MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

ANNOUNCEMENT ON INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The board of directors (Board) of MMG Limited (Company or MMG) is pleased to announce the consolidated results of the Company and its subsidiaries (Group) for the six months ended 30 June 2014.

The financial information has been reviewed by the Company's audit committee and reviewed by the Company's auditor in accordance with the Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*" issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited consolidated results of the Group are annexed to this announcement.

MMG RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

- Revenue of US$1,193.7 million increased 1% compared to 30 June 2013 with the average LME price of zinc and copper 6% higher and 8% lower respectively.
- Total copper sales volumes were 6% higher in the six months to 30 June 2014, due to record production at Kinsevere.
- Zinc sales volumes were 1% higher due to additional sales volumes at Golden Grove, offset by lower sales volumes at Century and Rosebery due to lower production.
- Operating expenses improved 9% due to initiatives across the business aimed at delivering cost improvements and the favourable impact of the Australian dollar.
- EBITDA increased 21% to US$364.7 million with an improved EBITDA margin of 31% compared with 26% in the first half 2013.
- Total profit of US$47.7 million, a 33% increase compared with the first half 2013.
- MMG entered into an agreement to purchase the Las Bambas copper development project in the first half 2014 and the transaction was completed on 31 July 2014.
- The Board does not recommend the payment of a dividend for the period.

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	1,193.7	1,177.6	1
Earnings before interest, income tax, depreciation, amortisation and impairment expenses (EBITDA)	364.7	302.2	21
Earnings before interest and income tax (EBIT)	116.5	93.0	25
Profit	47.7	35.9	33
EBITDA margin	31%	26%	
Net cash generated from operating activities	200.5	207.7	(3)
Dividend per share	-	-	-
Basic and diluted earnings per share	US 0.74 cents	US 0.47 cents	57

MARKET OUTLOOK

Metal prices were volatile in the first half 2014 as concerns about Chinese economic growth prospects and emerging credit issues negatively impacted sentiment. Some positive global economic data emerged in the later part of the period supporting confidence in metal demand and a recovery in metal prices.

Average zinc prices were 6% higher in the first half 2014 supported by demand growth for zinc in galvanizing in Europe, USA, and Japan which helped offset weakness in the Chinese housing and construction sector this year. The rapid drawdown of LME metal stocks from 933,475t at the end of 2013 to 668,475t at the end of June 2014 and planned closures of significant global zinc mine capacity in 2015, are now starting to be factored into metal price expectations for 2015.

The long-term outlook for zinc is highly dependent on the structural issue of whether mine supply growth will be able to keep pace with consumption growth. The demand outlook for zinc remains robust with the driving force behind consumption growth being the process of urbanisation and industrialisation in the developing world and in particular, China.

Refined copper metal demand, while exhibiting some softness in end use sectors in China related to the weaker property market conditions, remains on track to continue steady growth globally. Investment in the expansion of China's State Grid power distribution network remains supportive of copper demand during the coming year, alongside broad recovery in copper demand in Europe, the USA, and ASEAN countries.

Mine production of copper will expand during the coming years as new projects and expansions start production. However, during the first half of 2014, delays to supply from new projects and a continuing ban on concentrate exports from Indonesia, have kept mine supply below levels originally anticipated broadly supportive for the concentrates market.

The continuing emergence of positive global economic data provides MMG with confidence in the sustained future demand growth for base metals in the coming years.

GROWTH STRATEGY

MMG's mission is to maximise shareholder returns by discovering, acquiring, developing and sustainably operating resources projects around the world.

Our growth strategy is focused on:

- identifying opportunities to maximise potential of our existing assets;
- pursuing organic growth opportunities through our projects and exploration pipelines; and
- pursuing external growth such as targeting value-focused acquisitions.

MMG will continue to build solid business foundations enabling it to grow without adding complexity. This includes implementing a scalable and systematic operating model and management system, common across all operations.

It is our objective to be recognised among the world's top mid-tier base metals mining companies.

CHAIRMAN'S REVIEW

Dear Shareholders

In the first half of 2014, MMG made significant progress toward achieving its objective of being recognised as a top mid-tier mining company.

Our announcement in April to acquire the Las Bambas copper project in Peru generated much excitement and interest both within MMG and with our stakeholders – especially our shareholders.

Despite the excitement the announcement generated, MMG has remained focused on our existing assets and our people. We will continue to recognise and appreciate the contribution made by every part of our growing company.

Our first half 2014 results clearly demonstrate our commitment to shareholders to maximise returns through the safe, efficient and cost effective manner in which we manage our business.

We achieved an EBITDA of US$364.7 million and significantly reduced our operating expenses by 9% when compared to the first half of last year. We generated a net operating cash flow of US$200.5 million and delivered a 33% increase in total profit.

Making progress on our growth strategy

Since the formation of MMG five years ago, we have maintained a consistent growth strategy to:

- identify opportunities to extract potential from our existing assets;
- pursue organic growth opportunities through our projects and exploration pipelines; and
- pursue external growth such as targeting value-focused acquisitions.

In the first half 2014, we continued to focus on extracting the maximum potential from our assets. Kinsevere achieved mining, processing, production and sales records; a fantastic accomplishment by the team who take great pride in exceeding all expectations.

Our EBITDA margin improved from 26% to 31% in the first half of 2014 which provides insight into our core profitability – how well we manage our assets relative to the revenue we receive for our products.

We also continued to progress our exploration and project development pipelines in 2014.

With US$31.2 million spent on exploration and US$38.2 million spent on major project developments in the first half, MMG continues to focus on the long-term options created through these growth pipelines.

In exploration, our focus has been on sustaining and expanding current Ore Reserves and increasing the mine life of existing assets, in particular Sepon and Kinsevere. We also increased our focus on new discovery projects in Africa while increasing copper and zinc project generation activities.

The Dugald River project is an important part of MMG's future. As arguably one of the world's best known undeveloped zinc deposits, we are determined to identify the best option for the future development of this project. We continue to make good progress on our trial stoping program which seeks to determine the optimal mining method including stope design parameters and productivity assumptions. The stoping trial will continue for the rest of 2014 and the results will provide input into determining future options for the project.

And finally, there is the acquisition of Las Bambas. We are all very proud to welcome Las Bambas to MMG in what is a truly transformational milestone in our company's history.

Once operational, Las Bambas will significantly increase MMG's attributable copper sales. As well as offering exposure to other base metals, Las Bambas is expected to produce over 2 million tonnes of copper in concentrate in its first five years, MMG is set to become one of the world's largest copper producers.

Our immediate focus at Las Bambas will be to complete the construction of the project.

Leadership and culture

We recognise the role that leadership and culture play in the long-term success of your company.

To that end, we have dedicated considerable effort to building leadership capabilities within the company and encouraging the development of a strong culture. We have reflected on our culture and behaviours, and are working to strengthen these to better support our company objectives. A strong culture is critical to the safety, production and cost performance of MMG – and ours is a culture based on working safely, collaboratively and respectfully. Furthermore, we take our responsibilities seriously and commit to continuous improvement.

As part of building a strong leadership team, I am pleased to welcome Mr Greg Travers to the Executive Committee as the Executive General Manager Business Support. Mr Travers replaces long-standing Executive Committee member, Tim Scully, who announced his retirement in March this year. I would like to thank Tim for his leadership and contributions to MMG, and I wish him all the best in his future endeavours. Mr Travers joins MMG with extensive experience and strong operational background across the mining, retail and manufacturing industries. Mr Travers has responsibility for MMG's business support functions including Safety, Health, Environment and Community (SHEC), Human Resources (HR), Shared Services and Information Technology. I look forward to Greg's input into building upon these functions to support the future growth of our business.

A key area of focus for us this year is diversity and inclusion. We believe that engaging the views of a diverse workforce enables us to achieve greater long-term outcomes. We are in the process of establishing a global Diversity & Inclusion Council to drive awareness and initiatives across this important area. Additionally, we have designed a new leadership program incorporating diversity and inclusion training aimed to lift the capability of our leaders to promote, create and harness inclusivity and develop a culture for progress. Finally, we support regional diversity and inclusion strategies to meet local diversity needs through awareness campaigns, sponsorships and workplace promotions.

Earning the right to grow

Since the formation of MMG we have consistently demonstrated our strength as operators.

Our production and cost performance in the first half of 2014 further validate our ability to extract optimal value from our assets while focusing on safety performance.

With the ongoing support of our major shareholder, our strong operational capability provides us with the right foundation to grow our business.

In doing so we seek to create enduring positive outcomes for our Shareholders and our communities.

I would like to thank my fellow Board members, our shareholders and our workforce for their continued dedication and support in growing our business.

Wang Lixin

Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders

It is with great pride that I provide an update on our Company's performance for the first half of 2014.

As we celebrate five years since our company's formation, the acquisition of the Las Bambas copper project in Peru represents a significant milestone in our company's history, delivering on our growth strategy and objective to be a top three mid-tier mining company.

Safety

We believe our safety is a leading indicator of how our assets are being run – if we are delivering good safety performance, it means our assets are being managed well and we see flow-on effects in our volume and cost performance.

Our total recordable injury frequency rate (TRIFR) of 2.4 was unchanged from 2013 and our lost time injury frequency rate (LTIFR) of 0.4 improved from the rate of 0.5 in 2013.

We believe a safe mine is a well-managed mine and that every MMG employee should return home at the end of their day or shift as healthy as when they began.

Volume

We continue to focus on cost effective ways of extracting maximum value from our assets.

We produced 92,512 tonnes of copper in the first half 2014, with Kinsevere year-to-date production 13% higher than the same period last year due to sustainable throughput and increased copper feed grades. Kinsevere continues to deliver excellent results achieving half year records in processing, production and sales. Sepon maintained strong performance in the first half 2014 producing 42,748 tonnes of copper cathode, 1% below the first half 2013. The continued focus on asset utilisation at Sepon resulted in a strong operating performance with a higher proportion of LME A grade copper. First half copper production at Rosebery increased 57% compared with 2013 while Golden Grove first half copper production decreased 2%.

With our Century mine approaching the final stages of the mine plan, we are pleased to report total first half zinc production of 270,201 tonnes only 4% lower than 2013. Century production was affected by lower grades and access to Stage 8 of the mine due to wall instability. Golden Grove zinc production was 48% higher than the first half 2013 due to the zinc focused mine plan for 2014. Rosebery first half zinc production was lower than the same period last year due to geotechnical restrictions which have now been resequenced to target higher grade zones of zinc.

Annual production and cost guidance has been reviewed and MMG now expects to produce 177,000–190,000 tonnes of copper and 580,000–605,000 tonnes of zinc in 2014.

Costs

We are very proud to report a 9% reduction in our operating expenses in the first half 2014 due to the many initiatives across our business aimed at delivering cost improvements.

Production expenses decreased at all sites with the exception of Kinsevere.

Sepon reduced production expenses by US$30.0 million (23%) following the cessation of gold production in December 2013. This resulted in reduced employee, energy and consumables costs in the first half 2014.

At Kinsevere, production expenses increased by US$12.2 million (14%) despite reduced reliance on diesel generation from 57% in 2013 to 40% in first half 2014. This was due to increased production and the higher cost to produce power from diesel generation.

Production expenses decreased by US$21.0 million (9%) at Century due to the focus on strategic cost-saving initiatives leading up to closure of the open-pit mine. These initiatives include the proactive management of drilling and maintenance contracts which decreased production expenses by 5%. Century also reduced expenditure on consumables such as explosives, tyres and spare parts leading up to the final stages of Century's mine plan.

