



WE MINE FOR  
PROGRESS



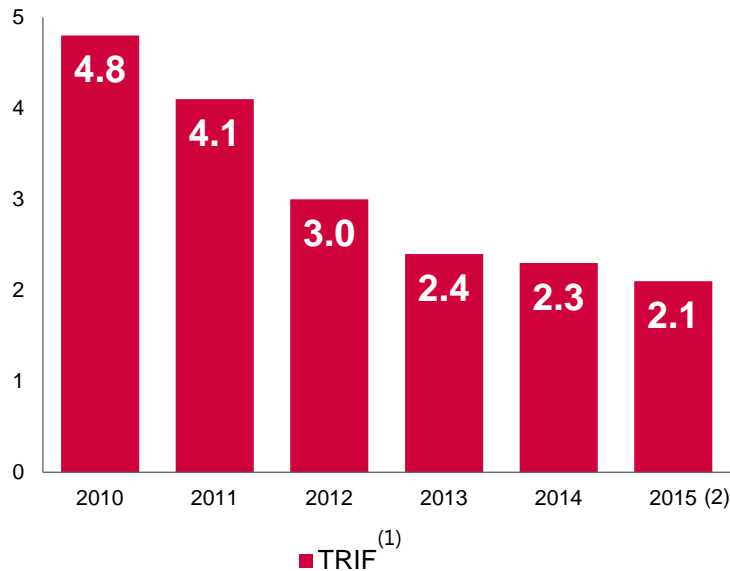
# Latin America Down Under

## Marcelo Bastos, Chief Operating Officer

May 2016

# Our values: We mine for progress

## Safety Performance



WE THINK  
SAFETY FIRST



WE RESPECT  
EACH OTHER



WE WORK  
TOGETHER



WE DO WHAT  
WE SAY



WE WANT TO  
BE BETTER

- Safety our first value - TRIF<sup>1</sup> of 2.1 per million hours worked in 2015.
- Safety aligned with management incentives – critical to performance.
- MMG CEO Chair of International Council on Mining and Metals (ICMM) – committed to ICMM 10 principles of Sustainable Development
- Global partnership with UNICEF for child rights/health, committed development partner with national govts.
- US\$63.5 million investment in social development programs in 2015 – focus on Lao PDR, DRC and Peru.
- Focus on wealth generation for local communities – beyond life of mine.

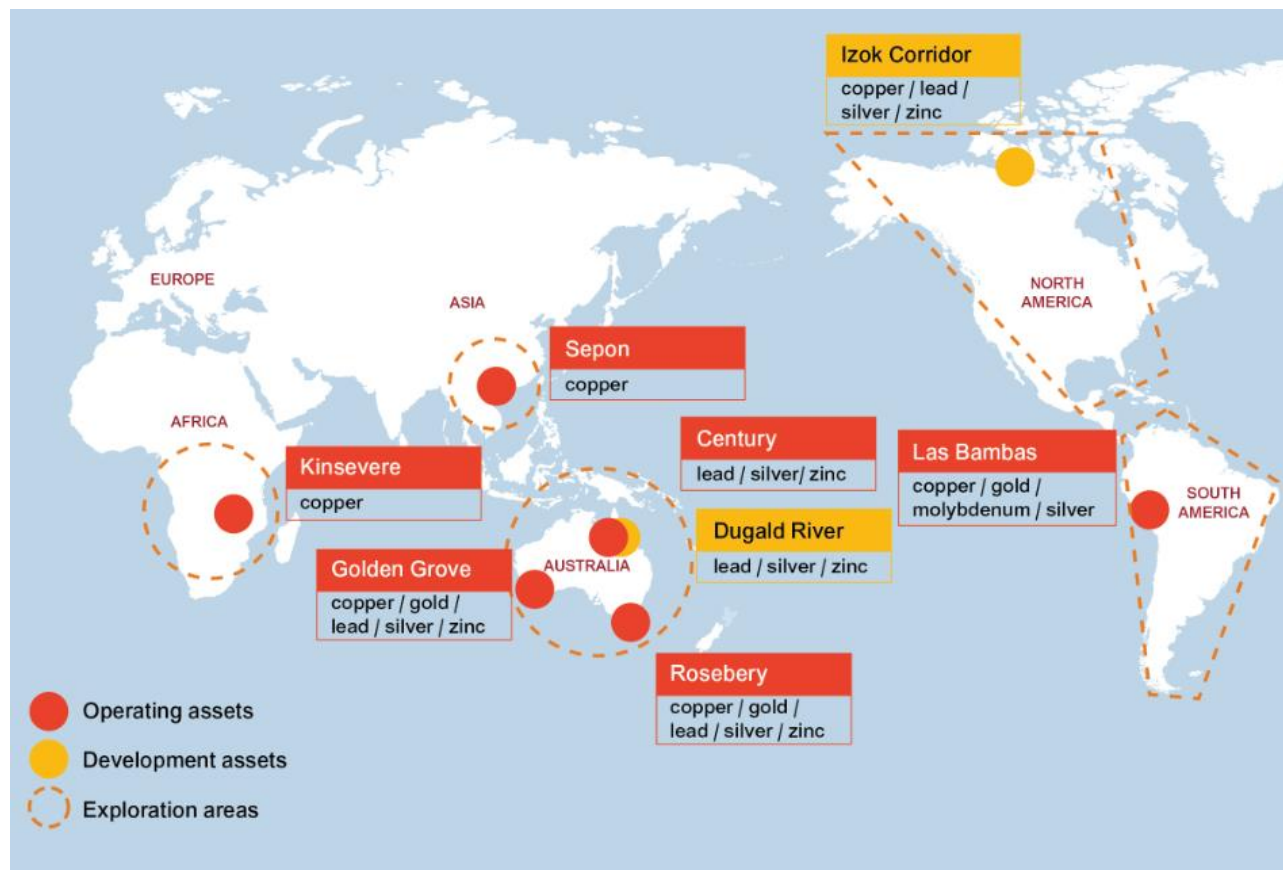
(1) Total Recordable Injury Frequency.

