

TRANSCRIPTION

Company: MMG Limited
Title: Third Quarter Production Report Teleconference
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INTRODUCTION

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

Hello everyone! Welcome to MMG 2025 Third Quarter Production Report teleconference. I am Sherry SHEN, Head of Investor Relations. First, please allow me to broadcast the disclaimer for this meeting:

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The MMG management team participating in today's teleconference includes: Mr ZHAO Jing Ivo, Chief Executive Officer & Executive Director, Mr QIAN Song, Chief Financial Officer, Mr WANG Nan, Executive General Manager – Operations, Ms GUAN Xiangjun Sandra, Interim Executive General Manager - Commercial & Development and Mr Troy HEY, Executive General Manager - Corporate Relations, joining via the English channel.

Next, our CEO, Mr. ZHAO Jing Ivo will present the company's production and operational performance for the third quarter. Following his presentation, the management team will address your questions during the Q&A session.

QUARTERLY REPORT OVERVIEW

ZHAO Jing Ivo (MMG, CEO):

Thank you, Sherry. Hello everyone and thank you for joining today's teleconference. I am pleased to share updates on the company's recent operational progress.

Let's start with safety performance. Safety is our first value and highest operating priority. While we have made good progress on our safety performance this year, in the third quarter, safety indicators showed an increase: the Total Recordable Injury Frequency (TRIF) was 1.82 per million hours worked,

and the Significant Events with Energy Exchange Frequency (SEEEF) was 0.66 per million hours worked. Moving forward, we will continue to prioritise the safety of all employees and contractors by requiring all operations to increase the frequency of Field Task Observations, ensure the application of critical controls and strengthen contractor safety management.

Now, let's move on to operational performance. Overall, in the third quarter of 2025, the company's mines operated steadily, with year-on-year growth in copper, zinc, gold, and silver.

In the third quarter, the company's total copper production reached 127,000 tonnes, an 11% increase compared to the same period last year. Notably, Las Bambas first half production saw the operation achieve the rank of the fifth-largest copper mine globally and the largest copper mine in Peru. Las Bambas continued its strong production in the third quarter, contributing over 100,000 tonnes of copper, a 14% year-on-year increase. During the quarter, mining activities at the first and second pits remained stable, with ore grades and recovery rates maintained at high levels.

Regarding concentrate transportation, Las Bambas has ensured uninterrupted transportation following a brief disruption in mid-July due to nationwide protests by informal miners in Peru.

Supported by consistently stable operations, Las Bambas is steadily progressing toward its 2025 annual production target of 400,000 tonnes of copper. Additionally, with favorable factors such as rising precious metal prices and declining copper concentrate treatment charges, we have revised Las Bambas' full-year C1 costs guidance downward to US\$1.25–1.35 per pound of copper. It is worth noting that if precious metal prices remain elevated, the C1 costs may be further reduced.

In the third quarter of 2025, Kinsevere produced approximately 15,000 tonnes of copper cathode, representing a 14% year-on-year increase. The mine is still ramping up its expansion project. From a technical perspective, the roaster's calcine conversion rate has remained stable above 90% since August. Following the commissioning of the pre-leach circuit in September, the conversion rate is expected to improve further.

Power supply and stability remained a challenge during the quarter, with frequent outages impacting operational continuity. To address local power supply fluctuations, Kinsevere team plans to procure an additional 12 MW diesel generator, which is expected to be delivered by the end of the year and commissioned by Q1 2026. However, due to the impact of power supply instability on the ramp-up progress, we have revised Kinsevere's 2025 full-year production guidance downward to a range of 51,000–54,000 tonnes, with the C1 cost guidance adjusted to US\$2.80–3.15/lb of copper.

During Q3, Khoemacau produced over 9,000 tonnes of copper, which represents a 16% year-on-year decrease. This was mainly due to lower ore throughput and grades. Ore mined volumes were impacted by the transition to the new mining contractor. However, as the new contractor progresses the ramp-up, we expect ore mined volumes to improve in the fourth quarter.

Additionally, with the schedule of drilling activities and the construction of the paste fill project, ore grades are expected to improve in Q4, which will help support higher copper concentrate production.

