



# 2018 Annual Results

6 March 2019

A member of:

**ICMM**  
International Council  
on Mining & Metals

**MINING WITH  
PRINCIPLES**

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This presentation should be read in conjunction with MMG Limited's annual results announcement for the year ended 31 December 2018 issued to the Hong Kong Stock Exchange and the Australian Securities Exchange on 6 March 2019.

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**Geoffrey Gao, CEO**

2018 full year highlights

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**Ross Carroll, CFO**

Financial results

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**Geoffrey Gao, CEO**

Strategy and outlook

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**Questions and Answers**

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# 2018 in review

Geoffrey Gao

*Chief Executive Officer*



## Safety Focus

Continued injury reduction, however fatal incident at Sepon mine in May

## Solid Earnings

Underlying EBITDA\* of US\$1,751.2m, NPAT attributable to equity holders of US\$64.8 million

## Stronger Balance Sheet

Net debt reduced by US\$733.4 million in 2018. Stronger balance sheet continues to create value for shareholders

## World Class Assets

Over 4 years, built commissioned and now operate Las Bambas and Dugald River – world top 10 long life copper and zinc assets

## Shareholder Returns

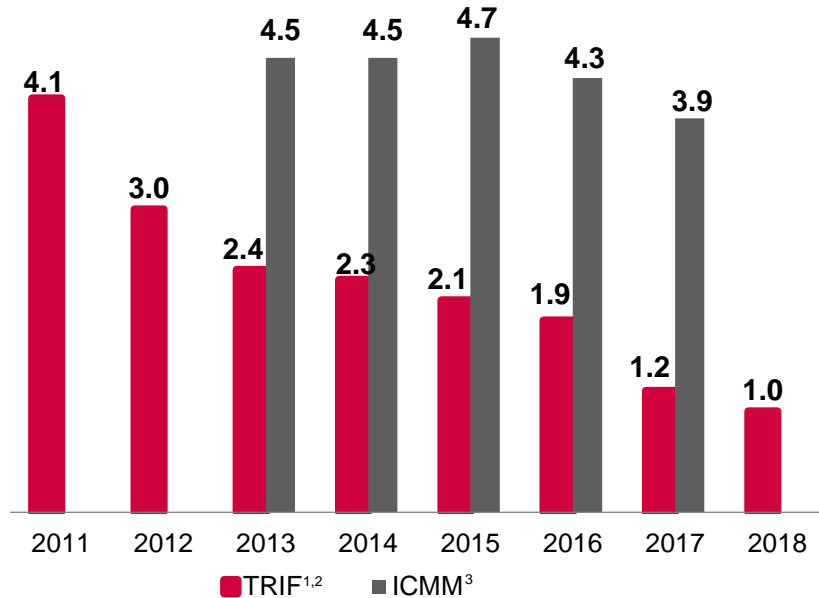
MMG's share price has materially outperformed the EMI Global Base Metals Index over the past one, two and three years

\* From continuing operations



# Safety, Environment and Social Performance

## Safety performance



- Safety – our first value
- Fatality at our Sepon mine. We continue to strive towards an injury and incident free workplace
- In 2017, MMG’s TRIF was the lowest of all International Council on Mining and Metals (ICMM) members globally<sup>4</sup>
- Committed to ICMM’s 10 principles of Sustainable Development
- We mine for progress. Contributing to the development of our host countries and communities
- Tailings Storage Facilities risk management approach significantly enhanced since 2015 – including external panels for all sites.



WE THINK  
SAFETY FIRST



WE RESPECT  
EACH OTHER



WE WORK  
TOGETHER



WE DO WHAT  
WE SAY



WE WANT TO  
BE BETTER

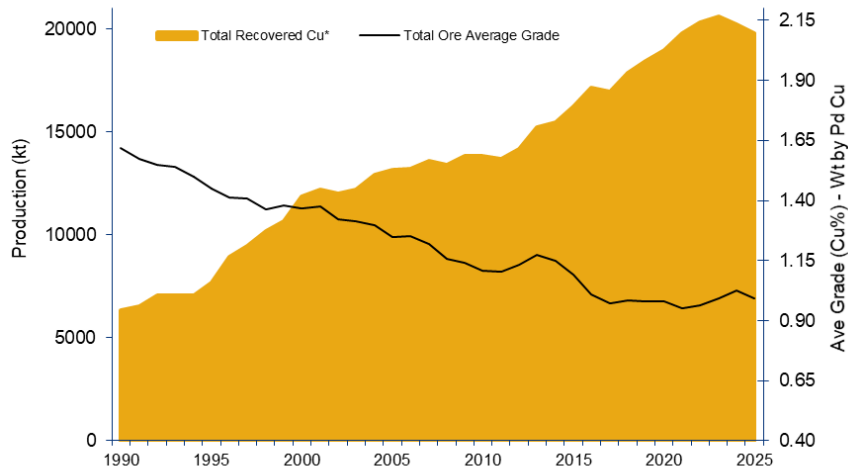
1. Total recordable injury frequency per million hours worked
2. Las Bambas safety data incorporated into MMG from January 2015
3. ICMM average TRIF of 23 companies
4. 2018 ICMM TRIF numbers have not yet been released for comparison

# Fundamentals remain strong

## Attractive fundamentals and insights from major shareholder support commodity outlook

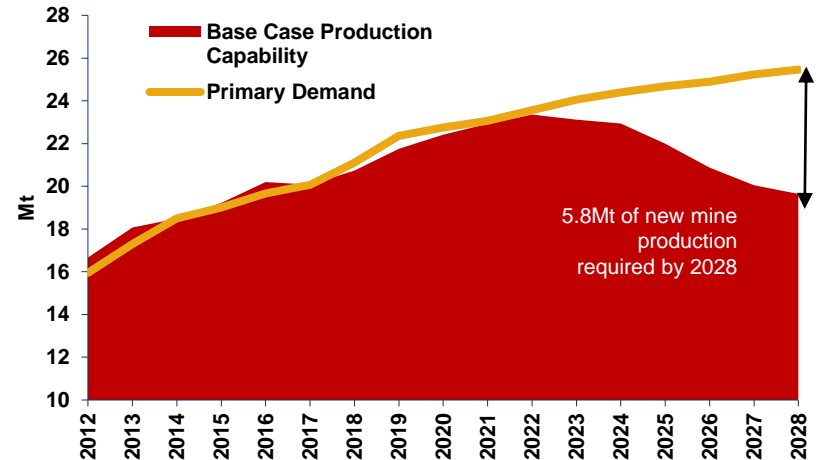
- Supply risks growing – social, political, grade and under-investment
- Demand growth – EV & renewable energy demand, urbanisation, One Belt One Road. EVs could add ~3mt to copper demand by 2025
- Understanding China fundamentals a competitive advantage

## Copper head grade and production



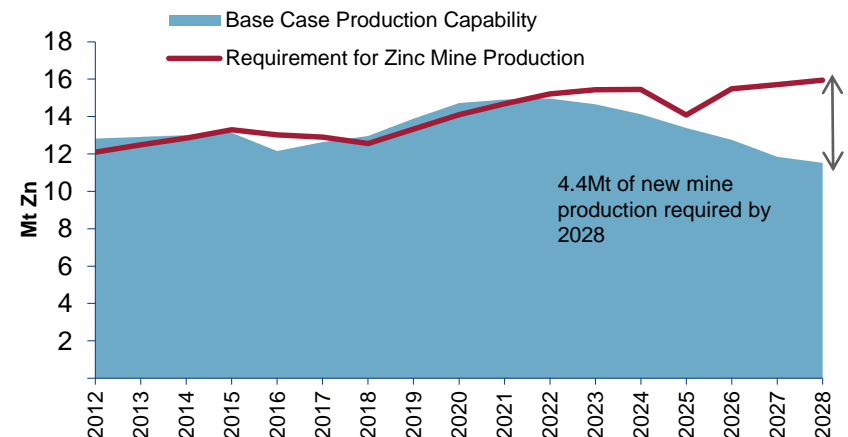
Source: Wood Mackenzie, Q4 2018

## Mined copper supply gap and requirement for new capacity



Source: Wood Mackenzie, Q4 2018

## Mined zinc supply gap and requirement for new capacity



Source: Wood Mackenzie Q42018

## Las Bambas

- Outbound concentrate transport remains blocked approximately 136km from the Las Bambas mine in Peru. The illegal blockade occurs on a stretch of public national road in the Cusco Region.
- The blockade relates to a claim for compensation for a pre-existing easement that overlaps a public road on the Yavi Yavi farmland transferred to the community of Fuerabamba as part of the 2011 Las Bambas resettlement agreement.
- While production has not been impacted to date, failure to resolve the situation, or any escalation, could impact production in the near term.
- Stocks at the Matarani Port are exhausted and customers have been advised of delays to future shipments.



## Dugald River

- Recent extreme weather events in the region have significantly impacted the rail line.
- Production continues at site and alternative arrangements to truck contrate to the Port of Townsville have been implemented; a fleet of trucks will transport concentrate in sealed containers until rail access is re-established, expected to be between late April and mid-May.





# Strategy and objectives

MMG's objective is to be valued as one of the world's top mid-tier miners by 2020 and, in the longer term, as one of the world's top miners.

To achieve this objective, we deliver value through four strategic drivers:

## People and Organisation

- ✓ We provide a safe, healthy and secure workplace and a culture that values collaboration, accountability and respect;

## Operations

- ✓ We operate and develop our assets to their full potential;

## Reputation and Sustainability

- ✓ We are valued for our commitment to progress, long-term partnerships and international management; and

## Inorganic Growth

- ✓ We acquire, discover and develop mining assets that transform our business.