(2) Las Bambas safety data is incorporated into MMG for first time from January 2015.

# Our Company



Capital Structure	Millions
Primary Listing	HKEx
Secondary Listing (CDI)	ASX
Market Cap	US\$1,090bn <sup>1</sup>
Enterprise Value	US\$12,336 bn <sup>2</sup>
Shares	5,290
Major shareholder ownership	74% (China Minmetals Corporation)
Head Office	Melbourne, Australia



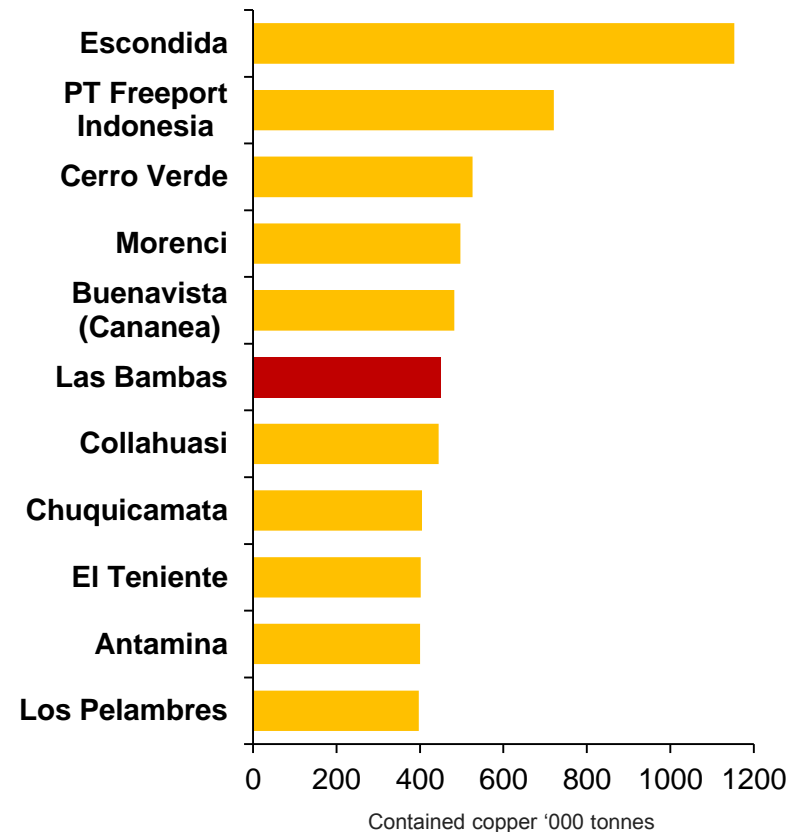
(1) As at 11 May 2016.

(2) Source: Bloomberg as at 2 May 2016.