Due to the mining contractor transition in Q3 and lower ore grades, Khoemacau's full-year copper production for 2025 is expected to trend towards the lower end of the previously guided range of 43,000–53,000 tonnes. Thanks to higher silver by-product prices, the C1 costs are expected to trend toward the lower end of the original guidance range of US\$2.30–2.65 per pound of copper.

Expansion of KCM's annual production capacity to 130kt of Cu is on track with key activities such as road construction, land acquisition, and personnel recruitment are proceeding as planned. We aim to complete the feasibility study by the end of this year, with the first copper concentrate production expected in 2028.

Next, let me report on the company's zinc production performance. In the third quarter of 2025, MMG achieved total zinc production of around 59,000 tonnes, representing a 26% year-on-year increase.

Dugald River delivered strong production results, producing around 48,000 tonnes of zinc, a 38% increase compared to the same period last year. Dugald River demonstrated excellent operational performance during the quarter, including robust mining output and plant recovery of around 90%.

The mine's production is on track to meet full-year expectations, with 2025 zinc concentrate production guided at 170,000–185,000 tonnes. Thanks to higher silver by-product prices and lower zinc treatment charges, the C1 costs are expected to approach the lower end of the previous guidance range, close to US\$0.75 per pound of zinc.

Rosebery polymetallic mine produced approximately 11,000 tonnes of zinc in the third quarter, an 8% year-on-year decrease. While equipment availability improved during the quarter, ore grades decreased due to the mining sequence. Notably, when converting by-products into zinc equivalent, Rosebery's zinc equivalent production reached 27,400 tonnes in Q3, more than double its zinc production.

Rosebery's full-year production guidance for 2025 remains unchanged, with zinc contained in zinc concentrate expected to reach 45,000–55,000 tonnes, and zinc equivalent production forecasted at 110,000–125,000 tonnes. In terms of C1 costs, supported by higher precious metal prices and lower zinc treatment charges, the costs are expected to trend toward the lower end of the previous guidance range, at approximately negative US\$0.10 per pound of zinc. That concludes the company's production update.

Finally, let me share updates on the company's development progress. In the third quarter, the prices of our key products, including copper, zinc, and precious metals, all experienced an increase. Meanwhile, frequent disruptions in global mine supply have widened the copper supply gap, driving spot treatment charges for copper concentrate to historical lows, averaging negative US\$62.8 per pound. MMG has actively seized market opportunities and fully benefited from favorable market conditions.

In particular, Las Bambas has maintained strong operating cash flow throughout the year, supported by increased production and a favorable market environment. In the third quarter, Las Bambas successfully distributed its second dividend to MMG and its joint venture shareholders, with MMG

receiving US\$429 million. This dividend will be used to repay existing debt and reduce interest expenses.

Additionally, on October 8, MMG successfully completed the issuance of US\$500 million zero-coupon convertible bonds, with an initial conversion price set at HK\$8.40 per ordinary share. This issuance achieved the highest premium rate for convertible bonds issued by a Chinese mining company in the Hong Kong market and was oversubscribed nearly 12 times, demonstrating strong investor confidence in MMG's development and operations. The proceeds from this issuance have been used to refinance existing debt, leading to a lower cost of interest expenses.

Looking at 2025, MMG is steadily progressing toward its goal of becoming one of the world's top 10 copper mining companies, supported by favorable market conditions and a robust growth strategy. The company's total copper production for the year is expected to reach approximately 500,000 tonnes, while zinc production is forecasted at around 230,000 tonnes. In addition to copper and zinc, revenue from diversified metals such as gold and silver is also expected to see significant growth.

On behalf of MMG, I would like to express my sincere gratitude for your continued support. We remain committed to creating long-term value for our investors and shareholders. That concludes my presentation. My colleagues and I are now happy to take your questions. I will now hand the meeting back to the moderator.

<QUESTIONS AND ANSWERS>

Operator: Ladies and gentlemen, if you wish to ask a question, please press *1 on your telephone and wait for your name to be announced. Thank you. The first question comes from Jimmy with Citi.