Rosebery and Golden Grove decreased production expenses by US$7.7 million (10%) and US$15.1 million (13%) respectively, due to strategic contract management and the refocus of mining operations.

The weaker Australian dollar is estimated to have resulted in a favourable US$38.8 million impact on operating expenses.

Progress

The acquisition of Las Bambas is a significant step towards achieving our growth aspirations.

Once completed, the Las Bambas project will reposition our company as one of the world's largest copper producers. Our team has spent the last few years building the foundations of MMG by creating simple structures, clear processes and investing in systems that will help us to deliver this growth. I am pleased to announce that Las Bambas provides a solid launch pad into South America and we look forward to bringing this world-class asset into production.

As we work on the integration, we bring the benefit of MMG's strong operational discipline that we have established at our existing operations.

I would like to thank the MMG workforce for their continued dedication to this business, with the Company reaching five years of operation in June 2014. We have worked diligently over these years to establish the important building blocks upon which to expand this business. With the support of our major shareholder, we look forward to welcoming Las Bambas to MMG while continuing to deliver solid results from our existing portfolio.

Andrew Michelmore

Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

For the purpose of the management discussion and analysis, the Group's results for the six months ended 30 June 2014 are compared with results for the six months ended 30 June 2013.

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**1,193.7**	**1,177.6**	**1**
Operating expenses	(731.9)	(801.6)	9
Exploration expenses	(31.2)	(33.3)	6
Administration expenses	(58.2)	(36.5)	(59)
Other income and expenses	(7.7)	(4.0)	(93)
EBITDA	**364.7**	**302.2**	**21**
Depreciation and amortisation expenses	(248.2)	(209.2)	(19)
EBIT	**116.5**	**93.0**	**25**
Net finance costs	(37.3)	(36.9)	(1)
Profit before income tax	**79.2**	**56.1**	**41**
Income tax expense	(31.5)	(20.2)	(56)
Profit for the period	**47.7**	**35.9**	**33**

The Group's management determined the operating segments based on reports reviewed by its Executive Committee. The Group's operations are managed on an operating site-by-site basis, with exploration, development projects and corporate activities being classified as 'other'. The Group's mining operations comprise Sepon, Kinsevere, Century, Rosebery and Golden Grove.

SIX MONTHS ENDED 30 JUNE	REVENUE 2014 US$ MILLION	REVENUE 2013 US$ MILLION	REVENUE CHANGE % FAV/(UNFAV)	EBITDA 2014 US$ MILLION	EBITDA 2013 US$ MILLION	EBITDA CHANGE % FAV/(UNFAV)
Sepon	304.2	378.4	(20)	182.9	211.6	(14)
Kinsevere	228.9	216.8	6	93.3	92.8	1
Century	412.1	367.1	12	147.3	52.4	181
Rosebery	118.0	106.2	11	30.2	29.2	3
Golden Grove	130.5	109.1	20	4.4	1.5	193
Other	-	-	-	(93.4)	(85.3)	(9)
Total	**1,193.7**	**1,177.6**	**1**	**364.7**	**302.2**	**21**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

The following discussion and analysis of the financial information and results should be read in conjunction with the financial information.

Revenue

The Group's operations generated revenue of US$1,193.7million for the six months ended 30 June 2014, US$16.1 million (1%) higher than the half year ended 30 June 2013 due to higher revenue from the sale of zinc and lead partially offset by lower revenue from the sale of copper, gold and silver.

REVENUE BY COMMODITY SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Copper	622.5	647.1	(4)
Zinc	414.3	367.4	14
Lead	78.2	60.3	30
Gold	35.5	56.7	(37)
Silver	43.2	46.1	(6)
Total	**1,193.7**	**1,177.6**	**1**

Price

Lower average London Metal Exchange (LME) base metals prices in first half 2014 compared with first half 2013 for all products other than zinc had an unfavourable impact on revenue.

AVERAGE LME CASH PRICE SIX MONTHS ENDED 30 JUNE	2014	2013	CHANGE % FAV/(UNFAV)
Copper (US$/tonne)	6,916	7,540	(8)
Zinc (US$/tonne)	2,051	1,937	6
Lead (US$/tonne)	2,101	2,177	(3)
Gold (US$/ounce)	1,290	1,524	(15)
Silver (US$/ounce)	20.05	26.63	(25)

Sales volumes

PAYABLE METAL IN PRODUCT SOLD SIX MONTHS ENDED 30 JUNE	2014	2013	CHANGE %
Copper (tonnes)	92,133	86,668	6
Zinc (tonnes)	254,094	252,520	1
Lead (tonnes)	44,878	34,690	29
Gold (ounces)	27,242	39,055	(30)
Silver (ounces)	2,211,566	1,996,750	11

PAYABLE METAL IN PRODUCT SOLD SIX MONTHS ENDED 30 JUNE 2014	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Sepon	42,867	-	-	524	718
Kinsevere	33,533	-	-	-	-
Century	-	208,476	33,449	-	563,251
Rosebery	1,155	32,205	10,594	17,735	1,286,029
Golden Grove	14,578	13,413	835	8,983	361,568
Total	**92,133**	**254,094**	**44,878**	**27,242**	**2,211,566**

PAYABLE METAL IN PRODUCT SOLD SIX MONTHS ENDED 30 JUNE 2013	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Sepon	45,025	-	-	21,097	23,828
Kinsevere	29,763	-	-	-	-
Century	-	214,792	22,102	-	603,344
Rosebery	553	31,102	11,284	11,829	1,000,104
Golden Grove	11,327	6,626	1,304	6,129	369,474
Total	**86,668**	**252,520**	**34,690**	**39,055**	**1,996,750**

Total copper sales volumes increased 6% compared with the period ended 30 June 2013 mainly due to improved asset utilisation at Kinsevere. Kinsevere contributed an additional 3,770 tonnes of copper cathode sales in the first half 2014.

Zinc sales volumes were 1% higher for the period due to additional sales at Golden Grove, offset by lower sales volumes at Century due to lower production. Golden Grove copper sales volumes increased due to concentrate produced in 2013 being sold in 2014.

Gold sales volumes decreased 30% due to the cessation of gold production at Sepon in December 2013.

Lead sales volumes increased by 29% compared with the half year ended 2013 due to a full six months of lead trucking at Century to the Karumba Port from tailings dams.

Operating expenses include operating site expenses excluding depreciation and amortisation. Site expenses include mining and processing expenses, changes in inventories, royalty expenses, selling expenses, corporate recharge expenses and other operating expenses.

Operating expenses decreased by US$69.7 million or 9% in the first half of 2014 to US$731.9 million due to a continued focus on strategic cost reduction at Golden Grove, the impact of the cessation of gold production at Sepon and favourable Australian dollar exchange rates. These favourable impacts were partially offset by the impact of higher total sales volumes.

Sepon reduced production expenses by US$30.0 million (23%) in the first half of 2014 mainly due to the cessation of gold production resulting in reduced employee, energy and consumables costs.

Production expenses increased at Kinsevere by US$12.2 million (14%) despite reduced reliance on diesel generation from 57% in 2013 to 40% in first half 2014, due to increased production and higher unit cost to produce power from diesel generation.

Production expenses decreased by US$21.0 million (9%) in the first half of 2014 as Century focuses on strategic cost saving initiatives leading up to closure of the open pit mine.

Rosebery and Golden Grove decreased production expenses by US$7.7 million (10%) and US$15.1 million (13%) in the first half of 2014 respectively, due to strategic contract management and the refocus of mining operations.

The weaker Australian dollar is estimated to have resulted in a favourable US$38.8 million impact on operating expenses.

Exploration expenses decreased by US$2.1 million (6%) to US$31.2 million in the first half 2014. This was mainly due to reduced drilling programs in both Australia and North America partially offset by an increase in African exploration.

The Group invested US$13.9 million in mine district exploration, a decrease of US$2.7 million compared to the first half 2013. Exploration in 2014 focused on sustaining and expanding current Ore Reserves and increasing the mine life of existing assets with particular focus at Sepon and Kinsevere.

MMG invested US$14.6 million in new discovery, an increase of $4.9 million compared to the first half 2013. This was due to the increased focus on African exploration including the Nachingwea (nickel) and Kasansama (copper) projects.

Expenditure in Project Generation increased by $0.8 million in the first half 2014.

Administrative expenses increased by US$21.7 million (59%) to US$58.2 million in the first half 2014. This increase was partly due to US$8.1 million in additional costs associated with the acquisition and integration of Las Bambas, with a total of US$12.7 million of expenses on growth-related activities.

The Group invested US$14.4 million directed at operational efficiencies in the first half 2014, targeting standardised procedures across sites, standardised key performance indicators, and utilising the centralised operating model.

Management expects to deliver the planned set of business objectives hence the long-term incentive (LTI) costs have been accounted for accordingly. This has resulted in a US$11.4 million increase in corporate costs due to LTI provision of US$3.6 million for the current period, compared with a reversal LTI provisions of US$7.8 million in the first half 2013 when performance targets associated with long-term incentives were not met.

Other income and expenses had an aggregate loss of US$7.7 million and US$4.0 million in the first half 2014 and first half 2013 respectively.

Other income and expense items in the first half 2014 included US$2.7 million realised gains on sale of available-for-sale financial assets (2013: US$nil), offset by net foreign exchange losses on translation of monetary items of US$1.9 million (2013: US$11.2 million net gain), US$3.4 million unrealised losses on financial assets recognised at fair value through profit or loss (2013: US$10.6 million), and other sundry income and expense items.

Depreciation and amortisation expenses increased by US$39.0 million (19%) to US$248.2 million in the first half 2014 due to higher mining and milling volumes at Kinsevere and Century; and impacts related to a reduction in economic reserves at Sepon, Rosebery, and Century.

Net finance costs increased by US$0.4 million to US$37.3 million in the first half 2014. This increase was mainly due to a US$0.4 million decrease in interest income due to lower levels of bank deposits. Borrowings have remained at a similar level as the first half 2013.

Income tax expenses increased by US$11.3 million to US$31.5 million in the first half 2014. The increase in profit before income tax for the Group contributed an extra US$7.7 million in tax expense. The remaining US$3.6 million was mainly due to a legislated increase in the rate for the Democratic Republic of the Congo (DRC) 'Minimum Tax' and the impact of tax credits not recognised for the purposes of HKAS 12 Income Taxes relating to exploration and corporate costs. This was partially offset by Research and Development credits recognised in the Australian group.

The effective tax rate for the period ended 30 June 2014 is 39.7% (2013: 36.0%).

SEGMENT ANALYSIS

Sepon

SIX MONTHS ENDED 30 JUNE	2014	2013	CHANGE %
Production			
Ore mined (tonnes)	782,951	2,477,506	(68)
Ore milled (tonnes)	921,244	2,187,467	(58)
Copper cathode (tonnes)	42,748	43,331	(1)
Gold (ounces)	364	20,369	(98)
Silver (ounces)	-	33,647	(100)
Payable metal in product sold			
Copper (tonnes)	42,867	45,025	(5)
Gold (ounces)	524	21,097	(98)
Silver (ounces)	718	23,828	(97)

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**304.2**	**378.4**	**(20)**
Mining	(5.1)	(20.3)	75
Processing	(45.4)	(56.8)	20
Other	(48.8)	(52.2)	7
Production expenses	**(99.3)**	**(129.3)**	**23**
Freight (transportation)	(3.8)	(4.6)	17
Royalties	(13.5)	(16.8)	20
Other (i)	(4.2)	(16.8)	75
Operating expenses	**(120.8)**	**(167.5)**	**28**
Other income/(expenses)	(0.5)	0.7	(171)
EBITDA	**182.9**	**211.6**	**(14)**
Depreciation and amortisation expenses	(40.8)	(31.0)	(32)
EBIT	**142.1**	**180.6**	**(21)**
EBITDA margin	**60%**	**56%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Sepon delivered an improved EBITDA margin of 60% in the first half 2014 due to the significant reduction in operating expenses following the gold plant being placed on care and maintenance at the end of 2013.

