



MMG SUSTAINABILITY REPORT 2009

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ABOUT THIS REPORT



ABOUT THIS REPORT

This is the first Sustainability Report for MMG, covering the period 17 June to 31 December 2009. MMG is committed to stakeholder communication and disclosure. Going forward, MMG intends to produce calendar year Sustainability Reports. Performance data for some MMG sites prior to the formation of MMG can be found in the 2008 Sustainable Development Report of OZ Minerals.

This Report is intended to inform a wide range of MMG's stakeholders, including MMG staff, local communities around MMG operational sites, governments and government agencies, non-government organisations, industry, suppliers, customers, prospective employees and the wider community.

This Report focuses on our material issues and covers MMG Head Office in Australia, all mining and associated operations at Century (Queensland), Golden Grove (Western Australia), Rosebery (Tasmania) and Sepon (Lao PDR), and exploration and development activity being undertaken by MMG worldwide.

MMG has utilised the Global Reporting Initiative (GRI) G3 Reporting Guidelines in developing this Report, and a detailed GRI Index can be found in Appendix A. MMG has not undertaken independent assurance of this first MMG Sustainability Report, but intends to have the first full-year report independently assured.

MMG is also committed to public reporting on our participation in the following Australian and international programs:

- National Greenhouse and Energy Reporting Scheme (NGERS).
- Energy Efficiency Opportunities (EEO) Assessment Program.
- National Pollutant Inventory (NPI).

CEO MESSAGE

CEO MESSAGE



At MMG, we take our commitments to sustainability seriously. We understand that caring for our people, our neighbours and the environment is critical to achieving our vision of building a leading mining business.

The mining industry globally is a principal source of economic wealth and development. Its output is essential to maintaining and improving the material quality of modern life and it can enable local communities in many parts of the world to gain benefits, both in the present and well beyond the life of the deposits that are mined, that would not otherwise be available.

MMG is a major mining company that is committed to grow in a responsible, respectful and interactive manner; in a manner that acknowledges the rights of the communities, society and the mining industry, and respects the needs of the environment in both the short and long run.

2009 was a year filled with highlights as we formed and established the frameworks for our new business, but also one of challenges. We became a member of the International Council on Mining and Metals and the Minerals Council of Australia, committing to the sustainability frameworks of each organisation, respectively the Sustainable Development Framework and Enduring Value.

We have committed to robust corporate governance practices that see us continuously disclose our financial, operational and social performance to our stakeholders. This Sustainability Report which includes a comparison of our sustainability performance against the Global Reporting Index, forms a part of that.

In just seven months in 2009, MMG built a new organisation with a strong business strategy and delivered sound social and economic results. In 2010 we aim to continue to deliver these results while commencing our mission to grow.

Thank you,

Andrew Michelmore
Chief Executive Officer



HIGHLIGHTS AND CHALLENGES OF THE YEAR

HIGHLIGHTS OF 2009:

- MMG formed on 16 June 2009.
- Vision established to build the next generation's leading global diversified minerals and metals group.
- Total recordable injury frequency rate down 5% to 6.2.
- Establishment of site employee consultative forums at Century and Golden Grove and actions arising from these.
- Record copper production achieved across the group.
- All net profit for 2009 reinvested in the business.
- Significant investments in current site expansion, operational improvements and exploration.
- MMG became a member of the Minerals Council of Australia (MCA) and the International Council on Mining and Metals (ICMM).
- New bird species, the Barefaced Bulbul, identified near the Sepon site.

CHALLENGES IN 2009:

- The formation of MMG on 16 June 2009 was followed by a time of renewal and significant organisational restructuring and realignment. This process of engineering a new business has taken significant time and effort on the parts of senior executives, senior managers and the employees engaged in rolling out initiatives.
- Rosebery - heavy metal contamination allegations.
- Karumba - sulfur dioxide emissions.
- Century - wet season water discharge issues and Karumba pipeline failure.

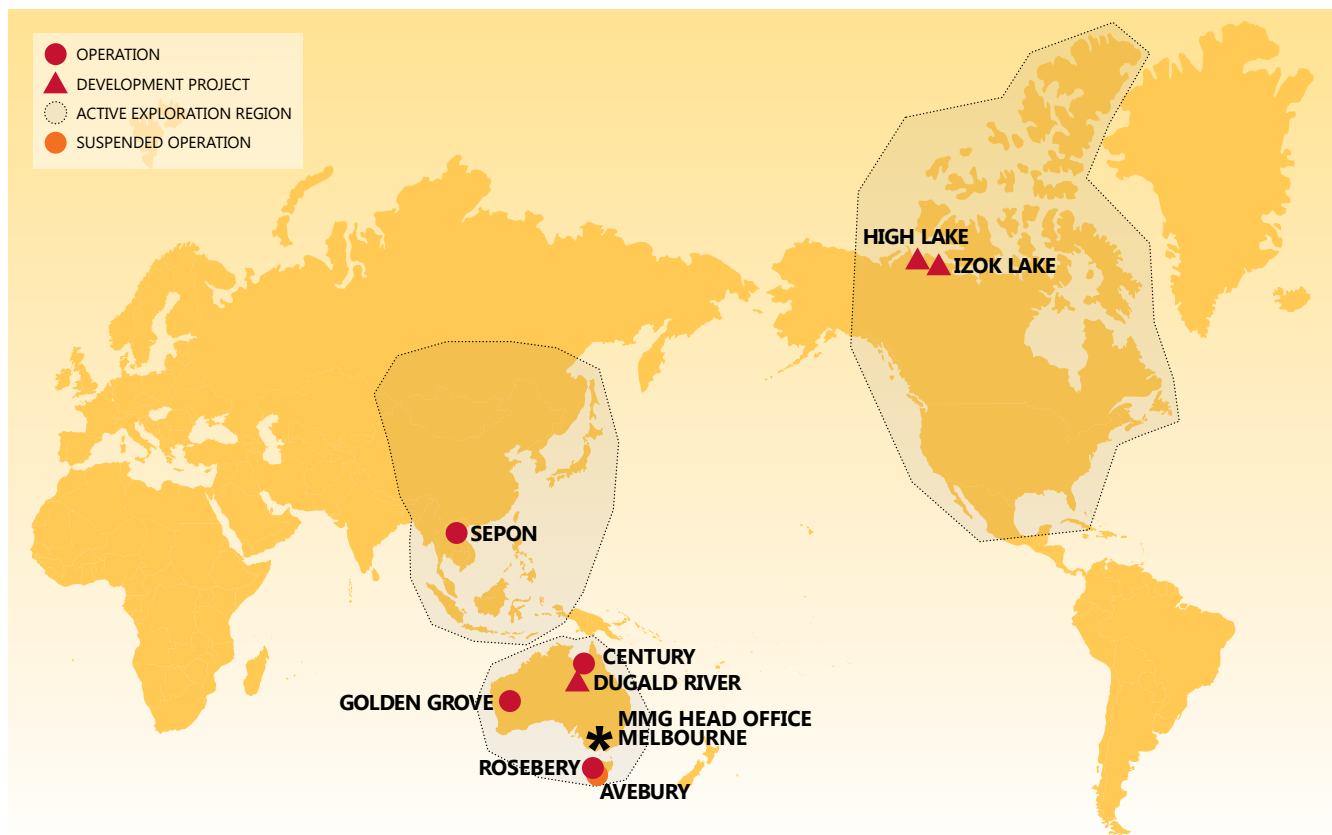
ABOUT MMG

ABOUT MMG

MMG is one of the world's largest producers of zinc, as well as a substantial producer of copper, lead, gold and silver. MMG is owned by China Minmetals Corporation, through its China Minmetals Non-ferrous division. China Minmetals is one of the largest state-owned enterprises in the People's Republic of China, and is ranked 331 on the Fortune Global 500. Minmetals is also proud to be a part of the Lao People's Democratic Republic through the LXML (Lane Xang Minerals Limited) Sepon gold and copper operations in the Savannakhet Province.

MMG was formed on 16 June 2009 following the completion of the acquisition by China Minmetals of a number of assets from OZ Minerals Limited. Its mining operations are located in Australia and the Lao PDR, with a portfolio of exploration projects in Australia, Asia and North America. MMG's head office is in Melbourne, Australia. For a detailed group structure, please refer to Appendix B.

OUR OPERATIONS



ABOUT MMG



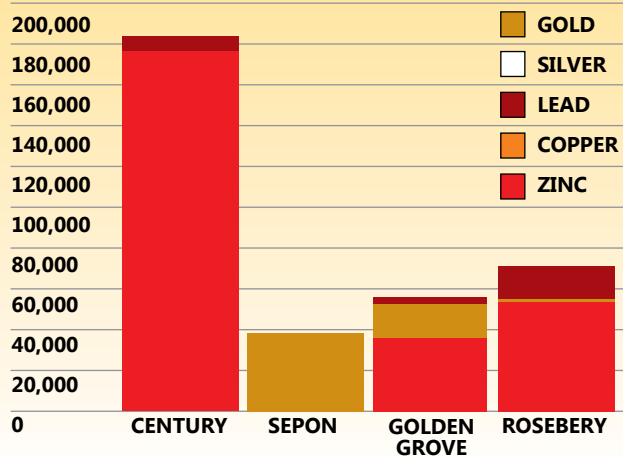
TOTAL PRODUCTION (TONNES) 16 JUNE – 31 DECEMBER 2009

	Century	Sepon	Golden Grove	Rosebery
Gold	-	1.73	0.47	0.50
Silver	16	0.58	23.19	46
Lead	7,347	-	2,662	15,695
Copper	-	38,077	16,658	1641
Zinc	176,556	-	36,375	53,692

TOTAL PRODUCTION (TONNES)

16 JUNE - 31 DECEMBER 2009

TONNES



The chart and table show the production of MMG's sites in the reporting period.

ABOUT MMG

CENTURY

Century is the largest open pit zinc mine in Australia, and one of the largest in the world, producing approximately 500,000 tonnes of zinc in concentrate annually.

Location	Remote lower Gulf region of north-west Queensland, Australia
Product	Zinc concentrate, lead concentrate
Mining Method	Conventional open pit mining
Processing Method	Conventional grinding and flotation
Commenced Operation	2000
Current Mine Life	Approximately 2015
Reserves (contained metal)	3.4 million tonnes zinc, 0.3 million tonnes lead, 19.3 million ounces silver
Resources (contained metal)	5.1 million tonnes zinc, 0.6 million tonnes lead, 47.3 million ounces silver
2009 Production (Total contained metals for June-December 2009)	176,556 tonnes zinc, 7,347 tonnes lead, 557,870 ounces silver
Sales	Zinc concentrates are transported via a pipeline to a de-watering and shipping facility in Karumba on the Gulf of Carpentaria. From there they are sold to smelters in Europe, Australia, China and Asia
Workforce (as at January 2010)	590 employees and 265 contractors

GOLDEN GROVE

Golden Grove is an underground polymetallic mine in Western Australia's Mid West region, which produces concentrates of zinc, copper and other base and precious metals.

Location	Approximately 450 kilometres north-east of Perth and 280 kilometres east of Geraldton in Western Australia
Product	Zinc concentrate, copper concentrate, precious metal concentrate
Mining Method	Underground, sublevel open stoping
Processing Method	Crush, grind, flotation
Commenced Operation	1990
Current Mine Life	Approximately 2016
Reserves (contained metal)	0.3 million tonnes zinc, 0.1 million tonnes copper, 7.8 million ounces silver, 0.2 million ounces gold
Resources (contained metal)	1.2 million tonnes zinc, 0.7 million tonnes copper, 0.1 million tonnes lead, 38.7 million ounces silver, 0.9 million ounces gold

ABOUT MMG

2009 Production (Total contained metals for June-December 2009)	36,375 tonnes zinc, 16,658 tonnes copper, 2,662 tonnes lead, 818,050 ounces silver, 16,601 ounces gold
Sales	Concentrates are exported via the Port of Geraldton to customers in China, Japan, India, Thailand and Australia
Workforce (as at January 2010)	388 employees and 149 contractors

ROSEBERY

Rosebery is a polymetallic underground mine located on the West Coast of Tasmania that has been in operation since 1936.

Location	In the township of Rosebery on Tasmania's West Coast in Australia
Product	Zinc concentrate, copper concentrate, lead concentrate, gold doré
Mining Method	Mechanised underground mining
Processing Method	Crush, grind, flotation
Commenced Operation	1936
Current Mine Life	Approximately 2020
Reserves (contained metal)	0.5 million tonnes zinc, 0.1 million tonnes lead, 13.2 million ounces silver, 0.2 million ounces gold
Resources (contained metal)	1.8 million tonnes zinc, 0.1 million tonnes copper, 0.6 million tonnes lead, 63.5 million ounces silver, 0.8 million ounces gold
2009 Production (Total contained metals for June-December 2009)	53,692 tonnes zinc, 1,641 tonnes copper, 15,695 tonnes lead, 1,614,224 ounces silver, 16,978 ounces gold
Sales	Concentrates are sold to Nyrstar in Hobart and Port Pirie. Doré bars are sold to Australian Gold Refiners in Perth
Workforce (as at January 2010)	216 employees and 187 contractors

SEPON

The Sepon operation is a copper and gold mining project in the Lao PDR, producing approximately 67,500 tonnes of copper and 90,000 ounces of gold annually.

Location	Approximately 40 kilometres north of the town of Sepon, in Savannakhet Province, south-central Lao PDR
Product	Copper cathodes, gold doré
Mining Method	Open pits
Processing Method	Copper: Whole-of ore leach, solvent extraction-electrowinning Gold: Conventional carbon-in-leach
Commenced Operation	Gold: 2002, Copper: 2005

ABOUT MMG

Current Mine Life	Copper: Approximately 2020 Gold: Approximately 2012 pending further oxide gold exploration
Reserves (contained metal)	0.8 million tonnes copper, 0.3 million ounces silver, 0.2 million ounces gold
Resources (Contained Metal)	1.6 million tonnes copper, 14.5 million ounces silver, 3.2 million ounces gold
2009 Production (Total contained metals for June-December 2009)	38,077 tonnes copper cathode, 61,043 ounces gold, 20,458 ounces silver
Sales	Copper cathodes are transported via road and sea to customers in south-east Asia. Doré bars are transported by air freight to a refinery in Australia
Workforce (as at January 2010)	1500 employees and 1484 contractors

EXPLORATION AND DEVELOPMENT

MMG has a number of advanced stage exploration and development projects that form the basis of our growth project pipeline.

Dugald River

The Dugald River deposit is an undeveloped zinc, lead and silver resource in north western Queensland. A feasibility study completed in 2008 confirmed the resource to 53 million tonnes at 12.5% zinc, 1.9% lead and 36 g/t silver. Work has determined that Dugald River is a robust project capable of producing approximately 200,000 tonnes of zinc, 25,000 tonnes of lead and one million ounces of silver per year for a period of 23 years. The project remains a very attractive zinc deposit for MMG to bring on line in the future. Geological interpretation and permitting are ongoing and the project will be reviewed by the Board this year.

Nunavut Projects

MMG has a suite of polymetallic base metals and gold assets in the Nunavut Territories of northern Canada. Principal assets include the Izok Lake copper, zinc, lead and silver resource, the High Lake copper, zinc, lead and silver resource, gold resources at Lupin and Ulu, base metal deposits at Gondor and Hood and around 2,000 square kilometres of exploration tenements. Assets also include gold mining and processing plant and equipment on care and maintenance at Lupin mine.

The Izok Lake deposit is our current focus with 14.8 million tonnes at 12.8% zinc, 2.5% copper, 1.3% lead and 71 g/t silver. A key challenge to successfully developing the deposit is moving the concentrates to market from this remote part of Canada with little infrastructure. Consequently, a fresh approach was taken last year to solving these issues with a resulting scoping study completed in December 2009 producing a material improvement in financial return. The project will now be moved to the next phase with a pre-feasibility study scheduled for 2010.

Exploration Projects

Exploration is a key driver of MMG's growth strategy to build a leading global diversified minerals and

metals company. MMG strives to achieve this by:

- Leveraging asset value – by aggressive near mine exploration and strategic title consolidation around operating mine sites.
- New Discovery Programs – focused exploration on a rationalised portfolio of district scale, early stage to advanced project opportunities.
- Project Generation and New Ventures – securing the best new opportunities in the most prospective geological belts.