# Financial results

Ross Carroll

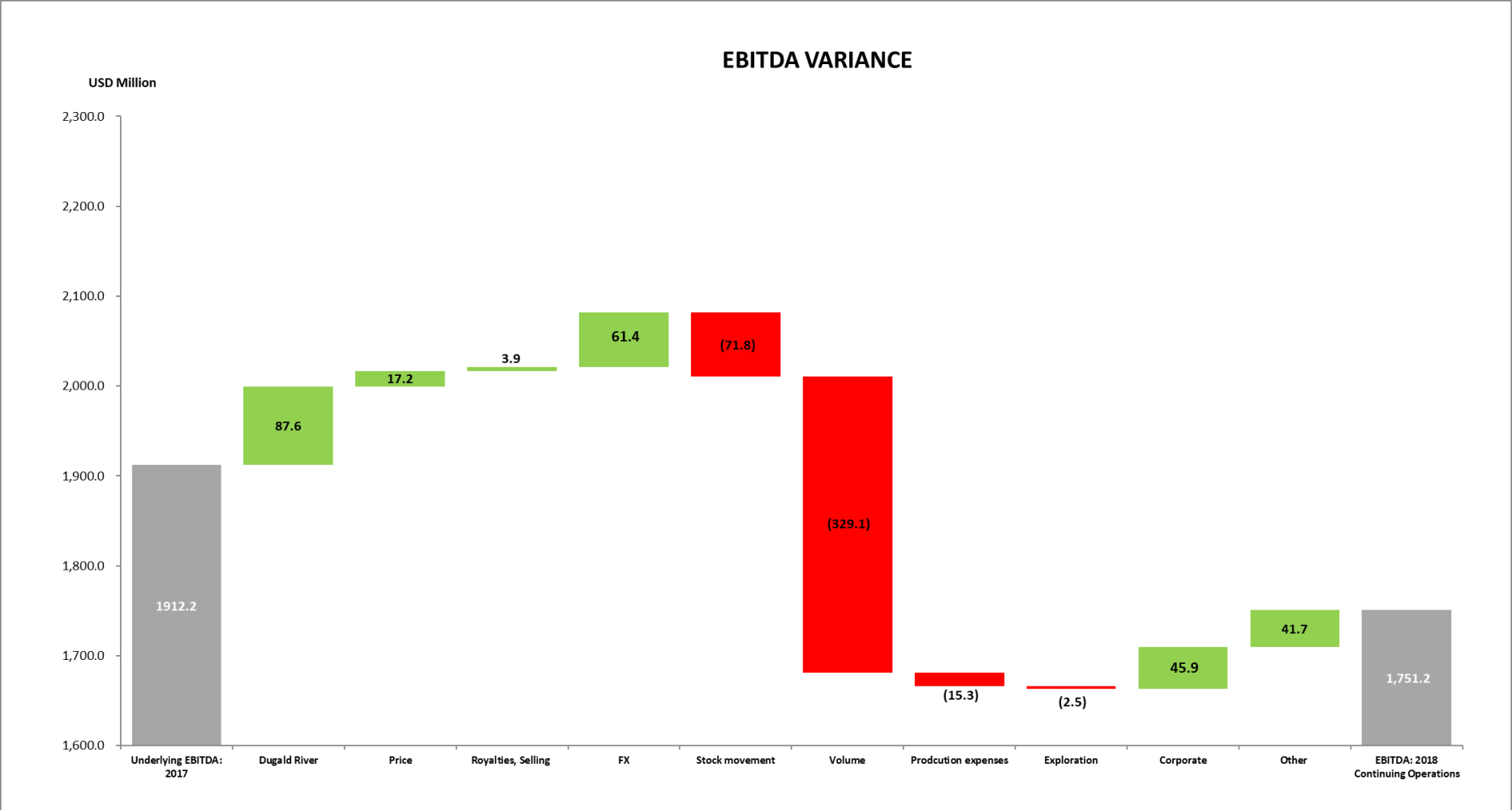
*Chief Financial Officer*



Key Financial Metrics (US\$ million)	2018	2017	2018 v 2017
<b><u>Income Statement (continuing operations)<sup>1</sup></u></b>			
Revenue	3,670.2	3,751.3	(2%)
Underlying EBITDA <sup>2</sup>	1,751.2	1,912.2	(8%)
Profit After Tax	136.6	346.1	(61%)
<i>Attributable to:</i>			
Equity holders	64.8	144.0	(55%)
Non-controlling interests	71.8	202.1	(64%)
Basic earnings per share	US 0.81 cents	US 1.81 cents	(55%)

1. MMG sold its 90% interest in Sepon during the year ended 31 December 2018 and accordingly it was classified as a discontinued operation. The results for the year ended 31 December 2017 have been represented to show the discontinued operation separately from continuing operations.
2. Underlying EBITDA excludes gain on divestment of US\$178.6m in 2017.

# EBITDA waterfall FY18 v FY17



1. Underlying EBITDA 2017 excludes gain on divestment of US\$178.6m.

# Underlying profit to MMG equity holders

NPAT attributable to equity holders (US\$m)	2018	2017	2018 v 2017
Profit After Tax - Las Bambas 62.5% interest	119.6	336.8	(64%)
Profit After Tax - Other operations	114.3	74.4	54%
Exploration	(47.5)	(45.1)	(5%)
Administration Expenses	(35.8)	(81.7)	56%
Other <sup>1</sup>	43.1	17.8	142%
Net finance costs (excl. Las Bambas facilities)	(125.4)	(155.1)	19%
<b>Profit attributable to equity holders</b>	<b>68.3</b>	<b>147.1</b>	<b>(54%)</b>
<i>Less discontinued operation</i>	<i>3.5</i>	<i>3.1</i>	<i>13%</i>
<b>Profit attributable to equity holders from continuing operations</b>	<b>64.8</b>	<b>144.0</b>	<b>(55%)</b>

- MMG remains focused on improving financial and operational performance in FY19 and driving returns to shareholders via:
  - ✓ Business improvement and cost reductions
  - ✓ Reducing debt and interest costs
  - ✓ Capital discipline
  - ✓ Accretive growth

1. Other: 2018 includes FX gains of US\$12.3m, gain on redemption of CRPS of US\$12.6m, and other intercompany eliminations. 2017 includes FX losses of US\$49.1m, hedging losses of US\$24.4m and other intercompany eliminations.

# Earnings sensitivity

- High earnings and cash flow leverage to copper and zinc prices

## Estimated impact on FY19 underlying EBITDA from changes in commodity prices and currency

		Sensitivity	EBIT Impact (US\$m)
Copper	US\$/lb	\$0.10/lb / (\$0.10/lb)	99/(99)
Zinc	US\$/lb	\$0.10/lb / (\$0.10/lb)	52/(52)
Lead	US\$/lb	\$0.10/lb / (\$0.10/lb)	11/(11)
Gold	US\$/oz	\$100/oz / (\$100/oz)	13/(13)
Silver	US\$/oz	\$1.00/oz / (\$1.00/oz)	9/(9)
<b>AUD:USD<sup>2</sup></b>	<b>AUD</b>	<b>(10%) / 10%</b>	<b>33/(33)</b>
<b>PEN:USD<sup>3</sup></b>	<b>PEN</b>	<b>(10%) / 10%</b>	<b>27/(27)</b>

- AUD:USD FX exposure relates to FX gain/loss on production expenditure at Rosebery and Dugald River, administration expenses at Group Office and A\$ denominated financial assets and liabilities.
- PEN:USD FX exposure predominantly relates to translation of Las Bambas tax receivables balance and production expenditure.

# Free cash flow sensitivity to copper and zinc

## Illustrative Free Cash Flow (US\$ million) for FY19 at different copper and zinc prices\*

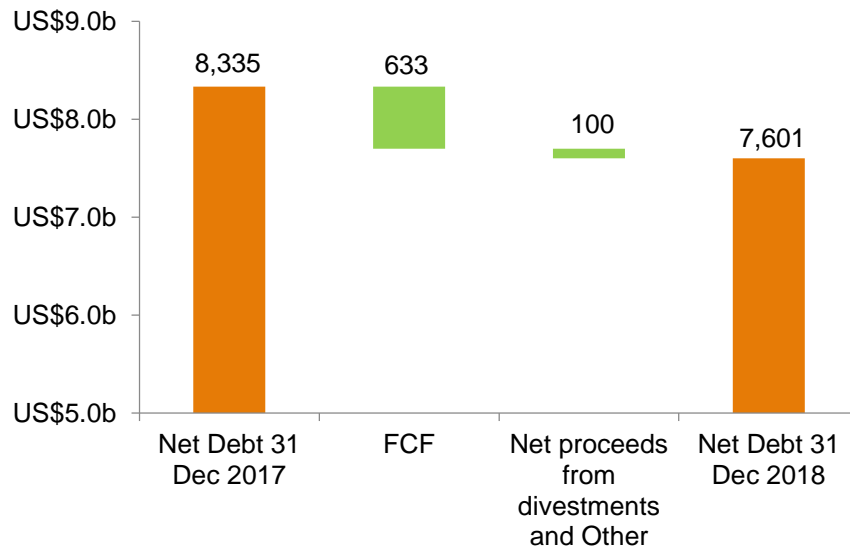
		Copper Price – US\$/lb					
		2.70	2.80	2.90	3.00	3.10	3.20
Zinc Price – US\$/lb	0.90	288	386	484	582	680	778
	1.00	335	433	531	629	727	825
	1.10	382	480	578	676	774	872
	1.20	428	526	624	723	821	919
	1.30	475	573	671	769	867	965
	1.40	522	620	718	816	914	1012

\* This analysis is based on the mid point of MMG's guidance for production, C1 and capital expenditure. A detailed breakdown of illustrative EBITDA and FCF based on spot commodity prices and MMG guidance can be found in the appendix to this report.

