2016 Interim Results Presentation

17 August 2016

HKEx:1208 ASX:MMG

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This presentation should be read in conjunction with MMG Limited's interim results announcement for the half year ended 30 June 2016 issued to the Hong Kong Stock Exchange on 16 August 2016.

1H16 in review

Andrew Michelmore
Chief Executive Officer

Financial Results

Ross Carroll
Chief Financial Officer

Operational Excellence

Marcelo Bastos
Chief Operating Officer

Emerging Copper Major

Andrew Michelmore
Chief Executive Officer

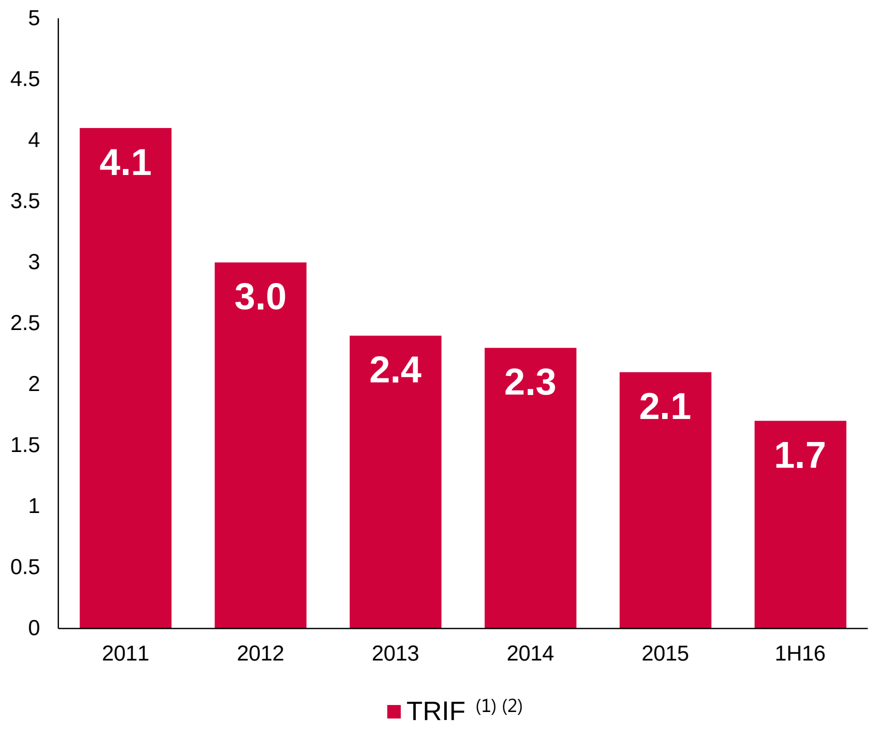
- Las Bambas – World class copper
- Mid-tier miner with growth mandate
- Base metals focus and diversification
- Global expertise and access to long term capital

1H16 in review

Andrew Michelmore
Chief Executive Officer

Our first value: We think safety first

Safety Performance



- Fatality of contracted driver engaged by Las Bambas mine in Peru, following a road accident in July 2016.
- MMG is committed to continuous improvement in health and safety.
- *"We place safety at the centre of everything we do and we believe that nothing is so important that it cannot be done safely"*
- TRIF of 1.7 per million hours worked in 1H16, lowest half yearly TRIF ever recorded and an improvement compared to 2.0 reported for 1H15.

(1) Total Recordable Injury Frequency per million hours worked
(2) Not including Las Bambas construction. Las Bambas safety data will be incorporated for first time from July 2016

Growing through the down cycle

1H16 was pivotal for MMG, emerging a different company

- **Record safety performance**: TRIF of 1.7 per million hours worked in 1H16.
- **Operations remained cash generative**: EBITDA of $134.3m (64% below 1H15) despite Cu, Zn price declines of 21%, 16%.
- **Cost control**: Total production expense (continuing operating sites) down $63m (vs 1H15).
- **Peak funding**: Las Bambas project cost ~$9.7b . Now accounted for as an operation and cash flows realised from 2H16.
- **Underlying loss of $93.0m**: MMG board has resolved not to pay a dividend.

Guidance for 2016 maintained

- Expect to produce 415-477kt of copper and 120-135kt of zinc.

Delivering on our commitment to grow

- **Las Bambas delivered on time/budget**:

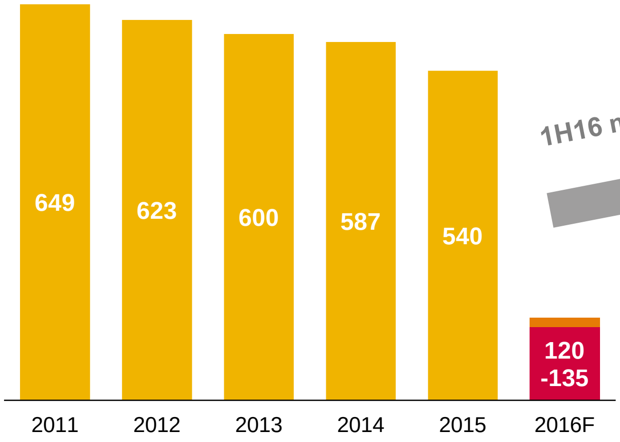
  Guidance to produce 250-300kt of copper in 2016. Largest copper greenfield in past 10 years, 6 months to ramp up (well ahead of industry benchmark) and expected to produce ~2mt of copper in first 5 years.

- **Dugald River**:

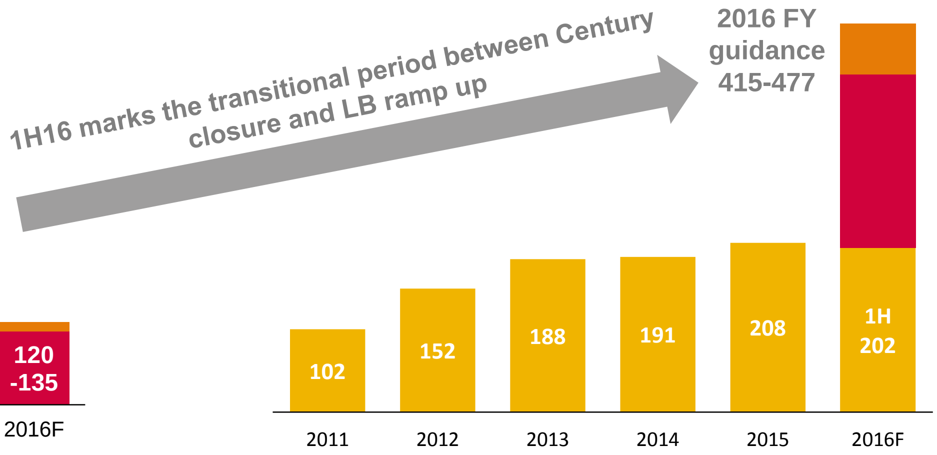
  Final funding approval to bring ~170kt of Zn into the market at a time of falling supply and increasing prices (Zn price +42% YTD).

Production profile shifting towards copper

Zinc production
'000 tonnes



Copper production
'000 tonnes



MMG's production profile expected to deliver a CAGR of 14% in copper equivalent tonnes since 2011

Financial results

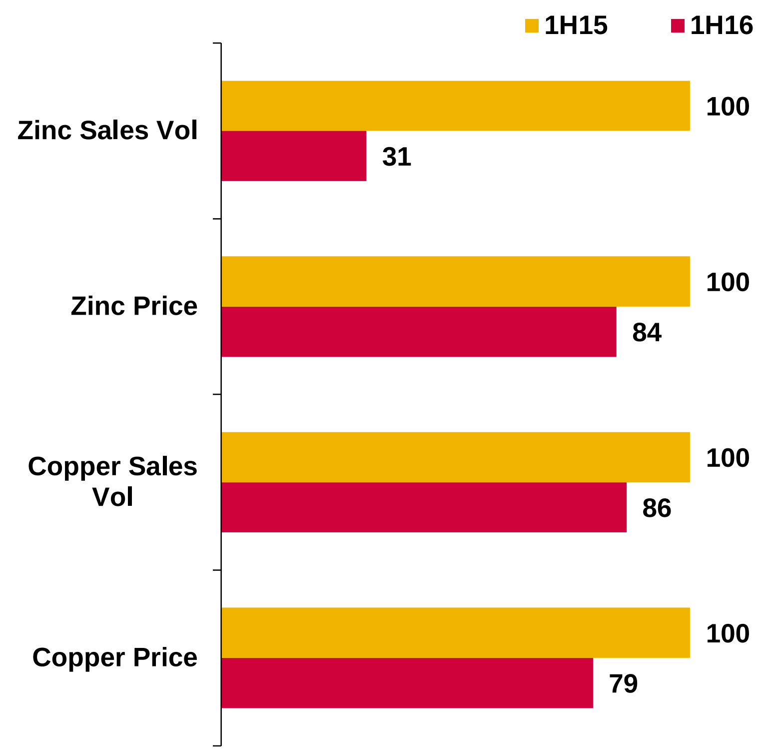
Ross Carroll
Chief Financial Officer

First half results in summary

- Revenue decreased by US$527.7m due to Century mine closure, lower copper sales and lower realised prices.
- Las Bambas sales volumes will hit the P&L from 1 July 2016 as the project moved into commercial production.
- EBITDA of US$134.3m million, down 64%, but demonstrating positive cash generation from all continuing operations.
- Loss for the first half 2016 of US$93.0m.
- MMG Board has resolved not to pay a dividend.

