

## **MEDIA RELEASE:**

### **Australian Prime Minister, Chinese Premier present at signing of Dugald River project agreement**

**10 April 2013**

The Australian Prime Minister The Hon. Julia Gillard and China's Premier Li Keqiang were present yesterday evening at the signing of the financing support framework agreement for MMG Limited's (MMG) Dugald River project between China Development Bank Corporation (China Development Bank), China Minmetals Corporation and MMG.

The framework agreement sets out a commitment for China Development Bank to provide a loan of up to US\$1 billion for a term of 13 years to fund the development and construction of the Dugald River zinc, lead and silver mine in Queensland, Australia.

The agreement was witnessed by Chinese Premier Li Keqiang and Australian Prime Minister The Hon. Julia Gillard in Beijing, and as part of the Australian Government's senior political delegation to China this week. Also present were Mr Zheng Zhijie, President China Development Bank, Mr Zhou Zhongshu, President China Minmetals Corporation and Mr Michael Nossal, Executive General Manager Business Development for MMG.

"MMG is uniquely positioned to be part of the deepening partnership between Australia and China," said Executive General Manager Business Development Michael Nossal. "We are very pleased to sign this framework agreement with China Development Bank and China Minmetals Corporation, in the presence of the Australian Prime Minister and Chinese Premier, as a demonstration of the strengthening relationship between our two countries."

The Australian Prime Minister is visiting Beijing with a senior delegation from Australia to develop a stronger and more comprehensive relationship between Australia and its largest trading partner, China. Also present at the signing were the Australian Trade Minister, The Hon. Craig Emerson, Foreign Minister, the Hon. Bob Carr, Minister for Financial Services, The Hon. Bill Shorten and Ambassador to China, Frances Adamson.

"MMG is grateful for the support shown by both China Minmetals Corporation and China Development Bank in investing in Australian resources," Mr Nossal said. "As a publicly listed international mining company, with the strength of a Chinese major shareholder, support from Chinese and international banks and an international management team working from an Australian headquarters, the MMG model is unique."

"As China Minmetals' flagship for international upstream base metals resources, MMG will always have its major shareholder's support and commitment", Mr Zhou Zhongshu commented after the ceremony. "Signing of this financing framework agreement demonstrates the collaboration between Chinese and Australian businesses. I believe such collaboration will contribute further to the economies of both countries."

The Dugald River project in North West Queensland represents one of the world's largest known undeveloped zinc deposits. The US\$1.5 billion project represents a major investment into Australia's resource sector, generating employment, purchases, taxes and royalties for more than 20 years' mine life.

The development of Dugald River delivers on a commitment made by China Minmetals Corporation to the Australian Government at the time of acquiring the MMG assets in 2009.

The commitment from China Development Bank to arrange and underwrite financing for Dugald River is non-binding and subject to further negotiation and execution of a definitive loan agreement on terms satisfactory to China Development Bank and MMG. The financing arrangements are expected to be completed by June 2013.

### **About Dugald River**

Dugald River is an undeveloped zinc-lead-silver deposit located in north-west Queensland, Australia, with a Mineral Resource of 53 million tonnes at 12.5% zinc, 1.9% lead and 36g/t silver.

Dugald River is expected to process an average 2.0 million tonnes of ore to initially produce 200,000 to 220,000 tonnes of zinc in concentrate, 27,000 to 30,000 tonnes of lead in concentrate and 0.9 million ounces of silver in concentrate per year.

The project is expected to be commissioned in 2015 with first concentrate shipment expected to take place by the end of 2015.

Dugald River has mine life of more than 20 years, with the ore body remaining open at depth.

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