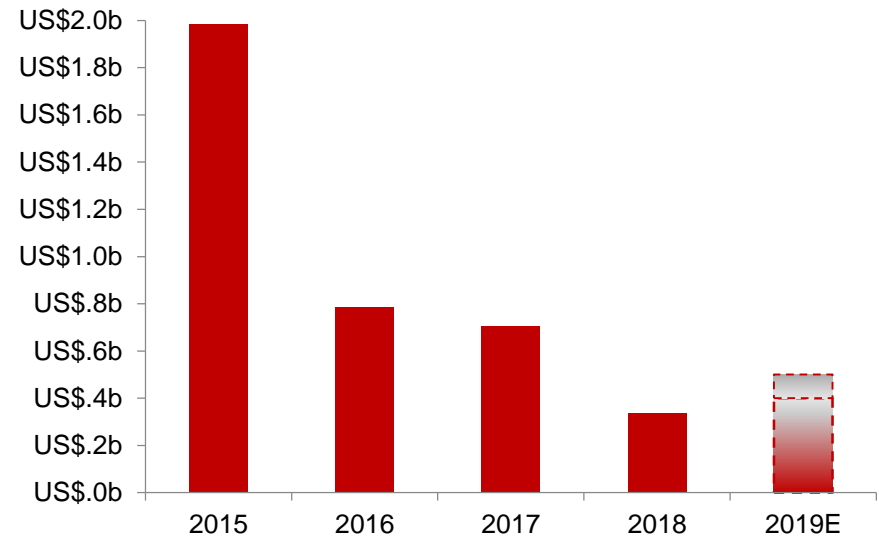
# Net debt reduced by US\$733 million in 2018

- MMG has developed and commissioned two of the largest greenfield copper and zinc projects globally over the past 4 years
- Growth has been largely debt funded
- Since commercial production at Las Bambas, net debt has been reduced by US\$2.7b
- In FY18 FCF was negatively impacted by the payment of 3 years of deferred interest on the US\$2.2b shareholder loan. Going forward, interest will be paid annually on this facility (average fixed interest rate is 4.1%).

## Movements in Net Debt



## Capital Expenditure



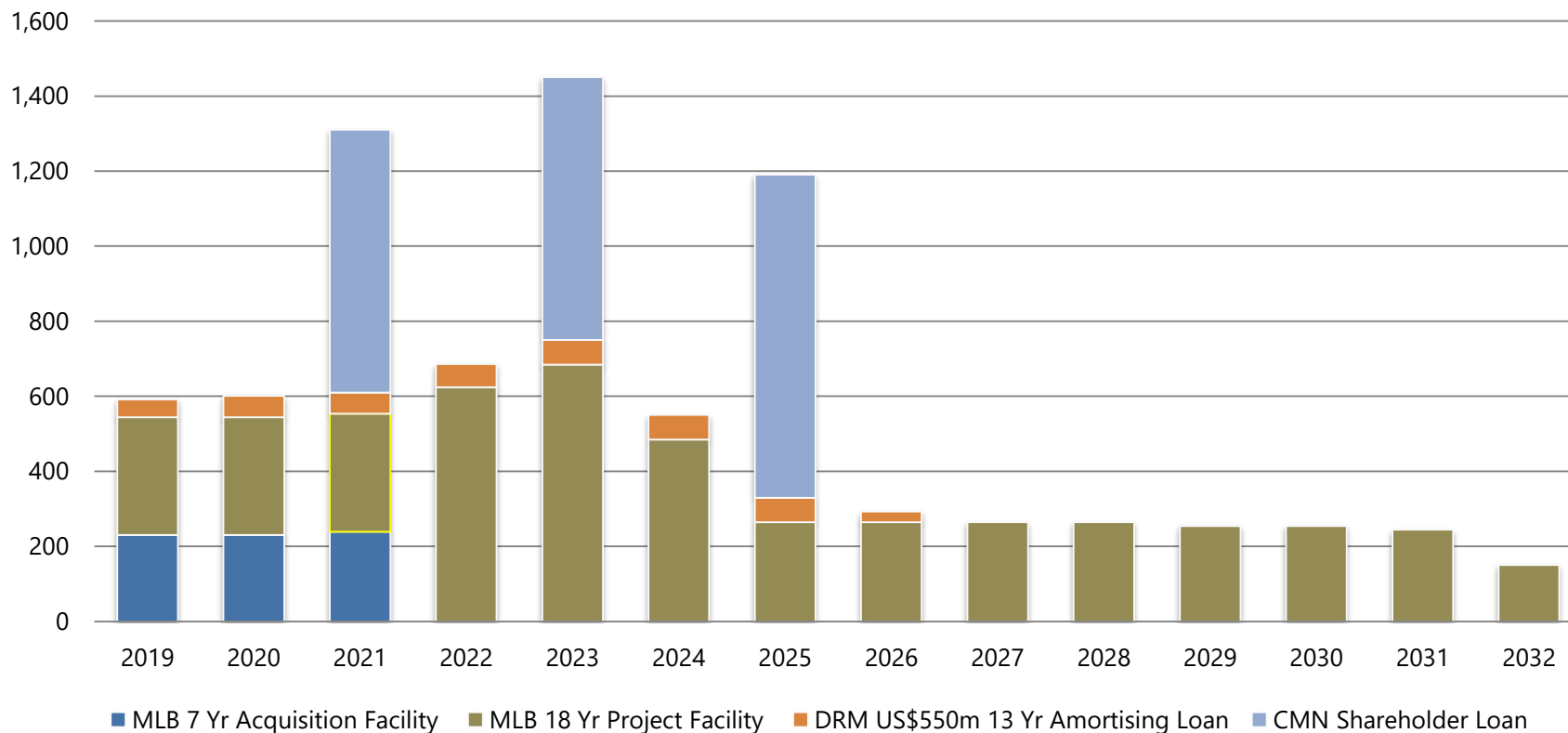
\* FY19 capex guidance US\$400m – US\$500m



# Debt maturity profile

- Gross debt reduced by ~US\$1.1b in FY2018
- Average outstanding maturity profile now ~5.3 years

## Debt repayment schedule<sup>1</sup> (US\$m)



1. Principal and interest payments including Joint Venture partner liabilities. Also excludes all revolving facilities.

## Right sizing the base



US\$30m reduction in overhead costs

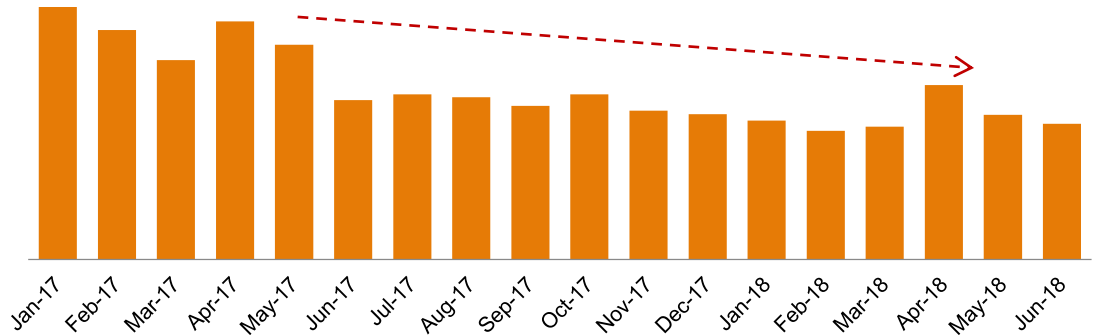
- Business improvement is a group wide focus and one of our strategic drivers for value creation
- Delivering the right platform to support value creation at existing asset base and retain flexibility to grow
- Portfolio optimisation: divestment of four non-core assets

## From ramp-up to optimisation



Las Bambas has delivered ~US\$95m savings in Cash Production Expenses

## 35% reduction in Las Bambas contractor headcount

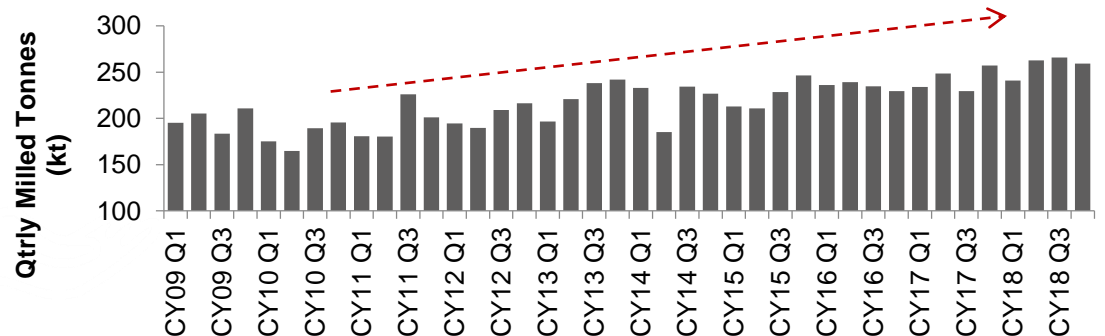


## Operational excellence

Track record of continuous improvement to offset grade declines, higher material movement and costs at mature operations