Sales volume* and commodity price performance

Indexed, 2015=100



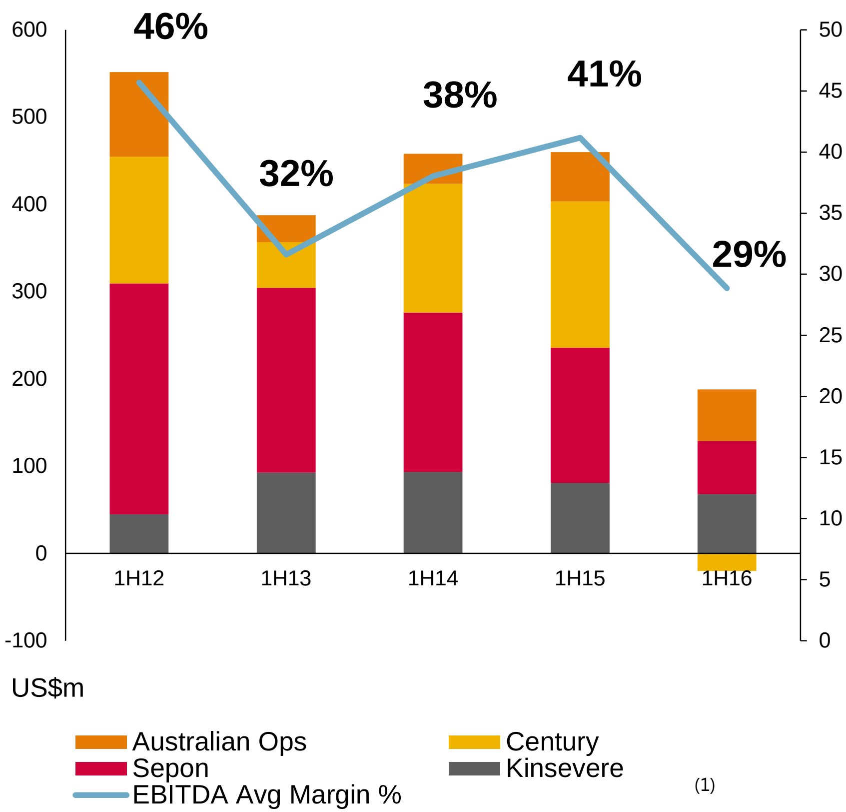
* Payable metal in product sold.

Condensed consolidated income statement

Six months ended 30 June US$ million	2016	2015	Variance %
Revenue	586.1	1,113.8	(47)
EBITDA	**134.3**	**375.9**	(64)
Depreciation and amortisation	(201.3)	(380.9)	47
Underlying EBIT	**(67.0)**	**(5.0)**	**(1,240)**
Net Interest	(47.1)	(41.8)	(13)
Income tax credit/(expense)	21.1	(1.2)	1,858
Underlying Loss for the period	**(93.0)**	**(48.0)**	(94)
EBITDA margin	23%	34%	
Net cash generated from operating activities	57.7	202.7	(72)
Loss per share attributable to the equity holders of the Company			
Basic loss per share - Underlying	US (1.75) cents	US (0.87) cents	(101)

All continuing operations cash generative

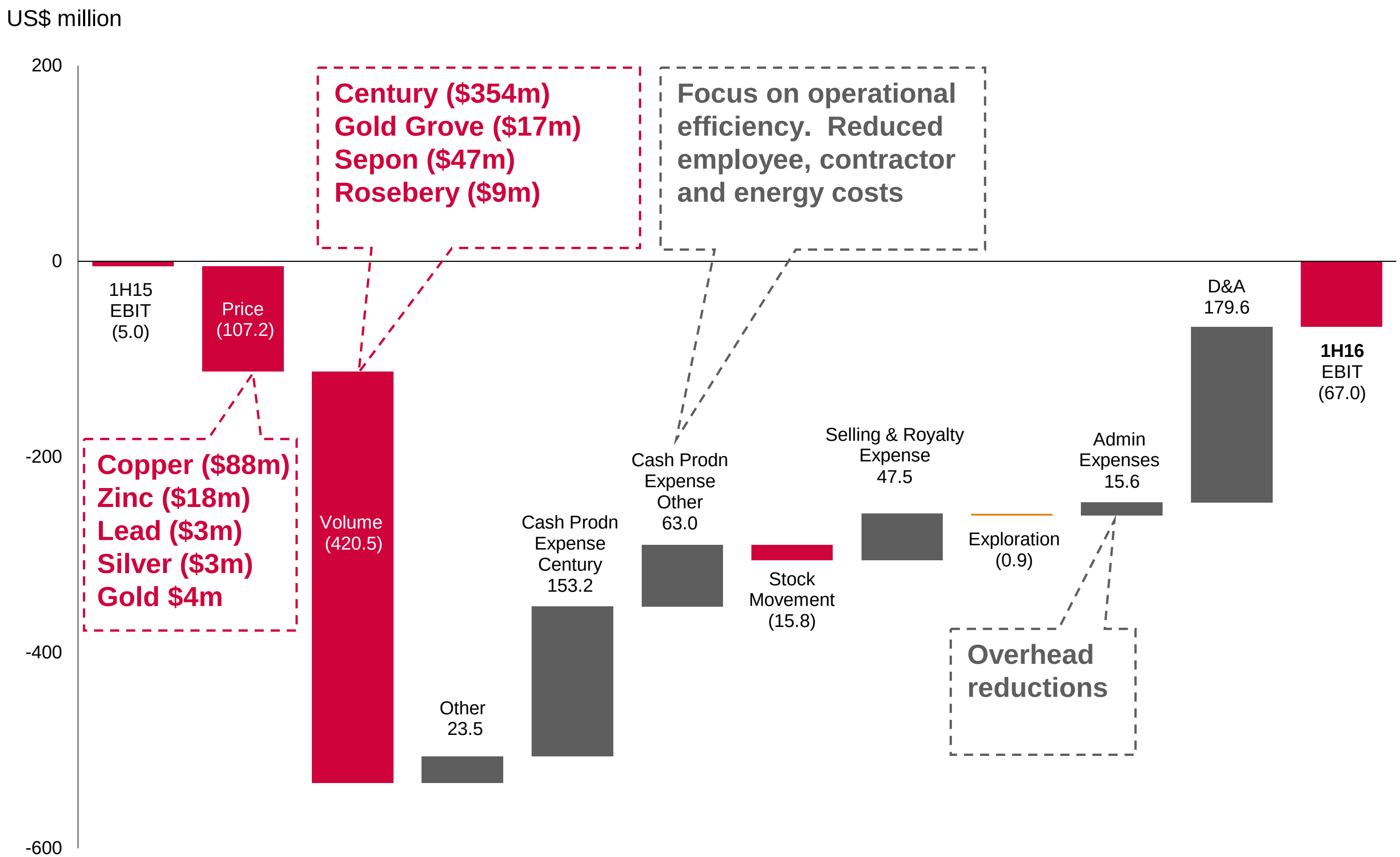
Asset EBITDA as a proxy for operating cash flow



- **Ongoing productivity focus and cost management**. Century transitioned to care and maintenance.
- **Group net operating cash flow** US$57.7 million, down 72%. Expect a material improvement in 2H16 from Las Bambas cash flows.
- **Operating expenditure** US$408.7 million, down 38%.
- **Total production expenses** across operating sites (excl Century) US$63m lower. Continued focus on strategic cost reduction.
- **1H16 Capex of US$376m**, coinciding with peak funding requirement for Las Bambas.
- **Capex guidance** for 2016 is US$900-950m, including US$450-500m at Las Bambas (project costs and sustaining capital), $250m at Dugald River and $200m from all other operations.