MMG currently has New Discovery Programs in Australia, Asia and North America, and is actively pursuing a pipeline of new venture opportunities globally.

Australia

Near Cobar in New South Wales, MMG is exploring for Cobar-style copper-zinc-lead mineralisation at the Wagga Tank project. Drilling in 2009 encountered minor copper-zinc mineralisation. Further drilling is planned for 2010, and will follow up on positive results from an airborne electromagnetic survey.

China

In China, MMG is targeting discovery and development of large-scale base metals deposits in partnership with Chinese companies and organisations. Recent reviews have identified a number of nickel-copper opportunities and project joint ventures that are being pursued with local partners.

Indonesia

MMG is undertaking exploration in a number of areas in Indonesia, including Sulawesi and Java, for copper-gold and nickel deposits in this highly mineralised, and underexplored region. In 2009 much work was undertaken to convert existing exploration licences to IUPs (new Indonesian Mining Law exploration tenements) and conduct scout drilling programs at a number of prospects.

Canada and Northern USA

In the Nunavut Territories in Northern Canada, MMG has around 2,000 square kilometres of exploration tenements. During the 2009 field season, limited drilling and surface geochemical sampling programs were undertaken. MMG is also exploring early stage nickel and copper projects through joint ventures in Ontario and the Nunavut Territories as well as Minnesota, USA.

Other Sites

MMG has the management responsibility of the Avebury and Hercules mines in Tasmania.

The Avebury nickel mine is currently on care and maintenance.

The Hercules mine in Tasmania is a legacy site from previous mining leases. When Hercules mine was previously operational, tailings disposal was managed in accordance with standards at that time, and generally comprised disposal down the side of the mountain. This disposal has resulted in legacy issues including contamination and environmental impact. MMG recognises the remediation issues that exist at the Hercules site, and the site will therefore remain part of future planning considerations and remediation activity.

ABOUT MMG

OUR STRATEGY

OUR VALUES

Respect

Integrity

Action

Results

VISION

Building the next generation's leading global diversified minerals and metals company

MISSION

We will maximise our returns by discovering, acquiring, developing and sustainably operating resources projects around the world

STRATEGIES

GROWTH

Create value by nimbly discovering, acquiring and developing quality opportunities

OPERATIONS

Manage a portfolio of quality assets to deliver consistency and growth in returns

PEOPLE

Develop capable people in a safe working environment who have a commitment to teamwork to deliver our business plans

BUSINESS EXCELLENCE

Continually improve our standardised, systematic approach and apply innovation to achieve superior outcomes

REPUTATION

Build and sustain credibility and trust through collaborative ethical behaviour, performance and relationships

WHAT SUSTAINABILITY MEANS TO US



WHAT SUSTAINABILITY MEANS TO US

At MMG, we take our commitments to sustainability seriously. We understand that caring for our people, our neighbours and the environment is critical to achieving our vision of building a leading mining business.

MMG's key sustainability objectives are to:

- Protect the safety, health and wellbeing of our employees and contractors.
- Minimise our impact on the environment.
- Ensure that the communities in which we operate receive real benefit from our activities.
- Engage our key stakeholders and ensure they are aware and supportive of our aims and objectives.
- Be known for our integrity.

To achieve our sustainability objectives we strive to:

- Ensure that the principles of our Sustainability Policy are applied in all business planning and decision-making processes.
- Never compromise on health and safety.

WHAT SUSTAINABILITY MEANS TO US

- Achieve continuous improvement in performance through use of robust management systems and effective governance and assurance processes.
- Develop and implement sound enterprise-wide risk management processes.
- Demonstrate good stewardship of natural resources by minimising our environmental footprint, reducing waste, and using energy, water and other raw materials efficiently.
- Ensure the safe handling and transport of our materials and products.
- Educate, train and equip our people to practice excellence in the management of health, safety, environmental and community aspects and opportunities.
- Build trusting relationships by engaging clearly, openly and honestly with our host communities and other key stakeholders.
- Encourage economic prosperity in our communities during and subsequent to mining operations.
- Plan early for closure of our sites and ensure adequate financial provisions have been made.
- Understand, uphold and promote fundamental human rights within our sphere of influence, respecting traditional rights and cultural heritage.
- Assess the implementation of our Sustainability Policy through regular audit and review.

MATERIAL SUSTAINABILITY ISSUES

MMG has identified the following issues for focus in both business action and monitoring and reporting:

- **Health and Safety** – ensure the safety and wellbeing of all staff, contractors and visitors at our sites.
- **Risk management** – risk identification, assessment and effective management across the spectrum of sustainability issues, including environmental, social and economic risks.
- **Energy use and greenhouse gas emissions** – efficient use of energy in mining operations, offices and transportation, thus minimising greenhouse gas emissions. Energy use includes electricity, gas, diesel and other fossil fuels.
- **Waste management** - responsible management of used materials that no longer needed for our activities, including the segregation of materials to encourage reuse or recycling, where possible, otherwise appropriate disposal by incineration or burial.
- **Water** – efficient use of water in mining operations and offices, as well as the responsible management, treatment and disposal of waste water produced.
- **Raw materials use** – efficient use of unprocessed resources extracted from the ground for mining operations.
- **Key stakeholder relationships** – ensure regular and effective engagement with our key stakeholders, including our local communities, Indigenous people, employees, contractors, suppliers, government and regulators, to facilitate an inclusive approach and enhance our understanding of their needs and concerns to inform an effective response.
- **Staff training and development** – empower and support employees to reach their full potential, take

WHAT SUSTAINABILITY MEANS TO US



on higher positions within the organisation and lead behaviour changes that can result in zero harm within our operation.

- **Community economic impacts** – assess and understand the positive and negative socio-economic impacts of our operations on local communities.
- **Site closure management** – landform design and rehabilitation to achieve an environmentally, economically and socially sustainable land-use post mining operations.
- **Host community and Indigenous relations** – underpin relationships between MMG and its host and Indigenous communities with a commitment to understand these communities and their needs, customs, beliefs and traditions, alongside a commitment to transparent and open dialogue.

GOVERNANCE AND SUSTAINABILITY MANAGEMENT

CORPORATE GOVERNANCE

MMG's mission is to maximise shareholder returns by discovering, acquiring, developing and sustainably operating resources projects around the world. Its corporate governance approach aims to achieve its corporate objectives and create long-term value while meeting stakeholders' expectations of sound corporate governance practice. MMG will actively review its policies and practices to ensure that MMG continues to maintain and improve its governance standards, taking into consideration the views of its shareholder, regulators and other stakeholders.

The MMG group of companies is managed by the board of directors of MMG Management Pty Ltd ('the Board'). The Board is responsible for developing the direction of the group, its strategies and overseeing MMG's overall financial position.

WHAT SUSTAINABILITY MEANS TO US

BOARD COMMITTEES

To facilitate the execution of its responsibilities, the Board has established various Committees to provide a forum for a more detailed analysis of key issues. Each Committee is entitled to the resources and information that it requires to carry out its duties, including direct access to advisors and employees.

Each Committee reports its deliberations in the next Board meeting. The current Committees of the Board are the Audit Committee, the Safety Health Environment and Community (SHEC) Committee and the Remuneration and Nomination Committee.

SUSTAINABILITY STANDARDS

MMG has adopted a range of Social, Environmental and Safety Standards which guide the decision-making and operations of the business. These Standards cover the management of the following sustainability (environment, social and health and safety) issues:

Environmental Standards

- Air quality
- Biodiversity
- Chemicals
- Cyanide
- Heap leach facilities
- Hydrocarbons
- Mercury
- Rehabilitation and mine closure planning
- Tailings
- Waste
- Water
- Energy and greenhouse gas

Social Standards

- Resettlement and displacement of peoples
- Local employment and business support
- Social impact assessments
- Government relations
- Cultural awareness
- Human rights awareness
- Local and community investment
- Land access and acquisition
- Management of heritage sites
- Closure

Safety Standards

- Occupational health and hygiene
- Surface ground control
- Underground ground control
- Surface fire prevention
- Underground fire prevention
- Remote control equipment
- Energy isolation
- Vehicle, mobile equipment and traffic management
- Electrical safety
- Work permit system
- Machine guarding and conveyors
- Explosives
- Working at heights
- Pressurised systems
- Cranes and lifting equipment
- Hazardous materials
- Aviation management
- Security services management
- Lightning hazard management

RESPECTING OUR ENVIRONMENT



RESPECTING OUR ENVIRONMENT

Goal: Demonstrate good stewardship of natural resources by minimising our environmental footprint, reducing waste, and using energy, water and other raw materials efficiently.

Minimising the impact of our activities on the environment is a key objective of our business. We aim to minimise our environmental footprint and equip our people to apply excellence to the management of environmental aspects.

MMG recognises that excellence in managing environmental responsibilities is essential to long-term success. MMG's environmental standards set the internal benchmark for how we aim to operate. Through robust management systems and operating processes, MMG aims to ensure that our activities have the lowest possible impact on the natural environment and our host communities.

ENERGY AND EMISSIONS

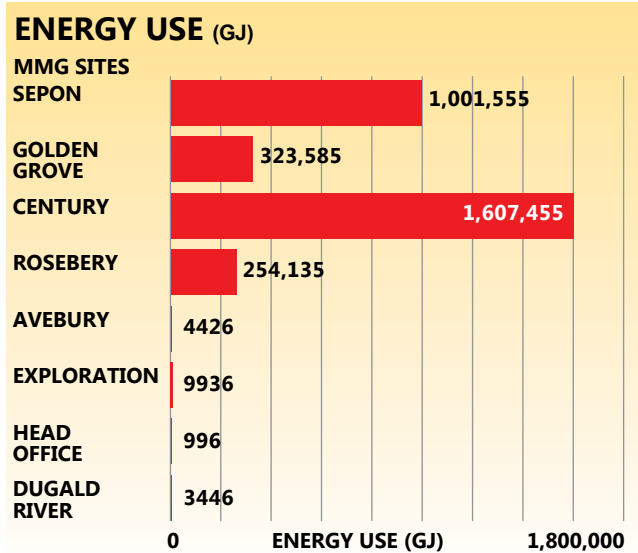
Energy consumption and associated emissions are a material issue for MMG, as energy is central to all mining and processing operations. MMG reports on its Scope 1 (direct) and Scope 2 (indirect) energy use and emissions, in accordance with the Australian National Greenhouse and Energy Reporting Scheme (NGERS).

RESPECTING OUR ENVIRONMENT

ENERGY

MMG used a total of 3,205,533 gigajoules (GJ) of energy in the reporting period. 45% of this energy is sourced from the electricity grid, while the other 55% consists of on-site consumption of natural gas, diesel, transport fuel and explosives. The vast majority (99%) of energy is consumed by the operational sites, with Exploration and Development and Head Office utilising 1%. The Century and Sepon mining operations respectively consumed 50% and 31% of the total MMG energy use in 2009.

All MMG sites are working to increase energy efficiency and reduce energy use. On its establishment, MMG also chose a 'Green Building' for its head office operations in Melbourne.



RESPECTING OUR ENVIRONMENT

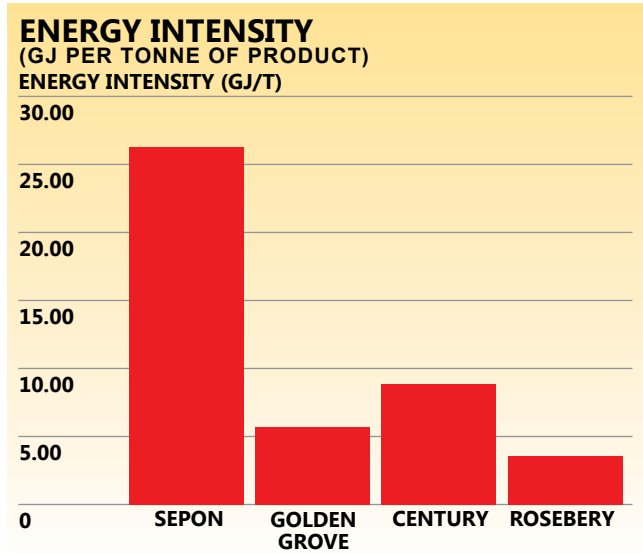
SUMMARY OF ENERGY DATA FOR JUNE 17 TO DECEMBER 31 2009

	June 17-30	July	August	September	October	November	December	TOTAL
Energy - Total GJ								
Sepon	67,689	156,932	148,653	121,089	159,987	172,848	174,357	1,001,555
Golden Grove	18028	51,949	51,478	49,019	48,350	49,824	54,938	323,585
Century	149963	345,298	296,140	274,113	152,981	193,027	195,933	1,607,455
Rosebery	18809	40,857	39,543	38,011	36,654	38,160	42,101	254,135
Avebury	291	736	894	752	614	544	595	4,426
Exploration	64	449	1,668	1,343	1,197	2,581	2,634	9,936
Head Office	91	159	138	155	175	189	89	996
Dugald River	326	1,242	889	218	256	218	296	3,446
TOTAL	255,260	597,623	539,405	484,699	400,215	457,390	470,942	3,205,533
Energy - Indirect (Electricity)								
Sepon	38,924	98,739	95,958	69,333	96,975	98,975	99,829	598,732
Golden Grove	9632	29,021	33,486	31,027	30,359	33,847	33,520	200,891
Century	51005	101,025	110,205	107,646	25,826	11,214	46,936	453,857
Rosebery	6402	28,440	27,785	26,613	26,320	25,084	27,884	168,527
Avebury	278	714	850	712	614	520	561	4,249
Exploration	8	14	20	19	14	15	16	105
Head Office	91	159	138	155	175	189	89	996
Dugald River	0	0	72	18	18	18	18	144
TOTAL	106,339	258,112	268,513	235,522	180,300	169,862	208,853	1,427,502
Energy - Direct (All other sources)								
Sepon	28,765	58,193	52,695	51,756	63,012	73,873	74,528	402,823
Golden Grove	8396	22,928	17,992	17,992	17,992	15,976	21,418	122,694
Century	98958	244,273	185,935	166,467	127,155	181,813	148,997	1,153,598
Rosebery	12407	12,417	11,758	11,397	10,334	13,076	14,217	85,607
Avebury	13	22	45	40	0	24	34	177
Exploration	56	436	1,649	1,324	1,183	2,566	2,617	9,830
Head Office	0	0	0	0	0	0	0	-
Dugald River	326	1,242	817	200	238	200	278	3,302
TOTAL	148,921	339,511	270,892	249,177	219,914	287,528	262,089	1,778,031

RESPECTING OUR ENVIRONMENT

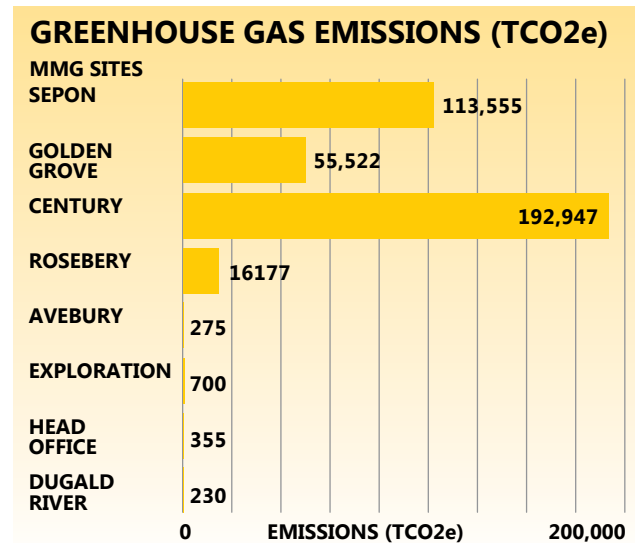
ENERGY INTENSITY

Energy use by the sites is proportional in some measure to the production levels of the site in the period, however some materials are more energy intensive to mine and process than others, as shown in the chart below. As the chart clearly shows, although Century uses the most energy overall, the energy intensity of the operation is low in comparison to the energy intensity of extracting copper and other metals at Sepon. Rosebery's polymetallic underground operations have the lowest energy intensity per tonne of product produced.



EMISSIONS

MMG emitted a total of 379,760 tonnes of carbon dioxide equivalent (CO₂e) in the reporting period. Of these emissions, 67% result from the indirect consumption of electricity from the grid, with the remaining 33% resulting from the direct combustion of fuels and explosives on site. Again, the vast majority (99%) of group greenhouse gas (GHG) emissions result from operational mine site activities, with 51% of emissions resulting from Century operations and 30% from Sepon.