Sepon maintained strong copper production performance producing 42,748 tonnes of copper cathode, 1% below the first half 2013. Higher volumes of copper ore milled were offset by a decrease in copper mill grades from 5.5% to 5.2% due to the availability of higher-grade material.

Production expenses decreased by US$30.0 million (23%) due to the operational focus on copper which permanently reduced costs at Sepon.

Costs relating to energy and use of consumables decreased by US$7.8 million in the first half 2014 following lower tonnes of ore mined and milled as a result of the gold plant being placed on care and maintenance.

Depreciation and amortisation expenses increased by US$9.8 million mainly due to a reduction in economic reserves.

Kinsevere

SIX MONTHS ENDED 30 JUNE	2014	2013	CHANGE %
Production			
Ore mined (tonnes)	1,211,373	1,093,771	11
Ore milled (tonnes)	826,176	750,945	10
Copper cathode (tonnes)	33,550	29,768	13
Payable metal in product sold			
Copper (tonnes)	33,533	29,763	13

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**228.9**	**216.8**	**6**
Mining	(14.0)	(8.7)	(61)
Processing	(26.4)	(19.4)	(36)
Other	(61.4)	(61.5)	0
Production expenses	**(101.8)**	**(89.6)**	**(14)**
Freight (transportation)	(20.5)	(19.5)	(5)
Royalties	(9.8)	(8.8)	(11)
Other (i)	(3.2)	(5.6)	43
Operating expenses	**(135.3)**	**(123.5)**	**(10)**
Other income/(expenses)	(0.3)	(0.5)	40
EBITDA	**93.3**	**92.8**	**1**
Depreciation and amortisation expenses	(64.8)	(57.9)	(12)
EBIT	**28.5**	**34.9**	**(18)**
EBITDA margin	**41%**	**43%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Kinsevere delivered a solid result in the first half 2014 reporting a 13% increase in sales volumes and a corresponding 10% increase in operating costs compared to the prior period.

Revenue increased by US$12.1 million (6%) compared to first half 2013 due to a 13% increase in sales volumes, partially offset by lower average copper prices.

Production expenses increased by US$12.2 million (14%) corresponding to the 13% increase in both production and sales volumes.

Employee costs and costs associated with the use of consumables increased by US$6.2 million due to higher mining and processing of copper cathode in first half 2014.

Kinsevere reduced its reliance on diesel generation from 57% in 2013 to 40% in first half 2014. Despite the reduction in the use of higher cost diesel, energy costs at Kinsevere increased by US$3.1 million due to higher production volumes and an increase in the cost of diesel generation.

Depreciation and amortisation expenses increased US$6.9 million (12%) in line with increased production volumes.

Century

SIX MONTHS ENDED 30 JUNE	2014	2013	CHANGE %
Production			
Ore mined (tonnes)	3,310,707	2,733,562	21
Ore milled (tonnes)	3,449,663	3,514,233	(2)
Zinc in zinc concentrate (tonnes)	223,584	233,258	(4)
Lead in lead concentrate (tonnes)	33,908	19,241	76
Payable metal in product sold			
Zinc (tonnes)	208,476	214,792	(3)
Lead (tonnes)	33,449	22,102	51
Silver (ounces)	563,251	603,344	(7)

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**412.1**	**367.1**	**12**
Mining	(58.6)	(59.8)	2
Processing	(114.8)	(129.1)	11
Other	(32.5)	(38.0)	14
Production expenses	**(205.9)**	**(226.9)**	**9**
Freight (transportation)	(26.6)	(24.8)	(7)
Royalties	(12.7)	(10.4)	(22)
Other (i)	(18.4)	(57.2)	68
Operating expenses	**(263.6)**	**(319.3)**	**17**
Other income/(expenses)	(1.2)	4.6	(126)
EBITDA	**147.3**	**52.4**	**181**
Depreciation and amortisation expenses	(97.8)	(85.8)	(14)
EBIT	**49.5**	**(33.4)**	**248**
EBITDA margin	**36%**	**14%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Century delivered a solid result in the first half 2014 reporting increases in revenue, EBIT and EBITDA margin and a US$55.7 million (17%) decrease in operating costs.

Revenue increased US$45.0 million (12%) compared to the first half 2013 reflecting favourable average realised zinc prices and increased lead sales volumes, partially offset by lower zinc sales volumes.

Production expenses decreased by US$21.0 million (9%) as Century focuses on strategic cost saving initiatives leading up to closure of the open pit mine.

Contractor costs decreased by US$10.5 million due to proactive management of drilling and maintenance contracts given the limited optionality in Century's mine plan.

Century reduced expenditure on consumables such as explosives, tyres and spare parts by US$13.2 million in first half 2014, as mining progresses through the final stages.

Depreciation and amortisation expenses increased by US$12.0 million or 14% due to higher mining volumes.

Rosebery

SIX MONTHS ENDED 30 JUNE	2014	2013	CHANGE %
Production			
Ore mined (tonnes)	385,385	419,118	(8)
Ore milled (tonnes)	418,198	417,443	0
Copper in copper concentrate (tonnes)	1,022	653	57
Zinc in zinc concentrate (tonnes)	35,017	39,852	(12)
Lead in lead concentrate (tonnes)	10,423	11,191	(7)
Gold (ounces)	4,123	2,330	77
Silver (ounces)	2,386	1,450	65
Payable metal in product sold			
Copper (tonnes)	1,155	553	109
Zinc (tonnes)	32,205	31,102	4
Lead (tonnes)	10,594	11,284	(6)
Gold (ounces)	17,735	11,829	50
Silver (ounces)	1,286,029	1,000,104	29

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**118.0**	**106.2**	**11**
Mining	(43.5)	(48.1)	10
Processing	(14.1)	(16.3)	13
Other	(9.3)	(10.2)	9
Production expenses	**(66.9)**	**(74.6)**	**10**
Freight (transportation)	(3.6)	(3.5)	(3)
Royalties	(3.3)	(3.0)	(10)
Other (i)	(13.1)	1.0	(1,410)
Operating expenses	**(86.9)**	**(80.1)**	**(8)**
Other income/(expenses)	(0.9)	3.1	(129)
EBITDA	**30.2**	**29.2**	**3**
Depreciation and amortisation expenses	(16.0)	(12.1)	(32)
EBIT	**14.2**	**17.1**	**(17)**
EBITDA margin	**26%**	**27%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Rosebery delivered a solid result in the first half 2014 demonstrating an ongoing commitment to safety, volume and costs.

Mining in the first half 2014 was impacted by geotechnical restrictions in certain areas of the intended mine plan. This resulted in an 8% decrease in mining volumes, a 12% decrease in zinc production compared to the first half 2013.

Revenue increased by US$11.8 million (11%) mainly due to higher average realised prices for zinc and increased sales volumes of all products with the exception of lead.

Rosebery reported a US$7.7 million (10%) improvement in production expenses in first half 2014 mainly due to strategic contract management aimed at permanently reducing costs.

Expenses relating to contractors and consumables decreased in first half 2014 by US$8.8 million which was related to reduced mining activity at the underground mine.

Depreciation and amortisation expenses increased by US$3.9 million or 32% primarily due to a revision of economic reserves, partially offset by lower mining volumes.

Golden Grove

YEAR ENDED 30 JUNE	2014	2013	CHANGE %
Production			
Ore mined (tonnes)	757,315	1,082,979	(30)
Ore milled (tonnes)	768,482	833,776	(8)
Copper in copper concentrate (tonnes)	15,192	15,483	(2)
Zinc in zinc concentrate (tonnes)	11,600	7,858	48
Lead in lead concentrate (HPM, tonnes)	1,007	1,046	(4)
Payable metal in product sold			
Copper (tonnes)	14,578	11,327	29
Zinc (tonnes)	13,413	6,626	102
Lead (tonnes)	835	1,304	(36)
Gold (ounces)	8,983	6,129	47
Silver (ounces)	361,568	369,474	(2)

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**130.5**	**109.1**	**20**
Mining	(48.2)	(57.0)	15
Processing	(33.3)	(29.4)	(13)
Other	(21.5)	(31.7)	32
Production expenses	**(103.0)**	**(118.1)**	**13**
Freight (transportation)	(5.6)	(3.6)	(56)
Royalties	(6.0)	(4.8)	(25)
Other (i)	(10.7)	15.3	(170)
Operating expenses	**(125.3)**	**(111.2)**	**(13)**
Other income/(expenses)	(0.8)	3.6	(122)
EBITDA	**4.4**	**1.5**	**193**
Depreciation and amortisation expenses	(18.8)	(20.7)	9
EBIT	**(14.4)**	**(19.2)**	**25**
EBITDA margin	**3%**	**1%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Golden Grove continued to focus on initiatives to sustainably reduce costs in the first half 2014, reporting a US$15.1 million (13%) improvement in production expenses. The mine plan at Golden Grove favoured zinc in the first half 2014 with production of zinc concentrate 48% higher than the first half 2013 and copper production 2% lower.

Revenue increased by US$21.4 million (20%) compared with the first half 2013 primarily due to a 102% increase in zinc sales and a 29% increase in copper sales which increased due to the timing of shipments. This was partially offset by lower average realised copper prices.

Production expenses decreased by US$15.1 million (13%) in first half 2014 as Golden Grove refocuses operations underground.

Costs relating to the use of contractors reduced by US$11.4 million in first half 2014 due to pre-stripping and mining activity of the copper oxide open pit ceasing production in May 2014 and deferral of the planned restart of underground mining operations.

Depreciation and amortisation expenses decreased by US$1.9 million or 9% mainly due to lower volumes mined and milled.

CASH FLOW ANALYSIS

Net cash flow

Net cash flow reflects stable operating cash flows and reduced investments in the first half 2014 to support the Group’s long-term growth strategy.

SIX MONTHS ENDED 30 JUNE	2014 US$ MILLION	2013 US$ MILLION
Operating cash flows	200.5	207.7
Investing cash flows	(87.6)	(361.0)
Financing cash flows	(105.9)	333.6
Net cash flow – increase	**7.0**	**180.3**

Net operating cash flows decreased by 3% to US$200.5 million in the first half 2014 due to increased investment in working capital, partially offset by higher EBITDA and lower tax paid.

Net investing cash outflows were US$87.6 million in the first half 2014 compared to US$361.0 million in first half 2013.

During the six months ended 30 June 2014, the Group invested US$126.6 million in the purchase of property, plant and equipment and the development of software (2013: US$316.3 million). This included US$38.2 million (2013: US$126.7 million) expenditure on major development projects and US$39.8 million (2013: US$69.8 million) investment in mine property and development. This was offset by proceeds of US$39.4 million received from the disposal of available-for-sale assets (2013: US$nil).

Net financing cash flows were an outflow of US$105.9 million in the first half 2014 compared to an inflow of US$333.6 million in 2013.

Financing cash outflows in the first half 2014 included a dividend payment of US$52.9 million to the Company’s shareholders, full repayment of the US$150.0 million facility with the Industrial and Commercial Bank of China (ICBC) and the US$75.0 million shareholder loan with Album Enterprises Limited (AEL), and other repayments of borrowings and payment of interest and financing costs in line with contractual terms. This was partially offset by the drawdown of US$270.0 million under a three-year US$300.0 million facility agreed with ICBC.