(1) EBITDA Margin based on average margin of operating sites.

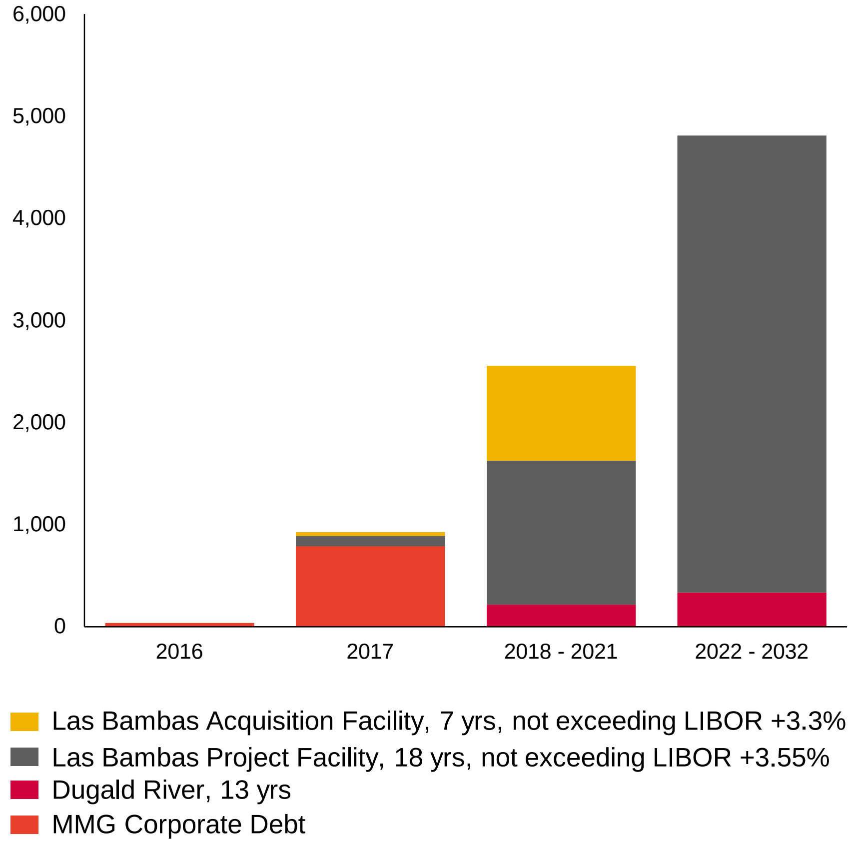
Underlying EBIT variance analysis



Access to long term capital, a competitive advantage

Debt repayment schedule[1]

US$ million



- MMG total debt borrowings have attractive quasi-equity features:
  - Sourced from Chinese government supported financial institutions.
  - Majority vanilla structure.
  - Las Bambas debt long-term tenor, repayments commence July 2017.
  - Las Bambas shareholder loan is subordinated debt.
- Capital market flexibility and support from major shareholder to access equity markets via HKEx/ASX listing.
- Target gearing of 40-50% over the medium term.
- Capital management options continually being assessed.

(1) Principal and interest payments including Joint Venture partner liabilities. Excludes related party debt which includes US$2.262 billion shareholder loan and interest payable thereon. Also excludes US$350m Las Bambas revolving facility, US$100m of which was drawn at 30 June 2016 (facility matures in 2019).

Focus on costs, capital efficiency, balance sheet

1 COST REDUCTIONS

2 REDUCING SUSTAINING CAPITAL

3 MINIMISING WORKING CAPITAL

4 STRENGTHENING THE BALANCE SHEET

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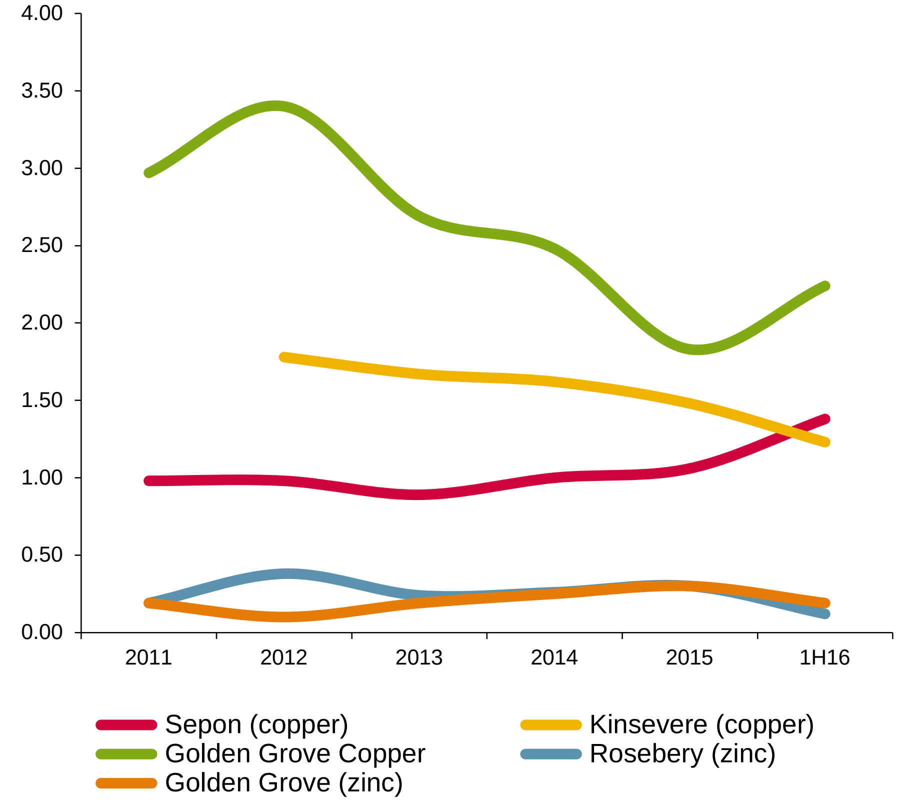
Pursuit of operational excellence

Marcelo Bastos
Chief Operating Officer

Continuous focus on cost management

- Kinsevere sourced alternate electricity supply arrangements, resulting in greater grid power availability and lower costs. Operational cost savings also delivered from improved current efficiency.
- Sepon facing higher costs to process lower grade, harder and higher acid consuming Type II ore.
- Cash production costs across the Australian operations were reduced by US$15m as a result of the changed operating model.
- All operations continue to deliver on operating efficiency and tight cost controls.

C1 Cost
US$/lb



Las Bambas – world class copper asset

5km conveyor, 8,000t/hr.

140ktpd throughput design capacity with two SAG and ball mill trains working independently of each other, pebble crusher and regrind circuit.

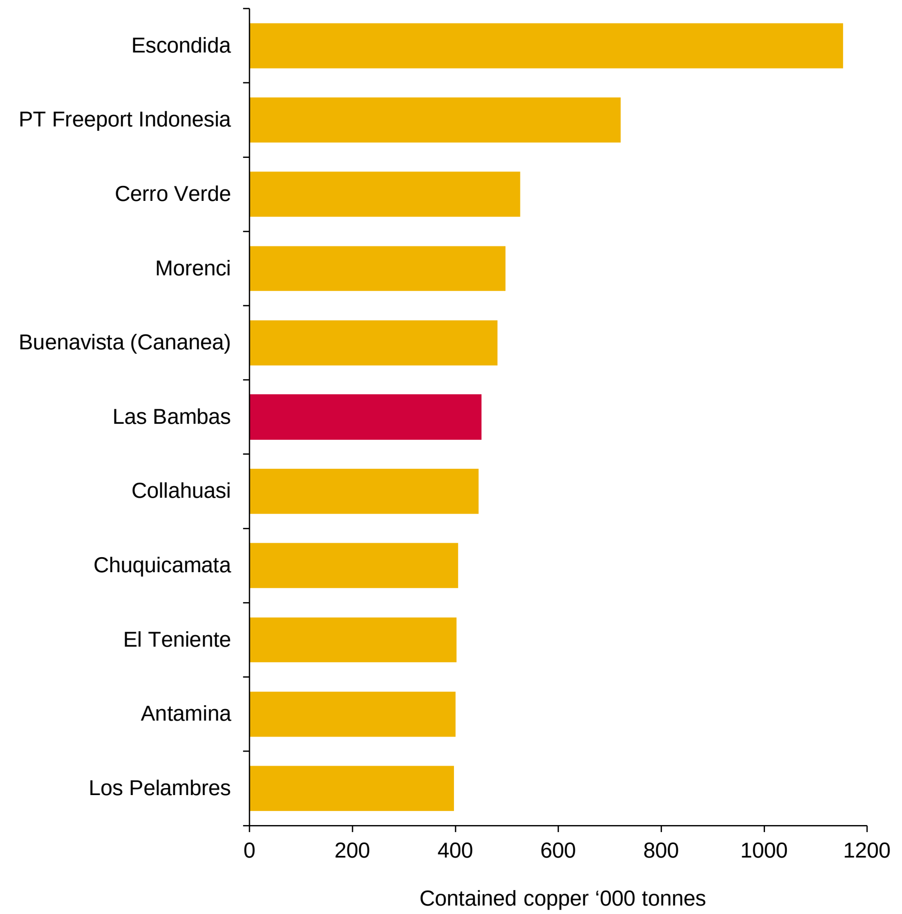
Dual train, conventional copper concentrator with 1.1m dry metric tpa output design capacity.