## Record mill throughput at Rosebery in 82<sup>nd</sup> year

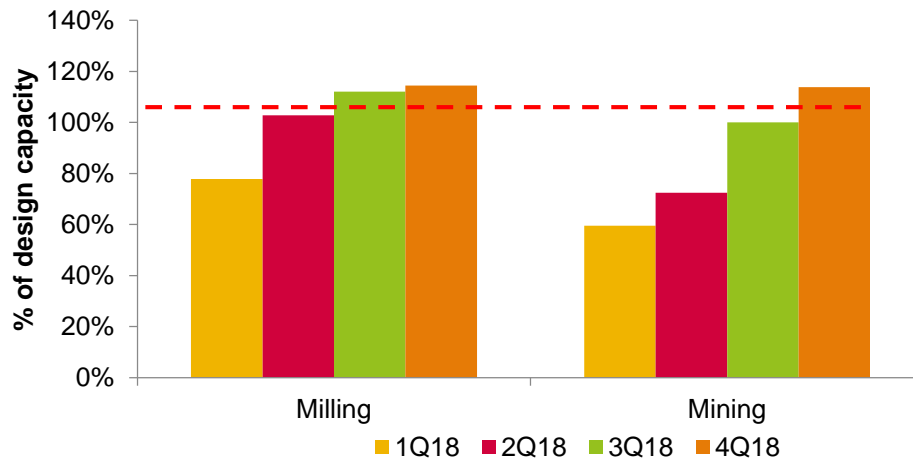


# Dugald River – top 10 zinc mine, world class ramp up

- Commercial Production 1 May 2018
- Development capital ~US\$550m<sup>1</sup>
- Early commissioning has resulted in lower net capital expenditure in 2018
- 2018 production of 147kt<sup>2</sup> zinc in zinc concentrate, with C1 cost of US\$0.58/lb since commercial production
- 2019 guidance 165-175kt pa and C1 cost of US\$0.58-0.68/lb



## Dugald River ramp up progress



1. Since 1 July 2015  
 2. Including 39,717 tonnes pre-commercial production.

## 2019 outlook

- Production guidance of 385-405kt of copper  
C1 guidance US\$1.15-1.25/lb
- 2018 Production impacted by localised geotechnical instability in a section of the Ferrobamba pit, major scheduled plant maintenance during 1H18 and the transition to lower grades as we continue to develop the mine.
- C1 guidance reflects significant increases in mining and milling volumes and longer haul distances. Partially offsetting this will be ongoing cost and efficiency programs that have delivered ~US\$95m in annualised savings.

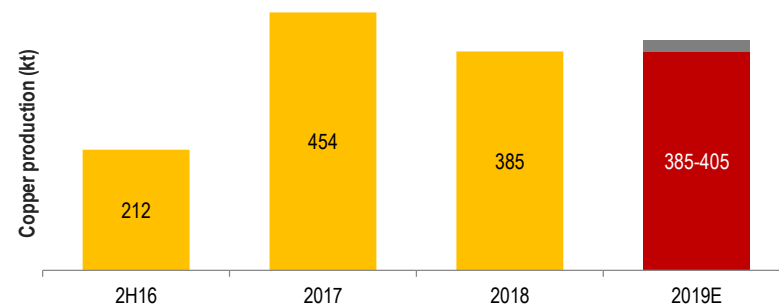
## Medium term outlook

- Las Bambas to produce >2mt over first 5yrs. A series of work programs to extend this production profile into the future, including:
  - > Plant upgrades and debottlenecking activities, expected to increase throughput by 5 to 10% above design capacity over next 5yrs.
  - > Focus shifting to growing the Las Bambas resource and realising geological potential. Expanding land access allows preliminary surface works to validate significant resource potential. Drill programs set to accelerate in 2019 with over 300 infill and exploration drill holes scheduled.



Las Bambas has been established as one of the lowest cost copper operations of this scale in the world. 20+ year mine life based on current reserves with significant geological potential to support mine life extension/expansion.

## Las Bambas to produce >2mt in first 5yrs



**MMG:**

**Focused, Efficient and Delivering Growth**

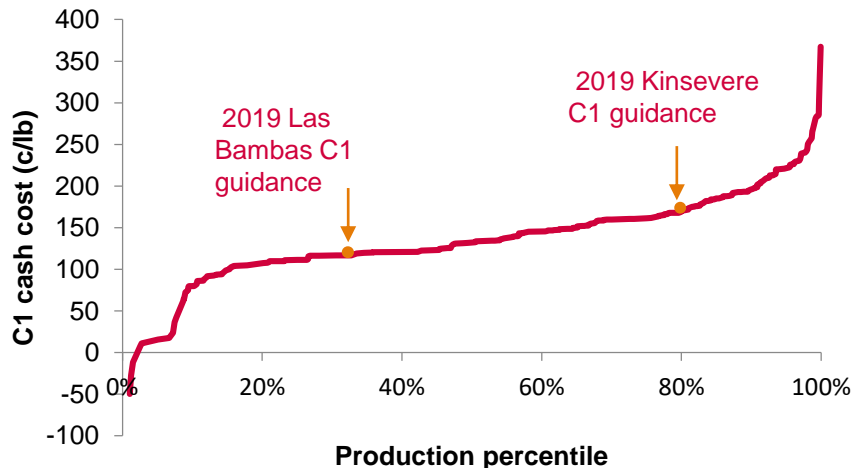
Geoffrey Gao

*Chief Executive Officer*

# World-class asset base delivering value

- World class asset base with geographic diversity and track record of delivering operational commitments
- Free Cash Generation of ~US\$2.7b since Las Bambas commercial production has been used for debt reduction and has created significant value for our shareholders
- Delivered 15% pa growth in Cu equivalent production over 5 past years. Recent asset sales and efficiency initiatives have created a strong platform for growth
- Significant brownfield project potential at Las Bambas and Kinsevere

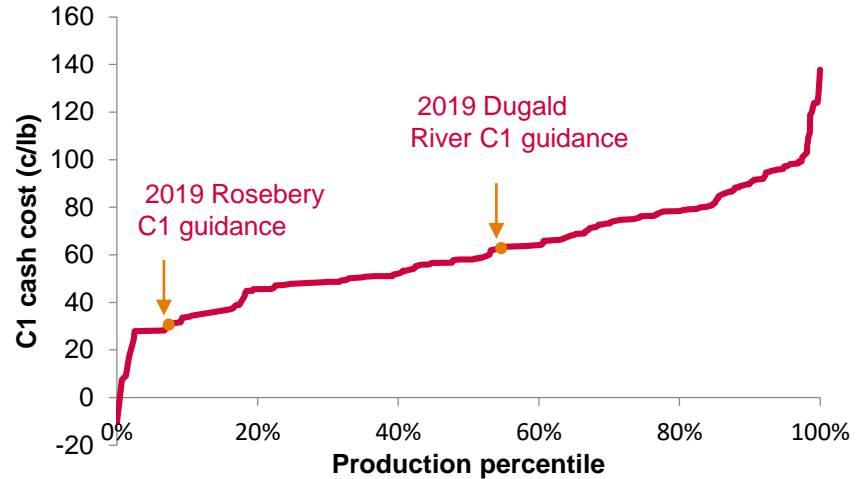
## C1 copper cost curve (2019)<sup>1</sup>



Source: Wood Mackenzie, Q2 2018

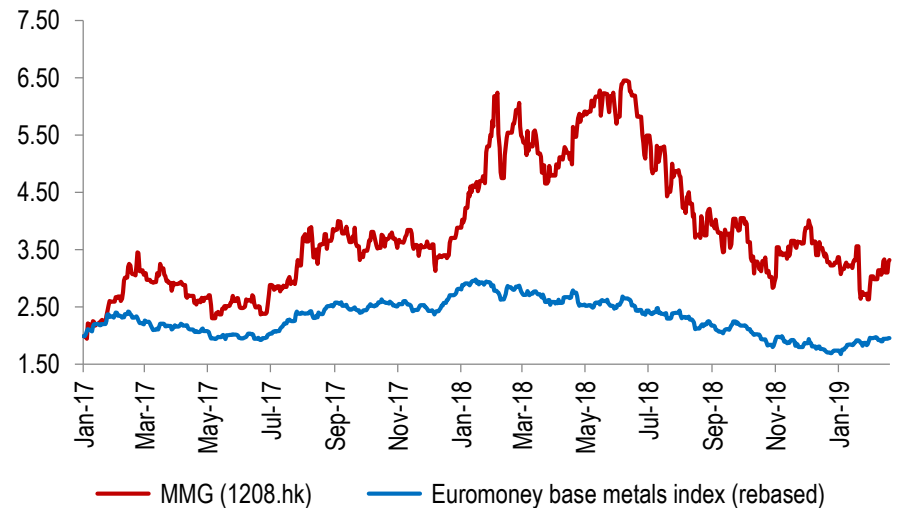
1. Wood Mackenzie Q4 2018 Composite C1 Cash Cost Curve. MMG consolidated C1 based on Las Bambas and Kinsevere guidance.