RESPECTING OUR ENVIRONMENT

SUMMARY OF GREENHOUSE DATA FOR JUNE TO DECEMBER 2009 (T CO₂e)

	June (14 days)	July	August	September	October	November	December	TOTAL
Total Scope 1 & 2								
Sepon	7,760	18,052	17,398	13,577	18,247	19,178	19,343	113,555
Golden Grove	2921	8,370	9,069	8,495	8,339	9,013	9,315	55,522
Century	19806	41,966	40,181	38,215	15,310	15,442	22,028	192,947
Rosebery	848	2,662	2,570	2,470	2,385	2,490	2,752	16,177
Avebury	10	47	57	48	39	35	38	275
Exploration	6	32	117	95	84	181	185	700
Head Office	31	54	54	54	54	54	54	355
Dugald River	23	86	57	14	17	14	19	230
TOTAL	31,404	71,269	69,503	62,968	44,475	46,406	53,734	379,760
Scope 1								
Sepon	2,019	4,039	3,779	3,737	4,484	5,131	5,174	28,363
Golden Grove	593	1,598	1,255	1,255	1,255	1,115	1,494	8,566
Century	6913	16,990	12,936	11,603	8,925	12,669	10,424	80,460
Rosebery	434	845	795	770	703	888	971	5,405
Avebury	1	2	3	3	0	2	2	13
Exploration	4	30	114	92	82	178	182	681
Head Office	0	0	0	0	0	0	0	-
Dugald River	23	86	57	14	17	14	19	230
TOTAL	9,987	23,590	18,939	17,473	15,466	19,997	18,266	123,718
Scope 2								
Sepon	5,741	14,013	13,619	9,840	13,763	14,047	14,168	85,192
Golden Grove	2328	6,771	7,813	7,240	7,084	7,898	7,821	46,955
Century	12893	24,976	27,245	26,612	6,385	2,772	11,604	112,487
Rosebery	414	1,817	1,775	1,700	1,682	1,603	1,781	10,772
Avebury	9	46	54	45	39	33	36	263
Exploration	2	2	3	3	3	3	3	19
Head Office	31	54	47	52	59	64	30	338
Dugald River	0	0	0	0	0	0	0	-
TOTAL	21,418	47,680	50,557	45,493	29,014	26,420	35,444	256,025

RESPECTING OUR ENVIRONMENT

SEPON LIGHTS UP LOCAL VILLAGES

Local villagers around Sepon mine, now have access to electricity as a result of a project supported by MMG.

MMG successfully installed a powerline linking 22 local villages to the electricity grid. The villages are located in the development area surrounding the Sepon mine.

The powerline installation formed part of a five-year plan, from 2005 to the present, involving the installation of medium and low voltage cables and transformers at a cost of \$US420,000.

“In the old days, local villagers had difficulties at night time in both home and business activities,” said Mr Khamchanthavong Latsavong, Chief of Moungluang Village, Vilabouly District. “Now that people can use electricity they are very happy and it makes things more comfortable because they can use it for household activities. Moreover, some groups of women can now do weaving at night time. In addition, there are now more small businesses growing, such as grocery stores,

tyre repair shops and one medium sized-rice mill,” he added.

Rural electrification remains part of the project's 2010 plan. As part of the Sepon Trust Fund budget, funding has been made available to expand the electricity network in Vilabouly town, a project worth a further \$US32,000. The electrification plans are closely coordinated with local authorities. The Sepon Trust Fund focuses on nine areas of community development in the areas of energy, mining, information and culture, handicraft production, education, health, small business development, tourism, agriculture and forestry.

“Through the Sepon Trust Fund, which is a cooperation project between the Lao Government, Vilabouly District authorities and MMG, the electrification project has reached a large number of communities. It has enabled community members' access to electricity for domestic use and to produce income. This will ensure that their standards of living are improved incrementally,” said Khamvieng Xayabouth, Community Relations Manager, Sepon.

RESPECTING OUR ENVIRONMENT

CLIMATE CHANGE AND FUTURE ENERGY SUPPLY

Energy supply for Sepon is sourced from the Thai electricity grid, which incorporates both non-renewable and hydro sources. Sepon, however, is committed to working with the Lao Government to develop hydro-electricity in the Lao PDR.

In 2007, the Lao Government committed to supply 7,000 megawatts (MW) of renewable hydro-electricity to Thailand, 5,000MW to Vietnam and 1,500MW to Cambodia by 2015. The Government intends to use the profits from these hydropower sales to fight poverty in the country. In addition to international supply commitments, domestic energy consumption is growing at 8-10% annually. The Government has already signed Memoranda of Understanding or is undertaking research studies on a total of more than 70 hydropower projects. Of these, 15 are either operational or under construction.

Sepon supported this development in 2009 through the construction of a powerline providing a direct link between Nam Theun 2 Hydro Project in Khammouan Province and Sepon. This line represents a mutually supportive partnership between Sepon and the state energy utility, Elecricite Du Lao (EDL), securing renewable energy for MMG and securing a long-term local customer for EDL. The 115 kilovolt (kV) powerline is almost completed and there are plans for connection to the Sepon substation in the middle of July 2010, delivering hydro-electricity to Sepon directly from the Nam Theun 2 Project.

Sepon is also supporting the local community around the site through the installation of a powerline linking 22 local villages to the grid. For more information, please see the case study below.

For more information on the Lao hydropower development, visit www.poweringprogress.org.

WATER

Water use, management and discharges are a material environmental management focus at all of MMG's operational sites.

Key Statistics	Century	Golden Grove	Rosebery	Sepon	Exploration	Total MMG
Water Use (ML)						
Surface Water	0	0	0	1,427.11	2.99	1,430.1
Groundwater – mine	2,488	1,217,202	34,175	0	0	1,253,865
Groundwater - bore	1,785	83,806	0	0	0	85,591
Rainwater	0	NM	NM	631.3	0	631.3
Municipal supply	0	0	777,675	0	0	777,675
Recycled water - external source	0	0	0	0	0	0
Total	4,273	1,301,008	811,850	2,058.4	2.99	2,119,192.4
Water Recycled (ML)	14,312	1,742,139	0	1,744	0	1,758,195
Water discharge destination	Morr Morr Pastural Company; Norman River	On-site recycling; Lake Wownaminya	Lake Pieman (EPA licence)	Namkok River	Drill Sump seepage and evaporation	-

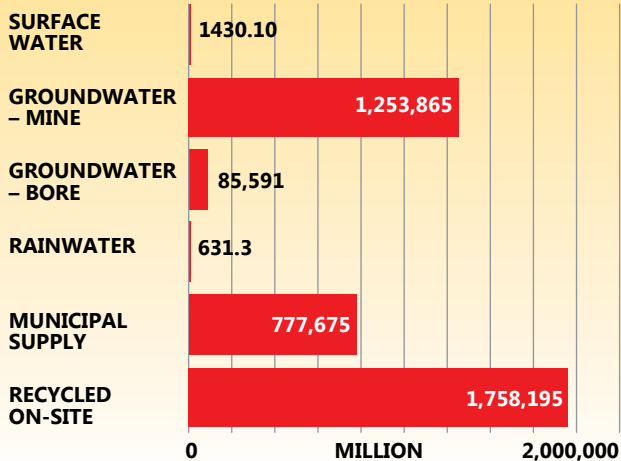
RESPECTING OUR ENVIRONMENT

Discharge treatment	pH; sediment removal; metals, organics and Nitrogen removal	pH; sediment and metals removal; organics and Nitrogen removal	Lime pH treatment; sediment removal	pH, sediment and metals removal via polishing plants	Settlement in drill sumps	-
Total Water discharges (ML)	746	Not measured	Not measured	7,667	1.8 seepage 1.2 evaporation	-
Water Loading						
Cyanide – total (T)	-	-	-	0.067	-	-
Cyanide - weak acid dissociable (WAD) (T)	-	-	1138.7	0.067	-	-
TSS (T)	-	13.39	-	52.5	-	-
BOD (T)	-	-	-	0.26	-	-
Lead – soluble (kg)	-	2.00	0.554	200.3	-	-
Lead – total (kg)	10	4.02	11.1463	-	-	-
Zinc – soluble (kg)	-	122.3	72.9866	84.16	-	-
Zinc – total (kg)	137	147.3	111.5585	-	-	-
Arsenic – soluble (kg)	-	4.46 (Not Detected)	-	245.1	-	-
Arsenic – total (kg)	-	2.23 (Not Detected)	-	-	-	-
Copper – soluble (kg)	-	5.8	1.3265	93.21	-	-
Copper – total (kg)	-	2.23	3.5382	-	-	-
Cadmium – soluble (kg)	-	4.99	0.1918	31.32	-	-
Cadmium – total (kg)	1	5.17	15.5686	N/A	-	-
Mercury – soluble (kg)	-	-	0.0034	2.14	-	-
Mercury – total (kg)	0.036	-	0.0035	-	-	-
Manganese – soluble (kg)	-	68.7	538.5458	2933	-	-
Manganese – total (kg)	-	99.1	608.1778	-	-	-

*Note – Water data is not available for Head Office, as it is not measured separately to the multi-tenanted overall building water use and disposal. The amounts are considered to be immaterial in the context of operational water use and discharges.

RESPECTING OUR ENVIRONMENT

MMG WATER USE BY SOURCE



WATER MANAGEMENT - CENTURY WATER MANAGEMENT SYSTEM IMPROVEMENTS

During the 2009 wet season, excess rain and run-off forced Century mine to discharge water from its overflowing sediment dams to creeks running through the site. A subsequent environmental evaluation was required by the Queensland Department of Environment and Resource Management (DERM) to assess the impact of these discharges. The environmental evaluation identified that the current water management system at the site was insufficient to contain a one-in-ten-year, 48-hour rain event. Consequently, approximately \$A8.3 million was invested in a number of initiatives that were implemented between September and December 2009 as follows:

- A new sediment dam (Sediment Dam 10) was constructed to receive seepage and surface water run-off from the West Waste Rock Dump. Construction works comprised excavation of material which was then used in the construction of an engineered embankment to create a dam with a capacity of 440 megalitres (ML).
- 3.5 kilometres of new transfer pipelines were constructed and other pipelines upgraded to enable transfer of water from Sediment Dam 10 to either of two other sediment dams.
- Level sensors were installed in critical dams to enable remote monitoring of sediment dam levels and allow transfer of water at appropriate times.
- The development of a site water balance model to better understand water dynamics throughout the site was scheduled for 2010.



RESPECTING OUR ENVIRONMENT



WATER MANAGEMENT – SEPON HIGH RAINFALL WATER MANAGEMENT

The Sepon site area receives an average rainfall of 2,184 millimetres per year, with most of this rainfall occurring in the monsoon season between the months of May and September. As water entering the project site has the potential to become contaminated by process chemicals, hydrocarbons, eroded sediments and acid rock drainage, high levels of water discharge in the monsoon season can result in these contaminants compromising water quality downstream. Effective water management at Sepon is therefore fundamental to minimising the potentially adverse effects of the project on the aquatic and riparian ecosystem of the Namkok River and its tributaries, and downstream human water uses, including domestic uses such as drinking, cooking, laundry and bathing as well as irrigation, livestock watering and fishing.

In 2009, Sepon invested \$US1 million in four significant water management projects:

- Development of Goldsim Model and Life of Mine Plan for Khanong Pit.
- This fed into a review of the site Water Management Plan to incorporate changes to the operational strategy regarding how to treat and discharge water from the Khanong Pit.
- Upgraded the water treatment capacity from 250 cubic metres to 1,000 cubic metres.
- Upgraded the Hinsom Camp Management System including upgrade of sedimentation structures.

A Water Management Committee has been established for the site, and the water management processes in place on the current mine area are also being used in the planning of future mine development, including the installation of sedimentation pit infrastructure.

WATER MANAGEMENT – GOLDEN GROVE WATER RECYCLING

At Golden Grove, water pumped out of the mine is treated and reused through the mineral processing circuit, drilling operations and for dust suppression activities, with a total of 1,742,139 megalitres (ML) recycled through the system in the reporting period.

Water extracted from the mine undergoes primary and secondary treatment prior to reuse, with primary treatment involving the diversion of mine dewater to the mine water clarifier (MWC) where flocculent and lime is added to neutralise acidity and settle out sediments and heavy metals. Secondary

treatment involves the diversion of the water to evaporation ponds where additional lime is added if required, established typha (bullrush) act as a natural water filter, rock baffles further settle out sediments and retention cells maximise the treatment time of the water.

Any excess treated mine dewater not reused by the site is discharged to Lake Wownaminy, an ephemeral salt lake located 27 kilometres north of the operations.

Golden Grove has developed an ongoing monitoring program to assess the potential impacts of treated mine water discharge to the lake. A site water balance model is also planned for development in 2010 to better understand water dynamics through the site.



RESPECTING OUR ENVIRONMENT

WATER MANAGEMENT – ROSEBERY CREEK ACID DRAINAGE

Quarterly water quality monitoring results at Rosebery identified that acid drainage to Rosebery Creek was occurring from the open-cut area of the site. The Tasmanian Environmental Protection Agency (EPA) undertook a site inspection in May 2009 and identified a number of issues associated with the open-cut area. The open-cut area was previously used for open-cut mine operations, however it is currently used as a waste rock dump and for the storage of wastes including tyres and scrap metal. The EPA required the site to undertake six actions to address the issues as follows:

Action 1: Removal of all waste concentrate material from the open-cut area: The EPA identified the storage of waste concentrate in the open-cut area as a potential source of acid drainage to Rosebery Creek. Consequently the site removed approximately 900 tonnes of grinding circuit overflow material before a subsequent EPA inspection on 3 June 2009. However, the site also informed the EPA that, following surface water monitoring in the area, it believed that 5,000 tonnes of underground rock cuttings, previously classified as non-acid forming, were the main contributor to surface water low pH, or acidic, conditions. The site informed the EPA that this material would be removed by August 2009. This removal has not been undertaken to date.

Action 2: Desludging of settling ponds: It was identified that quarterly water quality data



indicated an increased loading of contaminants entering Rosebery Creek and that discharge from the settling ponds was observed to contain solids. Desludging of the settling ponds, to reduce the solid load in the discharge, was undertaken in June 2009 with waste transported to the Bobadil Tailings Dam.

Action 3: Chemical treatment of settling ponds: The EPA recommended the addition of lime to settling ponds to raise the pH of the discharge to Rosebery Creek. The site applied limestone rock to the drainage

lines after the settlement ponds. However, the limestone became coated with sludge and did not result in adequate treatment.

Action 4: Increased monitoring frequency: The site increased monitoring frequency from quarterly to weekly, which exceeds the fortnightly frequency suggested by the EPA.

Action 5: General housekeeping: Waste materials stored at the site are being progressively cleaned up and better managed.

Action 6: Remedial work at the open-cut area: A Decommissioning and Rehabilitation Plan for the Rosebery open-cut area was finalised and submitted to the EPA for review.

The site is currently working on redirecting surface water drainage from the open-cut area to the Bobadil Tailings Dam via the effluent treatment plant. This would prevent surface water discharge from the open-cut area and its settlement ponds to Rosebery Creek and would therefore prevent acid drainage to Rosebery Creek from this area.