Loading concentrate at Matarani Port.

Las Bambas – size, scale and life

- Largest copper greenfield development in past 10 years.
- Targeting 2mt of copper in copper concentrate production over first 5 yrs.
- Total project acquisition and construction cost ~$9.7b.
- Ownership 62.5% MMG (operator), 22.5% Guoxin, 15% Citic Metal.
- 2016 production forecast 250,000 – 300,000 tonnes copper in copper concentrate.
- Initial 20+ years mine life producing copper, gold, silver and molybdenum.
- Over 2 billion tonnes in copper resources.

2017 Forecast annual production capability[1]

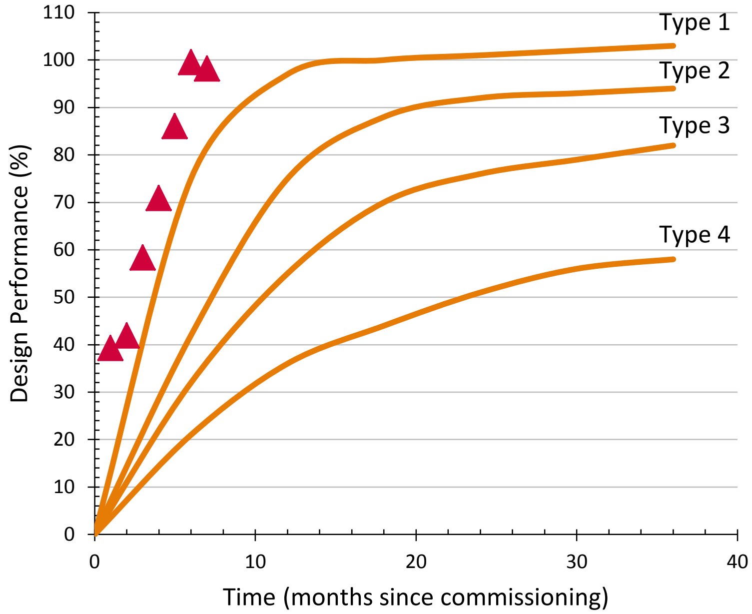


(1) Source Wood Mackenzie and MMG assumed forecasted production rates at steady state.

Las Bambas – world class ramp up

McNulty Curve for plant ramp up

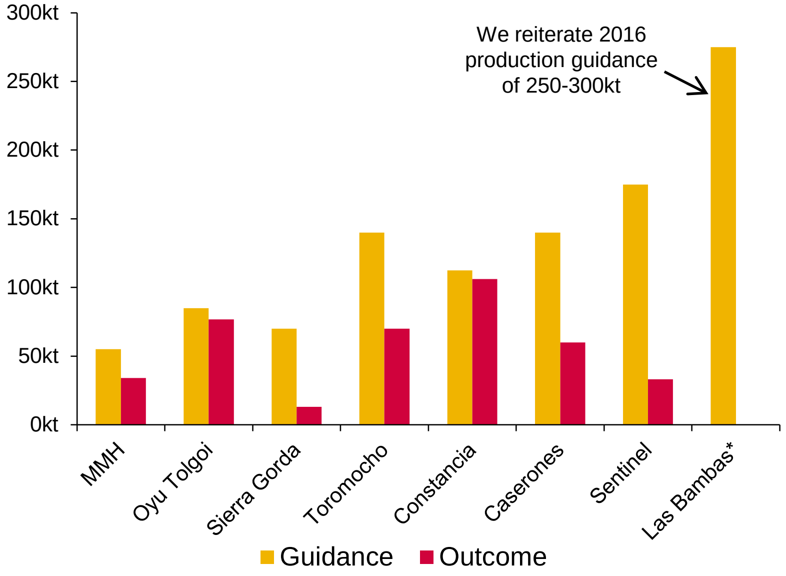
Las Bambas reached 97% of design capacity in 6 months



Source: MMG data; McNulty

Year 1 production of major Cu Greenfields since 2013

Guidance/outlook vs. actual



Source: Macquarie Commodities research, MMG data

* Las Bambas data represents mid point for guidance for 2016. 1H16 production was 118kt

MMG Values – We do what we say
We take responsibility and follow through on our commitments

Las Bambas – low cost position

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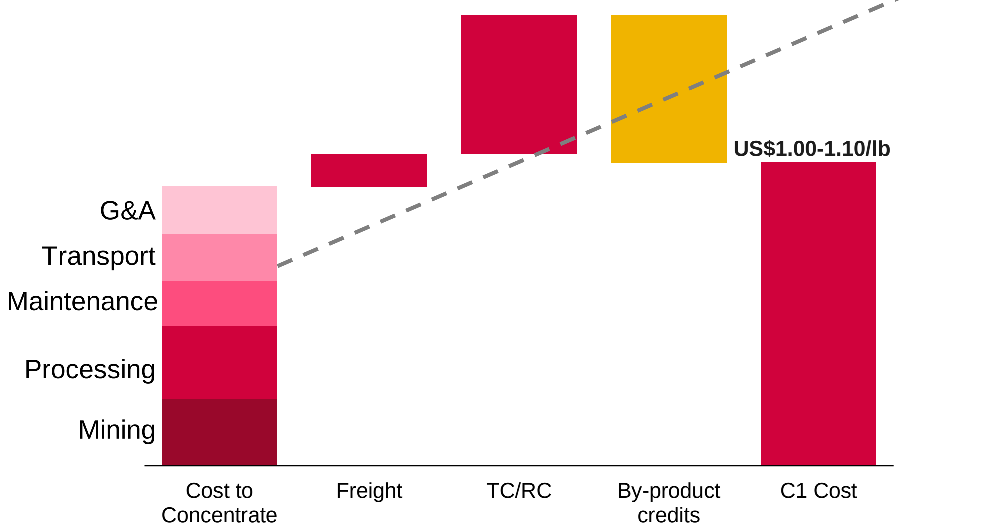
Breakdown of 2H16 C1 guidance

US$1.00-1.10/lb



Bottom quartile of cost curve within 6 months. Progressing towards steady state and C1 target of US$0.80-0.90

Demonstrated capability but a challenging logistics chain

- Bi-modal logistics chain identified as a key project risk.
- Transport capability delivered in line with rapid mine ramp up (740 tonnes/day of concentrate in Jan 16, 3,000 tonnes/day in Jun 16).
- All trucking operations suspended following fatality on July 21. Trucking recommenced with improved safety controls in late July.
- Logistics slowdown and higher than anticipated production will result in closing inventory of ~100kt of Cu concentrate (FY16).
- Inventory build to be sold down during 1Q17.
- Production guidance unchanged.