## C1 zinc cost curve (2019)<sup>1</sup>



## Share price performance

Rebased to MMG (HK\$)



# Focused, Efficient and Delivering Growth

## Growth

- ✓ Las Bambas then Dugald River – World top 10 copper and zinc mines

## Operational Excellence

- ✓ Track record of continuous improvement

## Shareholder value

- ✓ MMG's share price has materially outperformed the EMI Global Base Metals Index over the past one, two and three years

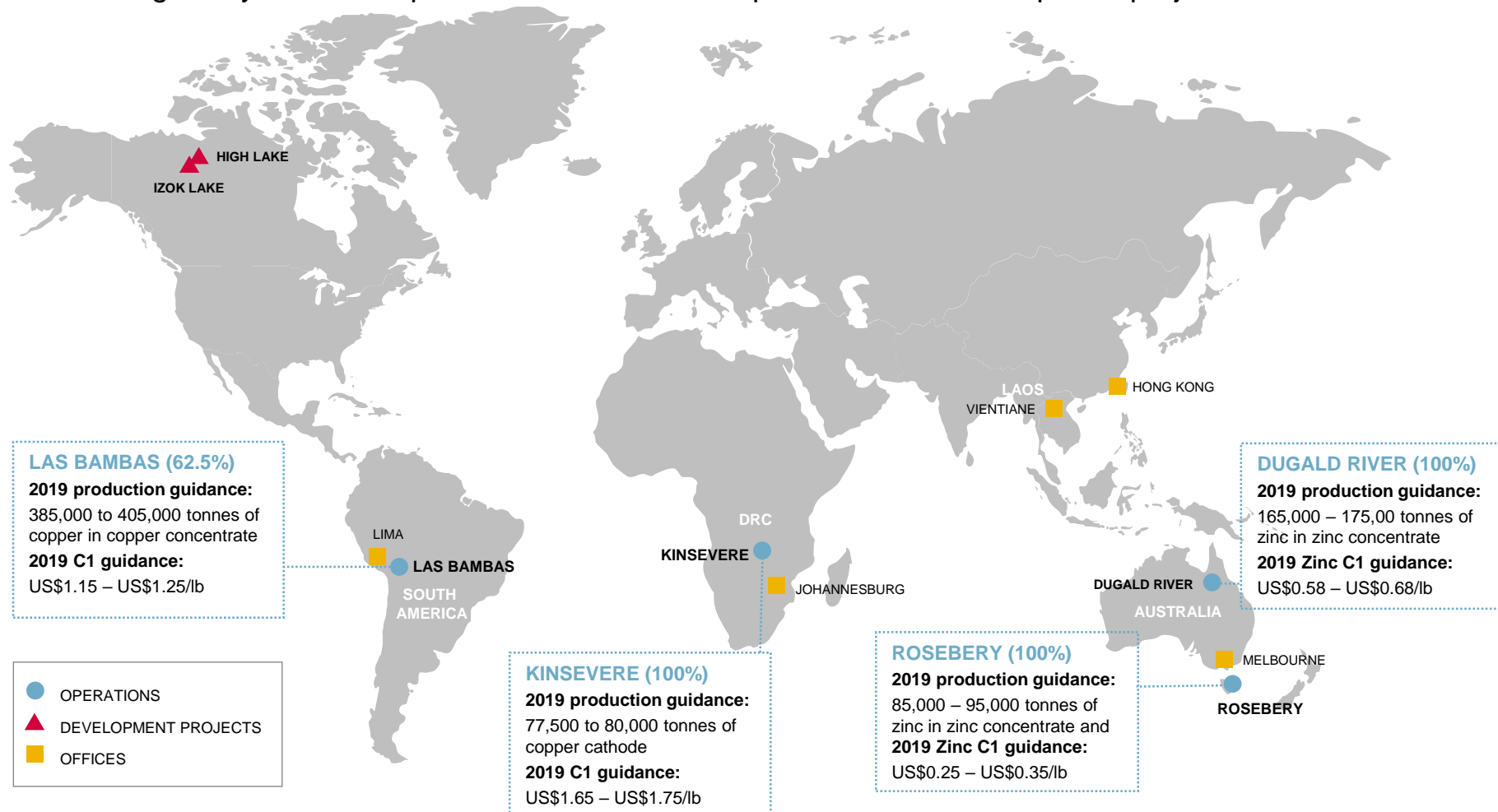




# Appendix



We have a globally diversified portfolio of base metals operations and development projects



## Las Bambas

Copper – production 385,000 – 405,000 tonnes

Copper – C1 costs US\$1.15 – 1.25 / lb

## Rosebery

Zinc – production 85,000 – 95,000 tonnes

Zinc – C1 costs US\$0.25 – 0.35 / lb

## Kinsevere

Copper – production 77,500 - 80,000 tonnes

Copper – C1 costs US\$1.65 – 1.75 / lb

## Dugald River

Zinc – production 165,000 – 175,000 tonnes

Zinc – C1 costs US\$0.58 – 0.68 / lb

***FY19 Capex Guidance: US\$400 - US\$500m***

***FY19 D&A Guidance: ~US\$1,000m***

# 2019 illustrative “spot” EBITDA & FCF

Copper	Las Bambas	Kinsevere	Total Copper
Total Copper Production (kt) <sup>3</sup>	395,000	78,750	
Payable % <sup>2</sup>	96.70%	100%	
<b>Total Copper Payable (kt)</b>	<b>381,965</b>	<b>78,750</b>	
Spot Price <sup>1</sup> (\$/lb)	2.97	2.97	
Cost Guidance <sup>3</sup> (\$/lb)	(1.20)	(1.70)	
<b>Margin (\$/lb)</b>	<b>1.77</b>	<b>1.27</b>	
Margin (\$/t)	3,902	2,800	
<b>Copper Annualised EBITDA (US\$M)</b>	<b>1,490.5</b>	<b>220.5</b>	
Royalty	(78.1)	(29.0)	
<b>Copper Annualised Adj. EBITDA (US\$M)</b>	<b>1,412.4</b>	<b>191.5</b>	<b>1,603.9</b>

<sup>1</sup> As of 1st Mar 2019.

<sup>2</sup> Typical industry terms used

<sup>3</sup> Mid-point of 2019 guidance

Zinc	Rosebery	Dugald River	Total Zinc
Total Zinc Production (kt) <sup>3</sup>	90,000	170,000	
Payable % <sup>2</sup>	85.00%	83.50%	
<b>Total Zinc Payable (kt)</b>	<b>76,500</b>	<b>141,950</b>	
Spot Price <sup>1</sup> (\$/lb)	1.28	1.28	
Cost Guidance <sup>3</sup> (\$/lb)	(0.30)	(0.63)	
<b>Margin (\$/lb)</b>	<b>0.98</b>	<b>0.65</b>	
Margin (\$/t)	2,161	1,433	
<b>Zinc Annualised EBITDA (US\$M)</b>	<b>165.3</b>	<b>203.4</b>	
Royalty	(10.4)	(11.1)	
<b>Zinc Annualised Adj. EBITDA (US\$M)</b>	<b>154.8</b>	<b>192.3</b>	<b>347.2</b>

<sup>1</sup> As of 1st Mar 2019.

<sup>2</sup> Typical industry terms used

<sup>3</sup> Mid-point of 2019 guidance

## Illustrative Free Cash Flow

Group	US\$'M
Copper EBITDA	1,603.9
Zinc EBITDA	347.2
Other EBITDA <sup>1</sup>	(70.6)
<b>Group EBITDA</b>	<b>1,880.5</b>
Capex	(450.0)
Cash Taxes, Interest + Other <sup>3</sup>	(700.0)
<b>Illustrative Spot Free Cash Flow<sup>2</sup></b>	<b>730.5</b>

1. Corporate and Exploration costs
2. Excludes working capital movement
3. Illustrative guidance - this number may vary depending on timing of certain tax payments, movements in LIBOR and other variations in cash flow. Excludes tax amounts payable for Glencore's period of ownership which are subject to indemnity

# Tax reconciliation

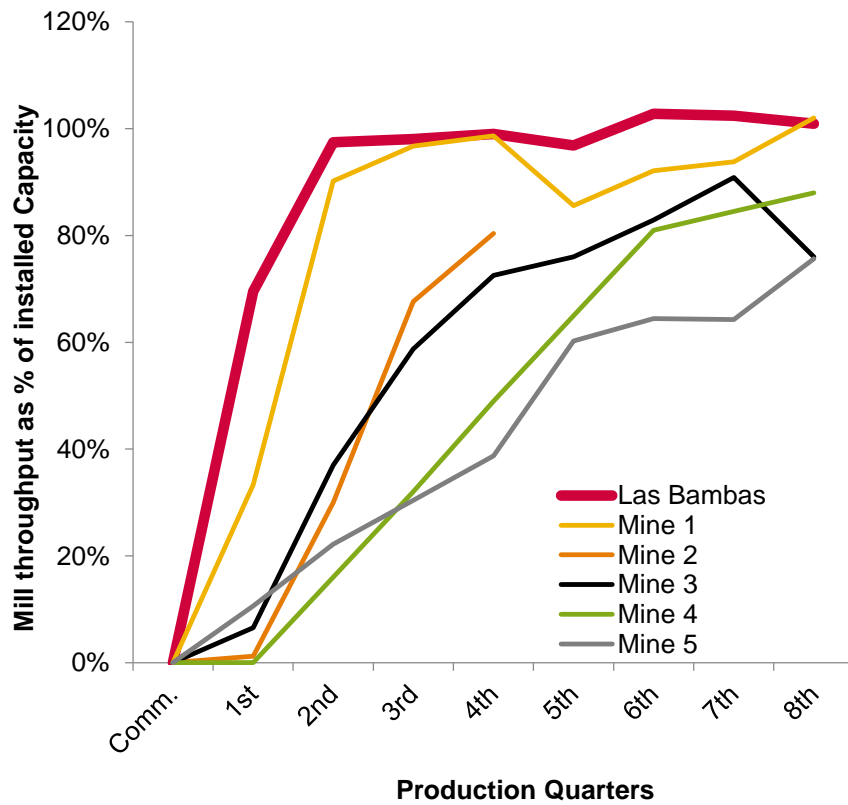
	<b>FY18 Actual</b>	<b>ETR %</b>
Profit Before Tax	306.2	
<b>Income Tax Expense</b>	<b>-169.6</b>	<b>55.4%</b>
<b>Tax reconciliation</b>		
Prima facie ETR from operations <sup>1</sup>	-98.0	32.0%
Non-creditable Peruvian WHT	-58.2	19.0%
Other tax adjustments	-13.4	4.4%
<b>Income Tax Expense</b>	<b>-169.6</b>	<b>55.4%</b>

- MMG's prima facie income tax rate from its operations is approximately 32%. This broadly reflects the corporate income tax rates in Peru, Australia and the DRC.
- In FY18, MMG's Effective Tax Rate (ETR) was 55.4%. This was largely driven by US\$58.2m in non-creditable Peruvian withholding taxes. This tax charge is largely fixed and independent of the level of the Group's operating earnings and Profit Before Tax.