RESPECTING OUR ENVIRONMENT

WASTE

Key Statistics	Century	Golden Grove	Rosebery	Sepon	Exploration	Total MMG
Waste rock mined (T)	28,094,781	295,800	179,486	6,019,421	0	34,589,488
Waste rock to dumps (T)	7,119,643	15,617	179,486	6,019,421	0	13,334,167
Waste rock used on site (T)	6,257,406	0	179,486	1,768,264	0	8,205,156
Tailings produced (T)	1,457,962	633,515 (dmt)	117,275	1,917,600	0	4,126,352
Tailings disposal method	Surface structures	Surface structures 508,335; Backfill underground 125,302	Surface structures	Surface Structures	n/a	
Other Waste to disposal (T)						
Waste Oil (L)	131,670	20,000	-		-	151,670
Medical/Biological	0.01	0.28	-	1.26	-	1.55
Grease (T)	-	11,000	-	34.1	-	11,034
Cooking Oil (L)	-	6,000	-	3,170	-	9,170
Other Hydrocarbon (T)	-	2,000	-	10.13	-	2,010.13
Solvents and Chemicals (L)	-	-	-	170,780	-	170,780
Laboratory (T)	-	-	-	5.3	-	5.3
Contaminated Waste (T)				382		382
General Waste (T)	77	108	52	229	224	690
Total Waste Disposed (T)						345,743
Waste Recycled						
Oil (L)	2,330	-	26,818	84,456	-	113,604
Vehicle Batteries (each)	240	1,500	0.737 (T)	188	-	-
Scrap steel (T)	-	91,000	330	130	-	91,460
Cardboard (T)	10	3,400	-	12	-	3,422
Paper (T)	0.75	NM	-	1	-	1.75
Plastics (T)	-	4,000	-	5	-	4,005

RESPECTING OUR ENVIRONMENT

Glass	-	1,500	-	2	-	1,502
Aluminium Cans (T)	-	-	-	1.3	-	1.3
Organics/Food (T)	-	-	-	4	-	4
Total Waste Recycled (T)						214,000

*Note – waste and recycling data is not available for Head Office, as it is not measured separately to the multi-tenanted overall building waste. The amounts are considered to be immaterial in the context of operational site waste.

LAND AND BIODIVERSITY

MMG is responsible for 1,018,289 hectares of land in Australia, Asia, Canada and the United States, with 81,185 hectares, or 8%, of this land being held in current mining operations in Australia and the Lao PDR.

Key Statistics	Century	Golden Grove	Rosebery	Sepon	Exploration	Total MMG
Total land holding (ha)	23,185	13,094	4,906	40,000	937,104*	1,018,289
Land disturbed in period (ha)	2,026	0.08	0.4	56	64.4	2,146.9
Land rehabilitated in period (ha)	0	12.8	0	94	40.1	146.9
Land under rehabilitation (ha)	196	0	0	109	2.7	307.7
Total mine footprint (ha)	2,222	889	0.4	1,257	n/a	4,368.4
Significant, Vulnerable or Endangered Species	Esturine Crocodile; Gouldina Finch; Little Tern	Kultarr; Mallee Fowl; Peregrine Falcon; Major Mitchell Cockatoo; Woma Python; Western Spiny tailed Skink; Gilled Slender Blue-tongue lizard; Carnaby's Black Cockatoo	N/A	Red-shanked douc; 11 fauna species; 37 fauna species; Pycnonotus Hualon/ Barefaced Bulbul	n/a	-

* Exploration land includes Australia (452,436.5 ha), Americas (1,803 ha), Canada (238,253 ha), China (12,000 ha), Indonesia (55,960.7 ha), Lao PDR (120,000 ha), Thailand (13,850 ha) and Tunisia (42,800 ha).

RESPECTING OUR ENVIRONMENT

SEPON

Sepon is surrounded by a mixture of eastern evergreen forest, disturbed mosaic forest, and old secondary forest. Sepon closely monitors the expected and actual habitat loss due to operations on and around the site.

Biodiversity impacts have been assessed as part of the Western Tailings Storage Facility (WTSF) Environmental and Social Impact Assessment (ESIA) report. Species of conservation significance to the site include a family group of Eastern Elephants, Great Hornbill, Bar-bellied Pitta, Barefaced Bulbul (new species identified on the site), Annamite Striped Rabbit, Macaque, Civet pair, East Asian Porcupine and Large-Antlered Muntjac.

Sepon has a leading biodiversity offsets program in place and other initiatives including landscape level planning and an annual aquatic life survey.

Rehabilitation at the site is undertaken within 12 months of an area becoming available, to minimise erosion. Further land management processes include:

- Weed control.
- Wildfire prevention.
- Reducing disturbance and damage to areas of high biodiversity value.
- Location of operations to minimise land and water impacts.
- Exotic species introduction prevention and control.
- Illegal forestry control.

ROSEBERY

The Rosebery mine has a relatively small surface disturbance footprint, and rehabilitation is not required until closure of the site.

The only significant area of biodiversity in proximity to the mine is the Lake Johnson Nature Reserve located 8 kilometres from the mine, which contains subalpine patches of Huon Pine.

CENTURY

Although the range of habitats on the Century site is high, these are all widespread in the region, and represented in the nearby Lawn Hill National Park. The site is not known to contain any species restricted to the site or important populations of vulnerable or endangered species. The major potential impact on biodiversity from site operations is from the discharge of contaminated water. This is being managed through the site Water Management System.

GOLDEN GROVE

Golden Grove is committed to progressively rehabilitating all cleared and disturbed areas on its mining, exploration and general purpose leases, as they become available for rehabilitation.

There is a Biodiversity Management Plan in place to proactively manage impacts to priority species on the site, with an additional Mallee Fowl Management Plan to specifically address risks to this vulnerable species.

RESPECTING OUR ENVIRONMENT



LAND MANAGEMENT – SEPON GREENHOUSE NURSERY EXTENSION

In order to enhance land rehabilitation and the maintenance of biodiversity values, the established Indigenous plant nursery and greenhouse at Sepon was extended in 2009, increasing seedling capacity from 100,000 to 250,000. A new master plan was developed to increase the greenhouse nursery efficiency and staff were further trained in nursery management.

Control measures have been put in place to ensure the protection of all endangered and priority listed flora and fauna, including:

- Priority flora handbook to aid in the identification of priority species located around the site.
- Mapping of populations.
- Environmental awareness through newsletters and posters.
- Land Clearance Certificate (LCC) requirements for any proposed disturbance and approval system for new developments on site.
- Feral animal trapping and baiting program.
- Weed mitigation program.
- Site inductions to minimise impacts but allow for extra 'eyes' on the ground to locate flora and fauna species of interest.

RESPECTING OUR ENVIRONMENT

BIODIVERSITY MANAGEMENT – SEPON BIODIVERSITY OFFSETS

Sepon has established a leading Biodiversity Offset Program with the aim of supporting the conservation of key eco-systems and species to offset the impacts of its mining developments, including the following two projects:

NAMKOK RIVER HEADWATERS BIODIVERSITY PROJECT

This project consisted of a baseline survey of the Namkok Headwaters Area. The Lao PDR and international branches of the Wildlife Conservation Society (WCS), in cooperation with provincial and district authorities and the National University of Laos, conducted the headwaters biodiversity survey of the upper Namkok River during July to September 2009. The survey included Indigenous knowledge surveys, camera 'traps' for larger species, sound recordings for birds and other species and pitfall traps for reptiles. The objectives of the Headwaters Biodiversity Project are to:

- Provide a more comprehensive inventory of the terrestrial flora and vertebrate fauna in the upper catchments of the Namkok River.
- Identify species and habitat of particular conservation or social significance.

- Establish the extent to which fauna and flora are harvested and the importance of this to biodiversity conservation.
- Identify areas of low biodiversity value.
- Identify areas of high biodiversity value.

The project is an offset for the Phou Thengkham Development.

SIAMESE CROCODILE WETLAND CONSERVATION PROJECT

The Siamese Crocodile is the third rarest Crocodile in the Lao PDR. A three-year working agreement has been signed with the Wildlife Conservation Society to undertake the following:

- Testing genetic purity of the species with the Lao Zoo and possible future partnerships.
- Restoration of wetland habitat in Champhone District.
- Community livelihood programs to support maintenance of the wetland.

The project provides an offset for biodiversity (land and aquatic habitat) impacts associated with the development of a new tailings storage facility on the site.



RESPECTING OUR ENVIRONMENT

ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

Key Statistics	Century	Golden Grove	Rosebery	Sepon	Exploration	Total MMG
Reportable Incidents	8	4	3	1	1	17
Total Incidents	47	491	8	23	11	580
Spills	3	1	3	12	10	29
Incidents of Non-compliance	1	4	3	0	0	8
Fines for non-compliance (\$A)	1 (\$130,000)	0	0	0	0	1 (\$130,000)



Compliance with all laws and regulations is the foundation on which our environmental performance is built. Our Australian mining sites operate under a range of air, water, noise and other environmental licence agreements from local environmental regulators, and Sepon works to the International Finance Corporation (IFC) Guidelines.

Significant non-compliances, including spills and other discharges to the environment, are reported through our incident reporting system.

Our operational sites operate environmental management systems (EMS). Sepon, Rosebery and Golden Grove are certified to the International Standard for EMS, ISO14001, and Century is working towards certification.

A number of the significant incidents in the reporting period have been detailed in the case studies within this report.



ENVIRONMENTAL MANAGEMENT – CENTURY-KARUMBA PIPELINE FAILURE AND CLEAN-UP

On 5 October 2009, the underground pipeline transporting concentrate between Century mine and the Karumba port facility failed and 760 tonnes of zinc concentrate slurry, containing 160 tonnes of zinc, was lost. This affected approximately 50,000 cubic metres of soil on the Floraville Cattle Station.

MMG notified the station owner and other stakeholders, including relevant Native Title Groups and government agencies, when it suspected that a failure had occurred. The impacted area was immediately fenced off. Consultation with the regulator, the Queensland Department of Environment and Resource Management (DERM) took place and MMG was issued with a Temporary Environmental Plan to rectify the issue.

Repair of the pipeline involved work at two sites:

one at the site of the pipeline failure, where the failed section of pipeline was removed and replaced; and the other where access to the pipeline was required to move concentrate. Representatives of the Mingginda Native Title Group visited the site of the pipeline failure and representatives of the Gkuthaarn/Kukatj Native Title Group visited the pipeline access site during earthmoving works to ensure that no culturally significant land was damaged. Regular contact was maintained with key stakeholders throughout the repair and clean-up activity.

Clean-up works comprised the excavation of approximately 25,000 cubic metres of the affected soil prior to the onset of the wet season. This soil was transported to Century mine and disposed of in the on-site Tailings Storage Facility. The remaining contaminated soil was encapsulated within an impermeable membrane to prevent leaching during the wet season, and monitored throughout. The remaining 25,000 cubic metres of contaminated soil removal and disposal is scheduled for 2010.

RESPECTING OUR ENVIRONMENT



ENVIRONMENTAL MANAGEMENT – GOLDEN GROVE MULTIDISCIPLINARY TEAM CADMIUM ACTION PLAN

Cadmium is found in zinc-containing ores at Golden Grove. The site's environmental licence allows the discharge of excess water into Lake Wownaminya, an ephemeral lake 27 kilometres north of the site, under strict conditions, including a limit on the cadmium concentration. In 2008, Golden Grove recorded discharges of cadmium to the lake above the licence limit.

With representatives from across the organisation, a multidisciplinary team of experts was brought together by mine management to put in place a short-term plan to stop exceedences immediately and a long-term plan requiring capital investment. The cross-site team included members from the mining, processing and the environmental departments to formulate and manage exceedences in the short-term. Infrastructure and engineering departments took charge of the long-term plan.

The immediate changes made included the mining group removing sediment more regularly from the water treatment system, by cleaning out the sump. This resulted in reducing the sediment load to the evaporation ponds and less maintenance on the underground water treatment systems. The processing group focused on reviewing and trending of lime addition to reduce the pH of the water to cause cadmium to 'fall out' of the water column. The laboratory has increased their on-site cadmium testing to better understand the system's performance. The environment department redesigned the evaporation ponds to allow for additional settling time and removal of sediment.

The short-term plan outlined above effectively reduced cadmium in the water column. Since its implementation, no exceedences have been detected.

The long-term plan was also implemented in 2009 to address the root cause of the exceedences and to reduce the risk of recurrence. This has been achieved by redirecting all water from underground through the mine water clarifier.

The geology department is reviewing data to better understand if there are key rock types or mining areas that show higher levels of cadmium than others in order to predict potential future exceedences and ensure that mine water is treated accordingly. Monitoring of potential impacts on the ecology of Lake Wownaminya is ongoing.

ENVIRONMENTAL MANAGEMENT – PAGE CREEK REMEDICATION

In 2009, the north-west region of Queensland was affected by a record one-in-200 year wet season. The excess rain and run-off that resulted forced Century mine to discharge water from its overflowing sediment dams to creeks running through the site. A subsequent environmental evaluation was required by the Queensland Department of Environment and Resource Management (DERM) to assess the impact of these discharges. The environmental evaluation identified elevated levels of zinc and sulfates within the sediments of Page Creek which exceeded licence conditions and required clean-up.

Charges relating to the incident were subsequently brought against the mine by DERM, and in March 2010 the matter was heard in the Magistrate's Court in Mt Isa. MMG accepted that, according to relevant legislation, it caused environmental harm and, therefore pleaded guilty to unlawfully causing serious environmental harm and to contravening a condition of an environmental authority and was subsequently fined \$A130,000. The Magistrate took into account the company's cooperation with DERM during the investigation process,

the significant efforts it took to minimise water releases during the flooding and the remediation efforts of the company in respect of Page Creek and improvements to its water management system.

MMG worked very closely and cooperatively with DERM and local stakeholders both at the time, and throughout the investigation and clean-up process. MMG has spent approximately \$A350,000 to date directly on the remediation process.

The remediation project comprised the excavation of impacted sediments in a previously disturbed section of the creek to ensure that no further impacts occurred downstream. Through the use of mini-excavators in the works, no disturbance was caused to existing native vegetation. A total of 7,687 cubic metres of impacted sediment, estimated to contain just over 15 tonnes of zinc, was subsequently removed during October and November 2009 and disposed of in the site's waste rock dumps.

Further and ongoing remediation of Page Creek and sign-off by DERM will be subject to completion of an Ecological Assessment in 2010, and MMG has committed approximately \$A8 million towards initial corrective and preventative works in Page Creek and improvements to its water management system at the mine.

RESPECTING OUR ENVIRONMENT

ENVIRONMENTAL MANAGEMENT – UNCONTROLLED WASTEWATER DISCHARGES AT ROSEBERY

Wastewater management and treatment on site comprises collection of municipal sewerage and stormwater run-off from across site in on-site dams (2/5 Dam), which is then pumped to the on-site Effluent Treatment Plant (ETP). In addition to the wastewater from 2/5 Dams, the ETP also receives tailings, mine water and additional stormwater run-off. The wastewater treated in the ETP is then pumped and discharged to the Bobadil Tailings Dam and eventually discharged to Lake Pieman.

On 3 August 2009, a power failure occurred during a heavy rainfall event, which prevented pumping of wastewater through the treatment circuit. Consequently, untreated water collecting in 2/5 Dams overflowed into a wetland area (known as Wetland 1) and from here into the Stitt River. At the same time, water collecting in the ETP could no longer be pumped to the tailings dam. Consequently, the ETP overflowed, resulting in an uncontrolled discharge of untreated water to Rosebery Creek.

Following these uncontrolled discharges, and

recognising the susceptibility of the wastewater treatment circuit to inundation during heavy rainfall events, and due to power failure, the site has implemented the following short-term projects to prevent the recurrence of uncontrolled discharges:

- A generator was procured during the winter months to enable back-up power and continued operation of the pumps and the ETP should a power failure occur.
- Lime was added to 2 of the 5 Dams to increase the pH of the wastewater. It also enabled flocculation of zinc and other metals to minimise metal levels in wastewater discharge, in the event that untreated wastewater needs to be discharged due to high rainfall. A dosing station is present to allow subsequent additions of lime if required.

Mid-term projects, which are being considered and implemented, include cleaning of all on-site drains to increase capacity. Reconfiguration of site drainage is also taking place to route fresh surface water run-off away from site and directly into surrounding watercourses, to reduce the surface water run-off load to the ETP and Dams. In the longer term, upgrades to the ETP are being assessed.