Asset utilisation – driving continuous improvement

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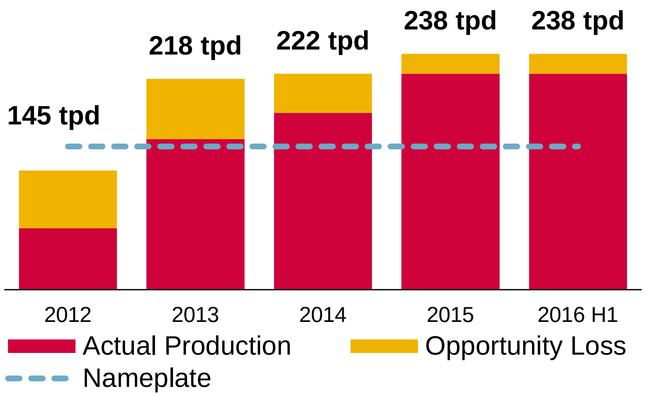
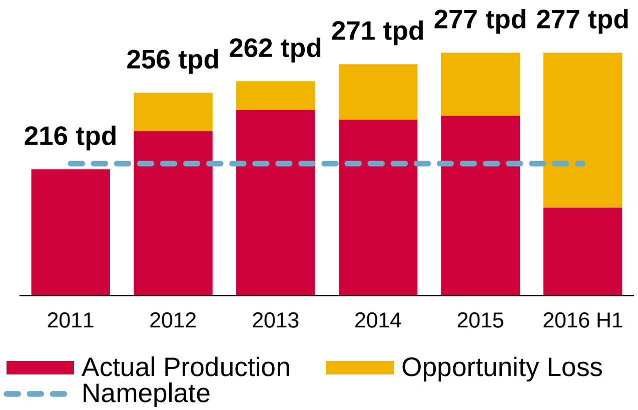
- **We squeeze the assets**: Our operating approach targets consistent improvement in utilisation
- **Continue to raise the bar**: Improved Maximum Sustainable Production Rates (MSPR) each year. MSPR represents the best 7 consecutive days of production.
- **Kinsevere**: Capturing high utilisation of the MSPR (i.e. minimal opportunity loss). Aim to stretch MSPR further to make more tonnes at high utilisation.
- **Sepon**: Heading towards tail end of copper resource. Opportunity loss increases from lower grade ore feed, reduced operational performance on varying ore types, and planned outage (H1). Aim to increase MSPR and improve utilisation.

Kinsevere Asset Utilisation vs. MSPR*



Sepon Asset Utilisation vs. MSPR*



Source: MMG data. * Maximum Sustainable Production Rate

Emerging copper major earning the right to grow

Andrew Michelmore
Chief Executive Officer

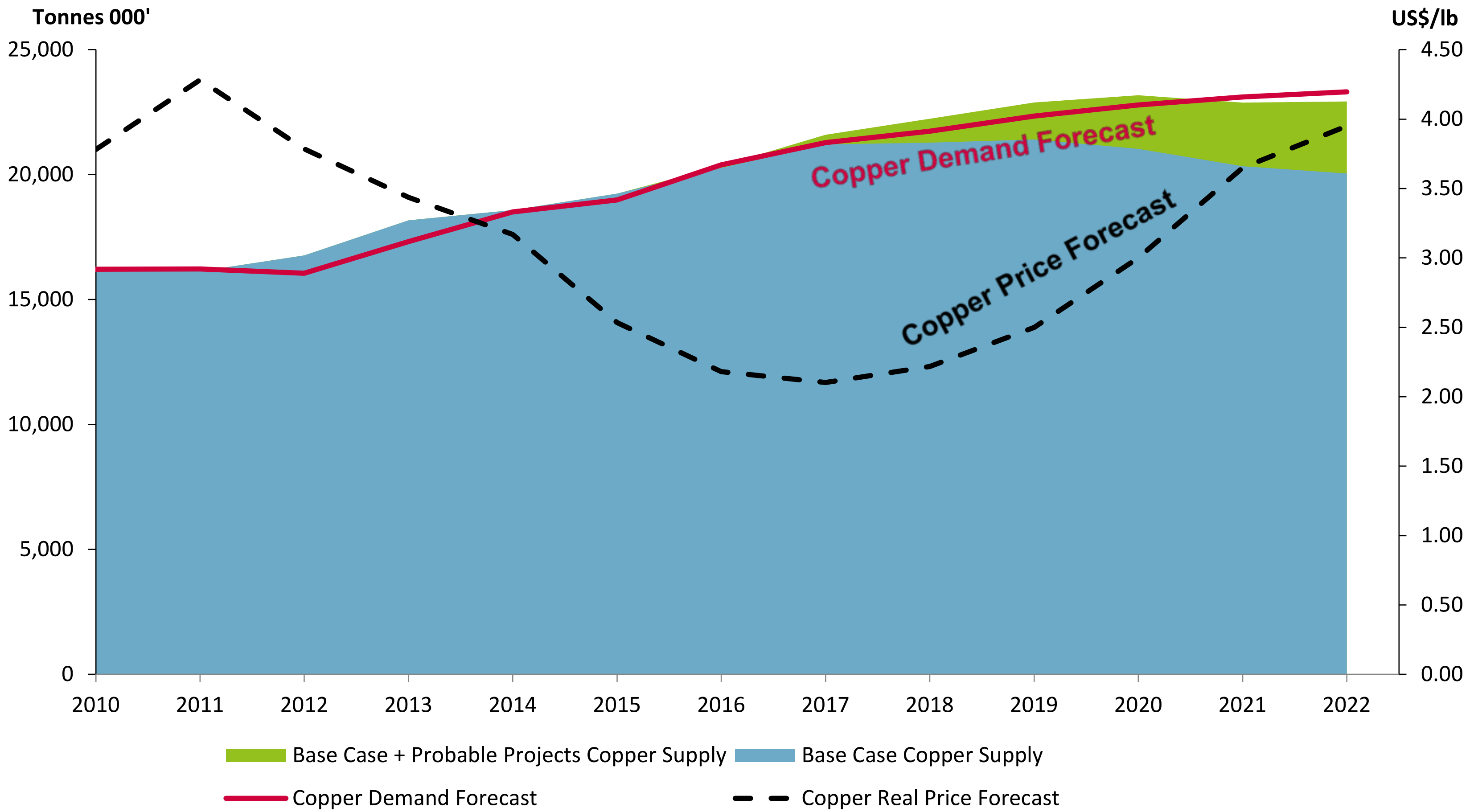
Earning the right to grow

- Las Bambas – on time, on budget and ramp up ahead of industry norm.
  - Steady state production, cash generation focus.
  - Targeting 2mt of Cu production in first 5 years.
- Dugald River – US$130-150m lower capital budget.
  - Finance confirmed. First production 1H18.
- Long life assets.
- Continually assessing further growth opportunities.
- Active near mine and new discovery exploration program.
- Expression of interest process for Golden Grove following informal approaches.
- Follows previously advised Avebury sale process and Century RFP.

