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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

TERMINATION OF DISCLOSEABLE TRANSACTION – EPC CONTRACT

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

The Board announces that on 18 September 2013, MMG Dugald River gave notice to terminate the EPC Contract with Forge Group Minerals & Resources in accordance with its terms, such termination to take effect on 26 September 2013.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcement of MMG Limited (Company) dated 16 May 2013 (Announcement) in relation to, among other things, the EPC Contract entered into between MMG Dugald River and Forge Group Minerals & Resources relating to the engineering, procurement and construction of the processing facility for the Dugald River project by Forge Group Minerals & Resources. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As previously disclosed by the Company, including in its Interim Results announcement dated 28 August 2013, complexities in the Dugald River project's ore body have been identified, prompting a review of the planned mining method.

To focus resources on the mine method review and manage short-term capital expenditure, the Company has decided to suspend most earthworks at the project site. This includes ongoing engineering, procurement and construction of the processing facility for the Dugald River project.

Accordingly, the Board announces that on 18 September 2013, MMG Dugald River gave notice to terminate the EPC Contract with Forge Group Minerals & Resources. Pursuant to the terms of the EPC Contract, MMG Dugald River may terminate the EPC Contract in its sole and absolute discretion at any time without cause and for any reason by giving at least five business days written notice (if terminated before 31 December 2013) to Forge Group Minerals & Resources. The EPC Contract will therefore terminate on 26 September 2013.

Pursuant to the terms of the EPC Contract, Forge Group Minerals & Resources' sole entitlement will be a termination payment which includes the value of that proportion of the works completed and already paid for by MMG Dugald River to Forge Group Minerals & Resources prior to the termination date. The Company considers that terminating the EPC Contract is a more cost effective solution than suspending the EPC Contract for a period.

The Board considers that the termination of the EPC Contract will not have any material adverse effect on the business and operations of the Group.

Additional surface work that has been suspended includes construction of the permanent accommodation camp and bulk earthworks.

Underground development of the Dugald River project now exceeds 10,000 metres and above surface work continues on the construction of access roads and the emergency airstrip.

As at 11 September 2013, the Company had transported 74,872 tonnes of Dugald River ore to Century for a production-scale test. Outcomes of this test using Century's processing circuit will provide valuable information which will ultimately assist with the review of the mine plan and project design.

The review of the Dugald River project is expected to be completed by the end of 2013. Accordingly, a final investment decision regarding the development of the Dugald River project will only be made once this review is completed (and the results of ongoing trial ore processing are determined).

By order of the Board

MMG Limited

Andrew Gordon Michelmore

CEO and Executive Director

Hong Kong, 18 September 2013

As at the date of this announcement, the Board comprises nine directors, of which three are executive directors, namely Mr Andrew Gordon Michelmore, Mr David Mark Lamont and Mr Xu Jiqing, three are non-executive directors, namely Mr Wang Lixin (Chairman), Mr Jiao Jian and Mr Gao Xiaoyu; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Anthony Charles Larkin and Mr Leung Cheuk Yan.