Financing cash inflows in 2013 included the June 2013 drawdown of US$250.0 million under the US$1.0 billion Dugald River Facility agreed with Bank of China Limited (BOC) and China Development Bank Corporation (CDB), US$100.0 million proceeds related to the repayment of advances made to AEL (shareholder) in the prior year and US$75.0 million AEL shareholder loan drawdown. This was partially offset by repayments of borrowings and payments of interest and financing costs in line with contractual terms.

FINANCIAL RESOURCES AND LIQUIDITY

	30 JUNE 2014 US$ MILLION	31 DECEMBER 2013 US$ MILLION	CHANGE US$ MILLION FAV/(UNFAV)
Total assets	4,633.1	4,683.5	(50.4)
Total liabilities	(2,803.3)	(2,866.7)	63.4
Total equity	**1,829.8**	**1,816.8**	**13.0**

Total equity increased by US$13.0 million to US$1,829.8 million as at 30 June 2014 mainly reflecting the recognised profits for the period and favourable fair value changes on strategic investments, which have been partially offset by the dividend payments of US$52.9 million to the Company's shareholders and US$5.0 million to the non-controlling interest shareholder.

The Group monitors capital using a gearing ratio defined as net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity. The Group's gearing ratio was stable at 0.45 as at 30 June 2014.

	30 JUNE 2014 US$ MILLION	31 DECEMBER 2013 US$ MILLION
Total borrowings (excluding prepayments)	1,635.2	1,644.2
Less: cash and cash equivalents	144.4	137.4
Net debt	**1,490.8**	**1,506.8**
Total equity	1,829.8	1,816.8
Net debt plus Total equity	**3,320.6**	**3,323.6**
Gearing ratio	**0.45**	**0.45**

The Group's cash and cash equivalents at 30 June 2014 of US$144.4 million (2013: US$137.4 million) were mainly denominated in US$.

As at 30 June 2014, the Group's borrowings (excluding finance charge prepayments) were as follows:

- 87.9% were bank borrowings and 12.1% related to balances associated with convertible redeemable preference shares;
- 100% were denominated in US$;
- 87.9% were priced based on floating interest rates and 12.1% based on fixed interest rates; and
- 12.0% were repayable within one year, 18.2% were repayable between one and two years, 49.5% were repayable between two and five years and 20.3% were repayable over five years.

The Group's capital commitments for purchases of property, plant and equipment and intangible assets as at 30 June 2014 were US$31.4 million (31 December 2013: US$37.3 million) as discussed further in Note 16.

DIVIDEND

At a meeting on 20 August 2014, the directors decided not to recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: US$nil).

At a meeting on 11 March 2014, the directors of the Company recommended the payment of a final dividend of US 1.0 cent per ordinary share (US$52.9 million) for the year ended 31 December 2013. The recommended dividend was approved by Shareholders at the annual general meeting (AGM) held on 21 May 2014. This is reflected as an appropriation of retained earnings during the period ended 30 June 2014.

DEVELOPMENT PROJECTS

An update of the Company's major development projects is below:

Dugald River, Australia

The Dugald River project is one of the largest and highest-grade known undeveloped deposits of zinc, lead and silver in the world. Located in north-west Queensland, approximately 65 kilometres north-west of Cloncurry, the deposit is a Mineral Resource of 63 million tonnes at 12% zinc, 1.8% lead and 31g/t silver.

The project is undergoing a trial stoping program which seeks to determine the optimal stope design parameters and productivity assumptions for the assessment of future options for the project.

A total of eight trial stopes were successfully mined and backfilled in the first six months of 2014. Results from the first five stopes have facilitated the extension of proceeding stopes' strike span from 15 metres to 30 metres. Works are also progressing for a planned double-lift stope with a strike span of 20 metres.

Management expects to complete the stoping program at the end of 2014 and the findings will help determine the optimal stope design parameters and productivity assumptions for the project leading up to an analysis of future options for the project.

Total capital expenditure for the Dugald River project for the six months ended 30 June 2014 totalled US$38.2 million, taking the capital expenditure to 30 June 2014 on the Dugald River project to US$552.9 million.

Izok Corridor, Canada

The Izok Corridor project includes the Izok and High Lake deposits located in the Slave Geological Province in Nunavut, northern Canada. Izok is a large deposit with a Mineral Resource of 15 million tonnes at 13% zinc and 2.3% copper. The High Lake deposit, located north of Izok, has a Mineral Resource of 14 million tonnes at 3.8% zinc and 2.5% copper. MMG also holds other base metal deposits in the region and exploration tenements totalling 5,000 square kilometres.

During the first half of 2014 the focus was to complete the Independent Peer Review (IPR) for the feasibility study. MMG will continue to focus on identifying additional mineral resources in the Izok Corridor.

The 2014 exploration program at Izok is planned to commence in early August 2014.

There has been no capital expenditure for the Izok Corridor project for the first half of the year due to the project moving back into pre-feasibility studies. The capital expenditure to 30 June 2014 on the Izok Corridor project is US$53.3 million.

EXPLORATION

Overview
While continuing with a commodity focus on copper, zinc and nickel, Exploration undertook a strategic shift from mine district to new discovery programs. This shift is a result of diminishing returns on a number of mine district programs due to exploration maturity, and the availability of quality new discovery projects on reasonable commercial terms under the current macroeconomic environment in the resources sector. While Sepon copper and gold (both primary and oxide) exploration continued, mine district exploration at Golden Grove, Rosebery and Kinsevere was restricted to low cost programs. Field activities on a number of new discovery programs have commenced or are commencing soon.

Exploration expenditure for the first half 2014 was US$31.2 million, slightly lower than first half 2013. Drilling was mainly conducted at Sepon, Golden Grove and Nachingwea, Tanzania, for a total of 44,729 metres drilled. This number is expected to increase in second half 2014.

PROJECT	DRILL TYPE	METERAGE (METRES)	NUMBER OF HOLES	AVERAGE LENGTH (METRES)
Sepon	RC/ Diamond	24,330	199	122
Golden Grove	RC/ Diamond	9,721	20	486
Kinsevere (include Rad50)	RC	90	1	90
Kasansama (Cu, DRC)	RC	258	2	129
Nachingwea (Ni, Tanzania)	RC/ Diamond	8,167	17	480
Curnamona (Cu, SA)	Diamond	1,412	4	353
Nikolai (Ni, Alaska)	Diamond	126	1	126
Findlay (Zn, Canada)	Diamond	625	1	625
Total		44,729	245	

The average size (diameter) of diamond drill holes was 96 millimetres and RC holes 114 millimetres.

Mine district exploration

Sepon
Completed program at Discovery Main/Dao Leuk returned new primary gold intersections of 21m @ 9g/t Au from 139m, 16m @ 7.9g/t Au from 154m and 26.1 @ 11.5g/t Au from 154m, extending the resource and economic potential. The on-going Nakachan–Ban Non program, following up on high grade results from last year, has so far been disappointing. Multiple moderate grade and thickness primary copper intersects below encouraging oxide zones were returned from Thengkham Main and East, which will be reviewed in the wet season.

Golden Grove
Limited drilling was conducted on the northern leases area geophysical Platform Program as well as follow-up drilling in the southern leases area, with no significant results. An RC drilling program was carried out testing local oxide copper potential in the southern leases.

Rosebery
After an exploration peer review in June, the forward program will focus on drill testing of ‘gaps’ in the upper levels of the mine, aiming to add to mining inventory. Further work is anticipated on the Marionoak domain in the footwall of the main Rosebery host sequence.

Kinsevere
New agreements for several tenements have further expanded MMG's ground holdings in the area within 50 kilometres of the Kinsevere mine (Kinsevere Rad50). One core hole was drilled at the Mukinga Project without significant results. Elsewhere within the Rad50 area, field mapping has been carried out over the Kamwale, Kampesimpesi and Sokoroshe I and II prospects. Termite mound soil survey was 100% completed for PE2811, PE10388 Karukuruku and PE238 Sokoroshe II for a total of 1,803 samples.

New discovery programs

Australia
At the Curnamona copper project in South Australia, 4 core holes for 1,412m have been completed at Eurinilla, Birksgate and Sage, following a ground electromagnetics survey at Eurinilla. A helicopter supported stream sediment sampling program has been completed for the North Batten zinc project in the McArthur Basin in the Northern Territory. A decision was also made to withdraw from the Kitehawk copper joint venture in Western Australia.

The Americas
Scout drilling commenced at the Findlay zinc project in British Columbia in Canada. Ground electromagnetics survey and scout drilling have also commenced at the Nikolai nickel project in Alaska, USA. In Chile, MMG has exited the Brahma copper project after the completion of a technical evaluation.

Southern Africa
Field mapping has commenced at the Kasansama copper project near Likasi in the DRC, following the signing of an option agreement. MMG is also conducting soil sampling and mapping on joint venture grounds in the Solwezi area in Zambia. At the Nachingwea nickel project in Tanzania, MMG has drilled 6 core holes for 3,512m and 11 reverse circulation holes for 1,121m at Ntaka Hill and regional targets. Drilling at Ntaka Hill to date is not indicating significant increases in the current resource.

Project generation
Project generation are active in all three commodities and regions, in particular in Southern Africa, where MMG secured two advanced copper projects in the DRC, including one close to the Kinsevere operation.

CONTRACTS AND COMMITMENTS

Sepon
Lane Xang Minerals Limited (LXML), a subsidiary of the Company, completed a two year extension of the existing agreement for inbound and outbound logistics services. In addition, a master services agreement was entered into for the provision of site civil works with the incumbent provider. Agreements were also awarded for the upgrade of fire safety systems at the process plant to lower the consequences and likelihood of production losses and damage in the unlikely event of fire. As part of the Global Sourcing program six pieces of mobile equipment were successfully acquired including two excavators, two road rollers, and two pick and carry cranes delivered to site.

Kinsevere
An agreement was completed for the supply of diesel fuel to Kinsevere and the supply agreement for sulphuric acid was extended. Agreements were also entered into for the completion of stage two of asphalt sealing of the Kinsevere site access road inclusive of 25 kilometres of cycle and pedestrian path and 8 kilometres of road. A new agreement was also reached for grade control drilling.

Century
MMG Century Limited (MMG Century), a subsidiary of the Company, entered into an agreement for the supply of chrome grinding media. Onsite logistics services were awarded to a local Gulf Community provider. And, an agreement was also awarded for light vehicle spare parts.

Rosebery

Agreements were entered into for the design, installation and commissioning of a primary surface fan to ensure ventilation to dilute harmful gas, dust and contaminants from the underground working environment as the mine extends. An agreement was also awarded to establish an apprenticeship program at Rosebery to demonstrate MMG's commitment to the sustainability of the Rosebery township.

Golden Grove

MMG Golden Grove Pty Ltd (MMG Golden Grove), a subsidiary of the Company, entered into an agreement for the provision of contingent shutdown labour for Golden Grove after a competitive process. Agreements were also awarded for light vehicle spare parts and the supply of liquid petroleum gas.

Dugald River

An agreement with current mining services provider for decline development was extended to include stope mining trials.

Other

Group-wide agreements were entered into with multiple airlines, hotels and car hire providers for travel requirements securing discounted rates applied at the time of booking travel.
In addition, a Group-wide agreement was entered into for the provision of personal protective apparel for all MMG's exploration, projects and operational sites to provide a core apparel range, and improved specification on hot-weather apparel. MMG also appointed a panel of drilling contractors to deliver remote exploration drilling services in Australia under a master services agreement.