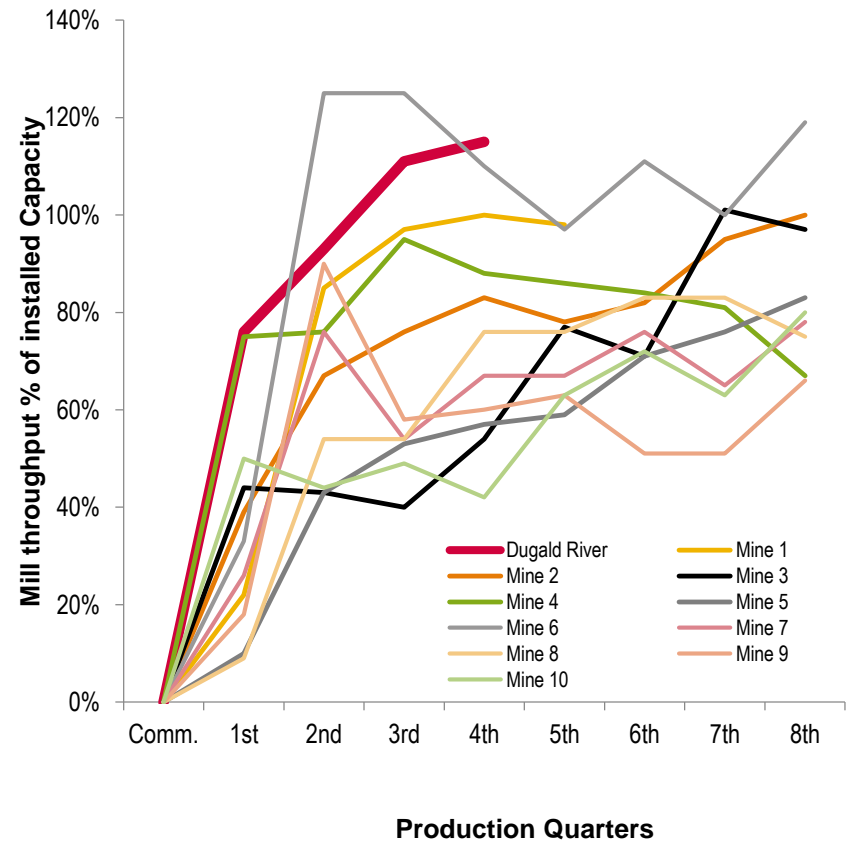
<sup>1</sup> Based on FY18 Profit Before Tax of US\$306.2m.

# Excellence in project delivery and ramp up

## Ramp up profiles of greenfield copper concentrators<sup>1</sup>

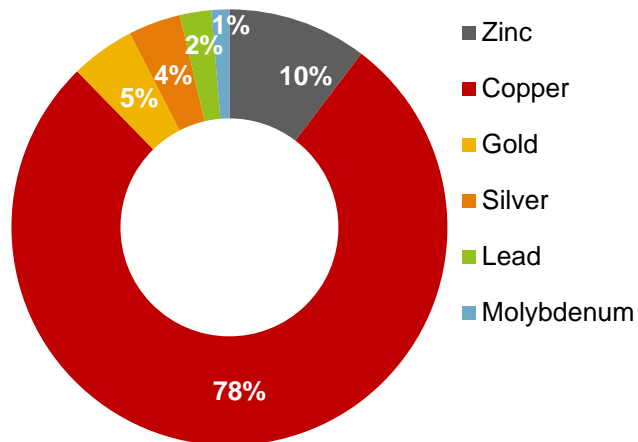


## Ramp up profiles of greenfield zinc concentrators<sup>1</sup>

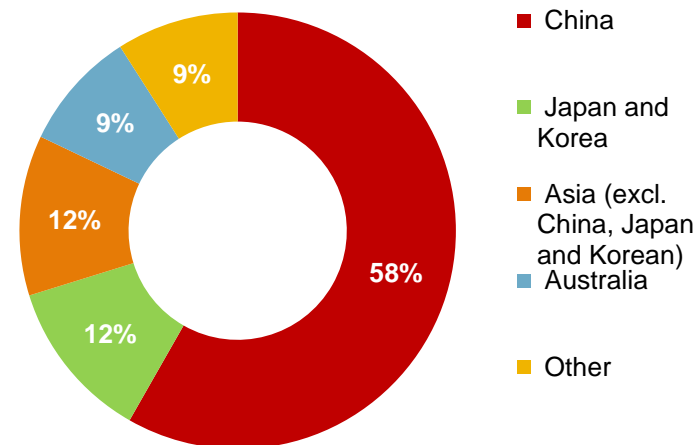


<sup>1</sup> Includes copper and zinc concentrator projects, publicly available data.

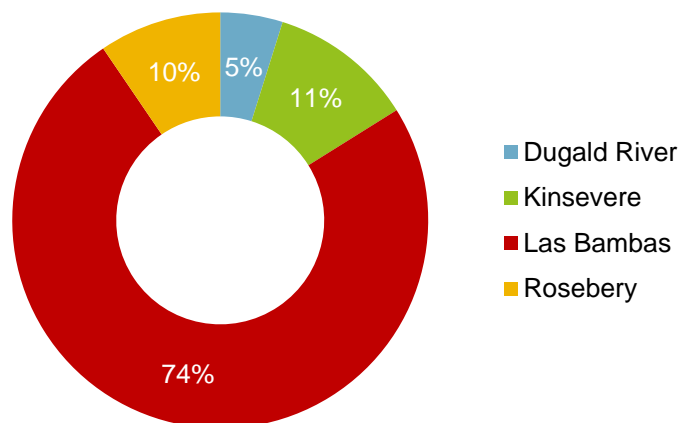
## Revenue by commodity



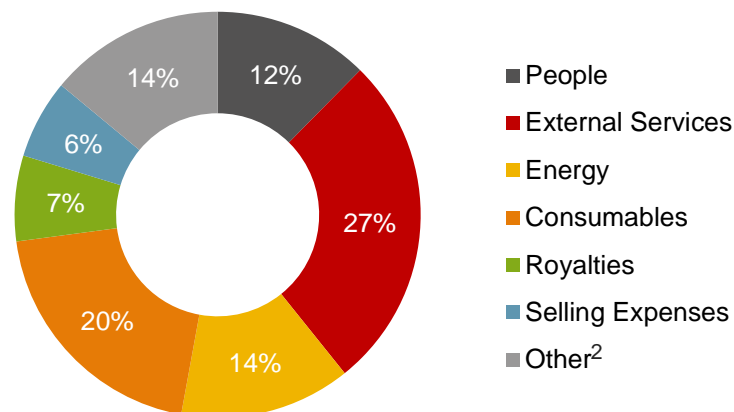
## Revenue by customer location



## EBITDA by operating segment



## Operating expenses (sites)



Source: MMG data

- MMG sold its 90% interest in Sepon during the year ended 31 December 2018 and accordingly it was classified as a discontinued operation. The results for 31 December 2018 in above financial dashboard was presented for continuing operations only.
- Other mainly includes stock movement, operating lease rental expense and other production expense.

# Las Bambas 2018 performance

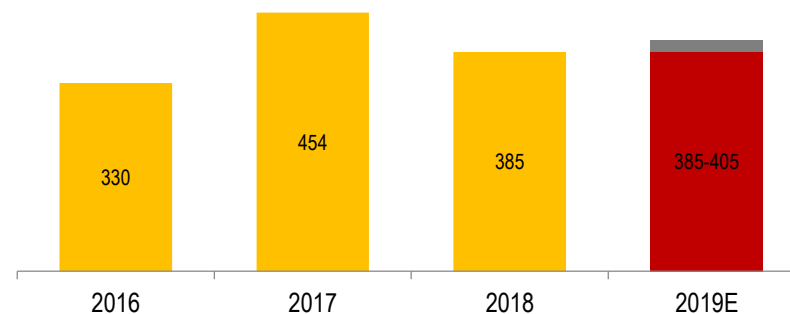
## Key highlights:

- Revenue of US\$2,578.6 million 12% lower, due to the impact on production of localised wall slippages during the first and third quarters as well as a scheduled maintenance shutdown.
- Copper ore grades milled were 0.91%, compared to 1.05% in 2017. Partially offsetting this was higher recovery of 86.2% compared to 84.3%, which reflects the impacts of initiatives to improve recovery and more favourable characteristics of the ore.
- Operating expenses were 12% higher due to higher mining costs (total material movement increased 6%) and higher mining and processing maintenance costs (US\$30.4 million and US\$14.3 million higher respectively). The higher maintenance costs were due to scheduled major overhauls of the mining fleet and planned maintenance shutdown. Partially offsetting this was a series of efficiency projects that has delivered annualised savings of ~US\$95 million.
- C1 was US\$1.18/lb compared to US\$0.99/lb in 2017. The higher C1 is largely due to lower production volumes.
- 2019 production guidance is 385-405kt, with ore grades expected to be in line with those in 2018.
- Las Bambas remains on target to deliver on medium term guidance of two million tonnes of copper in copper concentrate in the first five years.

