZHAO Jing Ivo (MMG, CEO): The profit-sharing mechanism is a legal requirement in Peru, mandating all industries to contribute a portion of their profits. For the mining sector, the rate is 8%, while other industries range from 5% to 12%. This mechanism functions similarly to a tax, where higher profits lead to higher contributions. It benefits employees by improving cohesion and provides broader economic advantages.

QIAN Song (MMG, CFO): To add, the employee profit-sharing component is included in the C1 costs, which are reflected in the operating costs of our mines. These costs are typically accounted for during the first quarter.

WANG Nan (MMG, Executive General Manager - Operations): Regarding the issue of medium- and low-grade ore stockpiles at the Las Bambas mine, due to the varying grades of mined ore, Las Bambas adopts an ore blending strategy for processing. Medium- and low-grade ore is temporarily stockpiled and gradually processed over the entire life cycle. Looking ahead to the second half of the year, the ore grade is expected to remain stable.

Regarding the power supply at Kinsevere, power supply from the state grid was unstable in the first half of the year, causing outages frequently. To address this, Kinsevere are procuring a 12-megawatt diesel generator, which is expected to provide 40%–45% of the required capacity once operational. However, we prioritise using state grid power due to its lower cost. The diesel generator will only be used during outages. As such, its full capacity will not be utilised under normal circumstances.

SHEN Ying Sherry (MMG, Head of Investor Relations): Thank you. The next question comes from Yaoting TU with CITIC. Please go ahead.

Yiting TU (CITIC, Analyst): Thank you for your detailed responses and congratulations on your excellent results, I have two questions.

First, in the first half of the year, the C1 costs of Las Bambas declined to US$1.06/lb due to stable operation and byproduct deductions. Are there other factors contributing to this decline, and what is the future cost outlook?

Second, in the first half of the year, the C1 costs of Khoemacau decreased by over 15% quarter-on-quarter. What is the future cost outlook for this mine?

ZHAO Jing Ivo (MMG, CEO): The cost reduction at Las Bambas is primarily driven by increased production volumes, which significantly lowered C1 costs. Additionally, our team has focused on improving efficiency and reducing expenses, achieving cost reductions in line with our targets and plans. I will now defer to Nan to address the Khoemacau question.

WANG Nan (MMG, Executive General Manager - Operations): The decrease in C1 costs at the Khoemacau mine in the first half of the year was mainly due to two reasons: first, the mine continued to optimise operating costs; second, adjustments to the production schedule, which involves arrangements for operations such as development and mining. After optimisation in the first half of the year, costs were reduced, but costs may increase in the second half due to increased development activities. Therefore, for the full year, the mine's cost guidance remains unchanged.

Yiting TU (CITIC, Analyst): I have no further questions. Thank you.

SHEN Ying Sherry (MMG, Head of Investor Relations): Thank you. The next question comes from Chris SHIU with Balyasny Asset Management. Please go ahead.

Chris SHIU (Balyasny Asset Management, Analyst): Congratulations on your excellent results. My question is about capex. In the first half of the year, capex was US$424 million, while full-year guidance is US$1.1–1.25 billion, implying that second-half capex will need to double. Could you explain the reasons for this increase and the necessities for heightened investment? Additionally, what is the outlook for capex?

QIAN Song (MMG, CFO): Thank you, Chris. The company's capital expenditure for the first half of the year was US$424 million, which was below the planned progress. As a result, we have reasonably adjusted the full-year capital expenditure schedule downward. The company's development requires reasonable support from capital expenditure. Over the past few years, it was through necessary capital investments that the company's mines were able to complete their stable production and expansion plans, thereby seizing the opportunity presented by high copper prices to enhance the company's value. If budgeted capital expenditures are not executed as planned, the company will assess whether there are limiting factors and whether they might impact future production plans. Currently, the capital expenditures of each mine are mainly affected by timing, with some delays in the first half of the year, particularly in the first quarter. In the second half of the year, we will accelerate progress to ensure we catch up with the plan.

Regarding the outlook for capex, we have initiated our annual planning process but are not yet able to provide specific figures for next year. At Kinsevere, the expansion-related capex will be completed within this year, and future spending will focus on operations and maintenance. At Khoemacau, expansion will continue over the next three years to reach 113,000 tonnes, with a target of 130,000 tonnes by 2028. The total capex for this project is estimated at US$900 million, to be allocated over the coming years. At Las Bambas, capex will remain at a reasonable level to sustain annual production volumes.

SHEN Ying Sherry (MMG, Head of Investor Relations): Thank you. The next question comes from Joy ZHANG with Goldman Sachs. Please go ahead.

Joy ZHANG (Goldman Sachs, Analyst): I have three questions:

First, regarding M&A and debt repayment, MMG has undertaken several significant overseas M&A projects in the past two years. In the first half of the year, strong cash flow led to a reduction in gearing. Moving forward, how will you prioritize M&A and debt repayment, and how will you balance these objectives?

Second, ore grades at Las Bambas have been consistently high in recent quarters, particularly at Chalcobamba. How long do you expect these high grades to last?

Finally, regarding depreciation, it is typically higher in the second half of the year. Do you anticipate a similar trend this year?

GUAN Xiangjun Sandra (Interim Executive General Manager – Commercial and Development): From a strategic perspective, MMG has always been a growth-oriented company, actively seeking M&A opportunities since its establishment. The execution of M&A requires identifying suitable targets and opportunities. However, there are currently fewer high-quality M&A targets in the market that align with our focus on specific commodities, meaning M&A cannot always be carried out at any given time.

From a funding arrangement perspective, if there is a high-quality M&A project, the company will prioritize the acquisition. However, if there are no suitable M&A targets for the time being, the company will allocate more funds toward debt repayment, production operations, and shareholder returns. Therefore, funding arrangements will depend on the specific circumstances of M&A opportunities.

WANG Nan (MMG, Executive General Manager - Operations): At Las Bambas, we employ ore blending strategies to maximise mine value, utilising ores from both Chalcobamba and Ferrobamba, ensuring stable grades. Additionally, the mine is continuously conducting infill drilling, step-out drilling, and regional exploration to increase reserves and resources, ensuring stable supply in the future.

QIAN Song (MMG, CFO): MMG's depreciation policy is detailed in the annual report and primarily adopts the straight-line method or the units-of-production method. Depreciation under the straight-line method is independent of production, while the units-of-production method is directly related to production.

In the first half of the year, although copper production at the Las Bambas mine increased by 69%, depreciation expenses grew by less than 10%. This is because last year's resource and reserve report indicated that reserves increased by more than double the amount consumed, leading to a reduction in the depreciation base. As a result, despite the significant increase in production, the total growth in depreciation and amortization expenses was far lower than the growth in production.

CLOSE

SHEN Ying Sherry (MMG, Head of Investor Relations):

- Thank you, everyone. As there are no further questions, we will conclude today’s session. If you have additional inquiries, please contact our Investor Relations team. Thank you!

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