Jimmy FENG (Citi, Analyst): My question is regarding the sales of Las Bambas. While production volume has remained strong, sales volume appears to be lower than production. Could you share the inventory level at the end of Q3 and the expected inventory level by year-end? Thank you.

ZHAO Jing Ivo (MMG, CEO): Thank you for your question. As of 30 September 2025, the inventory at Las Bambas was approximately 25,000 tonnes of copper in copper concentrate. Currently, we are operating at a daily delivery schedule of 170 trucks, each capable of transporting 34 tonnes of copper concentrate. This translates to a daily delivery capacity of approximately 5,800 tonnes of copper concentrate, equivalent to 1,800 tons of metal copper. Based on this schedule, we expect to clear all inventory and complete sales by year-end, in line with our sales and transportation plan.

Jimmy FENG (Citi, Analyst): Thank you, Mr. Zhao. My second question is about costs at Las Bambas. The full-year C1 cost guidance has been revised downward significantly, but it is still relatively high compared to the C1 cost of \$1.06/lb in the first half of the year. Could you please share the C1 cost situation for Q3?

ZHAO Jing Ivo (MMG, CEO): Thank you for your question. Regarding C1 costs, they are calculated based on several assumptions, primarily related to the mine's production volume and the price of by-

products. Some significant expenses were allocated to the second half of the year, including one-off payments for collective bargaining agreements and higher profit-sharing incentives, which contributed to an increase in C1 costs. Additionally, to achieve the annual production target of 400,000 tonnes, adjustments to the mining sequence resulted in lower production in the second half compared to the first half, which directly impacted C1 costs. Planned maintenance activities for the year were also scheduled in Q3, further influencing costs. I hope this answers your question.

Jimmy FENG (Citi, Analyst): Thank you, Mr. Zhao. I'd like to follow up on the impact of precious metal prices. If prices remain high in Q4, could the full-year C1 costs drop below the lower end of the \$1.25/lb guidance, assuming stable operations at Las Bambas?

QIAN Song (MMG, CFO): Thank you for your follow-up question. Our precious metal price assumptions are based on industry consensus, so there is little deviation from these estimates. Precious metal prices do have a direct impact on C1 costs, as higher prices lead to greater offsets from by-product sales. However, it's important to note that while by-products contribute to cost reduction, our primary production focus remains on copper. Depending on the mining sequence, the grade of by-products can vary. In some areas, the by-product grade is higher, while in others, it is lower. If we mine areas with lower by-product grades, the revenue impact may not fully reflect the high prices. I hope this clarifies your question.

Jimmy FENG (Citi, Analyst): Thank you, Mr. Qian. My final question is about recent news regarding Las Bambas. It was reported that the company adjusted its estimate of copper losses due to illegal mining. Could you elaborate on the current situation and its impact on future development and community relations?

ZHAO Jing Ivo (MMG, CEO): Thank you for your question. I'd like to clarify that the recent update is not an upward adjustment. In September, we issued the Mineral Resources and Ore Reserves Report, which corrected an error in the cumulative calculation related to illegal mining.

As of June 30, 2025, resource depletion due to illegal mining accounted for less than 1% of the total resource volume. We actively conduct exploration programs, and so far, only 10% of our tenement area has been explored, leaving significant potential for future discoveries. Annual exploration results consistently exceed the total resource depletion caused by mining activities.

Illegal mining remains a significant regulatory challenge in Peru. The government has been actively addressing this nationwide issue and protecting the rights of lawful operators like Las Bambas. We are also engaging in active communication and negotiations with local governments and communities and are optimistic about achieving positive progress. Thank you.

Operator: The next question comes from Lawrence LAU with BOCI.

Lawrence LAU (BOCI, Analyst): I have three questions. First, regarding Kinsevere, the company has lowered its full-year production guidance. With new power generators expected to be operational in Q4, do you anticipate reaching the expanded capacity of 80,000 tonnes in 2026?

