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# Media release:

## MMG - building the next generation's major resource business

Following its formation in June 2009, the Minerals and Metals Group (MMG) was pleased to release production results from its first four months of operation and an update on its operations and exploration programs.

Chief Executive Officer Mr Andrew Michelmore said that the formation of MMG had created the opportunity to establish a leading minerals and metals business, headquartered in Melbourne, with operations in Australia and Laos and exploration and development projects in Australia, South-East Asia and North America.

"We've set a vision for MMG to build the next generation's leading global, diversified minerals and metals business through an initial focus on growing the value of our assets and longer term focus on sustainably operating resources projects around the world," said Mr Michelmore.

"Our initial challenge has been to focus on the business fundamentals, manage the decoupling from OZ Minerals and deliver on the cost efficiencies identified earlier in the year. Now, the challenge lies in developing the substantial future potential of the business."

Since June, a number of previously deferred growth programs have been recommenced including:

- > A US\$5.5 million, 18 month exploration program at Century in Queensland on the mine and adjacent leases to identify new zinc deposits for the processing operations.
- > Construction of an additional ventilation shaft to support access to the deeper reaches of the underground mine at Rosebery in Tasmania for US\$23 million.
- > A US\$1.4 million deep exploration drilling program at Rosebery mine to target prospective areas below the lower parts of the Rosebery ore body to commence in November.
- > Construction of a second power line into the Sepon copper and gold operations in Laos for US\$12 million.
- > Recommencement of near mine exploration around the Golden Grove Gossan Hill mine in Western Australia.
- > Recommencement of exploration of the oxide gold and copper potential surrounding the Sepon mining operations in Laos.

Major projects previously put on hold will be reviewed in the near term including:

- > The expansion of the copper processing capacity at Sepon from its current capacity of around 65,000 tonnes per annum to 80,000 tonnes per annum.
- > A new tailings storage facility at Golden Grove.

MMG's parent company, China Minmetals Non-ferrous Metals Co., Ltd has given the senior management team a remit to grow MMG into a major mid-tier resource business. Led by CEO Andrew Michelmore the team has developed a strategic plan to determine the long-term focus of the business.

"We've developed a road map that I believe is a holistic strategic approach aimed at achieving sustainable operations that deliver above average returns," said Mr Michelmore.

MMG articulated its mission to maximise returns by discovering, acquiring, developing and sustainably operating resources projects around the world.

"I think the key phrase in that is 'sustainably'," said Mr Michelmore.

"We want our operations to deliver returns at all levels of the commodity price cycle while continuing to meet our commitments to safety, health, environment and community. Locking in the cost efficiencies we identified earlier year is already paying off, as commodity prices have strengthened in the past quarter so has the operating cash flow of all of our operations."

Download the full MMG September Quarterly Report below or view it at [www.mmgrouppltd.com](http://www.mmgrouppltd.com)

A media teleconference will be held at 11.30am on Monday 26 October hosted by CEO Andrew Michelmore.

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