## Financials

US\$ million	2018	2017	%
Revenue	<b>2,578.6</b>	2,936.9	(12%)
EBITDA	<b>1,341.2</b>	1,740.8	(23%)
EBIT	<b>699.7</b>	1,151.4	(39%)
EBITDA margin (%)	<b>52%</b>	59%	
Production – Copper in copper concentrate (t)	<b>385,299</b>	453,749	(15%)
C1 costs – copper (US\$ / lb)	<b>1.18</b>	0.99	

## Copper in copper concentrate production kt



# Kinsevere 2018 performance

## Key highlights

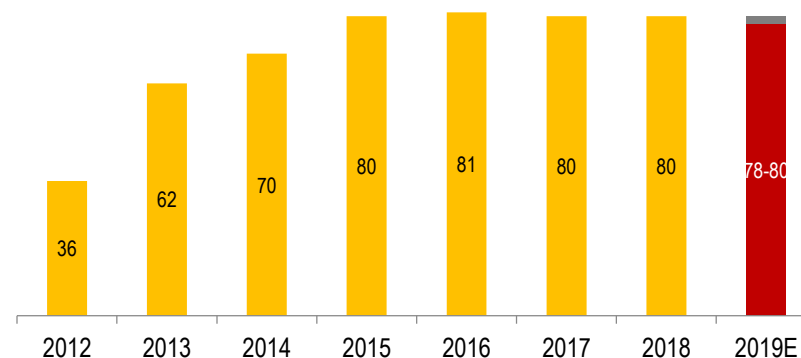
- Full year production of 79,711 tonnes of copper cathode, reflecting fourth year of stable and consistent production around 80,000 tonnes.
- Revenue increased by US\$15.5 million (3%) and EBITDA increased by US\$24.3 million (14%), due to higher average realised copper prices.
- Operating expenses increased by US\$12.1 million (4%) due to higher mining costs due to higher mining volumes and additional estimated costs associated with the new DRC mining code.
- Production is expected to be between 77,500 and 80,000 tonnes of copper cathode and C1 costs are expected to be US\$1.65-US\$1.75 in 2019.

## Financials

US\$ million	2018	2017	%
Revenue	516.4	500.9	3%
EBITDA	203.0	178.7	14%
EBIT	49.8	34.5	45%
EBITDA margin (%)	39%	36%	
Production – Copper cathode (t)	79,711	80,186	(1%)
C1 costs – copper (US\$ / lb)	1.68	1.58	

## Copper cathode production

kt





# Rosebery 2018 performance

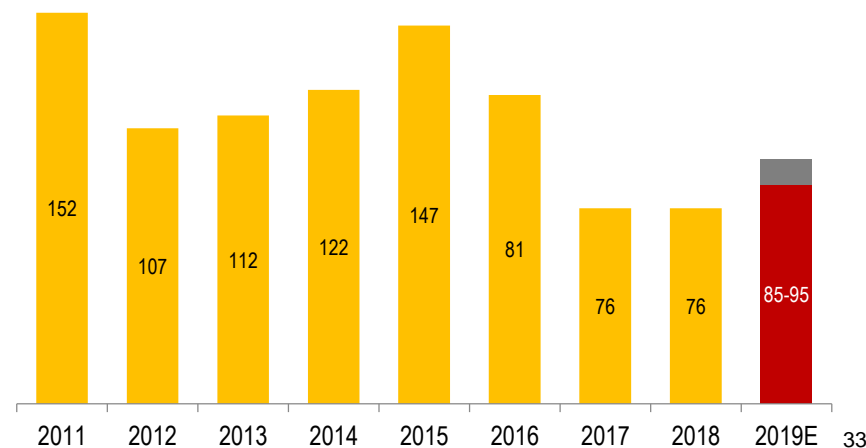
## Key highlights

- Revenue increased by 14% to US\$328.7 million compared to 2017.
- Total production expenses were US\$3.4 million (3%) lower due to a series of initiatives including lower contractor spend due to the insourcing of mining and development work. This was despite a record level of ore mined and milled.
- EBITDA of US\$171.6 million was 13% higher than 2017 period due to higher revenue and lower production expenses.
- Zinc C1 costs were negative US\$0.04/lb in 2018 due to increase in sales volumes of lead, copper, gold and silver, which are treated as by-product credits in the calculation of C1.
- MMG expects to produce 85,000 to 95,000 tonnes of zinc in zinc concentrate at Rosebery in 2019. C1 costs for zinc are expected to be in the range of US\$0.25 – US\$0.35/lb. Production is expected to be broadly flat in zinc equivalent terms (vs. FY18), with the higher C1 costs due to the lower by-product credit contribution.

## Financials

US\$ million	2018	2017	%
Revenue	328.7	288.8	14%
EBITDA	171.6	152.1	13%
EBIT	97.8	82.5	19%
EBITDA margin (%)	52%	53%	
Production			
Zinc in zinc concentrate (t)	75,721	74,803	1%
Lead in lead concentrate (t)	28,744	26,611	8%
Copper in copper concentrate (t)	1,465	1,321	11%
C1 costs – Rosebery zinc (US\$/lb)	(0.04)	0.07	

## Zinc in zinc concentrate production kt



# Dugald River 2018 performance

## Key highlights

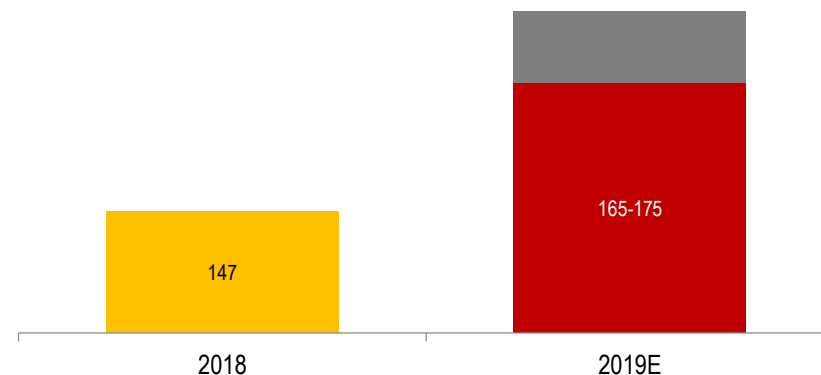
- Achieved commercial production on 1 May 2018, with results taking into consideration sales revenue, operating expenses and depreciation and amortisation from this date.
- Dugald River ramped up at world class levels, producing 147,320 tonnes of zinc in concentrate, including 39,717 tonnes pre-commercial production.
- Mill throughput of 1.75 million tonnes in 2018 represented 103% of notional nameplate capacity, demonstrating proven capability to operate the mill at design levels.
- Revenue of US\$247.3 million derived from payable metal in product sold of 121,548 tonnes of zinc and 14,353 tonnes of lead since commercial production.
- MMG expects to produce 165,000 to 175,000 tonnes of zinc in zinc concentrate in 2019, with a C1 guidance of US\$0.58 to US\$0.68/lb.
- Throughout 2019 the mine will continue to be developed to open up steady state number of operating slopes.
- Dugald River is positioned to be within the world's top 10 zinc mines, with annual production of around 170,000 tonnes of zinc in zinc concentrate, plus by-products. The mine is expected to operate for over 20 years.

## Financials

US\$ million	2018	2017	%
Revenue <sup>1</sup>	247.3	-	-
EBITDA <sup>1</sup>	87.6	-	-
EBIT <sup>1</sup>	46.9	-	-
EBITDA margin (%)	35%	-	-
Production <sup>2</sup>			
Zinc in zinc concentrate (t)	147,320	-	-
Lead in lead concentrate (t)	16,693	-	-
C1 costs – zinc (US\$/lb) <sup>3</sup>	0.58	-	-

## Zinc in zinc concentrate production

kt



1. EBITDA includes revenue, operating expenses and other income and expense items. All financial data relates to the period post commercial production (1 May 2018).  
 2. Production relates to the full year 2018.  
 3. C1 costs relate to the period post commercial production (1 May 2018)

# Profit or Loss Statement

Year ended 31 December	2018 US\$ million	2017 US\$ million
<b>Revenue</b>	<b>3,670.2</b>	<b>3,751.3</b>
Operating expenses	(1,862.8)	(1,635.1)
Exploration expenses	(47.5)	(45.1)
Administration expenses	(35.8)	(81.7)
Other income / (expenses)	27.1	(77.2)
Gains on disposal of subsidiaries	-	178.6
<b>EBITDA</b>	<b>1,751.2</b>	<b>2,090.8</b>
Depreciation and amortisation expenses	(918.1)	(818.6)
<b>EBIT</b>	<b>833.1</b>	<b>1,272.2</b>
Net finance costs	(526.9)	(531.6)
<b>Profit before income tax</b>	<b>306.2</b>	<b>740.6</b>
Income tax expense	(169.6)	(394.5)
<b>Profit after income tax from continuing operations</b>	<b>136.6</b>	<b>346.1</b>
Profit after income tax from discontinued operation	0.8	2.3
<b>Profit for the Year</b>	<b>137.4</b>	<b>348.4</b>
<b>Attributable to:</b>		
<b>Equity holders of the Company</b>	<b>68.3</b>	<b>147.1</b>
- From continuing operations	64.8	144.0
- From discontinued operations	3.5	3.1
<b>Non-controlling interests</b>	<b>69.1</b>	<b>201.3</b>
- From continuing operations	71.8	202.1
- From discontinued operations	(2.7)	(0.8)
	<b>137.4</b>	<b>348.4</b>