PEOPLE

As at 30 June 2014, the Group employed a total of 4,429 full-time equivalent employees (31 December 2013: 4,897) in its operations (excluding contractors, casual employees, apprentices and trainees) with the majority of employees based in Australia, Laos and the DRC.

Employee benefits expenses for the Group's operations for the first half 2014, including directors' emoluments, totalled US$231.1 million, an increase of 7% (2013: US$216.7 million).

The Group has remuneration policies that align with market practice and remunerates its employees based on the responsibilities of their role, their performance, market requirements and the performance of the Group. Employee benefits include market-competitive fixed remuneration, performance-related incentives, a limited share option scheme and, in specific cases, insurance and medical coverage. A range of targeted training and development programs are provided to employees across the Group that are designed to improve individual capability, and enhance employee and Group performance.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make any material acquisitions or disposals in the first half 2014 other than the acquisition of the Las Bambas Project described below.

On 14 April 2014 the Group announced the proposed acquisition of the Las Bambas Project as part of a joint venture. Details of the proposed acquisition were set out in the circular to Shareholders dated 30 June 2014. The acquisition was completed effective as at 31 July 2014 following the satisfaction of necessary approval and consent conditions.

The acquisition is consistent with the Group's vision, growth strategy and positive long-term view of copper. The Las Bambas Project is a large, scalable, long-life development project with prospective exploration options. Located in Cotabambas, Apurimac Region of Peru, the project is at an advanced stage of construction since it was approved in June 2012. The Las Bambas Project is expected to produce in excess of two million tonnes of copper in concentrate over the first five years of operation. The estimated mine life is in excess of 20 years. Further details of the acquisition are disclosed in Note 17.

EVENTS AFTER THE REPORTING DATE

Other than the matters outlined elsewhere in this announcement, there have been no matters that have occurred subsequent to the reporting date that have significantly affected, or may significantly affect the Group's operations, results or state of affairs in future years.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks, including commodity price risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk, equities price risk and sovereign risk. The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's policy is not to enter into derivative contracts for speculative purposes.

Financial risk management (including the use of financial instruments for hedging purposes) is carried out by the Group Treasury function under policies approved by the Board. Group Treasury identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The Board approves written principles for overall risk management as well as policies covering specific areas, such as those identified above.

The Group currently holds no hedging instruments.

a) Commodity price risk

The Group is exposed to commodity price volatility on commodity sales made by its operations. This arises from the sale of metal and metal in concentrate products such as zinc, copper, lead, gold and silver, which are priced on, or benchmarked to, open market exchanges. The Group generally believes commodity price hedging would not provide long-term benefit to its shareholders. There are no commodity hedges in place as at 30 June 2014.

b) Interest rate risk

The Group is exposed to interest rate volatility on deposits and borrowings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed at the inception of each floating rate debt facility in light of the overall Group's exposure, the prevailing interest rate market and any funding counterparty requirements. Monthly reporting is provided to the Executive Committee, which summarises the Group's debt and interest rates.

c) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and functional currency of the majority of subsidiaries within the Group is the United States dollar (US$). The majority of revenue received by the Group is in US$. The Group's foreign currency exchange risk arises predominantly from the currency in which the Group's operations are located.

The Group is exposed to foreign exchange risk primarily with respect to Australian dollars (A$), Hong Kong dollars (HK$) and Canadian dollars (C$). Given the exchange rate peg between HK$ and US$, it is not foreseen that the Group will be exposed to significant exchange rate risk for the transactions conducted in HK$ or US$. However, exchange rate fluctuations of C$ or A$ against US$ could affect the Group's performance and asset value. The A$ is the most important currency influencing costs.

Under normal market conditions, the Group does not believe that active currency hedging of transactions would provide long-term benefit to Shareholders. The Group tries to minimise these exposures through natural hedges wherever possible. For instance, the majority of external debt and surplus cash is denominated in US$. A portion of cash may be held in A$ to meet operating costs.

The long-term relationship between commodity prices and the currencies of the countries where the Group operates provides a degree of natural protection. The Group may, however, choose to hedge large foreign currency exposures such as capital expenditure, dividends or tax payments.

d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to counterparty credit risk through sales of metal products on normal terms of trade, through deposits of cash and settlement risk on foreign exchange transactions. At the reporting date, the carrying amount of the Group's financial assets, including cash and cash equivalents, trade and other receivables and other bank deposits, represents the maximum credit exposure.

The credit risk on investments in cash, short-term deposits and similar assets is with approved counterparty banks and the intermediate holding company. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure that exposure to credit risk is limited to acceptable levels. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure.

e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

Management utilises short and long-term cash flow forecasts and other consolidated information to provide appropriate liquidity buffers are maintained to support the Group's activities.

f) Equities price risk

Equity securities price risk arising from investments held by the Group are classified in the balance sheet as available-for-sale and other financial assets. The majority of the Group's equity investments are publicly traded. The Group did not have significant equity securities exposed to price risk as at 30 June 2014.

g) Sovereign risk

The Group has operations in developing countries that may carry higher levels of sovereign risk. In general, however, mining companies are increasingly willing to develop or acquire projects in locations that would traditionally have been viewed as having higher sovereign risk.

CONTINGENT LIABILITIES

The Company and its subsidiaries are defendants in certain legal proceedings arising from the conduct of their businesses as at 30 June 2014. The Group does not consider that the outcome of any of these proceedings ongoing at the balance sheet date, either individually or in aggregate, is likely to have a material effect on its financial position.

Additionally, certain bank guarantees have been provided in connection with the operations of certain of the subsidiaries of the Company. These are primarily associated with the terms of mining leases or exploration licences. As at 30 June 2014 no claims had been made under these guarantees.

Further details are included in Note 15.

CHARGES ON ASSETS

As at 30 June 2014 the following banking facilities granted to the Group required certain assets to be charged:

- the US$751.0 million facility granted by China Development Bank Corporation (CDB) and Bank of China Sydney Branch (BOC Sydney) to Album Resources Private Limited (Album Resources) and MMG Management Pty Ltd (MMG Management) dated 12 June 2012 (US$751.0 million Facility), with respect to a borrowing of US$713.4 million;
- the US$200.0 million facility granted by CDB to Album Resources dated 12 June 2009 (US$200.0 million Facility), with respect to a borrowing of US$150.0 million;
- the A$350.0 million bank guarantee facility between MMG Management and BOC Sydney (A$350.0 million Facility); and
- the US$1.0 billion facility granted by CDB and BOC Sydney to MMG Dugald River Pty Ltd (MMG Dugald River) dated 27 June 2013 (US$1.0 billion Facility), with respect to a borrowing of US$250.0 million.

The charges in respect of the US$751.0 million and US$200.0 million facilities are:

- a first-ranking equitable mortgage over 100% of the shares held in Album Resources' wholly owned subsidiary, Album Investment Private Limited (Album Investment);
- a first-ranking equitable mortgage over 100% of the shares in certain wholly owned subsidiaries of Album Investment including MMG Laos Holdings Limited (MMG Laos Holdings); and
- a share charge over 70% of the shares in certain other subsidiaries of Album Investment including MMG Laos Holdings.

The security in respect of the A$350.0 million Facility is a second-ranking equitable mortgage over the assets described above.

The charges in place for the US$1.0 billion Facility are the same as those existing in respect of the US$751.0 million Facility. In addition, certain subsidiaries of the Company that relate to the Dugald River project have provided asset security in respect of their assets. Following successful commissioning of the Dugald River project, and subject to meeting certain agreed conditions, the financing will have limited recourse to the assets and shares of MMG Dugald River.

FUTURE PROSPECTS

MMG expects to produce 177,000–190,000 tonnes of copper and 580,000–605,000 tonnes of zinc in 2014.

Capital expenditure guidance for 2014 is US$400 – US$500 million which excludes expenditure on the recently acquired Las Bambas copper project.

MMG will provide an update on Las Bambas capital expenditure and schedule in the Third Quarter Production Report which will be released on 16 October 2014.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	NOTE	SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED) US$ MILLION	 2013 (UNAUDITED) US$ MILLION
Revenue	3	1,193.7	1,177.6
Other income	4	5.4	0.5
Expenses (excluding depreciation and amortisation expenses)	5	(834.4)	(875.9)
Earnings before interest, income tax, depreciation and amortisation expenses – EBITDA		**364.7**	**302.2**
Depreciation and amortisation expenses	5	(248.2)	(209.2)
Earnings before interest and income tax - EBIT		**116.5**	**93.0**
Finance income	6	1.5	1.9
Finance costs	6	(38.8)	(38.8)
Profit before income tax		**79.2**	**56.1**
Income tax expense	7	(31.5)	(20.2)
Profit for the period		**47.7**	**35.9**
Profit for the period attributable to:			
Equity holders of the Company		39.2	24.9
Non-controlling interests		8.5	11.0
		47.7	**35.9**
Earnings per share for profit attributable to the equity holders of the Company			
Basic earnings per share	8	**US 0.74 cents**	**US 0.47 cents**
Diluted earnings per share	8	**US 0.74 cents**	**US 0.47 cents**

The accompanying notes are an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	NOTE	30 JUNE 2014 (UNAUDITED) US$ MILLION	31 DECEMBER 2013 (AUDITED) US$ MILLION
ASSETS			
Non-current assets			
Property, plant and equipment		3,280.9	3,323.1
Intangible assets		308.3	284.0
Inventories		59.0	53.9
Deferred income tax assets		153.6	136.5
Other receivables		34.4	40.6
Other financial assets		13.0	11.8
		3,849.2	**3,849.9**
Current assets			
Inventories		275.3	298.0
Trade and other receivables	10	246.4	263.3
Other financial assets		93.4	110.5
Cash and cash equivalents		144.4	137.4
		759.5	809.2
Asset of disposal group classified as held for sale	18	24.4	24.4
		783.9	**833.6**
Total assets		**4,633.1**	**4,683.5**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	2,358.9	33.9
Reserves and retained profits		(729.3)	1,586.2
		1,629.6	1,620.1
Non-controlling interests		200.2	196.7
Total equity		**1,829.8**	**1,816.8**

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET CONTINUED

	NOTE	30 JUNE 2014 (UNAUDITED) US$ MILLION	31 DECEMBER 2013 (AUDITED) US$ MILLION
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		244.3	239.3
Borrowings	13	1,417.9	1,270.6
Provisions		658.4	636.0
		2,320.6	**2,145.9**
Current liabilities			
Trade and other payables	14	175.6	235.6
Current income tax liabilities		38.3	76.6
Borrowings	13	193.3	350.8
Provisions		71.0	51.9
		478.2	**714.9**
Liabilities of disposal group classified as held for sale	18	4.5	5.9
		482.7	**720.8**
Total liabilities		**2,803.3**	**2,866.7**
Total equity and liabilities		**4,633.1**	**4,683.5**
Net current assets		**301.2**	**112.8**
Total assets less current liabilities		**4,150.4**	**3,962.7**

The accompanying notes are an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Cash flows from operating activities		
Receipts from customers	1,197.2	1,234.7
Payments to suppliers	(885.2)	(900.0)
Payments for exploration expenditure	(31.2)	(33.3)
Income tax paid	(80.3)	(93.7)
Net cash generated from operating activities	**200.5**	**207.7**
Cash flows from investing activities		
Purchase of property, plant and equipment	(116.0)	(286.8)
Payments made to develop intangible assets	(10.6)	(29.5)
Purchase of other financial assets	(0.4)	(45.9)
Proceeds from disposal of property, plant and equipment	-	0.3
Proceeds from disposal of other financial assets	39.4	-
Proceeds from disposal of other investments	-	0.9
Net cash used in investing activities	**(87.6)**	**(361.0)**

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT CONTINUED

	NOTE	SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Cash flows from financing activities			
Proceeds from borrowings		270.0	250.0
Repayments of borrowings		(204.8)	(36.0)
Proceeds from related party borrowings		-	75.0
Repayments of related party borrowing		(75.0)	-
Proceeds from repayments of loan to related parties		-	100.0
Dividends paid by the Company	9	(52.9)	-
Dividends paid to non-controlling interests		(5.0)	(15.0)
Repayments of finance lease liabilities		(0.6)	(0.8)
Interest and financing costs paid		(39.0)	(41.1)
Interest received		1.4	1.5
Net cash (used in)/generated from financing activities		**(105.9)**	**333.6**
Net increase in cash and cash equivalents		**7.0**	**180.3**
Cash and cash equivalents at 1 January		137.4	95.7
Exchange gains on cash and bank balances		-	2.3
Cash and cash equivalents at 30 June		**144.4**	**278.3**

The accompanying notes are an integral part of the condensed consolidated interim financial information.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION AND INDEPENDENT REVIEW

The Company is a limited liability company and was incorporated in Hong Kong on 29 July 1988. The address of its registered office is Units 8501–8503, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company is an investment holding company and is listed on the Stock Exchange. The principal activities of the Group are the mining, processing and production of copper, zinc, lead, gold and silver; exploration for mineralisation and development of mining projects.