WANG Nan (MMG, Executive General Manager - Operations): Thank you for your questions. Regarding Kinsevere, power supply has been a significant challenge, with frequent outages and shortages impacting production and ramp-up. Based on our ramp-up metrics, we are confident that the mine will meet expectations for Q4. However, due to ongoing power supply issues, we are working to increase diesel generator capacity, which, at maximum output, can meet 40%-50% of our power needs. We are also closely coordinating with the local power grid to secure more stable electricity supply. Once our budget and production plans for next year are finalized, we will provide updated guidance to the market in early 2026.

Lawrence LAU (BOCI, Analyst): Second, regarding Dugald River and Rosebery, sales volumes in Q3 were noticeably lower than production volumes. While this has occurred in previous quarters, the gap seems more significant this time. Could you explain the reasons behind this?

WANG Nan (MMG, Executive General Manager - Operations): Regarding Dugald River and Rosebery, the sales gap was primarily due to timing differences. Shipments scheduled for September were delayed to October, and the goods were shipped in early October. There were no other issues affecting sales.

Lawrence LAU (BOCI, Analyst): The second dividend has already been received from Las Bambas. How does this impact the MMG's dividend timetable? When can we expect dividends from MMG?

QIAN Song (MMG, CFO): Regarding dividends, the company places great importance on investor concerns and shareholder returns. We have established a dividend policy that considers factors such as capital growth needs, debt arrangements, and operational requirements.

As you may know, listed companies in Hong Kong can only pay dividends from retained earnings. As of the first half of the year, our retained earnings were still negative \$700 million. The parent company relies on dividends from its subsidiaries to generate earnings.

Thanks to Las Bambas' outstanding operational and financial performance over the past two years, we have initiated upstream dividend payments. The first and second dividend payments have been completed this year. As this process progresses, we aim to improve the negative retained earnings situation and create conditions for future dividend payments. Thank you.

Lawrence LAU (BOCI, Analyst): Thank you for the detailed responses.

Operator: The next question comes from Hannah YANG with Morgan Stanley. Thank you.

Hannah YANG (Morgan Stanley, Analyst): I have two questions. My first question is regarding the power supply at the Kinsevere mine. You have commissioned a 12-megawatt diesel generator, which can meet 40% to 50% of power demand at peak usage. For the remaining power needs, you plan to procure electricity from the state grid. However, outages from the state grid occur unexpectedly without prior notice, which may lead to production fluctuations. What measures or plans have you implemented to address these fluctuations and volatility in production?

Additionally, how does the cost of power generation from the 12-megawatt diesel generator compared to the cost of electricity from the state grid?

WANG Nan (MMG, Executive General Manager - Operations): Thank you for your questions. Let me first address the power supply issue at Kinsevere. I would like to clarify that the 12-megawatt diesel generator supplies only 20% of our total power needs. The 40% to 50% figure refers to the combined output of the diesel generator and the existing procured electricity at maximum usage.

To mitigate the impact of power outages and insufficient supply, we are actively communicating with the state grid to secure a more stable power supply. For the longer term, we are conducting research and feasibility studies on battery storage and solar power generation. Battery storage can help reduce the impact of frequent outages, while solar power can provide additional electricity. However, as you mentioned, power outages are unpredictable, and we are working to minimize their occurrence as much as possible.

Regarding cost comparison, electricity from the state grid is priced based on the grid's tariff, while diesel generator costs depend on market diesel prices. Currently, diesel-generated power is more expensive than state grid electricity. Therefore, we aim to maximize the use of state grid electricity to reduce costs and minimize reliance on diesel generators. Thank you.

Hannah YANG (Morgan Stanley, Analyst): My second question is about the Nickel Brazil acquisition. As we are nearing the end of October, could you provide an update on the status of this acquisition?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development): Regarding your question about the Nickel Brazil acquisition, the process is currently under review by the EU authorities. We expect to receive official feedback from the EU in early November.

Hannah YANG (Morgan Stanley, Analyst): Thank you for the update.

Operator: The next question comes from Chris with Balyasny. Please go ahead.

Chris SHIU (Balyasny Asset Management, Analyst): My first question is about your MROR report. The gold resource volume has increased by 29% compared to the previous period. Could you explain the reasons behind this increase and the relationship with gold prices?