Las Bambas, copper, Peru

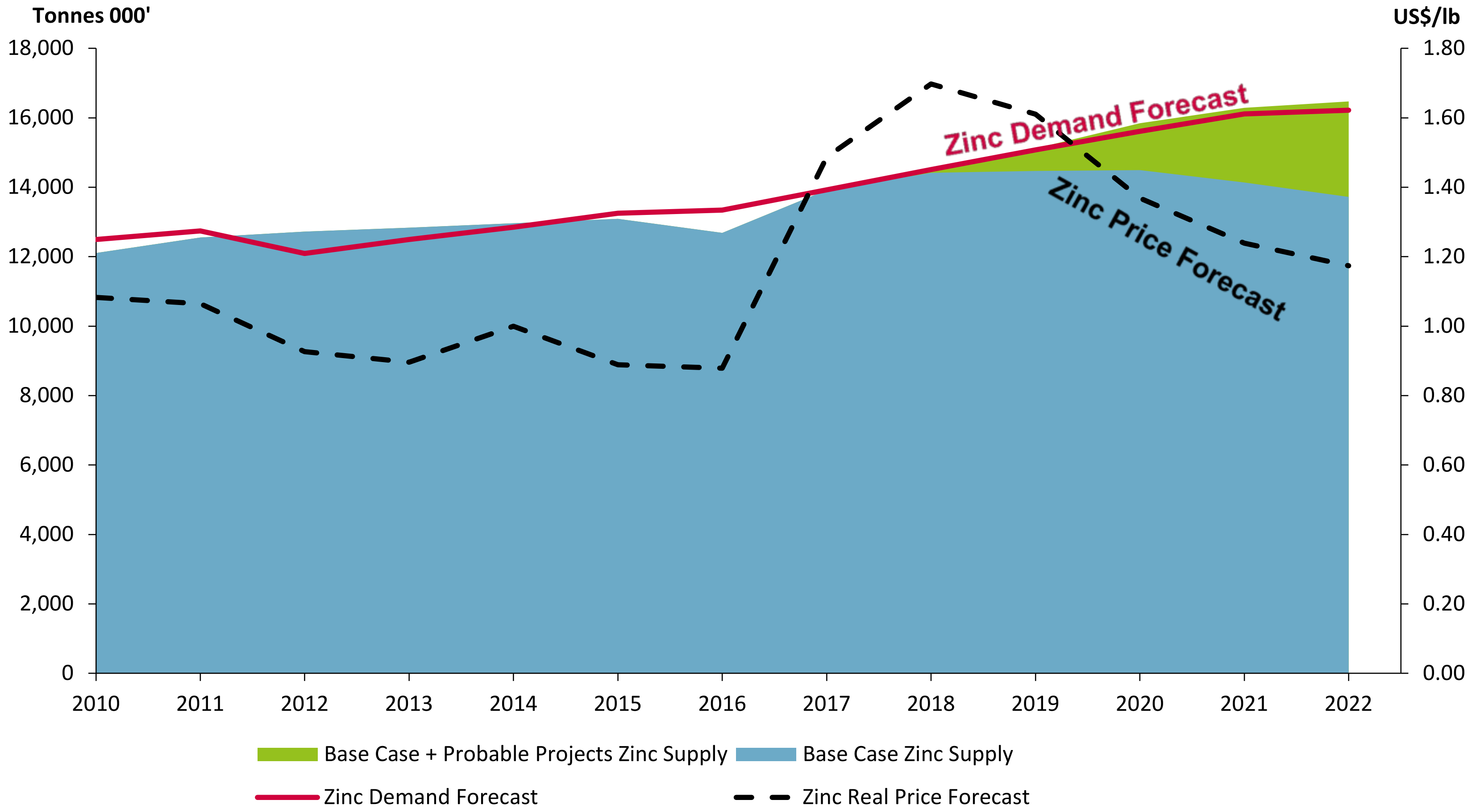
Dugald River, zinc, Queensland

Base metals focus – longer term price support for copper



Source: Wood Mackenzie Global Copper Long-term Outlook Q2 2016.

Base metals focus – zinc facing declining supply



Source: Wood Mackenzie Global Zinc Long-term Outlook Q2 2016.

Emerging copper major positioned for growth

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- Earn the right to grow.
- Tight cost focus.
- Leverage support from major shareholder China Minmetals Corporation.
- Optimise capital structure.
- Positioned for growth.

Objective to be valued as one of the world's top, mid-tier miners by 2020

MMG

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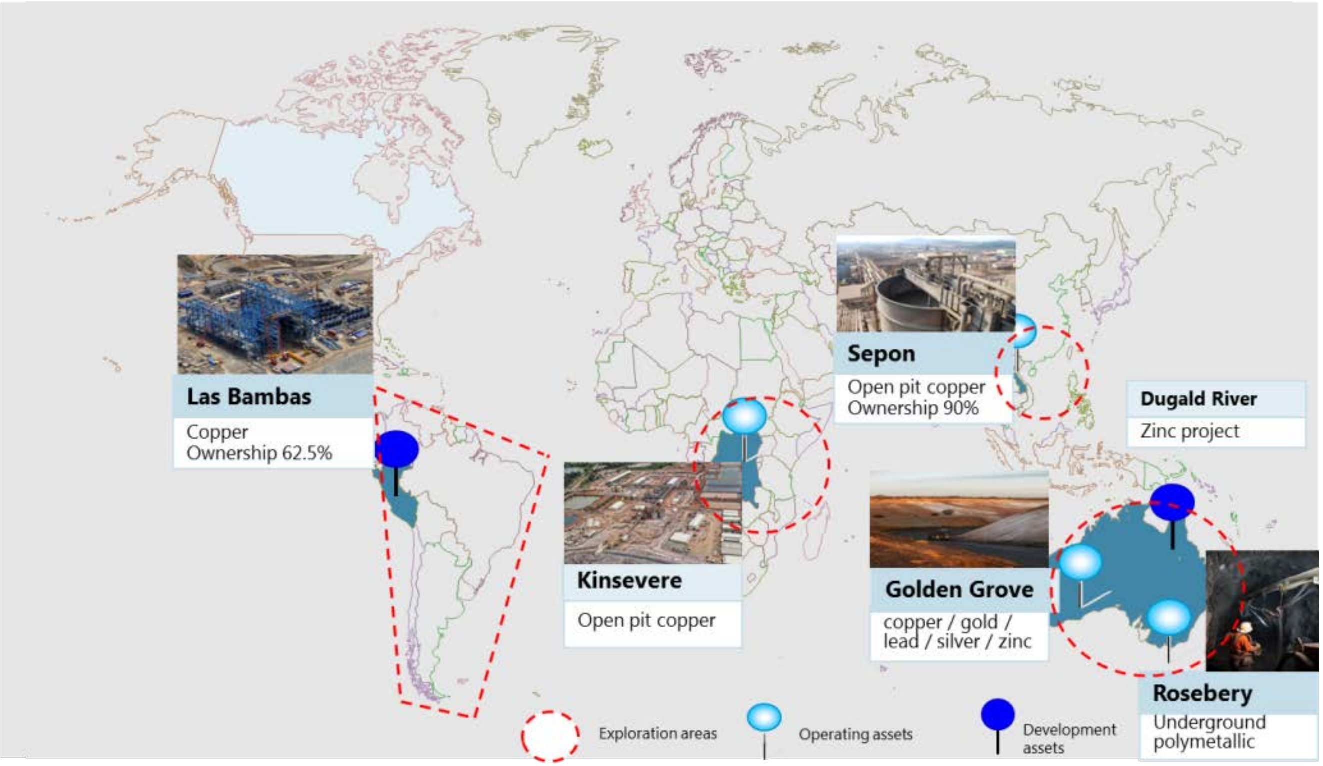
Appendices

Our Company

Capital Structure	Millions
Primary Listing	HKEx
Secondary Listing (CDI)	ASX
Market Cap	US$1,398bn[1]
Shares	5,290
Major shareholder ownership	74% (China Minmetals Corporation)
Head Office	Melbourne, Australia



(1) As at 15 August2016.

Executive team – global experience

Chief Executive Officer
Mr Andrew MICHELMORE

- 30+ years of metals and mining experience.
- Chairman of ICMM, MCA and IZA
- CEO Zinifex Limited
- CEO OZ Minerals
- CEO EN+ Group
- CEO WMC Resources

Chief Financial Officer
Mr Ross CARROLL

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

Chief Operating Officer
Mr Marcelo BASTOS

- 30+ years mining experience in iron ore, gold, copper and nickel.
- CEO BHP Billiton Mitsubishi Alliance
- President BHP Billiton Nickel West
- President BHP Billiton Cerro Matoso Nickel
- Senior operations roles Vale

EGM China & Strategy
Mr XU Jiqing

- Director of CMNH and Jiangxi Tungsten
- Director Copper Partners Investment and HNG
- Vice President and CFO of China Minmetals Non-Ferrous

EGM Stakeholder Relations
Mr Troy HEY

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

EGM Business Support
Mr Greg TRAVERS

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

Board - sound corporate governance

Chairman
Mr JIAO Jian

Executive Director
Mr Andrew MICHELMORE

Executive Director
Mr XU Jiqing

Non-executive Director
Mr GAO Xiaoyu

Independent
Non-executive Director
Dr Peter CASSIDY

Independent
Non-executive Director
Ms Jennifer SEABROOK

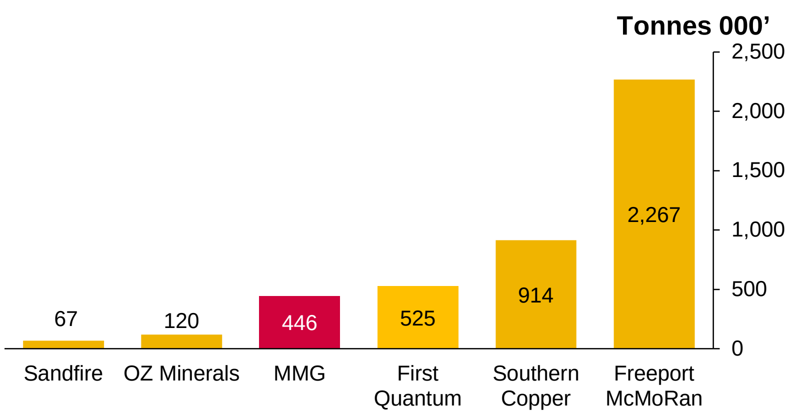
Independent
Non-executive Director
Dr PEI Ker Wei

Independent
Non-executive Director
Mr LEUNG Cheuk Yan

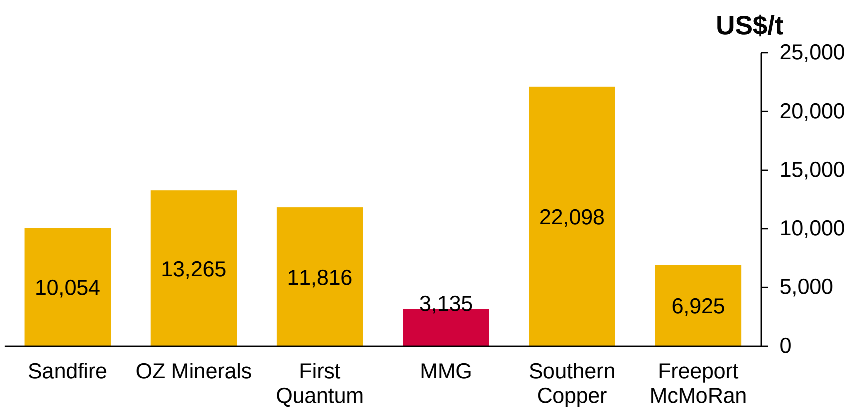
Investor value proposition

- Current commodity prices have heavily impacted all base metal valuations.
- Track record of operational performance and capital discipline.
- 2016 guidance demonstrates shift in leverage to copper.
- Las Bambas completion and commercial production de-risks project investment.
- A different model of Chinese participation providing a long term commodity view and attractive funding options.
- Focused on investment opportunities during this industry down cycle.
- A different global resources business for a new economic environment.