# Las Bambas – size, scale and life

- Located in Apurimac region of Peru.
- US\$5.85bn acquisition in August 2014 from previous owner Glencore.
- Ownership 62.5% MMG (operator), 22.5% Guoxin, 15% Citic.
- 2016 production forecast 250,000 – 300,000<sup>1</sup> tonnes copper in copper concentrate.
- Commercial production expected 2H16 with C1 cost US\$0.80-US\$0.90/lb<sup>2</sup>
- Forecast 2 million tonnes of copper in the first 5 years – global top 10.
- Initial 20+ years mine life producing Copper, Gold, Silver and Molybdenum
- Over 2 billion tonnes in Copper resources.

## 2017 Forecast annual production capability<sup>1</sup>



(1) Source Wood Mackenzie and MMG assumed forecasted production rates at steady state..

- (1) Production volumes include expected pre and post-commercial production volumes at Las Bambas. The exact split will be determined prior to Las Bambas declaring commencement of commercial operations
- (2) C1 cost forecast range once at steady state of production, not indicative for full year 2016 given commissioning and ramp up activities.

# Mining is, and will continue to be, a growth engine for Peru



## GDP

13% GDP 2015, and expected to increase

## Exports

62% of the value of domestic exports correspond to mining products in 2015

## Employment

14% of jobs due to mining 2013

## Investment

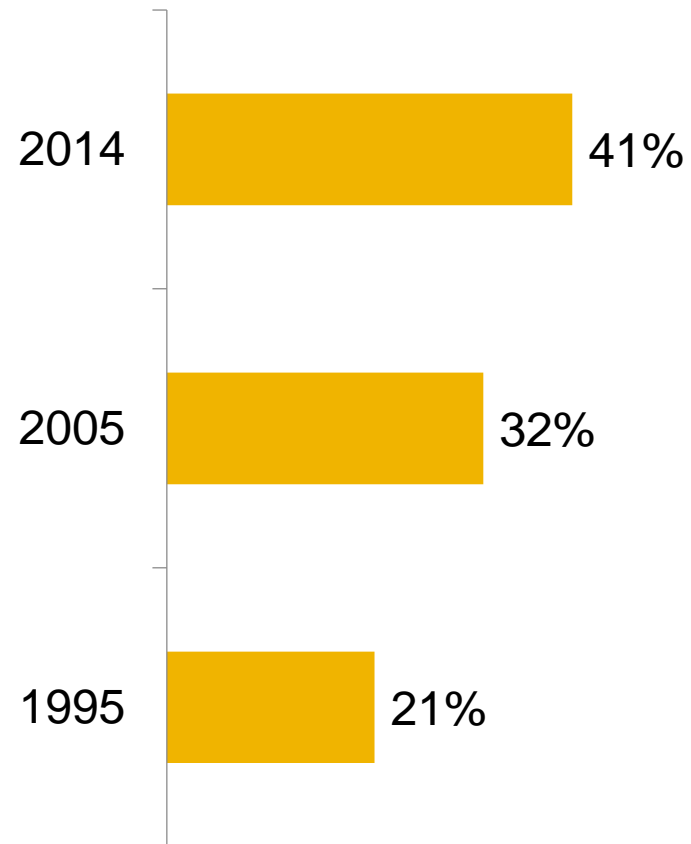
US\$42 billion from 2011-2015

## Economic contribution to regions

21,978 million soles (canon, royalties, concession rights)