WORKING WITH OUR STAKEHOLDERS

Goals:

- *Build trusting relationships by engaging clearly, openly and honestly with our host communities and other key stakeholders.*
- *Encourage economic prosperity in our communities during and subsequent to mining operations.*
- *Understand, uphold and promote fundamental human rights within our sphere of influence, respecting traditional rights and cultural heritage.*

MMG recognises the importance of working with and for our key stakeholders in order to continue to build a successful and sustainable business. MMG has targeted engagement and communication strategies and programs to meet the needs of each of our different stakeholder groups, the range of which are shown in the diagram below:



WORKING WITH OUR STAKEHOLDERS

MMG's targeted stakeholder programs are designed to achieve the following:

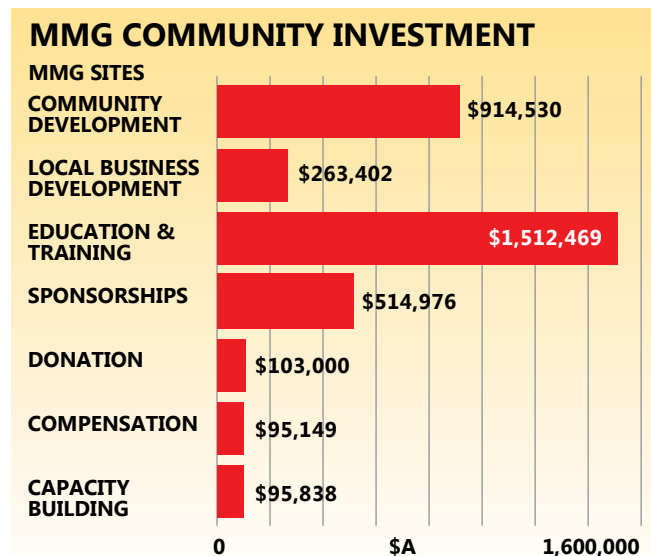
- Maintain our 'licence to operate' with stakeholders - an intangible, informal, non-permanent approval to operate by host communities.
- Realise opportunities to contribute to the social and economic development of the areas in which we operate.
- Work closely with Indigenous communities and establish mutually beneficial agreements with them.
- Contribute to the development of local infrastructure.
- Support local cultural heritage.
- Understand social impacts and develop appropriate management plans.
- Effectively manage closure planning and impacts.

The case studies in this chapter provide examples of some of the ways in which MMG is working with, and supporting, our stakeholders.

COMMUNITY INVESTMENT

MMG invests in a wide range of community initiatives specific to each of its sites, specifically targeted to meet local community needs. Some of these initiatives are described in the case studies in this section of the report.

During the reporting period, MMG invested a total of \$A3,499,364 in our local communities, as detailed in the table below.



Investment (\$A)	Century	Golden Grove	Rosebery	Sepon	Total MMG
Community Development	\$20,000	\$101,840	\$250,000	\$542,690	\$914,530
Local Business Development	-	\$4,000	\$8,840	\$250,562	\$263,402
Education and Training	\$841,011	\$60,000	\$1,400	\$610,058	\$1,512,469
Sponsorships	\$379,225	\$42,805	\$12,946	\$80,000	\$514,976
Donations	-	-	-	\$103,000	\$103,000
Compensation	\$53,362	-	-	\$41,787	\$95,149
Capacity Building	-	-	-	\$95,838	\$95,838
Total	\$1,293,598	\$208,645	\$273,186	\$1,723,935	\$3,499,364

WORKING WITH OUR STAKEHOLDERS

KEY STAKEHOLDER CHALLENGE – ROSEBERY HEAVY METAL CONTAMINATION ALLEGATIONS

Rosebery mine was approached in 2008 by a number of local residents who claimed that heavy metal contaminated water seepage was occurring on their properties causing health issues. Upon this approach, Rosebery mine informed the Environment Protection Agency (EPA) of the claims, who formed a taskforce with the Department Health and Human Services (DHHS) to assess the claims.

The EPA undertook tests of the water and employed a toxicologist to undertake a review of the situation. While elevated levels of arsenic, cadmium and lead were identified in soils and groundwater, the toxicologist employed by the EPA did not identify a link to health issues. This was also supported by advice obtained by the DHHS which determined that the health issues were not as a result of heavy metal poisoning and consequently the case was considered closed by the EPA and DHHS.

However, the local campaign, known as the Toxic Heavy Metals Taskforce Tasmania, continued and in early 2009, Rosebery mine senior management (CEO, COO and Group Manager) personally met with the local residents to discuss the issue. In July 2009 MMG was formed and took over management of the site and the associated toxicity claim issue.

Litigation law firm Slater & Gordon announced in December 2009 that they were going to represent local residents in a class action against DHHS, EPA, MMG and the West Coast Council claiming the health issues of the residents were due to heavy metals poisoning. As a consequence of this, DHHS reopened their investigations.

MMG was aware that the allegations of heavy

metal contamination were causing uncertainty and distress amongst the wider Rosebery community. In the interests of wanting to establish the facts of the situation and providing certainty and comfort to residents, in December 2009 MMG proactively undertook an environmental sampling program. This program was one of the most comprehensive ever undertaken in Tasmania and covered 110 properties and public spaces in Rosebery, and involved the collection of more than 5,000 samples of soils, interior dust and surface water, which were tested for a suite of ten metals. This initial program found some indications of metal levels above Health Investigation Level trigger points. These results were broadly consistent with results achieved by earlier EPA tests. An ongoing sampling program continues, and the resulting data will be used to further refine and quantify the extent of the situation.

MMG also offered employees and their families' blood screening tests, with 420 blood samples being taken and tested for lead, cadmium, arsenic and thallium. All employees were found to be below occupational lead exposure levels and family members were all below lead action levels. Some elevated arsenic results were identified, but found to be organic and consistent with the consumption of seafood and unrelated to the mine or its operations.

In response to the situation DHHS, EPA and West Coast Council has formed a reference group with MMG, WorkSafe Tasmania, the Australian Workers' Union and local community representatives. Members of the Toxic Taskforce were invited to participate in the group but declined. Meetings to present and discuss the results of the MMG program have been undertaken in early 2010. MMG is committed to continuing to inform and engage the community on this issue.

WORKING WITH OUR STAKEHOLDERS

COMMUNITY CAPACITY BUILDING – SEPON

In recognition of the need to support a 'licence to operate' and utilise the opportunity to enhance the social and economic sustainability of the areas in which we operate, the Sepon site has some leading local community capacity building programs in place. The main concerns of the local Sepon community revolve around the basic survival and development needs of clean water, food supplies and basic economic development, so the capacity building programs aim to address these issues.

COMMUNITY PARTICIPATORY PLANNING PROJECT



Nonsomboun Men discuss their seasonal calendar.



Xoumaitri explains market chain brainstorming to villagers in Nonsomboun.

This project involves the communities in the Greater Project Development Area (GPDA) in drafting plans to achieve development goals for the future that they have developed themselves.

The project, facilitated by a specialist external consultant, assesses the needs of the entire community, as well as specific groups, such as women, youth, elders and ethnic groups.

The plans being developed incorporate consideration of the future of local communities with respect to closure planning. Potential future enterprises post mine closure are being considered, such as Non-Timber Forest Products (NTFPs) and cottage industries.

"It is important for us to be able to work for our own development, we need to learn how to do this" – Member of the village committee in Nonsomboun Village.

"It is new for us to think of accessing markets as a cycle. It is a very good idea to think this through before we start new projects for the villagers. It is good for them to understand this too [market chain and the market cycle]. Last time we tried to provide livestock, but we did not think through the things the villagers would need to make a business, like injections, training and a market" – Mr Khamsop, Head of District Planning Section.

"Thanks to that [the analysis tree] we can understand how a problem affects us, and we can think about the causes. And I see the 'tree' clearly now, the roots cause the trunk which makes the effects in the leaves." – Village woman in Padong Village.

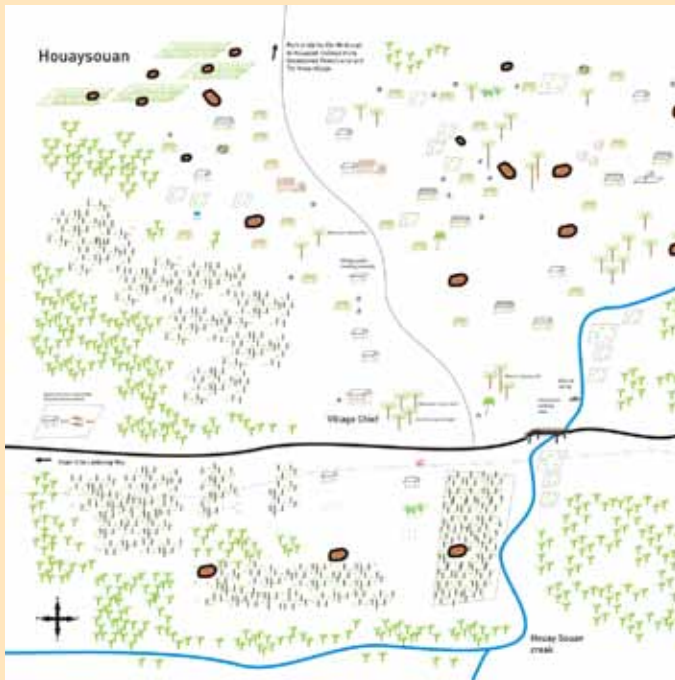
WORKING WITH OUR STAKEHOLDERS

VILLAGE BANKING AND SAVING SCHEMES INITIATIVE

The Village Banking and Saving Schemes initiative provides local people with access to loan finance for small business development, household emergencies and agricultural investments. These loans have focused on business development so far, now aiming to broaden out to other loan types. The goal of the initiative is to enable the community to develop non-mine related enterprises that may sustain them post mine closure.

"If we have enough water, and access to credit, we can do the rest [of community development initiatives] by ourselves." – Village man in Houaysouan Village.

VILLAGE MAPPING AND HOUSEHOLD SURVEYS



Houaysouan Village women draw their village map.

MMG has facilitated the development of 'Village Maps' for villages within the Sepon project area. The process involves listening to everyone in the village, not just a village representative, to develop this important communication and planning tool for use by both the local population and the mine operation.

In 2009, external consultants used the village maps and supporting information to support the 2009 Bi-annual Household Survey. The survey covers 34 villages, with a total population of 8,500, and gathers quantitative information on population growth, food sources, household possessions and income.

The survey also gathers qualitative information relating to changes in the area due to mining operations, with questions focusing on 'contentment with life' and 'discontentment'.

The results of the survey are used to develop a Community Needs Assessment which feeds into the Sepon Community Strategy and actions such as the Community Participatory Planning Project.

WORKING WITH OUR STAKEHOLDERS

COMMUNITY IMPACT MANAGEMENT – GOLDEN GROVE SOCIAL IMPACT ASSESSMENT

The Golden Grove mining operation is a valued component of the Western Australian Mid West region's social and economic sustainability at a local and regional level. The mine is an important regional and local employer, engages a range of regional contractors, makes a substantial contribution to the Shire of Yalgoo's finances and social infrastructure, supports Indigenous training and employment, and contributes to community activities in the region. The economic contribution of the mine in the Yalgoo area is becoming more important as land use in the southern half of the shire shifts from pastoral to mainly conservation land use.

At this stage the mine is planned for closure within the next ten years. Given the importance of the mine locally and regionally, it will be important for closure planning to consider how current contributions can be converted into lasting benefits for the community and economy after that time.

Recognising the importance of proactively

managing the current and future impacts of the mine operations, Golden Grove commissioned URS to undertake an extensive Social Impact Assessment (SIA) in 2009.

The SIA presents a community and external relations framework for Golden Grove's operations including:

- Assessment of current environment - the current local and regional socio-economic environment, and the challenges and opportunities facing these communities.
- Stakeholder relationship strategy and action plan.
- Community investment strategy and action plan – including suggested strategic community investment projects and budgets.
- Considerations for closure planning - key socio-economic considerations of the operation's rehabilitation and closure plan, including the establishment of a Closure Planning Team to commence addressing these considerations.

The SIA provides Golden Grove with a solid framework to manage its social and economic impacts, ensuring that the local and regional community is considered and supported in 2010 and beyond towards mine closure.

INDIGENOUS COMMUNITY ENGAGEMENT – GOLDEN GROVE CROSS-CULTURAL AWARENESS PROGRAM

In 2009, Golden Grove began developing a new Cross-cultural Awareness Program (CCA) training model for its employees. The CCA Program is designed as an introductory cultural orientation and awareness program which informs participants of both the company's and their personal statutory responsibilities in relation to Indigenous Relations, encoded within the Racial Discrimination Act (1975), Aboriginal Heritage Act (1972), Native Title Act (1993) and the United Nations Universal Declaration on the Rights of Indigenous Peoples (2008) as they relate to operational mine site life.

In previous years, the CCA Program was delivered by an external provider. However, Golden Grove's intent with the new program is to establish a model that supports the development of a local CCA enterprise and fosters local traditional owner's involvement and presentation capacity.

The new program, which was piloted with management representatives in late 2009, involves a CCA program delivery partnership between Wildfire Indigenous Education Consultants, who deliver the main program content, and Badimia traditional owners, who support the Wildfire presentation at key points of the program and deliver the 'on country' component.



Following the establishment of the partnership and the successful pilot, MMG has approved funding of \$A32,000 for 2010, and plans to deliver 16 one-day courses in 2010 to approximately 196 MMG Golden Grove staff and permanent contractors.

WORKING WITH OUR STAKEHOLDERS

TRADITIONAL OWNERS ENGAGEMENT – CENTURY INDIGENOUS CULTURAL SITE RELOCATION

Heavy rains over the 2008/2009 wet season caused substantial surface subsidence on the edge of the Century open pit mine. A local Indigenous Jamanggi (initiation ground) located approximately 50 metres from the pit crest was significantly affected and under threat of slippage into the pit.

Due to both heritage and operational concerns, a negotiation process with the traditional owners was commenced with the

aim of closing and relocating the initiation ground in a culturally acceptable way. The site was officially closed in December 2009 with agreement from the traditional owners. In recognition of the impact on the local Indigenous community, a community benefits package was provided to the traditional owners by MMG.

Following closure the area was battered back to prevent the pit wall from collapsing.

MMG has agreed to assist with relocating the initiation ground off the mining lease, and it is understood the traditional owners have identified a site which is planned to be opened in the next dry season.



COMMUNITY IMPACT MANAGEMENT – RICE FIELD MINE RUN-OFF AT SEPON

Rice field owners in the Muang Luang village area near the Sepon mine operations claimed, during the reporting period, that sediment run-off from the Khanong Pit was entering their properties and blocking and damaging their irrigation system. They requested that Sepon remove the sediment in a grievance letter from the Muang Luang village head.

A team from Sepon met with the rice field owners for an inspection, involving the on-site Government representative and Vilabouly District Environment and Land Officers.

Negotiations resulted in compensation of 5 million Kip, which is approximately \$A680, for labour involved in the sediment removal.

The issue and resulting action led to a system being established to record all contacts with internal and external stakeholders to gather data and allow pro-active data and trend analysis for performance management at the site.

WORKING WITH OUR STAKEHOLDERS



The MV Wunma

COMMUNITY IMPACT MANAGEMENT – KARUMBA SULFUR DIOXIDE EMISSIONS

When the *MV Wunma* was in dry dock for routine maintenance throughout August and September 2009, a smaller vessel, the *Aburri*, was used to transport concentrate to export ships in the Gulf of Carpentaria. Due to the reduced carrying capacity of the *Aburri* compared to the *Wunma*, zinc concentrate storage levels built up in the Karumba storage shed to greater than 60,000 tonnes. As the zinc concentrate aged, sulfur dioxide gas began to be emitted, which escaped the storage shed and migrated off-site, subsequently impacting the local community.

MMG received an anonymous complaint regarding the emissions through the Queensland Department of Environment and Resource Management (DERM) on 2 October 2009. MMG provided information to the community and other key stakeholders including the Ports Corporation, Carpentaria Shire Council, Karumba Progress Association and the Century Environment Committee about the emissions issue. Emissions became progressively worse as the reclaimers, which convey concentrate from the shed to the ship, failed. Complaints

from local residents and the Karumba Health Clinic followed health concerns. MMG offered alternative accommodation to those residents most affected, although this offer was not taken up, and the General Manager and Port Manager personally visited those affected.

MMG implemented a community emissions monitoring program, which comprised taking air samples twice a day at 14 locations, with the results advertised on noticeboards and emails on a daily basis. Information covering health concerns associated with sulfur dioxide emissions was distributed by MMG, and regular contact was maintained with the local community through the Karumba Progress Association, a committee comprising key stakeholders who represent the local community to the local council.

The emissions began to abate when the *Wunma* recommenced shipping on 9 October 2009, with the issue being fully resolved by the end of October 2009. The community emissions monitoring program was reviewed once the issue had abated and feedback was sought on the program. The monitoring program at five locations and community information process remains in place, and is activated when sulfur dioxide levels in the shed reach 50 parts per million.

WORKING WITH OUR STAKEHOLDERS



A ceremony to lift the sacred temple top led by Standing Deputy Prime Minister, H.E. Somsavat Lengsavad.