2016 Copper Production Guidance[1]



Market Capitalisation[2]/Copper Production



(1) Copper forecast or mid-point of guidance. (2) Market capitalisation as of 15 August 2016.

Financial dashboard

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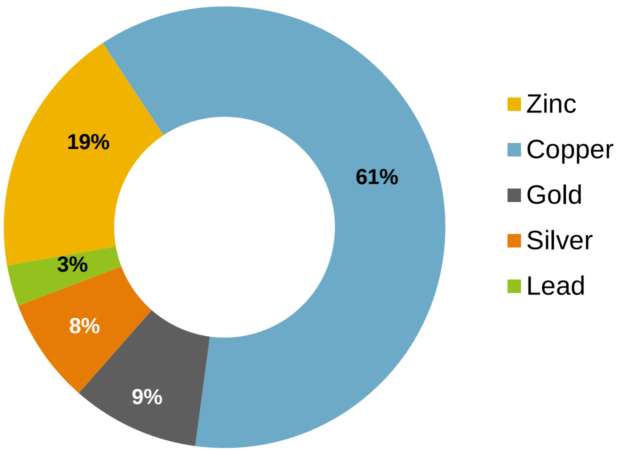
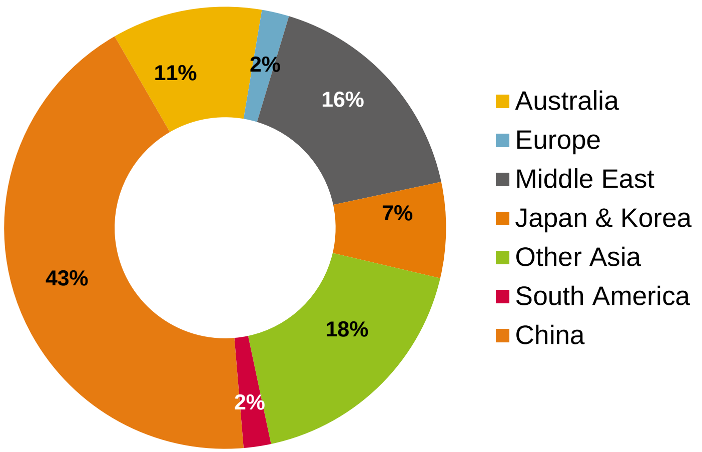
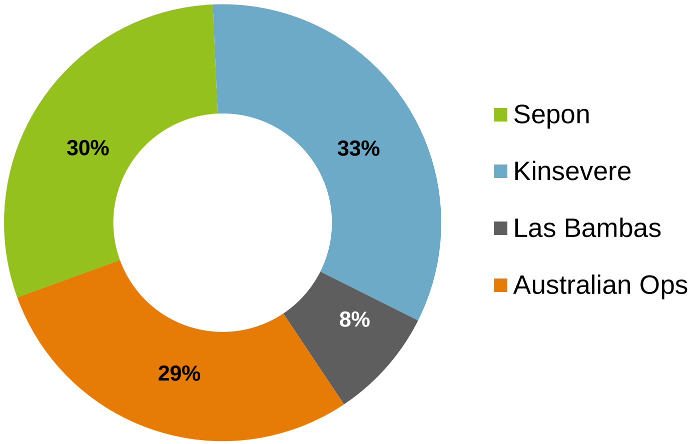
Revenue by commodity



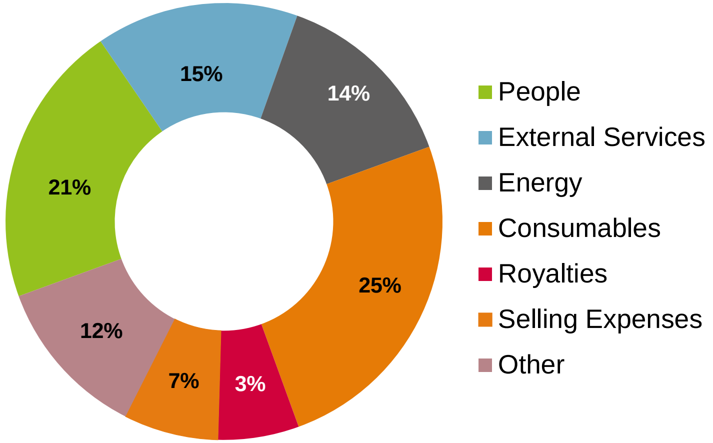
Revenue by customer location



EBITDA by operating segment(1)



Operating expenses (sites)



Source: MMG data (1) Continuing operating sites (excl Century)

Sepon - transition to tail of proven Cu resources

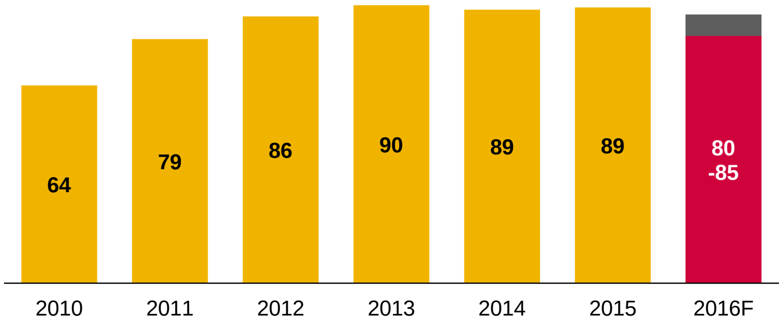
- Transition to lower grade and more complex ores.
- Production impacted by planned total concentrator shutdown.
- Focus on operational efficiencies and cost controls to offset higher mining and processing.
- Ore variability continues.
- Milling grades converge towards reserve grade.
- Expect production to be at the lower end of 80-85kt guidance range and costs at the higher end of US$1.10-1.25/lb range in 2016.

Financials

US$ million	**1H16**	1H15	%
Revenue	**176.3**	269.3	(35)
EBITDA[1]	**61.2**	154.9	(60)
EBIT	**1.7**	94.3	(98)
EBITDA margin (%)	**35**	58	
C1 costs – copper (US$ / lb)	**1.38**	1.07	

Copper cathode production

‘000 tonnes



(1) EBITDA includes revenue, operating expenses and other income and expense items.

Kinsevere – sustained improvements

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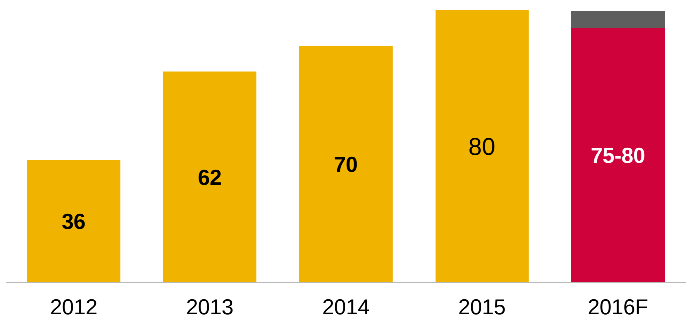
- Production up 2% to 39,974 tonnes of copper cathode.
- Operational efficiencies, stable electricity, increases to mill throughput.
- Lower copper prices marginally offset by 2% increase in copper sales volumes.
- 10% of power sourced from diesel, down from 29% in 1H15.
- C1 cost improvement driven by lower energy costs and operational restructuring.