The condensed consolidated interim financial information for the six months ended 30 June 2014 is presented in US$ unless otherwise stated and has been approved for issue by the Board on 20 August 2014.

This interim financial information for the six months ended 30 June 2014 has been reviewed, not audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Listing Rules and Hong Kong Accounting Standard (HKAS) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). The condensed consolidated interim financial information should be read in conjunction with the annual Financial Statements for the year ended 31 December 2013, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (HKFRS) issued by HKICPA.

The condensed consolidated interim financial information has been prepared on the basis that the Group is able to continue as a going concern and will therefore be able to realise its assets and discharge its liabilities in the normal course of business.

2.1 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual Financial Statements for the year ended 31 December 2013.

(a) New Standards, amendments and interpretations to existing standards effective in 2014 but not relevant or significant to the Group.

HKAS 19 (Amendment)	Defined benefit plans: Employee contributions
HKAS 32 (Amendment)	Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets on Recoverable Amount Disclosures
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedging Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities
HK(IFRIC) – Int 21	Levies

(b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted.

The Group has not early adopted the following new standards and amendments to standards that have been issued but are not effective for 2014. The Group is in the process of assessing their impact on the Group's results and financial position.

HKFRS 9	Financial Instruments[iii]
HKFRS 14	Regulatory Deferral Accounts[ii]
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contribution[i]
HKFRS (Amendments)	Annual improvements to HKFRS 2010 – 2012 cycle[i]
HKFRS (Amendments)	Annual improvements to HKFRS 2011 – 2013 cycle[i]

Effective for the Group for annual period beginning:

(a) 1 January 2015

(b) 1 January 2016

(c) Effective date to be determined

2.2 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

2.3 Financial risk management

(a) Financial risk factors

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual Financial Statements for the year ended 31 December 2013.

There have been no changes in the risk management department or in any risk management policies since 31 December 2013.

(b) Liquidity risk

Compared to 31 December 2013, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

(c) Fair value estimation

There were no transfers between Levels 1 and 2 during the period. There were no changes in valuation techniques during the period.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

3. SEGMENT INFORMATION

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about operations of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and assess its performance.

The chief operating decision-maker has been identified as the Company's Executive Committee, which consists of all Executive Directors of the Company, Chief Operating Officer, Executive General Manager – Business Development, Executive General Manager – Exploration, Executive General Manager – Business Support and Executive General Manager – Stakeholder Relations. They review the Group's internal reporting of these operations in order to assess performance and allocate resources.

The Group's reportable segments are as follows:

Sepon	Sepon is an open-pit copper and gold mining operation located in southern Laos. Gold production at the Sepon mine was ceased in December 2013 due to depleting ore reserves and lower margins.
Kinsevere	Kinsevere is an open-pit copper mining operation located in the Katanga Province of the Democratic Republic of the Congo (DRC).
Century	Century is an open-pit zinc mining operation located in north-west Queensland.
Rosebery	Rosebery is an underground polymetallic base metal mining operation located on Tasmania's west coast.
Golden Grove	Golden Grove is an underground and open-pit base and precious metals mining operation located in Western Australia's mid-west.
Other	Includes exploration and development projects and other corporate entities that are not disclosed as separate segments.

A segment result represents the profit earned by each segment. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance. Other information provided, except as disclosed in the following paragraph, to the chief operating decision-maker is measured in a manner consistent with that in the Financial Statements.

Segment assets exclude current income tax assets, deferred income tax assets and inter-segment loans. Segment liabilities exclude current income tax liabilities and deferred income tax liabilities. The excluded assets and liabilities are presented as part of the reconciliation to total balance sheet assets or liabilities.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

The segment revenue and result for the six months ended 30 June 2014 are as follows:

	FOR THE PERIOD ENDED 30 JUNE 2014						
US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Other	Group
External revenue	252.5	228.9	412.1	118.0	105.1	-	1,116.6
Revenue from related parties	51.7	-	-	-	25.4	-	77.1
Revenue	**304.2**	**228.9**	**412.1**	**118.0**	**130.5**	**-**	**1,193.7**
EBITDA	**182.9**	**93.3**	**147.3**	**30.2**	**4.4**	**(93.4)**(i)	**364.7**
Depreciation and amortisation expenses	(40.8)	(64.8)	(97.8)	(16.0)	(18.8)	(10.0)	(248.2)
EBIT	**142.1**	**28.5**	**49.5**	**14.2**	**(14.4)**	**(103.4)**	**116.5**
Finance income							1.5
Finance costs							(38.8)
Income tax expense							(31.5)
Profit for the period							**47.7**
Profit attributable to equity holders of the Company							39.2
Profit attributable to non-controlling interests							8.5
							47.7
Other segment information:							
Additions to non-current assets	28.0	58.8	29.8	25.7	20.7	63.4	**226.4**

	AS AT 30 JUNE 2014						
US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Other	Group
Segment assets	741.2	1,617.1	371.2	381.7	357.2	1,011.1(ii)	4,479.5
Deferred income tax assets							153.6
							4,633.1
Segment liabilities	207.7	176.0	299.6	103.2	76.8	1,657.4(iii)	2,520.7
Deferred income tax liabilities							244.3
Current income tax liabilities							38.3
							2,803.3

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

The segment revenue and result for the six months ended 30 June 2013 are as follows:

	FOR THE PERIOD ENDED 30 JUNE 2013						
US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Other	Group
External revenue	344.8	216.8	350.7	106.2	86.5	-	1,105.0
Revenue from related parties	33.6	-	16.4	-	22.6	-	72.6
Revenue	**378.4**	**216.8**	**367.1**	**106.2**	**109.1**	**-**	**1,177.6**
EBITDA	**211.6**	**92.8**	**52.4**	**29.2**	**1.5**	**(85.3)**(i)	**302.2**
Depreciation and amortisation expenses	(31.0)	(57.9)	(85.8)	(12.1)	(20.7)	(1.7)	(209.2)
EBIT	**180.6**	**34.9**	**(33.4)**	**17.1**	**(19.2)**	**(87.0)**	**93.0**
Finance income							1.9
Finance costs							(38.8)
Income tax expense							(20.2)
Profit for the period							**35.9**
Profit attributable to equity holders of the Company							24.9
Profit attributable to non-controlling interests							11.0
							35.9
Other segment information:							
Additions to non-current assets	49.1	16.9	15.8	15.6	18.7	119.4	**235.5**

	AS AT 31 DECEMBER 2013						
US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Other	Group
Segment assets	758.5	1,610.7	432.5	372.7	373.6	999.0(ii)	4,547.0
Deferred income tax assets							136.5
							4,683.5
Segment liabilities	218.9	165.7	296.6	103.5	76.3	1,689.8(iii)	2,550.8
Deferred income tax liabilities							239.3
Current income tax liabilities							76.6
							2,866.7

(i) The result of the other segment includes US$8.1 million expenses (2013: Nil) related to the acquisition and integration of Las Bambas. Refer to Note 17.

(ii) Included in segment assets of US$1,011.1 million (31 December 2013: US$999.0 million) for the Other segment is property, plant and equipment of US$579.4 million (31 December 2013: US$531.7 million) for Dugald River and other financial assets of US$98.5 million (31 December 2013: US$114.8 million). All of these items do not fall into any of the five main operating segments.

(iii) Included in segment liabilities of US$1,657.4 million (31 December 2013: US$1,689.8 million) for the Other segment are borrowings excluding finance lease liabilities of US$1,611.2 million (31 December 2013: US$1,620.8 million), which are managed at Group level, and do not fall into any of the five main operating segments.

The Century, Rosebery and Golden Grove operations are located in Australia. The Sepon operation is located in Laos, and the Kinsevere operation is located in the Katanga Province of the DRC, Africa. All other segments are immaterial by location.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

4. OTHER INCOME

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Gain on disposal of available-for-sale financial assets	2.7	-
Gain on disposal of other investments	-	0.3
Gain on disposal of property, plant and equipment and investment properties	-	0.2
Other income	2.7	-
Total other income	**5.4**	**0.5**

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

5. EXPENSES

Profit before income tax includes the following specific expenses:

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Changes in inventories of finished goods and work in progress	(8.5)	(34.0)
(Write-down)/reversal of write-down of inventory to net realisable value	(10.6)	0.8
Employee benefit expenses (i)	(168.1)	(176.3)
Contracting and consulting expenses	(111.3)	(132.0)
Energy costs	(111.3)	(113.5)
Stores and consumables costs	(171.7)	(190.6)
Depreciation and amortisation expenses (ii)	(238.2)	(207.5)
Operating lease rental(iii)	(5.5)	(11.4)
Other operating expenses	(39.5)	(44.8)
Cost of goods sold	**(864.7)**	**(909.3)**
Royalties expenses	(45.3)	(43.8)
Selling expenses	(60.1)	(56.0)
Operating expenses including depreciation and amortisation(iv)	**(970.1)**	**(1,009.1)**
Exploration expenses	(31.2)	(33.3)
Administrative expenses(v)	(58.2)	(36.5)
Exchange (losses)/gains – net	(1.9)	11.2
Loss on financial assets at fair value through profit or loss	(3.4)	(10.6)
Other expenses	(17.8)	(6.8)
Total expenses	**(1,082.6)**	**(1,085.1)**

(i) In aggregate US$64.5 million (2013: US$40.4 million) of employee benefit expenses were included in administrative expenses, exploration expenses and other expenses categories. Total employee benefit expenses were US$232.6 million (2013: US$216.7 million).

(ii) In aggregate US$10.0 million (2013: US$1.7 million) of depreciation and amortisation expenses were included in other expenses categories. Total depreciation and amortisation expenses were US$248.2 million (2013: US$209.2 million).

(iii) In aggregate, an additional US$4.9 million (2013: US$5.1 million) of operating lease rentals were included in administrative expenses, exploration expenses and other expenses categories. Total operating lease rentals were US$10.4 million (2013: US$16.5 million).

(iv) Operating expenses include mining and processing costs, royalties, selling expenses (including transportation) and other costs incurred by operations.

(v) Administrative expenses for the current period include US$8.1 million expenses related to the acquisition and integration of Las Bambas. Refer Note 17 for more details.

