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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)
(STOCK CODE: 1208)

CESSATION OF GOLD PRODUCTION AT SEPON MINE

This announcement is made by the Company pursuant to rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform holders of the Company's shares and potential investors that it has decided to cease gold mining and production at its Sepon mine in Laos effective December 2013 due to depleting ore reserves and lower margins. The decision will result in the gold plant being placed on care and maintenance, while the Sepon operation focuses on copper production.

This announcement is made by MMG Limited (Company and, together with its subsidiaries, the Group) pursuant to rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the SFO).

The board of directors of the Company (Board) wishes to inform holders of the Company's shares and potential investors that it has decided to cease gold mining and production at its Sepon mine in Laos, which is operated by its Lao subsidiary Lane Xang Minerals Limited (LXML), effective December 2013 due to depleting ore reserves and lower margins. The decision will result in the gold plant being placed on care and maintenance, while the Sepon operation focuses on copper production.

The decision to cease gold operations at Sepon is necessary to preserve the strong contribution of the business operated by LXML. Sepon gold oxide reserves have been depleting for some time now, with previous forecasts that production would cease in 2011. The combination of a higher strip ratio and weaker gold price is driving increased production costs meaning that it is no longer economic for the Company to produce gold at Sepon. Despite some shared fixed costs between copper and gold production, the C1 cost of producing gold has doubled since 2012 to US\$1,880 per ounce in the first half 2013 while the gold price at the end of the first half 2013 was approximately US\$1,198 per ounce.

The decision will result in the need to review the overall structure of the operation at Sepon to meet future needs of the business. This will regrettably result in a change to resourcing requirements which the Company will work through over the coming months.

The Company acknowledges that this is disappointing news for our workforce, and is committed to working closely with its stakeholders including employees, communities, suppliers and its partner in LXML, the Lao government, to make the transition as smooth as possible.

Sepon will continue exploration activity for both gold oxide and primary gold in Laos and will review the recommencement of gold production when value can be created for shareholders.

By order of the Board

MMG Limited

Andrew Gordon Michelmore

CEO and Executive Director

Hong Kong, 18 November 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.