WANG Nan (MMG, Executive General Manager - Operations): Thank you for your question. The increase in gold resource volume is primarily due to our enhanced exploration efforts and optimization of our geological models. Gold prices have remained relatively stable compared to our original assumptions, so the price impact on resource volume is minimal. Thank you.

Chris SHIU (Balyasny Asset Management, Analyst): Regarding your price estimates, are they aligned with market and industry standards? Are they lower than the estimates as of June 30?

WANG Nan (MMG, Executive General Manager - Operations): The price estimates in the MROR report are publicly available and based on industry standards. They are not related to the June 30 data.

Chris SHIU (Balyasny Asset Management, Analyst): My next question is about Khoemacau. You have an agreement with Royal Gold. Could you confirm the delivery volume? Is it correct that the sharing arrangement will begin after delivering 40 million ounces of silver?

GUAN Xiangjun Sandra (MMG, Interim Executive General Manager – Commercial and Development): Thank you for your question. Regarding the specific delivery volume, I will need to verify the data. However, the agreement remains unchanged, and we will continue to deliver silver in accordance with the terms of the agreement. Thank you.

Chris SHIU (Balyasny Asset Management, Analyst): My next question is about silver production. Will silver production follow the same pace as copper production? For example, if copper production reaches 130,000 tonnes, can we expect silver production to follow a similar trend, or will it differ?

WANG Nan (MMG, Executive General Manager - Operations): Silver is a by-product at Khoemacau, and its production schedule is primarily aligned with copper production plans. However, production may vary depending on the overall mine value and specific scheduling adjustments. Thank you.

Operator: The next question comes from Yaoting with CITIC.

TU Yaoting (CITIC, Analyst): My first question is about copper production at Khoemacau. With the new contractor now in place, production volume is expected to gradually recover. For 2026-2027, production is projected to increase to 60,000 tonnes. Do you have an estimate for copper production in 2024?

WANG Nan (MMG, Executive General Manager - Operations): With the new contractor at Khoemacau, ramp-up progress has been satisfactory. We are confident that Q4 production will meet our targets. Currently, we are finalizing the budget and production forecast for next year. Once completed, we will provide updates to shareholders and investors in early 2024. Thank you.

TU Yaoting (CITIC, Analyst): My second question is about the political situation in Peru. During the previous teleconference, you mentioned potential volatility in the second half of the year. However, we are pleased to see that the production guidance for Las Bambas has been revised upward to 400,000 tonnes. Does this reflect increased optimism about the political environment in Peru?

Troy Hey (MMG, Executive General Manager - Corporate Relations): Thank you for the question. While we are pleased with the current situation in Peru, we remain cautious in our planning. Recent changes in the government, including the president and cabinet, have had less impact than anticipated. We continue to work closely with the government and local communities to ensure smooth operations and maintain contingency plans to address potential disruptions.

The situation is currently stable, and we are optimistic about a calm fourth quarter. However, we remain vigilant and committed to collaborating with all stakeholders to navigate any challenges that may arise. Thank you.

Operator: Thank you. The next question comes from Eun Young LEE with DBS. Please go ahead.

Eun Young LEE (DBS, Analyst): Thank you for the opportunity to ask my questions. My first question is about the copper concentrate production volume at Las Bambas. I noticed that production volume declined in the third quarter compared to the second quarter. Could you explain the reasons behind this decline?

WANG Nan (MMG, Executive General Manager - Operations): Thank you for your question. The decline in copper concentrate production volume in Q3 was primarily due to scheduled maintenance and repairs at the milling facility. Additionally, production scheduling for the year involved coordination and optimization between the Ferrobamba and Chalcobamba pits. Despite the decrease in production volume in Q3 compared to Q2, we remain confident in achieving our full-year production target of 400,000 tonnes.

Eun Young LEE (DBS, Analyst): Thank you. I have a follow-up question. Despite the decline in copper concentrate production, I noticed a significant increase in the production and sales volume of precious metals, particularly silver, compared to Q2. Could you explain the reason for this? Is the production of precious metals aligned with copper production, or can you predict precious metal output before production begins?