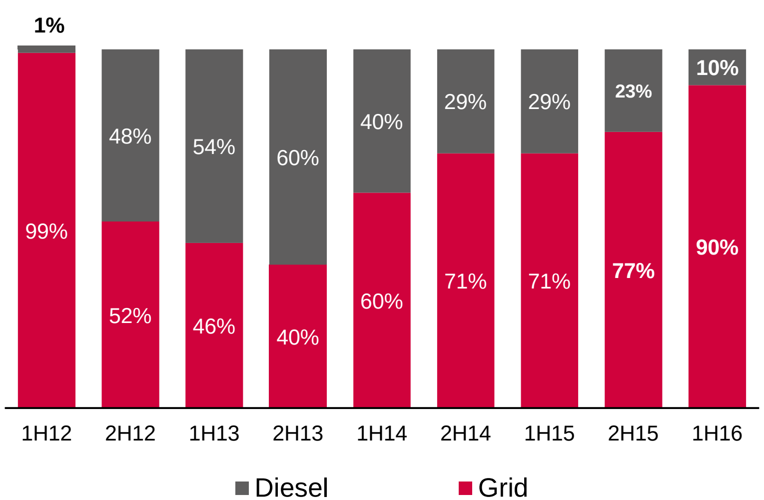
Financials

US$ million	1H16	1H15	%
Revenue	**192.3**	222.7	(14)
EBITDA[1]	**67.9**	80.9	(16)
EBIT	**(23.2)**	(5.4)	(330)
EBITDA margin (%)	**35**	36	
C1 costs – copper (US$ / lb)	**1.23**	1.44	

Copper cathode production

'000 tonnes





(1) EBITDA includes revenue, operating expenses and other income and expense items.

Australian operations – transition beyond Century

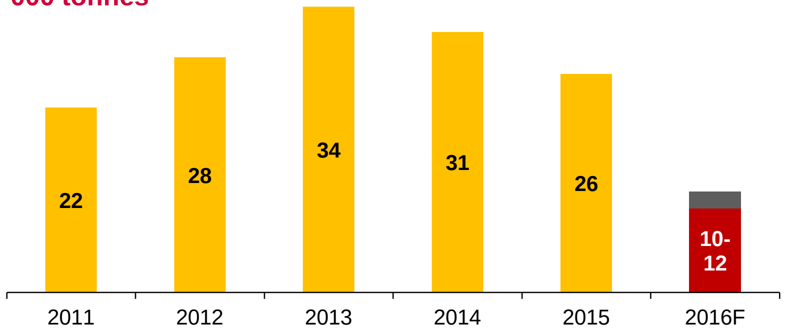
- Production of 7,231 tonnes of copper in copper concentrate, down 50% on 1H15
- Reduced throughput at Golden Grove from 1.6Mtpa to 1Mtpa to preserve value of the resource while exploration continues.
- Production of zinc in zinc concentrate down 11% on 1H15 due to lower head feed grades at Rosebery.
- Total production expenses down as result of reduced throughput, lower AUD, lower employee costs

Financials

US$ million	1H16	1H15	%
Revenue	**193.7**	231.7	(16)
EBITDA[1]	**59.1**	56.4	5
EBIT	**10.2**	7.3	40
EBITDA margin (%)	**31**	24	
C1 costs – zinc (US$ / lb)	**0.14**	0.24	
C1 costs – copper (US$ / lb)	**2.24**	2.07	

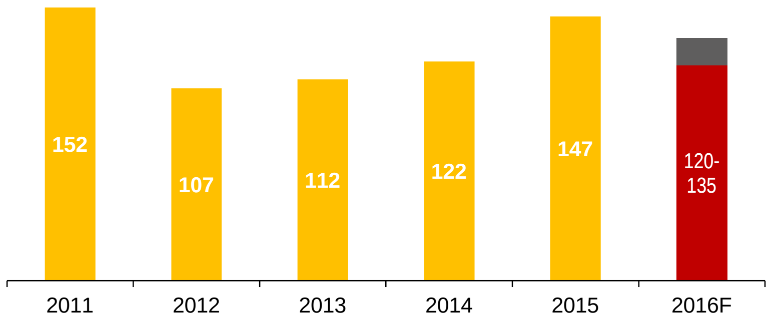
Zinc in zinc concentrate production

‘000 tonnes



Copper in copper concentrate production

‘000 tonnes



(1) EBITDA includes revenue, operating expenses and other income and expense items.

2016 Guidance

Las Bambas	
Copper – production[1]	250,000 – 300,000 tonnes
Copper – C1 costs 2H16	US$1.00 – US$1.10 / lb
Copper – C1 costs[2]	US$0.80 – US$0.90 / lb

Kinsevere	
Copper – production	75,000 - 80,000 tonnes
Copper – C1 costs	US$1.40 – US$1.55 / lb

Sepon	
Copper – production	80,000 – 85,000 tonnes
Copper – C1 costs	US$1.10– US$1.25 / lb

Rosebery	
Zinc – production	75,000 – 80,000 tonnes
Zinc – C1 costs	US$0.30 – US$0.40 / lb
Lead – production	18,000 – 22,000 tonnes

Golden Grove	
Copper – production	10,000 – 12,000 tonnes
Copper – C1 costs	US$1.90 – US$2.10 / lb
Zinc – production	45,000 – 55,000 tonnes
Zinc – C1 costs	US$0.30 – US$0.45 / lb

(1) Production volumes include expected pre and post-commercial production volumes at Las Bambas.
(2) C1 cost forecast range once at steady of production, not indicative for full year 2016 given commissioning and ramp up activities.

Condensed consolidated balance sheet

US$ million	30 Jun 2016	31 Dec 2015
Non-current assets	13,375.9	13,025.7
Current assets – cash and cash equivalents	215.9	598.3
Current assets – other	997.8	1,036.0
Total assets	14,589.6	14,660.0
Total equity	2,082.0	2,175.2
Non-current liabilities	11,187.0	11,640.6
Current liabilities	1,320.6	844.2
Total liabilities	**12,507.6**	**12,484.8**
Total equity and liabilities	**14,589.6**	**14,660.0**
Net current assets	**(106.9)**	**790.1**
Total assets less current liabilities	13,269.0	13,815.8

Consolidated financial performance: Cash flow statement

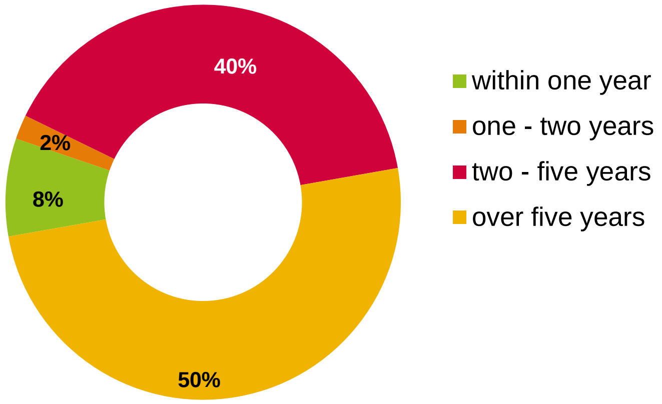
Half year ended 30 June US$ million	2016	2015
Receipts from customers	686.1	1,161.6
Payments to suppliers	(561.0)	(865.2)
Payments for exploration expenditure	(18.8)	(17.9)
Income tax paid	(48.6)	(75.8)
Net cash generated from operating activities	**57.7**	**202.7**
Purchase of property, plant and equipment	(375.6)	(946.4)
Other investing activities	(3.0)	(-19.2)
Net cash used in investing activities	**(378.6)**	**(965.6)**
Net cash generated from / (used in) financing activities	**(61.5)**	**1,125.0**
Net increase / (decrease) in cash and cash equivalents	**(382.4)**	**362.1**
Cash and cash equivalents at 1 January	598.3	251.2
Cash and cash equivalents at 30 June	**215.9**	**613.3**

Financial resources and liquidity

- Gearing ratio[1] MMG Group (excluding Las Bambas) as at 30 June 2016 of 0.56.
- Gearing ratio[1] MMG South America Management Group as at 30 June 2016 of 0.66

Maturity profile of borrowings

as at 30 June 2016



MMG GROUP

(EXCLUDING MMG SOUTH AMERICA GROUP)

US$ million	30 June 2016	31 December 2015
Total borrowings (excluding prepayments)	1,179.7	1,405.2
Less: Cash and cash equivalents	78.6	431.2
Net debt	**1,101.1**	**974.0**
Total equity	855.9	950.9
	1,957.0	**1,924.9**
Gearing ratio[1]	**0.56**	**0.51**

(1) Gearing ratio is defined as net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity. Borrowings also exclude related party debt