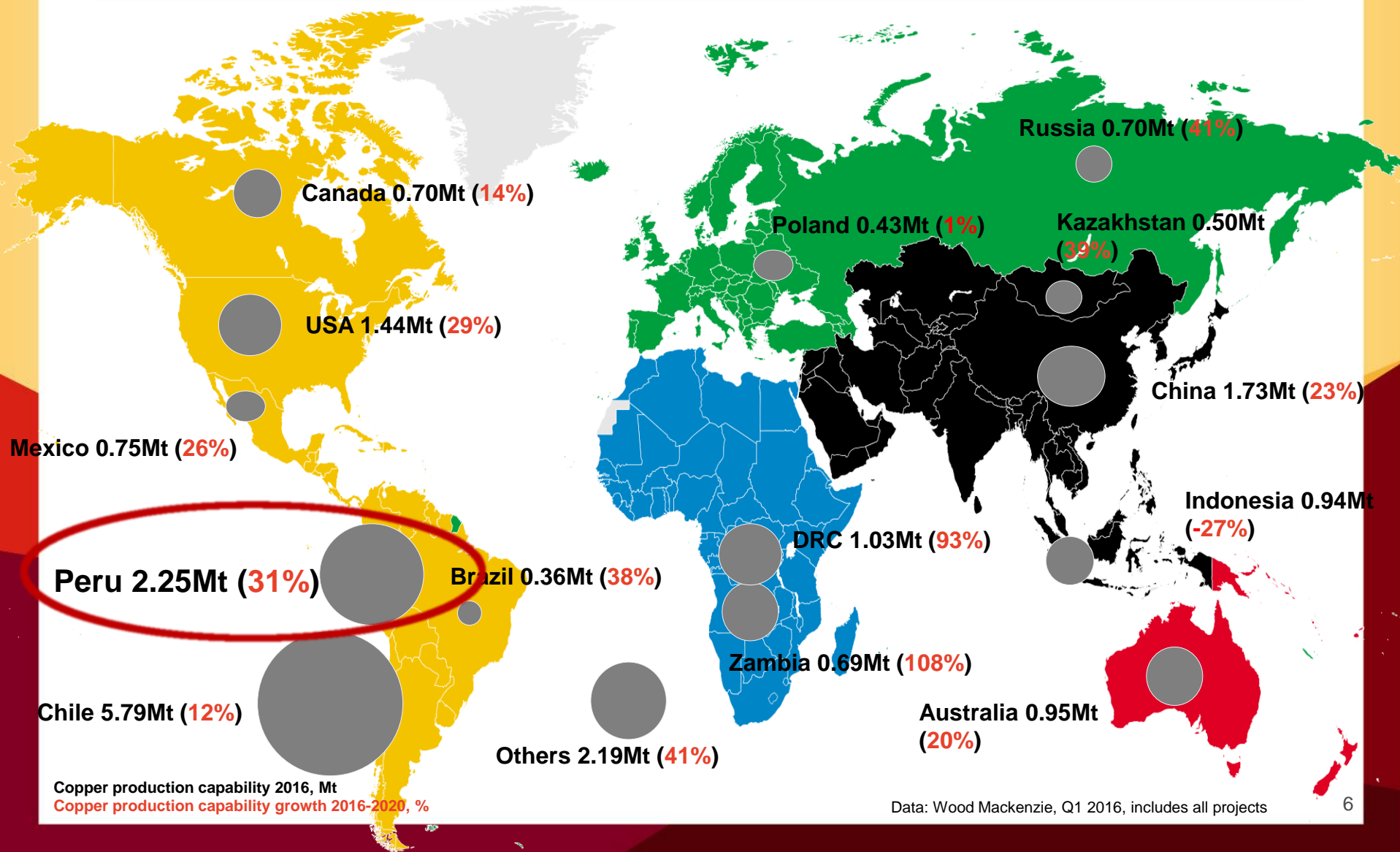
6,703 million soles new taxes (IEGM, GEM)

## Growth of mineral exports





# 2016 mined copper production capability by country and % capability growth, 2016 – 2020



Copper production capability 2016, Mt  
Copper production capability growth 2016-2020, %

Data: Wood Mackenzie, Q1 2016, includes all projects

# Las Bambas is delivering local opportunities...

## Responsible investment in the local community

- US\$6.7m local procurement spend in 2015.
- US\$53.6m investment in social development programs in 2015.
- Relocation of 608 families to Nueva Feurabamba by end of 2015.

## Creating significant employment opportunities in the Apurimac region

- 3,442 people employed of which 98% were local employees in 2015
- Training and development for employees and Neuva Feurabamba community
- Total pension payments and employee profit share of approximately US\$2bn<sup>(1)</sup> over the Life Of Mine (LOM).



(1) Based on MMG modelling of long term copper prices, project schedule and current tax and royalty rates



## ... and benefits for Peru on a national level

### Significant tax revenue generation for Peru National, Regional and Local Governments

- Significant royalty payments and tax revenue over the life of mine.
- Tax revenue for the Apurimac region is projected to increase by a significant factor in 2015-16 with Las Bambas commencing operation.

### Positive flow-on impact to related industries

- US\$535m<sup>1</sup> in-country procurement spend at national level in 2015.
- Use of local contractors, suppliers and workforce whenever possible.
- Business development opportunities near the mine.
- Regional infrastructure upgrades.



<sup>1</sup> Includes payments to Bechtel and is for the fourth quarter 2015.



# We mine for progress



*US\$3 million global partnership with UNICEF on nutrition and child rights.*



*Significant investment in schools, education and capacity in DRC, Lao and Peru.*



*World's leading practice relocation and livelihood restoration in Apurimac, Peru.*



*Sustained investment in local business development and supply opportunities.*





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