CULTURAL HERITAGE SUPPORT – SEPON COPPER DONATIONS FOR BUDDHA CASTING

In late 2009, MMG contributed three tonnes of Sepon copper cathode for the casting of a Buddha image for Ban Namchalo's Temple in the Vilabouly District, near the Sepon mine.

An official handover ceremony was held on 25 February 2010 at the Prime Minister's Office, which was attended by Standing Deputy Prime Minister, H.E. Somsavat Lengsavad, and MMG LXML Sepon management.

This contribution was part of the Namchalo Temple construction project which is due to be completed this year. A ceremony to lift the sacred temple top was held in December 2009 at Namchalo Village, also attended by the Standing Deputy Prime Minister, H.E. Somsavat Lengsavad,

senior government officials from Savannakhet Province and the Vilabouly District, as well as senior management from MMG LXML Sepon staff and subcontractors.

Apart from the contribution in kind to the construction project, financial contributions were made by the company, subcontractors and individual employees which, in total, exceeded \$US5,000. The value of the donated copper is about \$US21,000.

The material and financial support are a part of the company's commitment to develop the local Vilabouly community. The company contributes in a variety of ways to the preservation of cultural heritage both ancient and living. MMG has supported archaeological work by international and local experts, as well as studies into the local traditions and folklore to ensure that it is preserved for future generations.

OUR PEOPLE



OUR PEOPLE

Goals:

- Educate, train and equip our people to practice excellence in the management of health, safety, environmental and community aspects and opportunities.
- Never compromise on health and safety.

Key Statistics (31 December 2009)	Century	Golden Grove	Rosebery	Sepon	Exploration	Head Office	Total MMG
Total Workforce	845	535	403	2665	113	111	6108
Full-time	580	386	206	1,447	110	107	2836
Part-time	0	0	1	0	2	5	8
Casual	0	8	0	1386	6	18	1,418
Contractors	265	149	196	1218	1	17	1846
Diversity (%F:%M)	12%:88%	11%:89%	10%:90%	8%:92%	33%:67%	48%:52%	15%:85%
Turnover (%) (16 Jun – 31 Dec)	8.5%	6.9%	8.7%	4%	0.8%	7%	5%
Positive Employee Engagement (2008)	54%	59%	52%	(not included)	43%	33%	55%

OUR PEOPLE

WORKING FOR MMG

At MMG, our People Strategy is to develop capable people in a safe working environment who have a commitment to teamwork to deliver our business plans. MMG aspires to form a partnership with each person in the organisation; which engages them to contribute towards achieving our company's vision, as well as developing personally. We strive for all our people to be "In Flow", where these partnerships are built on our values and defined by the following ten principles, whereby our people are:

- Employed under terms and conditions, which as a minimum meet all relevant legal standards.
- Provided with safe and healthy conditions of work.
- Treated fairly in a workplace which values diversity, in terms of gender, age, race, religion, handicap or national origin.
- Provided with a workplace which is free from harassment.
- Provided with challenging and rewarding work.
- Given access to information and knowledge needed to perform well.
- Provided with training and development opportunities consistent with the needs of the business.
- Involved in open communication and regular feedback on work performance and major changes.
- Recognised when their actions support our vision and values.
- Confident to raise grievances which will be addressed in a timely and fair manner.

Each one of these People Principles are linked to core Human Resources activities and programs which provide the basis on which the company delivers on these principles. For example, to ensure MMG people are employed under satisfactory terms and conditions, this commitment is supported by the use of salary surveys, no disadvantage testing and documented HR policies.

Similarly, to ensure that all employees are treated fairly and are provided with a workplace free from harassment, MMG maintains a Discrimination and Harassment policy and undertakes Equal Opportunity, Fair Treatment & Promoting Diversity Awareness training, regular company-wide Employee Perception surveys (see 'Employee Engagement' below) and, when required, conducts investigations in accordance with its Fair Treatment Policy.

MMG actively manages its cultural development and uses as its primary tool the 'Success Through Every Person' (STEP) Program. This training and development program is being progressively rolled out across the company and aims to:

- Create a common language amongst all employees, increasing understanding and efficiency.
- Develop an energised and engaged workforce.
- Provide a robust model of managerial accountability and authority to drive high performance and single point accountability.
- Develop enhanced skills in teamwork and team leadership.

Employee remuneration is determined for each employee based on:

- Skills, knowledge and experience.

OUR PEOPLE

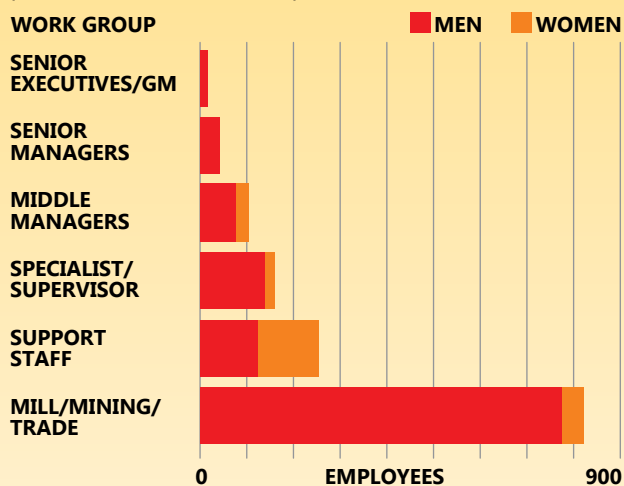
- Remuneration for matched jobs in the marketplace.
- Internal relativities within the business, department or team.

DIVERSITY

MMG recognises diversity is good for business and is striving to improve its gender balance. A comprehensive diversity study is regularly undertaken for MMG's Australian operations to comply with regulatory requirements, covering all employees on the MMG Australian payroll. MMG's workplace profile at 31 March 2010, is as follows:

Work Group	Women			Men			Total	%		Average Salary (\$A)	
	Full-time	Casual	Part-time	Full-time	Casual	Part-time		Women	Men	Women	Men
Senior Executives/GM	1			16			17	6%	94%	-	520,312
Senior Managers	6		1	43		1	51	14%	86%	203,468	228,806
Middle Managers	18		3	78	1	1	101	21%	79%	140,916	155,264
Specialist/Supervisor	17	1		135	5		158	11%	89%	103,907	133,192
Support Staff	114	11	6	115	5		251	51%	49%	87,113	99,055
Mill/Mining/Trade	47			778			825	6%	94%	96,416	115,091
Grand Total	203	12	10	1165	11	2	1403	15%	85%	100,116	127,739

GENDER DIVERSITY BY ROLE (AUSTRALIAN OPERATIONS)



- Women comprised approximately 15% of the MMG workforce in March 2010.
- 6% of the senior executive/general manager roles were filled by women (down from 15%).
- 14% of the senior management roles were filled by women (up from 12%).
- 21% of the middle management roles were filled by women (up from 19%).
- 11% of the specialist roles were filled by women (down from 18%).
- 52% of the support roles were filled by women (up from 39%).
- 6% of the trades group were filled by women (no change).

Average salary has not been disclosed where there are less than five incumbents.

OUR PEOPLE



PEOPLE FOCUS - BAYALGU INDIGENOUS PRE-EMPLOYMENT TRAINING PROGRAM

In order to address a projected skills shortage, and at the same time increase Indigenous employment in the resources, civil construction, and associated services industries in the Mid West region, MMG partnered with 11 local industry, Indigenous, government and education organisations to develop the Bayalgu Indigenous Pre-employment Training Program.

The program is designed to provide work readiness and entry-level plant operation skills development for local Indigenous participants interested in the resources, civil construction, and associated service industries. The course is coordinated and delivered by Golden Grove with the support of Central West College of TAFE Durack Institute of Technology.

During the ten-week course, participants receive training in fire safety, Golden Grove and other partner workplace orientation/induction site visits, small machine operation instruction on the backhoe, skid steer and mini excavator, elevated work platform and forklift operations, Work Safe qualifications and interview and resume preparation. The participants also participate in a live work road construction project, a WesTrac training day, a week of automotive and

metal fabrication training at the Central West College of TAFE and a two-week industry work placement. The course delivers the participants with a competency to Certificate II in Resources and Infrastructure and an appropriate entry-level qualification for the resources, civil construction and associated service industries.

Two pre-employment training courses were carried out in the reporting period, with 12 participants successfully completing the course. Of the 12, two are now employed as Trainee Fixed Plant Operators in the Golden Grove mill; four are employed in permanent operator positions with third party contractors throughout WA; two are in apprenticeships with Bayalgu program partners (TME Group and WesTrac); two are in apprenticeships with other third party contractors; one is undertaking a pre-apprenticeship at Durack Institute of technology; and one is unemployed.

In 2010, the program will evolve by targeting female participants and employing a full-time Indigenous mentor to support the participants. Golden Grove will also deliver another course to a year 12 Clontarf Foundation Midwest Football Academy 'Kicking Goals' class. MMG will be renegotiating the program partnership agreement and the program funding contract with the Federal Department of Education Employment and Workplace Relations, and working to align the Program to our proposed Indigenous Employment Strategy commitment.

PARTNERS:

Central Earthmoving; WesTrac Pty Ltd; TME Group Pty Ltd; Central West College of TAFE; Geraldton Senior College; Midwest Football Academy (Kicking Goals Program); Wila Gutharra Community Aboriginal Corporation; Main Roads WA; Mission Australia; WA Department of Education and Training; (Commonwealth) Department of Industry and Resources (Office of Aboriginal Economic Development).

EMPLOYEE ENGAGEMENT

An Employee Engagement Survey of Australian sites undertaken by former owner OZ Minerals in November 2008, identified a number of actions that were implemented in the reporting period. Each site developed action plans in response to the survey. For example, three key items identified across the MMG sites have resulted in the following actions:

1) LEADERSHIP AND LEADERSHIP COMMUNICATION (CENTURY, GOLDEN GROVE AND ROSEBERY)

- Establishment of Consultative Forums at Century and Golden Grove to provide employees with an opportunity to raise issues and have them addressed by management in an open and transparent manner. The main success from this to-date has been the new roster arrangements introduced as part of the MMG Century Mine Enterprise Agreement 2010.
- Implementation of practical leadership initiatives at Century and Golden Grove, whereby managers and superintendents became more visible through safety interactions, inspections and the provision of feedback to work groups.
- 18 leaders from Golden Grove and 23 from Rosebery have attended the STEP leadership development program.
- Weekly “Century update” based on the information presented in the weekly Chief Operating Officer (COO) report.

2) VALUES AND BEHAVIOURS (GOLDEN GROVE)

- Company values and behaviours are being incorporated into daily activities with planning being one of the key issues in mining.
- A fair treatment process presentation, bullying and harassment course and a cross-cultural awareness course rolled out.
- Safety initiatives increased through DuPont training.

3) DRUG TESTING PROCEDURES (ROSEBERY)

- Introduced urine-based alcohol and drug testing, accompanied by information sessions.

Key engagement indicators for all Australian employees and contractors are as shown in the table below for 2009:

Key Indicator	Favourable	Unfavourable
Job Satisfaction	76%	6%
Motivation	75%	8%
Commitment	87%	2%
Advocacy	72%	8%
Employee Engagement Index*	55%	1%

* This Index provides a measure of those employees who are Satisfied, Motivated, Committed AND Advocates of the company.

OUR PEOPLE

MMG is undertaking a full Employee Engagement Survey (EES) in 2010, and results will be used to drive further action to increase employee engagement.

TRAINING AND DEVELOPMENT

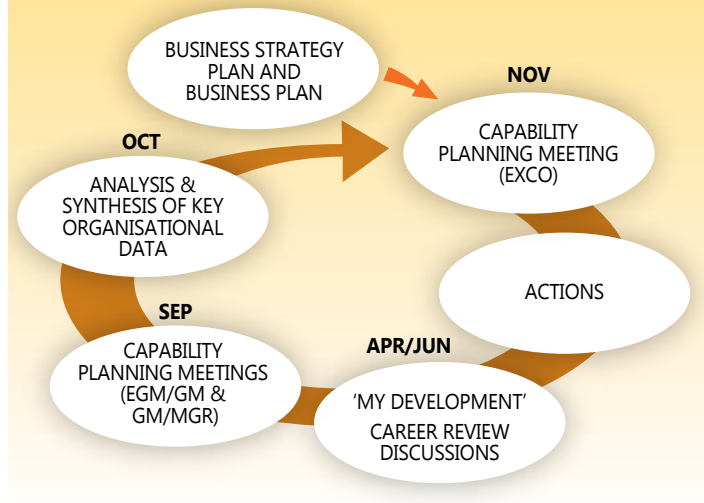
MMG implements a range of training programs across all sites including:

- Site and safety inductions.
- 'STEP' leadership program.
- Cross-cultural awareness.
- Team building training.
- Bullying and harassment training.
- Specific professional training - provided to individuals off-site and conferences and workshops for example stockpile management, project management, plant management and carbon management.
- Apprenticeships and traineeships.

MMG maintains a comprehensive annual capability planning process for its people and all employees have regular performance management and development meetings with their managers. The following chart illustrates both the process and the indicative timetable for this process to occur.



MMG CAPACITY PLANNING PROCESS



PEOPLE FOCUS – CHANGE COMMUNICATIONS AT SEPON

The formation of MMG in June 2009 represented a period of significant change for employees and wider stakeholders. Employees, community and government stakeholders at Sepon expressed concern over job security under the new Chinese ownership; in particular with the timing of the acquisition

corresponding with the Global Financial Crisis.

The Social Sustainability Team at Sepon, in conjunction with MMG and Sepon senior management, undertook a comprehensive change communications program to inform and reassure employees and wider stakeholders during this time. MMG Sepon ensured that a transparent communication process was employed, with senior managers both visible and engaging throughout.

PEOPLE FOCUS – PRIORITY LOCAL EMPLOYMENT AT SEPON

MMG has an opportunity at its Sepon operation to have a significant positive impact on the economic and social development of the local community through employment. In September 2009, a Human Resources Management & Development (HRMD) Strategy was developed at Sepon, with a focus on maximising local employment across all levels of the operation. This prioritisation adopts a tiered approach to potential staff, as follows:

- Greater Project Development Area - communities directly impacted by mining operations.

- Local Savannakhet Province.
- Lao nationals.
- International.

The HRMD Strategy also aims to empower employees to take on higher and more skilled roles within MMG, with career path planning and special programs for Lao staff, including apprenticeships, scholarships and training and development programs.

Other organisations in the Sepon area are now also following Sepon's lead. For example, Boart Longyear consulted with Sepon regarding local recruitment of drilling teams, to identify priority impact villages from which to recruit.

EMPLOYEE ENGAGEMENT – CENTURY CONSULTATIVE FORUM

An employee perception survey was undertaken at Century in 2008, which highlighted a number of issues at the site. To address these issues, the Century Consultative Forum, comprising representatives from each internal department, an independent facilitator, representatives from Human Resources and the Stakeholder Relations Officer, was established in September 2009.

The monthly forum was initiated with a workshop in September 2009, where each department representative tabled team issues, which were then ranked into a top ten.

The top ranked issue at the site regarded discontent with some employees working a 14-days-on and 7-days-off roster, whereas others worked an 8-days-on and 6-days-off roster. This issue was addressed through a review of the rosters across the site and an assessment of the

most workable roster options, including a visit to Golden Grove to assess the 8-days-on and 6-days-off roster in place there. As an outcome of the review, approval was sought from MMG management to change to an 8-days-on and 6-days-off roster across the site. The new roster arrangements were implemented in new work agreements in February 2010, which involved negotiation and a vote. The roster change has resulted in the recruitment of 70 employees and impacted accommodation arrangements within the mining camp.

Transport issues raised via the forum have also been addressed, with a direct flight from Cairns to Century being negotiated to replace a late night bus service which took staff five hours to get from Cairns to Townsville to catch the flight to Century the following day, on which they worked a complete day.

Both the new roster and direct Cairns-to-Century flights were implemented in May 2010.

HEALTH AND SAFETY



HEALTH AND SAFETY

MMG believes the health and wellbeing of our employees and neighbours is a core value which overrides all other considerations.

MMG has no hesitation stopping production if there is any risk of compromising people's health and safety. Our objective is to achieve an incident free workplace. We do this by ensuring that hazards are identified, prevented and managed at source using reliable controls. When incidents occur, we ensure they are reported, investigated and corrective actions implemented.

Our policies focus on the need to provide a safe and healthy working environment for all people working in and visiting our operations.