# Balance Sheet

US\$ million	31 Dec 2018	31 Dec 2017
Non-current assets	11,982.6	13,093.5
Current assets – cash and cash equivalents	601.9	936.1
Current assets – other	670.9	760.0
<b>Total assets</b>	<b>13,255.4</b>	<b>14,789.6</b>
<b>Total equity</b>	<b>2,896.3</b>	<b>2,971.8</b>
Non-current liabilities – other	1,486.8	1,817.1
Non-current liabilities – borrowings	7,446.4	8,498.2
Current liabilities – other	740.9	808.2
Current liabilities – borrowings	685.0	694.3
<b>Total liabilities</b>	<b>10,359.1</b>	<b>11,817.8</b>
<b>Total equity and liabilities</b>	<b>13,255.4</b>	<b>14,789.6</b>
<b>Net current (liabilities)/assets</b>	<b>(153.1)</b>	<b>193.6</b>

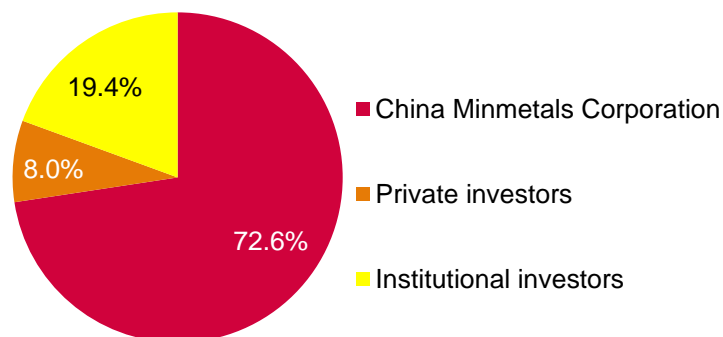
# Statement of Cash Flow

Year ended 31 December US\$ million	2018	2017
Receipts from customers	4,262.1	4,820.5
Payments to suppliers and employees	(2,392.9)	(2,318.3)
Payments for exploration expenditure	(47.5)	(45.6)
Income tax paid	(90.2)	(86.8)
<b>Net cash generated from operating activities</b>	<b>1,731.5</b>	<b>2,369.8</b>
Purchase of property, plant and equipment	(332.1)	(666.9)
Other investing activities	227.2	144.5
<b>Net cash used in investing activities</b>	<b>(104.9)</b>	<b>(522.4)</b>
Proceeds from borrowings	370.0	140.0
Repayments of borrowings	(1,228.8)	(1,212.0)
Payments on redemption of convertible redeemable preference shares	(338.0)	-
Proceeds from shares issued upon exercise of employee share options	9.2	8.6
Dividends paid to non-controlling interests	(27.2)	-
Interest and financing costs paid	(759.6)	(409.1)
Interest received	13.6	8.5
<b>Net cash used in financing activities</b>	<b>(1,960.8)</b>	<b>(1,464.0)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(334.2)</b>	<b>383.4</b>
Cash and cash equivalents at 1 January	936.1	552.7
<b>Cash and cash equivalents at 31 December</b>	<b>601.9</b>	<b>936.1</b>

## Overview

- Founded in 2009, MMG is a diversified base metals company with four operating mines located across four continents
- Headquartered in Melbourne (Australia), with a primary listing on the HKEx (1208 HK) and a secondary listing on the ASX (MMG ASX)
- Primary exposure to copper and zinc, with smaller exposures to gold, silver, lead and molybdenum
- MMG's flagship asset, Las Bambas, will produce >2mt of copper over its first 5 years. Dugald River reached commercial production in May 2018 and will produce ~170kt of zinc per annum at steady state.

## Shareholder base



## Broker Coverage

Broker	Name
Argonaut	Helen Lau
BOCI	Lawrence Lau
CCBI Securities	Felix Lam/Angel Yu
CICC	Yan Chen/Yubo Dong
Citi	Ada Gao
CITIC Securities	AO Chong
Credit Suisse	Yang Luo/Peter Li
DBS Bank	Lee Eun Young
Deutsche Bank	Sharon Ding/Shuhang Jiang
Goldman Sachs	Trina Chen/Joy Zhang
Jefferies	Chris LaFemina/Tim Ward
J.P. Morgan	Han Fu
Macquarie	Ben Crowley
Sealand Securities	Dai Pengju

**Objective: To be valued as one of the world's top mid-tier miners by 2020**

# Mineral Resources

Copper and zinc Mineral Resources of 12.8Mt and 10.9Mt respectively

## Mineral Resources – Contained Metal (100% asset basis)

As at 30 June 2018

Project	Copper	Zinc	Lead	Silver	Gold	Molybdenum
	<i>kt</i>	<i>kt</i>	<i>kt</i>	<i>moz</i>	<i>moz</i>	<i>kt</i>
Las Bambas	10,649			168	2.4	310
Kinsevere	1,313					
Dugald River	99	7,052	1,039	49		
Rosebery	43	1,419	490	57	0.8	
High Lake	347	536	50	37	0.6	
Izok Lake	342	1,910	209	34	0.1	
<b>Total</b>	<b>12,794</b>	<b>10,917</b>	<b>1,789</b>	<b>346</b>	<b>3.9</b>	<b>310</b>

The information referred to in this presentation has been extracted from the report titled Mineral Resources and Ore Reserves Statement as at 30 June 2018 published on 5 December 2018 and is available to view on [www.mmg.com](http://www.mmg.com). MMG confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources and Ore Reserves Statement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Mineral Resources and Ore Reserves Statement continue to apply and have not materially changed. MMG confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resources and Ore Reserves Statement

# Ore Reserves

Copper and zinc Ore Reserves of 7.4Mt and 3.8Mt respectively

## Ore Reserves – Contained Metal (100% asset basis)

As at 30 June 2018

Project	Copper	Zinc	Lead	Silver	Gold	Molybdenum
	<i>kt</i>	<i>kt</i>	<i>kt</i>	<i>moz</i>	<i>moz</i>	<i>kt</i>
Las Bambas	6,882			107	1.7	187
Kinsevere	488					
Dugald River		3,336	580	35		
Rosebery	11	428	161	20	0.2	
<b>Total</b>	<b>7,381</b>	<b>3,764</b>	<b>740</b>	<b>162</b>	<b>1.9</b>	<b>187</b>

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2009 MMG joins International Council of Mining and Metals (ICMM)

2015 Internal Principal Engineer - Tailings & Water engaged to provide Company with Internal Assurance and Technical Capacity

Tailing and Water Dams Risk Management approach developed

- Risk bow-tie established
- Critical Control Designs established
  - Design and Construct
  - Operate, Maintain and Monitor
  - Inspect
  - Management of Change
  - Emergency Response

2016 Internal review by Principal Engineer – Tailings & Water of all MMG Tailings and Major Water Dams completed

Tailings and Water Dams Risk Management Approach deployed to all sites

ICMM position statement on tailings released

MMG participation in ICMM Tailings Working Group

First MMG Dam Committee Meeting established at Las Bambas

2016 - 2018 Dam Committees rolled out to all sites  
Annual Inspections as per ANCOLD (2012)

2018 Internal Audit of site application of risk management framework to TSFs

## Tailing and Water Dams Risk Management Approach

- MMG Risk and Assurance Standard
  - Risk Management Procedure
  - Functional Technical Assurance
  - Aligned with 3 Lines of Defense
- Designated Corporate Risk Owner and Control Owners, replicated at all Sites
- Critical Controls Designs (CCDs) developed by technical specialists and deployed consistently across the Group
- Australian National Committee on Large Dams (ANCOLD) guidelines minimum accepted practice for Design Operate and Maintain
- Involvement of Group Functional/Technical Specialists with Operations delivery teams
- Risk Management Reporting to Operations Management, Executive Committee and Board Risk Committee

## Our Major Dam Inventory

Six Tailings Dams Two Water Dams	Three tailings dams incorporating upstream construction at two operations
Six operating dams: Four tailings Two water	One operating upstream construction dam
Two inactive tailings dams	Two inactive upstream construction dams

# Executive team – global experience



**Chief Executive Officer**  
**Geoffrey Gao**

- Appointed as CEO of the Company in August 2018
- 7+ years served as a Non-executive Director of the Company from April
- Master's degree in Business Management from The Renmin University of China in the PRC



**Chief Financial Officer**  
**Ross Carroll**

- 25+ years' experience in the Natural Resources sectors
- CEO and MD Macmahon Holdings
- CFO Woodside Petroleum
- Senior financial roles BHP Billiton



**EGM Business Support**  
**Greg Travers**

- Executive General Manager Services and Strategic Planning Myer Limited
- 7+ years BHP Billiton
- 6+ years Pratt Group
- 11+ years WMC Resources



**EGM Marketing & Risk**  
**Xu Jiqing**

- 25+ years' experience in finance, strategy, investment
- Director of CMNH and Jiangxi Tungsten
- Director Copper Partners Investment and HNG
- Vice President and CFO of China Minmetals Non-Ferrous



**EGM Stakeholder Relations**  
**Troy Hey**

- 20+ years' government, media, community and investor relations
- General Manager Media and Reputation Foster's Group.
- Group Manager Public Affairs WMC Resources



**EGM Operations – Africa, Australia and Asia**  
**Mark Davis**

- 20+ years' mining and metals experience in operations and business management
- General Manager Aluminium South Africa for BHP Billiton Limited



**EGM Operations – Americas**  
**Suresh Vadnagra**

- 20 years' experience in the Mining and Industrial Sectors.
- Group General Manager Operations South America & President of Minera Las Bambas.
- General Manager of the Sepon mine and General Manager Operational Excellence.
- Senior roles in Iluka Resources and BHP Billiton Limited.