6. FINANCE COSTS – NET

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Finance costs		
Interest expense on bank borrowings	(14.4)	(20.5)
Interest expense on convertible redeemable preference shares	(9.7)	-
Interest expense on related party borrowings	(0.9)	(1.0)
Unwind of provisions discount	(12.2)	(13.4)
Other finance cost	(1.6)	(3.9)
	(38.8)	**(38.8)**
Finance income		
Interest income on cash and cash equivalents	1.5	1.9
	1.5	**1.9**
Finance costs – net	**(37.3)**	**(36.9)**
Borrowing costs capitalised		
Borrowing costs capitalised in relation to qualifying assets(i)	**9.4**	**5.5**

(i) Borrowing costs capitalised include finance costs on borrowings held to specifically fund the assets, net of interest income earned on the temporary investment of those funds, and finance costs on generic borrowings capitalised at the rate of 3.0% (2013: 3.1%) representing the average interest rate on general borrowings.

7. INCOME TAX EXPENSE

Hong Kong profits tax is provided at a rate of 16.5% where net assessable profits are derived for the period. No net assessable profit was derived during the period (2013: Nil). The Group has tax losses available to offset any assessable profit generated in Hong Kong for the period. Taxation on profits arising from other jurisdictions have been calculated on the estimated assessable profits for the period at the rates prevailing in the relevant jurisdictions.

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Current income tax expense		
– Hong Kong income tax	2.5	-
– Overseas income tax	(56.0)	(31.1)
	(53.5)	**(31.1)**
Deferred income tax expense		
– Hong Kong income tax	-	-
– Overseas income tax	22.0	10.9
	22.0	**10.9**
Income tax expense	**(31.5)**	**(20.2)**

There is no deferred tax impact relating to items of other comprehensive income (2013: US$Nil).

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the period.

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Profit attributable to equity holders of the Company	39.2	24.9

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	5,289,608	5,289,608
Basic earnings per share	US 0.74 cents	US 0.47 cents

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For Company share options on issue, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Profit attributable to equity holders of the Company	39.2	24.9

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	5,289,608	5,289,608
Adjustments for:		
– Share options[(i)]	-	5,053
Weighted average number of ordinary shares used in the calculation of the diluted earnings per share	5,289,608	5,294,661
Diluted earnings per share	US 0.74 cents	US 0.47 cents

(i) Diluted earnings per share is same as basic earnings per share for the six months ended 30 June 2014. The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options since their exercise would result in an anti-dilutive effect on the basic earnings per share for the six months ended 30 June 2014.

9. DIVIDENDS

At a meeting on 20 August 2014, the directors did not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: US$nil).

At a meeting on 11 March 2014, the directors of the Company recommended the payment of a final dividend of 1.0 US cent per ordinary share (US$52.9 million) for the year ended 31 December 2013. The recommended dividend was approved on 21 May 2014 and was paid on 6 June 2014. This is reflected as an appropriation of retained earnings during the six months ended 30 June 2014.

	SIX MONTHS ENDED 30 JUNE	
	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Dividends paid/payable during the period		
MMG Limited 2013 final dividend	52.9	-
	52.9	-

10. TRADE AND OTHER RECEIVABLES

As at 30 June 2014 and 31 December 2013 trade and other receivables of the Group mainly related to the mining operations. The majority of sales are made under contractual arrangements whereby provisional payment is received promptly after delivery and the balance within 30 to 120 days from delivery. As at 30 June 2014, US$160.1 million (31 December 2013: US$141.1 million) trade receivables were aged less than six months; and no trade receivables (31 December 2013: US$nil) were aged over six months.

11. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES		NOMINAL VALUE	
	30 JUNE 2014 '000	30 JUNE 2013 '000	30 JUNE 2014 HK$ MILLION	30 JUNE 2013 HK$ MILLION
Authorised[(i)]**:**				
Ordinary shares of HK$0.05 each[(i)]	-	18,000,000	-	900.0

	NUMBER OF ORDINARY SHARES		SHARE CAPITAL	
	2014 (UNAUDITED) '000	2013 (UNAUDITED) '000	2014 (UNAUDITED) US$ MILLION	2013 (UNAUDITED) US$ MILLION
Issued and fully paid:				
At 1 January	5,289,608	5,289,608	33.9	33.9
Transfers from share premium, capital redemption reserve and capital reserve[(i)]	-	-	2,325.0	-
At 30 June	5,289,608	5,289,608	2,358.9	33.9

(i) An entirely new Companies Ordinance (Cap.622) (new CO) came into effect on 3 March 2014. The authorised share capital of the Company as at 31 December 2013 was HK$900,000,000, representing 18,000,000,000 ordinary shares.

The new CO abolishes the authorised share capital, par value, share premium, and share redemption reserve, in respect of the share capital of Hong Kong companies. The abolition of par value has no impact on the classes of shares that a company has in issue or the class rights attached to those shares.

As a result, all share premium and capital redemption reserves that exist at the start date of the new CO shall become a part of the Company's share capital. The increase of US$2,325.0 million in monetary amount of the share capital is due to the following transfers on 3 March 2014:

- Share premium of US$2,318.6 million was transferred to share capital;
- Capital redemption reserve of US$0.2 million was transferred to share capital; and
- Capital reserve of US$6.2 million was transferred to share capital.

12. SPECIAL CAPITAL RESERVE

In relation to the capital reorganisation as confirmed by the High Court of the Hong Kong Special Administrative Region on 13 February 2007, the Company provided an undertaking for its petition to the court that as long as any debt or liability of claim against the Company as at the effective date of this capital reorganisation remains outstanding, the Company should credit the following amounts to a special capital reserve:

- All retained profits, if any, accruing to the Company between 1 November 2006 and 13 February 2007 (the effective date of the capital reorganisation).
- Any recovery in excess of the written-down value of or the reversal of impairment loss in respect of certain investments in subsidiaries, listed securities, properties and loans or receivables of the Company as at 31 October 2006.
- An amount equal to the change in fair value in respect of certain share options not yet vested as at 31 October 2006.

The standing to the credit of the special capital reserve shall not be treated as realised profit. It shall be treated as an undistributable reserve of the Company for the purposes of Section 298 of the Hong Kong Companies Ordinance. As at 30 June 2014, the standing to the credit of the Company's special capital reserve, which had been made in accordance with the abovementioned undertaking, amounted to approximately US$9.4 million (2013: US$9.4 million).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

13. BORROWINGS

	30 JUNE 2014 (UNAUDITED) US$ MILLION	31 DECEMBER 2013 (AUDITED) US$ MILLION
Non-current		
Bank borrowings	1,257.2	1,112.0
Convertible redeemable preference shares	181.7	180.3
	1,438.9	1,292.3
Prepayments – finance charges	(21.0)	(21.7)
	1,417.9	**1,270.6**
Current		
Loan from a related party	-	75.0
Bank borrowings	179.5	259.5
Convertible redeemable preference shares	16.8	16.8
Finance lease liabilities	-	0.6
	196.3	351.9
Prepayments – finance charges	(3.0)	(1.1)
	193.3	**350.8**
Analysed as:		
- Secured	1,065.9	1,113.5
- Unsecured	569.3	530.7
	1,635.2	1,644.2
Prepayments – finance charges	(24.0)	(22.8)
	1,611.2	**1,621.4**
Borrowings (excluding: prepayments) are repayable as follows:		
- Within 1 year	196.3	351.9
- Between 1 and 2 years	298.3	126.3
- Between 2 and 5 years	808.7	835.4
- Repayable within 5 years	1,303.3	1,313.6
- Over 5 years	331.9	330.6
	1,635.2	1,644.2
Prepayments – finance charges	(24.0)	(22.8)
	1,611.2	**1,621.4**
Borrowings (excluding: prepayments) are:		
- wholly repayable within 5 years	1,303.3	1,313.6
- not wholly repayable within 5 years	331.9	330.6
	1,635.2	**1,644.2**

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION CONTINUED

14. TRADE AND OTHER PAYABLES

As at 30 June 2014 US$75.9 million (31 December 2013: US$106.6 million) of trade payables were aged less than six months; and no trade payables (31 December 2013: US$nil) were aged over six months.

15. CONTINGENT LIABILITIES

Legal proceedings

The Company and its subsidiaries are defendants in certain legal proceedings arising from the conduct of their businesses as at 30 June 2014. The Group does not consider that the outcome of any of these proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain of the subsidiaries of the Company primarily associated with the terms of mining leases or exploration licences. At the end of the period, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authorities. These guarantees amount to US$281.0 million (31 December 2013: US$$275.7 million). Provision is made in the financial statements for the anticipated costs of the mine rehabilitation obligations under the mining leases and exploration licenses.

16. CAPITAL COMMITMENTS

Commitments for capital expenditure contracted for at the reporting date but not recognised as a liability, is set out in the table below:

	30 JUNE 2014 (UNAUDITED) US$ MILLION	31 DECEMBER 2013 (AUDITED) US$ MILLION
Not later than one year	31.3	35.4
Later than one year but not later than five years	0.1	1.9
	31.4	**37.3**

The commitments as at 30 June 2014 do not include commitments related to transactions or events subsequent to reporting date, including commitments related to the business combination disclosed in Note 17.

17. BUSINESS COMBINATION

On 14 April 2014, the Group announced the proposed acquisition of the Las Bambas Project as part of a joint venture with two other entities. Details of the proposed acquisition have been set out in the circular to shareholders dated 30 June 2014. The acquisition was completed on 31 July 2014 following the satisfaction of necessary approval and consent conditions.

The Las Bambas Project is a large, scalable, long-life development project with prospective exploration options. Located in Cotabambas, Apurimac Region of Peru, the project is at an advanced stage of construction. The Las Bambas Project is expected to produce in excess of two million tonnes of copper in concentrates for the first five years of operation. The estimated mine life is in excess of 20 years.

The joint venture is structured via a JV company established for the purpose of the acquisition. Pursuant to the Shareholders' Agreement each participant subscribed for new shares in the JV Company such that the JV Company is owned 62.5% by the Group and 37.5% by other joint venture partners.

The JV Company, via two wholly-owned subsidiaries (the Purchasers), acquired the entire issued share capital of the Target Company, a wholly owned subsidiary of the Sellers and indirect owner of the Las Bambas Project, for estimated cash consideration of US$2,986.0 million. Additionally, immediately prior to completion, the Purchasers advanced funds to the Project Company, a subsidiary of the Target Company, to enable the repayment of US$4,019.0 million estimated loan balances owed by the Project Company to Glencore subsidiaries (intra-group loans).

The estimated share consideration and the repayment of estimated intra-group loans has been funded by a combination of (i) equity contributions made to the JV Company by the Group and other partners in proportion to their respective shareholdings, and (ii) external bank financing. The pro-rata share of equity contribution to the JV Company by the Group has been financed by a loan from Top Create, a shareholder of the Company.

The cash payments at completion for the share consideration and the repayment of intra-group loans were based on the Sellers' estimates of net asset values and intra-group loan balances as at 31 July 2014, determined in accordance with the terms of the Share Purchase Agreement. Post-completion adjustments for the difference between the Sellers' estimate of the net asset value and intra-group loans and final completion statements will be made between the Seller and the Purchasers.

In accordance with the terms of the Shareholder's Agreement, the Company is of the opinion that it has the ability to govern the financial and operating policies of the JV Company and the JV Company will remain a subsidiary of the Company. Therefore, the Group expects to consolidate the JV Company (and JV Group) in its consolidated financial statements for the year ending 31 December 2014.