In consultation with our people we strive to maintain a safety culture that focuses on:

- Empowering people to hold safety as a core value.
- Reducing and eliminating unsafe acts.
- Minimising and removing unsafe conditions.
- Seeking continuous improvement of our safety management systems.

MMG's safety vision is to achieve a 'Zero Harm and Fatality Free' workplace and to achieve this MMG established a set of Injury Prevention Principles that help guide thoughts, behaviours and decisions.

- All incidents, injuries, fatalities and occupational exposures are preventable.
- No task is so important that it cannot be done safely.

- Management is responsible for creating and maintaining a safe work environment.
- We are all responsible for preventing injuries to ourselves and others.
- Everyone is empowered to stop unsafe behaviour.
- We will promote off-the-job safety for our people.

Every individual in MMG is empowered to have a conversation about injury prevention and be prepared to speak up if they think a practice is unsafe.

HEALTH AND SAFETY MANAGEMENT

MMG has comprehensive health and safety management systems established at all operational sites, and works closely with regulators to manage compliance. Health and Safety Committees comprising employees and safety management team representatives are also active.

In 2009, a major project was undertaken to complete a Safety Evaluation of each mining operation by safety consultant DuPont, who reviewed each site against the 13 DuPont elements, with action plans recommended for each site and the operational leadership team.

INCIDENT MONITORING AND MANAGEMENT

Health and safety incidents, hazards and near misses are closely monitored, reported and managed at all MMG sites.

All significant and high potential fatality incidents are communicated throughout the business via incident alerts, through which sites communicate the details of the incident and the learnings coming from them to the wider business. Significant and high potential fatality incidents are defined at MMG as follows:

- Significant Incident - any occurrence that has actually resulted in or had the potential to result in consequences the same or equivalent to 'Level 4' identified incidents in the MMG Safety Health and Environment consequence severity table. All significant incidents must be reported to MMG Head Office.
- High Potential Fatality Incident – any significant incident that had the potential to realistically result in single or multiple fatalities.

The second half of 2009 saw an upward trend on the total recordable injury frequency at MMG, driven primarily by a poor performance during Quarter 4. To address this, a specific extreme safety focus program was rolled out in Quarter 4 with the aim of promoting improved performance during 2010.

While the performance in the reporting period was obviously disappointing, when taken in the context of performance over the calendar year, it was at least pleasing to see a significant reduction in the total number of people injured between calendar year 2008 and 2009.

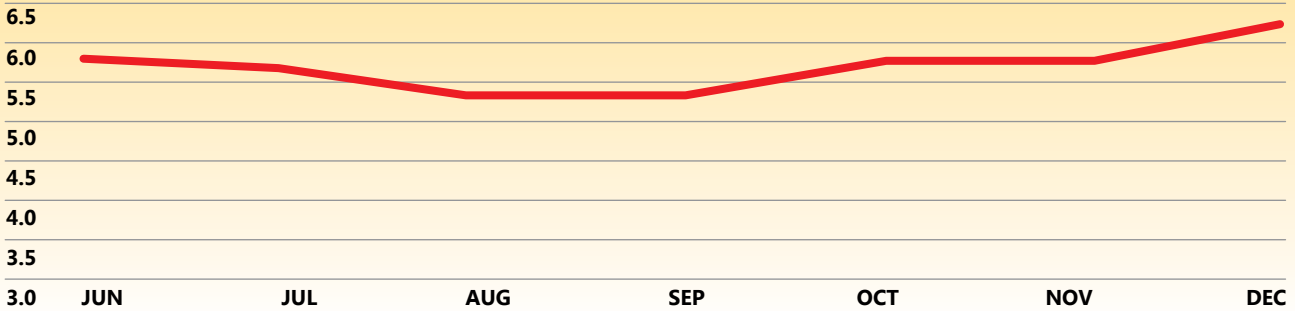
A total of 108 total recordable injuries were identified for calendar year 2009, which is a significant improvement on 2008 which had a total of 149 (28% reduction).

The 12-month total recordable frequency rate at December 2009 was 6.2. The 2008 12-month total recordable frequency rate was 6.5.

HEALTH AND SAFETY

2009 MMG TOTAL RECORDABLE INJURY FREQUENCY RATE

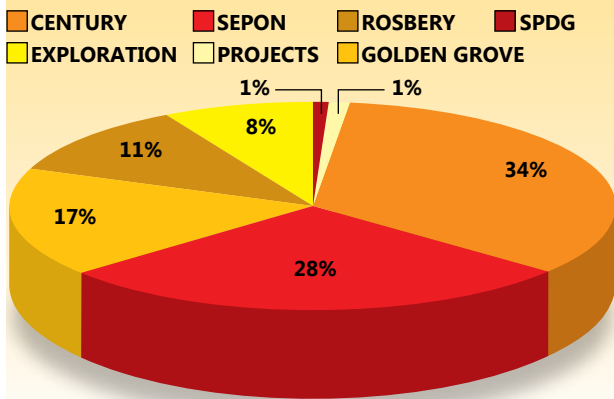
12-MONTH MOVING AVERAGE



SIGNIFICANT INCIDENTS

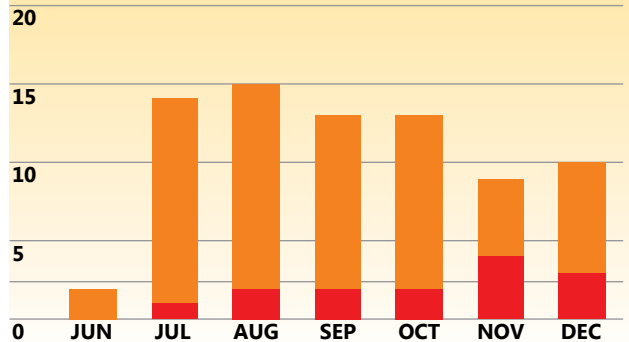
During the reporting period there were 76 significant incidents reported. Any significant incidents that had the potential to creditably result in single or multiple fatalities are further classified as high fatality potential incidents.

MMG SIGNIFICANT INCIDENTS BY SITE FOR THE REPORTING PERIOD



MMG SIGNIFICANT INCIDENTS AND HIGH FATALITY POTENTIAL INCIDENTS

16 JUN – 31 DEC 2009



HEALTH AND SAFETY AWARENESS AND TRAINING

During the reporting period, MMG undertook a comprehensive health and safety training and awareness program known as '5 Key Safety Actions'. The program included:

1. One-on-one Safety Discussions – Individual safety discussions with senior management for all employees, during which they developed their own personal 'safety creed' for use in further performance management discussions.
2. Extreme Safety Focus – Key topic, based on incident monitoring across MMG, was the focus of employee communications for a six-week period. Topics included hand safety, vehicle safety and working at heights.

3. Challenge Unsafe Acts – Training package rolled out to all sites to train employees in the process of challenging and raising safety issues on site.
4. High Impact Safety Sessions – Quarterly company-wide sessions highlighting the personal impacts of safety incidents to staff with the aim of engaging them in a safety focus.
5. Management Walkarounds – All operational site management teams implemented Zero Harm Walkabouts to promote open communication channels between workforce and management team to promote the message 'Zero Harm', not just LTI free.

In addition to the above training program, site safety inductions and ongoing training are standard at the sites.

SAFETY FOCUS – MMG ENGAGES DUPONT FOR SAFETY REVIEW

MMG has engaged DuPont, a world leader in safety systems, to assist with its safety review and safety leadership training.

Founded in 1802, DuPont aims to deliver sustainable, science-based solutions essential to a better, safer, healthier life. Over the years, DuPont has earned recognition as one of the world's foremost authorities on preventing injuries and incidents in the workplace.

DuPont was brought on board by MMG in July 2009 to assess the culture and programs around safety at all MMG mine sites. This review stems out of the 5 Key Safety Actions plan which had been implemented across sites for the previous six months. The plan forms part of MMG's primary Injury Prevention Program and included management team safety walks, one-on-one employee discussions, extreme safety focuses, challenging unsafe acts and high impact safety sessions.

DuPont's initial assessment highlighted the different approaches to safety systems and processes across MMG. The goal is to have a consistent, world-class culture of safety where all employees uphold the value of never compromising on health and safety.

DuPont has identified a range of opportunities for improvement along with key



recommendations to improve the safety culture at MMG.

DuPont's engagement will continue into 2010 whereby they will roll out safety leadership training to over 300 managers and supervisors while continuing to provide safety consulting services throughout the year.

SUSTAINING OUR ECONOMIC PERFORMANCE



SUSTAINING OUR ECONOMIC PERFORMANCE

Strong production and rising commodity prices generated a solid revenue of \$US852.8 million for the 17 June to 31 December 2009 period. This demonstrated MMG's ability to generate significant value from its assets resulting in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$US350.2 million and Net Profit After Tax (NPAT) of \$US180.7 million. The cash balance at the end of 2009 was \$US251.3 million.

China Minmetals confirmed its support for MMG by investing all profit generated back into the business and by signifying its plans to pursue international expansion through ongoing investment in the business.

Key Statistics (17 June – 31 Dec 2009)	\$USM
Total Revenue	852.8
Total EBITDA	350.2
EBITDA - Depreciation and Amortisation	(158.3)
EBIT – Operations	236.7
EBIT – Exploration and Corporate Expenses	(44.8)
Total EBIT	191.9
Net Financial Expenses	(22.1)
Income Tax Benefit	10.9
NPAT	180.7

SUSTAINING OUR ECONOMIC PERFORMANCE

2009 INVESTMENTS

- \$US60.4 million Sepon copper expansion project recommenced to increase nameplate production from 65,000 to 80,500 tonnes of copper cathode per annum.
- \$US3.7 million project for design and construction of a flotation de-sliming circuit at Sepon to improve pyrite recovery.
- \$US12 million construction project to build a second powerline into the Sepon operations commenced.
- \$US24 million design and construction of a new tailings storage facility with 15-year capacity at Golden Grove.
- \$US5.5 million, 18-month exploration program at Century on the mine and adjacent leases to identify new zinc deposits for the processing operations.
- \$US23 million project to construct an additional ventilation shaft at Rosebery to support access to the deeper reaches of the underground mine.
- \$US1.4 million deep exploration drilling program at Rosebery to target prospective areas below the lower part of the ore body.

2010 BUSINESS OUTLOOK

For 2010 our primary focus will be on internal development and organic growth. We have a number of projects underway, which are due for completion before the end of 2010. We will also continue to embed the previously identified business improvements to ensure that all aspects of our business are running as efficiently and effectively as possible.

Having now developed a solid organisational foundation for the business, a key challenge this year will be to develop a growth pipeline of opportunities. While continuing to refine our current suite of exploration and development projects, we will work with China Minmetals to identify merger and acquisition opportunities in Australia, and internationally.

GRI INDEX

APPENDIX A - GRI INDEX

STANDARD DISCLOSURES

Aspect	GRI Indicator	Description	Online Report Section or Response	Page No.
Strategy and Analysis	1.1	Chairman/CEO's statement	CEO Message	2
Strategy and Analysis	1.2	Key impacts risks and opportunities	What Sustainability Means to Us - Material Sustainability Issues	11-13
Organisational profile	2.1	Name of organisation	About MMG	4
Organisational profile	2.2	Primary brands, products and services	Our Operations	4
Organisational profile	2.3	Operational structure of the organisation	Appendix B- Group Structure	72
Organisational profile	2.4	Location of headquarters	<i>Melbourne, Australia</i>	-
Organisational profile	2.5	Countries of operation	Our Operations	4
Organisational profile	2.6	Nature of ownership and legal form	Appendix B- Group Structure	72
Organisational profile	2.7	Markets served	<i>Global metals markets</i>	-
Organisational profile	2.8	Scale of organisation	Our Operations	4-5
Organisational profile	2.9	Significant changes	About MMG	4
Organisational profile	2.10	Awards received	<i>Nil</i>	-
Report parameters	3.1	Reporting period	<i>17 June 2009 - 31 December 2009</i>	-
Report profile	3.2	Date of most recent previous report	<i>This is MMG's first Sustainability Report since its formation on 16 June 2009</i>	-
Report profile	3.3	Reporting cycle	<i>Calendar year</i>	-
Report profile	3.4	Contact point on the report	About this Report - Feedback invitation and contact	Back cover
Report scope and boundary	3.5	Process for determining content	What Sustainability Means to Us - Material Sustainability Issues	12

GRI INDEX

Report scope and boundary	3.6	Boundary of the report	<i>This Report covers MMG's mining operations within the boundaries its mining sites and its Head Office operations</i>	-
Report scope and boundary	3.7	Limitations on scope or boundary of the report	<i>This Report does not cover impacts of MMG products and logistics beyond the boundaries of MMG's mining sites and Head Office operations</i>	-
Report scope and boundary	3.8	Reporting on other entities	<i>This Report does not cover other entities</i>	-
Report scope and boundary	3.9	Data measurement techniques	<i>Data is measured by MMG in accordance with applicable licence conditions and compliance reporting requirements</i>	-
Report scope and boundary	3.10	Explanation of re-statements	<i>Not applicable</i>	-
Report scope and boundary	3.11	Significant changes from previous report	<i>Not applicable</i>	-
GRI Content Index	3.12	Table on standard disclosures	GRI Index	60
Assurance	3.13	External assurance	Not undertaken in this first reporting period	-
Governance	4.1 - 4.10	Governance structure, governance body and processes	What Sustainability Means to Us - Sustainability Management and Governance	13-14
Commitments to external initiatives	4.11	Explanation of whether and how a precautionary approach is addressed	<i>A precautionary approach is not specifically used by MMG</i>	-
Commitments to external initiatives	4.12	Externally developed, economic, environmental and social charters or principles	<i>MMG is an active member of the Minerals Council of Australia. The MCA's strategic objective is to advocate public policy and operational practice for a world-class industry that is safe, profitable, innovative, environmentally and socially responsible, attuned to community needs and expectations. MMG supports the Extractive Industry Transparency Initiative (EITI) in its efforts to improve transparency in countries rich in oil, gas and mineral resources. MMG contributes financially to EITI through its membership of ICMM. For more information visit www.minerals.org.au</i>	-

GRI INDEX

Commitments to external initiatives	4.13	Significant memberships in associations and/or advocacy organisations	MMG is an active member of the Minerals Council of Australia. The MCA's strategic objective is to advocate public policy and operational practice for a world-class industry that is safe, profitable, innovative, environmentally and socially responsible, attuned to community needs and expectations. MMG supports the Extractive Industry Transparency Initiative (EITI) in its efforts to improve transparency in countries rich in oil, gas and mineral resources. MMG contributes financially to EITI through its membership of ICMM. For more information visit www.minerals.org.au	-
Stakeholder engagement	4.14	List of stakeholders engaged by organisation	Working with Our Stakeholders	37-38
Stakeholder engagement	4.15	Basis for identification and selection of stakeholders to engage	Working with Our Stakeholders	37-38
Stakeholder engagement	4.16	Approach to stakeholder engagement	Working with Our Stakeholders	38
Stakeholder engagement	4.17	Key topics and concerns raised through stakeholder engagement and response	Working with Our Stakeholders - Case Studies	39-46

PERFORMANCE INDICATORS

Aspect	GRI Indicator	Description	Online Report Section or Response	Page No.
Economic Performance	EC1	Economic value generated and distributed	Sustaining our Economic Performance	58
Economic Performance	EC2	Financial implications of climate change	MMG has established a Climate Change Risk Register to record and manage climate related risks. A financial impact analysis has been undertaken based on NGERS reporting levels of 300K kilo tonnes of greenhouse gases at an estimated carbon cost of \$US20 per tonne, resulting in a potential total impact of \$US6 million per annum for MMG	-