WANG Nan (MMG, Executive General Manager - Operations): Thank you for your question. Precious metals such as silver and gold are considered by-products of copper production at Las Bambas. Our mining sequence and production scheduling are primarily focused on copper, and the production of precious metals follows this sequence. As a result, the output of gold and silver can vary month-to-month or quarter-to-quarter depending on the mining sequence. However, our ultimate goal remains achieving the full-year target of 400,000 tonnes of copper production. In short, the production of precious metals fluctuates over time. Thank you.

Eun Young LEE (DBS, Analyst): Thank you. My next question is about the Rosebery mine. I noticed that production volumes for most products declined in the third quarter. Could you explain the reasons behind this decline and provide an outlook for the mine?

WANG Nan (MMG, Executive General Manager - Operations): Thank you for your question. While zinc production at Rosebery declined in Q3, it's important to consider the zinc equivalent production, which includes contributions from precious metals such as gold and silver, as well as copper. Rosebery is a polymetallic mine, meaning it produces multiple metals. Our strategy is to maximize the overall value of the mine by optimizing production based on market prices.

In Q3, the mining sequence resulted in lower zinc production compared to Q2. However, the zinc equivalent production reached 27,000 tonnes, which is a strong performance. By leveraging the value of precious metals, we were able to enhance the overall value of the mine. Thank you.

Eun Young LEE (DBS, Analyst): Thank you. My final question is about the company's financial position. I noticed that the company issued zero-coupon convertible bonds and received dividends from its South American subsidiary. What is your expectation for the net debt position by year-end?

QIAN Song (MMG, CFO): Thank you for your question. Regarding the issuance of zero-coupon convertible bonds, under Hong Kong accounting standards, the majority of the bonds will be classified as liabilities, with only a small portion treated as equity. The accounting work is still in progress, and further details will be disclosed in the annual report.

However, the zero-coupon nature of the bonds has significantly improved our cash flow and financial position, allowing us to repay some high-cost debt. This will contribute to a better overall debt position by year-end. Thank you.

Operator: The next question comes from LIU Bi with Millennium.

LIU Bi (Millennium, Analyst): Congratulations on your strong Q3 results. My first question is about Las Bambas. You are on track to achieve the full-year production target of 400,000 tonnes. Given the strong performance in the first three quarters, it seems likely that the annual production could exceed 400,000 tonnes. Why have you maintained the target at 400,000 tonnes? Is this due to expected decreases in mining or milling, or is it part of a deliberate strategy to balance production over the next three to five years?

WANG Nan (MMG, Executive General Manager - Operations): Thank you for your question. Our production plan is designed with a comprehensive and long-term perspective. There is a natural time lag between mining and milling stages, and production volumes can vary across different regions and quarters.

While quarterly production may fluctuate due to mining sequence adjustments, our full-year guidance remains at 400,000 tonnes. This approach ensures alignment with our production scheduling plan and supports medium- to long-term operational stability. We remain committed to achieving the full-year target. Thank you.

LIU Bi (Millennium, Analyst): Thank you. My next question is about your financial operations. In the second half of the year, the company has undertaken several financial initiatives. Given your strong operational performance and positive market feedback, do you expect finance costs to decrease in the second half of the year and next year? Lower finance costs could further improve your overall business results. Historically, your finance costs have been relatively high, so reducing them would be beneficial.

QIAN Song (MMG, CFO): Thank you for your question. As mentioned earlier, improving our financial position, including reducing debt and finance costs, has always been a key priority for the company.

This year, we have achieved strong operational performance and benefited from favorable precious metal market conditions, resulting in robust cash inflows. The issuance of convertible bonds and dividends from our subsidiaries have further strengthened our financial position. These measures have helped optimize our debt and liabilities. Detailed financial information, including cash flow data, will be disclosed in the upcoming annual report. Thank you.

LIU Bi (Millennium, Analyst): MMG Limited is the only company of its kind in the stock market that has disclosed so much details in relation to individual mines and the grades, mills, and so on. So, thank you so much for all the detailed information and disclosure.

CLOSE

ZHAO Jing Ivo (MMG, CEO):

- Thank you all for taking the time to join today's teleconference. If you have any further questions, please feel free to reach out to our Investor Relations team. Goodbye!

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