GRI INDEX

Economic Performance	EC3	Pension plan obligations	<i>MMG pays superannuation calculated at 9% of Ordinary Time Earnings (OTE, an Australian Tax Office definition which includes total remuneration, allowances and any incentives or other payments) into the employee's choice of superannuation fund</i>	-
Economic Performance	EC4	Financial assistance from government	<i>Nil</i>	-
Market Presence	EC5	Entry level wage	<i>In Australia, MMG operates in a competitive mining sector employment market, and therefore the MMG entry-level wage is well above the Australian minimum wage. The Sepon lowest entry-level wage of 992,000 Kip per month is well above the Lao minimum wage of 569,000 kip per month</i>	-
Market Presence	EC6	Use of locally-based suppliers	<i>MMG has a company-wide standard for Local Employment and Business Support</i>	-
Market Presence	EC7	Procedures for local hiring	Our People - People Focus - Bayalgu Indigenous Pre-employment Program; Priority Local Employment at Sepon	50; 53
Indirect Economic Impacts	EC8	Investments that provide public benefit	Working with our Stakeholders - Community Investment. See also Case Studies	38
Indirect Economic Impacts	EC9	Indirect economic impacts	Working with our Stakeholders - Community Investment. See also Case Studies	38
Materials	EN1	Weight of materials used	Respecting Our Environment - Waste Our Operations	27-28
Materials	EN2	Recycled materials used	Respecting Our Environment - Waste	27-28
Energy	EN3	Direct Energy Consumption	Respecting Our Environment - Energy and Emissions	16-18
Energy	EN4	Indirect Energy Consumption	Respecting Our Environment - Energy and Emissions	16-18
Energy	EN5	Energy savings	Respecting Our Environment - Energy and Emissions	16-18
Energy	EN6	Energy-efficient products and services	Respecting Our Environment - Energy and Emissions	16-18
Energy	EN7	Energy reduction initiatives	Respecting Our Environment - Energy and Emissions	16-18
Water	EN8	Water consumption	Respecting Our Environment - Water	21-23

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Water	EN9	Impact of water use on habitats	Respecting Our Environment - Water	21-26
Water	EN10	Water recycled and reused	Respecting Our Environment - Water	21-23
Biodiversity	EN11	Land managed in proximity of protected areas	Respecting Our Environment - Land and Biodiversity	28-30
Biodiversity	EN12	Impacts of activities on protected areas	Respecting Our Environment - Land and Biodiversity	28-30
Biodiversity	EN13	Habitats protected or restored	Respecting Our Environment - Land and Biodiversity	28-31
Biodiversity	EN14	Impacts on biodiversity	Respecting Our Environment - Land and Biodiversity	28-31
Biodiversity	EN15	Threatened species/habitats affected by operations	Respecting Our Environment - Land and Biodiversity	28
Energy and Climate Change	EN16	Total Greenhouse Gas emissions	Respecting Our Environment - Energy and Emissions	18-19
Emissions, Effluents and Waste	EN17	Indirect Greenhouse gas emissions	Respecting Our Environment - Energy and Emissions	18-19
Emissions, Effluents and Waste	EN18	Emission reduction initiatives and reductions achieved	<i>Energy management and reduction is an issue of focus at all MMG sites, however no specific emissions reductions initiatives were undertaken in the period</i>	-
Emissions, Effluents and Waste	EN19	Emissions of ozone-depleting substances	<i>This data is not available at the time of Report production due to the reporting timeframe of air quality at MMG sites. This data will be reported in the 2010 Sustainability Report</i>	-
Emissions, Effluents and Waste	EN20	NOx, SOx, etc. emissions	<i>This data is not available at the time of Report production due to the reporting timeframe of air quality at MMG sites. This data will be reported in the 2010 Sustainability Report</i>	-
Emissions, Effluents and Waste	EN21	Water discharge	Respecting Our Environment - Water	21-23
Water	EN21	Total water discharge by quality and destination	Respecting Our Environment - Water	21-23
Emissions, Effluents and Waste	EN22	Waste disposal	Respecting Our Environment - Waste	27-28

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Emissions, Effluents and Waste	EN23	Spills to environment	Respecting Our Environment - Environmental Management and Compliance	32
Emissions, Effluents and Waste	EN24	Hazardous waste	Respecting Our Environment - Waste	27-28
Emissions, Effluents and Waste	EN25	Impact of water discharges and runoff on habitats	Respecting Our Environment - Water	21-26
Products and Services	EN26	Environmental impacts of products and services	Respecting Our Environment	15
Products and Services	EN27	Products reclaimed at the end of their useful life	<i>Not Applicable to MMG products</i>	-
Compliance	EN28	Environmental fines and non-compliance	Respecting Our Environment - Environmental Management and Compliance	32
Transport	EN29	Environmental impacts of logistics	<i>The impacts of on-site logistics is addressed in this Report; however logistics of product transport to markets and beyond to outside the boundary of this Report</i>	--
Environmental Investment	EN30	Expenditures on environmental protection	<i>Expenditure on environmental initiatives is incorporated into general operational expenses at MMG sites</i>	-
Management Practices	HR1	Screening investments for human rights issues	<i>MMG does not currently have a process in place for screening investments for human rights issues</i>	-
Management Practices	HR2	Screening suppliers for human rights issues	<i>MMG does not currently have a process in place for screening suppliers for human rights issues</i>	-
Management Practices	HR3	Employee training on human rights	Our People - Training and Development; MMG has a company-wide Standard on Human Right Awareness	-
Non-discrimination	HR4	Incidents of discrimination	<i>There were no incidents of discrimination in the reporting period</i>	-

GRI INDEX

Freedom of Association	HR5	Freedom of association and collective bargaining	<i>All the employees at Sepon are covered under a collective agreement, and the Lao Trade Union is active at the site to promote and support various employee/employer related initiatives. 18 employees of the Century mine are covered by the Century Mine Collective Agreement 2009. This includes only new employees engaged since July 1 2009 who would have previously been engaged under an AWA or ITEA. Rosebery has 90 staff on one EBA for the underground workforce which was renewed in 2009. Golden Grove has no collective agreements in place with any of its employees</i>	-
Child Labour	HR6	Child labour	<i>MMG has a company-wide Standard addressing Human Rights Awareness and also adheres to all local and global labour laws and conventions. As such, no child labour is engaged by MMG</i>	-
Forced Labour	HR7	Forced or compulsory labour	<i>MMG has a company-wide Standard addressing Human Rights Awareness and also adheres to all local and global labour laws and conventions. As such, no forced labour is undertaken by MMG</i>	-
Security Practices	HR8	Human rights training for security personnel	<i>MMG has company-wide Standards addressing Human Rights Awareness and Security Services Management which guide the engagement and trainign of security personnel</i>	-
Indigenous Rights	HR9	Indigenous rights	Working with our Stakeholders	37-46
Employment	LA1	Workforce statistics by employment type and region	Our People	47; 49
Employment	LA2	Employee turnover	Our People	47

GRI INDEX

Employment	LA3	Minimum benefits to full-time employees	<i>MMG pays superannuation calculated at 9% of Ordinary Time Earnings (OTE, an Australian Tax Office definition which includes total remuneration, allowances and any incentives or other payments) into the employee's choice of superannuation fund. All MMG employees are offered performance incentives, the opportunity to salary sacrifice and allowances for travel expenses</i>	-
Labour-Management Relations	LA4	Trade union representation	<i>See HR5 above</i>	-
Labour-Management Relations	LA5	Practices relating to operational changes	<i>The Executive Committee meets weekly and a brief PowerPoint presentation is created and sent to all Executive General Managers and General Managers to communicate (using a cascading approach) across the business. Managers have key responsibility for communicating to their people. We use Consultative Forums at all sites to communicate with (receive information and feedback as well as provide information) our employees</i>	-
Occupational Health and Safety	LA6	Workforce representation on occupational health and safety committees	Health and Safety - Health and Safety Management	55
Occupational Health and Safety	LA7	Rates of injury and lost time etc	Health and Safety - Incident Management and Monitoring	55-56
Occupational Health and Safety	LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Health and Safety - Health and Safety Awareness and Training	56-57
Occupational Health and Safety	LA9	Occupational health and safety management covered in union agreements	Health and Safety - Health and Safety Management	55

GRI INDEX

Training	LA10	Average hours of employee training by employee category	Our People - Training and Development; Health and Safety - Health and Safety Awareness and Training (<i>hours of training not recorded</i>)	52; 56-57
Training and Education	LA11	Workforce skills management and development	Our People - Training and Development	52
Training and Education	LA12	Performance review and career development	Our People - Training and Development	52
Diversity and Equal Employment Opportunity	LA13	Gender, age group, work role and other indicators of diversity	Our People – Diversity	49
Diversity and Equal Employment Opportunity	LA14	Male/female average remuneration ratio	Our People – Diversity	49
Customer Health and Safety	PR1	Management of health and safety throughout product life cycle	<i>Not Applicable to MMG's products and operations</i>	-
Customer Health and Safety	PR2	Product and service health and safety compliance	<i>Not Applicable to MMG's products and operations</i>	-
Product and Service Labelling	PR3	Procedures for product and service labelling	<i>Not Applicable to MMG's products and operations</i>	-
Product and Service Labelling	PR4	Product and service labelling compliance	<i>Not Applicable to MMG's products and operations</i>	-
Customer Satisfaction	PR5	Customer satisfaction	<i>Not Applicable to MMG's products and operations</i>	-
Marketing Communications	PR6	Standards and voluntary codes for marketing communications	<i>Not Applicable to MMG's products and operations</i>	-
Marketing Communications	PR7	Compliance with standards and voluntary codes for marketing communications	<i>Not Applicable to MMG's products and operations</i>	-
Customer Privacy	PR8	Customer privacy protection	<i>Not Applicable to MMG's products and operations</i>	-
Compliance	PR9	Fines and non-compliance in regards to products and services	<i>Nil</i>	-

Community	SO1	Impacts of operations on communities and community programs	Working with Our Stakeholders	37-46
Corruption	SO2	Business units analysed for risks of corruption	<i>The business undertakes internal and external audit program which include analysis of potential fraud and corruption</i>	-
Corruption	SO3	Training and risk analysis to prevent corruption	<i>MMG currently has no specific training programs addressing corruption, however, a training program (Self Assessment Legal Tool) is scheduled for 2010 which will address this issue. In addition, MMG maintains a Code of Conduct which outlines the company's expectations with regard to prevention of fraud and corruption</i>	-
Corruption	SO4	Response to instances of corruption	<i>There were no identified incidents of corruption in the reporting period</i>	-
Public Policy	SO5	Public policy development and lobbying	<i>MMG is an active member of the Minerals Council of Australia. The MCA's strategic objective is to advocate public policy and operational practice for a world-class industry that is safe, profitable, innovative, environmentally and socially responsible, attuned to community needs and expectations. For more information visit www.minerals.org.au</i>	-
Public Policy	SO6	Contributions to political parties	<i>MMG has a policy that, in general, it will not support donations or contributions of a political nature</i>	-
Anti-competitive Behaviour	SO7	Anti-competitive behaviour, anti-trust, and monopoly practices	<i>There were no identified incidents of anti-competitive behaviour, anti-trust, or monopoly practices in the reporting period</i>	-
Compliance	SO8	Fines and non-compliance	Respecting Our Environment - Environmental Management and Compliance	32

MINING AND METALS SUPPLEMENT

Aspect	GRI Indicator	Description	Online Report Section or Response	Page No.
Biodiversity	MM1	Amount of land disturbed or rehabilitated	Respecting Our Environment - Land and Biodiversity	28

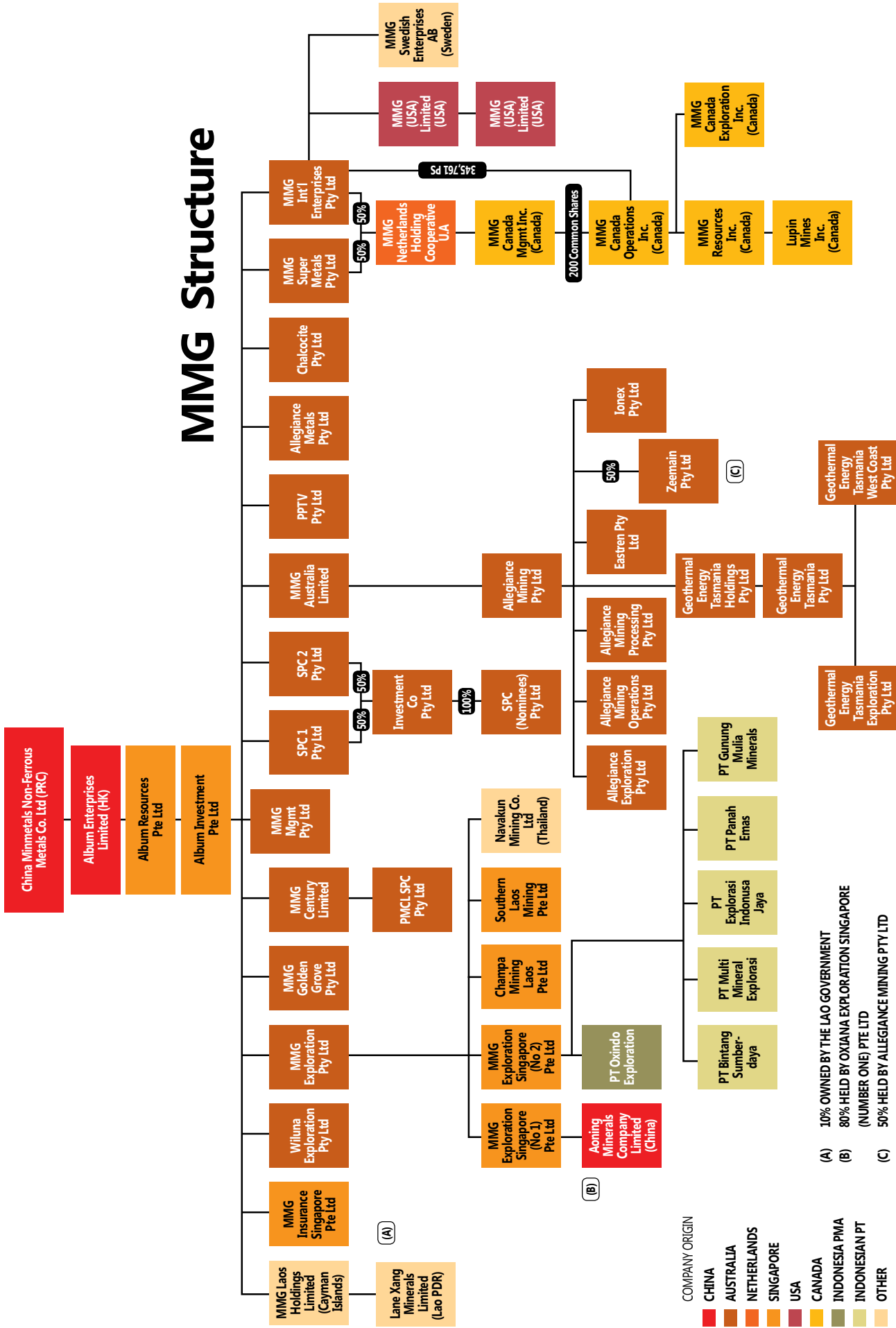
GRI INDEX

Biodiversity	MM2	The number/% of sites identified as requiring biodiversity management plans; and plans in place	Respecting Our Environment - Land and Biodiversity	28-31
Emissions, Effluents and Waste	MM3	Total amounts of overburden, rock, tailings and sludges and their associated risks	Respecting Our Environment - Waste	27-28
Labour-Management Relations	MM4	Number of strikes and lock-outs exceeding one week's duration	<i>Nil</i>	-
Indigenous Rights	MM5	The total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with these communities	Working with Our Stakeholders	37-46
Community	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples and outcomes	<i>No significant disputes occurred in the reporting period.</i>	-
Community	MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples	<i>No significant disputes occurred in the reporting period.</i>	-
Artisanal and Small-scale Mining (ASM)	MM8	Number and % of sites where ASM takes place and actions taken to manage this	<i>Not applicable to MMG mine sites. All site operations involve large scale sub-surface mining operations</i>	-

Resettlement	MM9	Sites where resettlements took place, the number of households resettled and how they were affected	<i>MMG's approach to resettlement is guided by the World Bank Operational Directive on Voluntary Resettlement. There have been no involuntary resettlements as a result of our operations during the reporting period. However, the Government of Lao has a nationwide policy of relocating villages short distances so that they are nearer centralised rural service points. The Government undertook resettlement activities within Vilabouly District during the period. The resettlement was neither required by the Sepon Project, nor undertaken as a result of operations. Case Study - Working with Our Stakeholders - Indigenous Cultural Site Relocation</i>	-
Closure Planning	MM10	Number and % of sites with closure plans	<i>All MMG sites have or are developing closure management plans</i>	-

APPENDIX B

MMG Structure





FEEDBACK INVITATION AND CONTACT

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