As at the date of the interim report, the post completion adjustments and hence the acquisition cash flows, have not been finalised. The Group is in the preliminary stages of determining fair values of the assets and liabilities acquired and the associated accounting for the business combination. The Group has not yet been able to analyse all books and records, and therefore the initial accounting for the business combination is incomplete. Accordingly certain disclosures in relation to the business combination as at the date of acquisition such as the fair value of assets acquired and liabilities assumed, goodwill recognised (if any) and acquisition related transaction costs have not been presented.

During the half year ended 30 June 2014 the Group has incurred US$5.7 million Las Bambas acquisition related expenses (30 June 2013: nil) and US$2.4 million of Las Bambas integration related expenses (2013: nil). These expenses are presented as part of administrative expenses.

The Group also incurred US$5.2 million Las Bambas acquisition related expenses in the second half of 2013. These expenses were presented as part of administrative expenses.

18. NON-CURRENT ASSETS HELD FOR SALE

On 15 April 2014 MMG entered into a sale agreement with QCG Resources Pty Ltd (QCG) for the sale of the Avebury nickel mine, currently on care and maintenance. Avebury has been classified as a disposal group held for sale in the consolidated balance sheet of the Group since the second half of 2012.

In accordance with the terms of the sale agreement the total consideration is A$40.0 million comprising A$35.0 million to be transferred at or prior to completion and A$5.0 million contingent consideration payable at a future date in the event that the Avebury mine obtains agreed production milestones.

As at 30 June 2014 the Group has received an A$1.75 million deposit from QCG that is recognised within current other payables in the consolidated balance sheet.

The sale is subject to a number of conditions precedent, including QCG raising the funds required for its A$33.25 million closing payment. MMG received State-owned Assets Supervision and Administration Commission of the State Council approval on 4 July 2014 ("SASAC Approval Date") and expect the sale to complete within 120 days of this date. Since the SASAC Approval Date, the deposit received became non-refundable even in the event that completion does not occur due to QCG being unable to obtain funding or approvals.

19. EVENTS AFTER BALANCE SHEET DATE

Other than the matters outlined in Note 17 and 18 in this interim financial information, there have been no matters that have occurred subsequent to the reporting date which have significantly affected, or may significantly affect the Group's operations, results or state of affairs in future years.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices by emphasising a quality Board, sound internal controls, transparency and accountability to all Shareholders.

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the period of the first half 2014, except for the deviation from code provision A.4.1 as disclosed below.

Code provision A.4.1 stipulates that Non-executive Directors should be appointed for a specific term and subject to re-election. Each of the Non-executive Directors entered into a service agreement with the Company for a specific term of three years, except Dr Peter Cassidy. Dr Cassidy's appointment agreement commenced on 31 December 2010 and continues until either the Company or he terminates such agreement by serving on the other not less than one month's prior written notice. In accordance with the articles of association of the Company, each Director appointed by the Board shall be subject to re-election by Shareholders at the next general meeting (in the case of filling a casual vacancy) or at the next AGM (in the case of an addition to the Board), and thereafter be subject to retirement by rotation at least once every three years at the AGM. Dr Cassidy, who was appointed by the Board on 31 December 2010 to fill a casual vacancy, was re-elected by the Shareholders at the AGM held on 16 May 2011. He is also subject to retirement by rotation at least once every three years at the AGM. Dr Cassidy was re-elected by Shareholders at the AGM held on 22 May 2013.

The Company adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised, delegated and/or discharged, having regard to principles of good corporate governance, international best practice and applicable laws. The Board Charter is adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

AUDIT COMMITTEE

The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr Anthony Larkin, Dr Peter Cassidy and Mr Leung Cheuk Yan and one Non-executive Director, Mr Gao Xiaoyu. Mr Anthony Larkin is the Chairman of the Audit Committee.

The Audit Committee is accountable to the Board. Its principal duties include the review and supervision of the financial reporting process and internal control system of the Group. The Audit Committee has reviewed the unaudited interim financial report of the Group for the first half 2014.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a model code for securities trading by directors of the Company (Securities Trading Code) on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry with all the directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code and the Securities Trading Code during the first half 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed its securities during the first half of 2014, and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the first half 2014.

INDEPENDENT REVIEW

The interim financial information for the six months ended 30 June 2014 is unaudited and has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Hong Kong Institute of Certified Public Accountants. The auditor's unmodified review report will be included in the 2014 Interim Report. This interim financial information has also been reviewed by the Company's Audit Committee.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is also published on the website of the Company at www.mmg.com. The Company's 2014 Interim Report will be despatched to Shareholders and available on the websites of the Hong Kong Stock Exchanges and Clearing Limited at www.hkexnews.hk and the Company respectively in due course.

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MMG LIMITED

EXECUTIVE COMMITTEE
Andrew MICHELMORE, Chief Executive Officer and Executive Director

David LAMONT, Chief Financial Officer and Executive Director

XU Jiqing, Executive General Manager Strategic Planning and Executive Director

Marcelo BASTOS, Chief Operating Officer

Troy HEY, Executive General Manager Stakeholder Relations

Michael NOSSAL, Executive General Manager Business Development

Steve RYAN, Executive General Manager Exploration

Greg TRAVERS, Executive General Manager Business Support

IMPORTANT DATES
16 October 2014 – Third Quarter 2014 Production Report

15 January 2015 – Fourth Quarter 2014 Production Report.

MMG will present its financial results to investors at 9.30am Hong Kong time via Audio Webcast Thursday 21 August 2014. This presentation will be broadcast on mmg.com and replay will be available. For details please contact Investor Relations.

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GLOSSARY

A$	Australian dollar, the lawful currency of Australia
AGM	Annual general meeting
Album Enterprises	Album Enterprises Limited, a company incorporated on 19 January 2005 in Hong Kong with limited liability, a wholly owned subsidiary of CMN
Album Investment	Album Investment Private Limited, a company incorporated on 8 April 2009 in Singapore with limited liability, a wholly owned subsidiary of the Company
Album Resources	Album Resources Private Limited, a company incorporated on 8 April 2009 in Singapore with limited liability, a wholly owned subsidiary of the Company
Associate	has the meaning ascribed to it under the Listing Rules
Australia	the Commonwealth of Australia
Board	the board of directors of the Company
Board Charter	the Board charter of the Company
BOC	Bank of China Limited, a company listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange
BOC Singapore	BOC, Singapore Branch
BOC Sydney	BOC, Sydney Branch
C$	Canadian dollar, the lawful currency of Canada
CDB	China Development Bank Corporation
CEO	Chief Executive Officer
Changzhou Jinyuan	Changzhou Jinyuan Copper Co., Ltd.
China	has the same meaning as PRC
CITIC	CITIC Metal Peru Investment Limited, a company incorporated in Hong Kong
CMC	China Minmetals Corporation, formerly known as China National Metals and Minerals Import and Export Corporation, a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC
CMCL	China Minmetals Corporation Limited, a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC
CMN	China Minmetals Non-ferrous Metals Company Limited, a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC
CMNH	China Minmetals Non-ferrous Metals Holding Company Limited, a joint stock limited company incorporated on 22 December 2009 under the laws of the PRC
Company	MMG Limited (formerly known as Minmetals Resources Limited), a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the Stock Exchange

Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Discontinued operations or disposal group	the trading, fabrication and other operations that were effectively disposed in December 2011. The trading, fabrication and other assets include the Company's entire 100% equity interest in Minmetals Aluminium, Riseup Dragon Limited's entire 72.80% equity interest in North China Aluminium, Orienmet Industry Company Limited's entire 51% equity interest in Yingkou Orienmet and Lontic (H.K.) Limited's entire 36.2913% equity interest in Changzhou Jinyuan. Orienmet Industry Company Limited, Riseup Dragon Limited and Lontic (H.K.) Limited are the wholly owned subsidiaries of the Company
DRC	Democratic Republic of the Congo
EBIT	earnings before interest (net finance cost) and income tax
EBITDA	earnings before interest (net finance cost), income tax, depreciation, amortisation and impairment expenses
EBITDA margin	EBITDA divided by revenue
Elion Holdings	Elion Holdings Corporation Limited, a company incorporated in Hong Kong with limited ability and a wholly owned subsidiary of GXIIC;
Executive Committee	the executive committee of the Group which consists of all Executive Directors of the Company, Chief Operating Officer, Executive General Manager – Business Development, Executive General Manager – Exploration, Executive General Manager – Business Support and Executive General Manager – Stakeholder Relations
Gearing ratio	net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity
Glencore	Glencore plc. (previously known as Glencore Xstrata plc.), a company incorporated in Jersey with registered number 107710
GQL	Glencore Queensland Limited, a company incorporated in Brisbane, Queensland, Australia with registration number ACN 009 814 019
Group	the Company and its subsidiaries
GXIIC	GUOXIN International Investment Corporation Limited, a company incorporated in Hong Kong with limited liability
g/t	grams per tonne
HK$	Hong Kong dollar, the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standards (see definition of HKFRS)
HKFRS	Hong Kong Financial Reporting Standards, which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKAS) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA)
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
ICBC	The Industrial and Commercial Bank of China Limited, Sydney Branch
ICMM	International Council on Mining and Metals

Interpretation	the Interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of a mine (production stripping costs) effective 1 January 2013 in accordance with HK (IFRIC) – Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
JORC Code	Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'
JV Company	MMG South America Management Company Limited, a company incorporated on 11 February 2014 in Hong Kong with limited liability
JV Group	the JV Company and its subsidiaries
Laos	the Lao People's Democratic Republic (Lao PDR)
Las Bambas Project	the development, construction and operation of the copper mines, processing facilities and associated infrastructure at the Las Bambas copper project located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of products from such mines
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	London Metal Exchange
LTIFR	lost time injury frequency rate
LXML	Lane Xang Minerals Limited, a company incorporated on 30 September 1993 in Laos as the holding company for the Sepon operation
m	metre(s)
mm	millimetre(s)
Mineral Resource	as defined under the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction
Minmetals Aluminium	Minmetals Aluminium Company Limited
MMG Century	MMG Century Limited, a company incorporated on 25 November 1986 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG Dugald River	MMG Dugald River Pty Ltd, a company incorporated on 15 July 1998 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG Golden Grove	MMG Golden Grove Pty Ltd, a company incorporated on 21 June 2005 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG Laos Holdings	MMG Laos Holdings Limited, a company incorporated on 25 May 1993 in the Cayman Islands with limited liability and a wholly owned subsidiary of the Company
MMG Limited or MMG	has the same meaning as the Company

MMG Management	MMG Management Pty Ltd, a company incorporated on 15 July 2005 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG SA	MMG South America Company Limited, a company incorporated on 4 May 1990 in Hong Kong with limited liability, a wholly owned subsidiary of the Company
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
NIRB	Nunavut Impact Review Board
North China Aluminium	North China Aluminium Company Limited
Ore Reserve	as defined under the JORC Code, the economically mineable part of a Measured and/or Indicated Mineral Resource
PRC	the People's Republic of China excluding, for the purpose of this document only, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan, unless the context requires otherwise
Production data	the production data included in this report is the metal contained in concentrate, cathode or doré for the key products the Company produces
Project Company	Las Bambas Mining Company S.A. (formerly known as Xstrata Las Bambas S.A.), a company incorporated in Lima, Peru with registration number 12587752
Purchasers	Minera Las Bambas S.A.C., a company incorporated on or about 17 February 2014 in Lima, Peru with limited liability and MMG Swiss Finance AG, a company incorporated on 20 February 2014 in Switzerland, each of which is a subsidiary of the Company
Securities Trading Code	a model code adopted by the Company for securities trading by directors of the Company on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules
Sellers	XSAL and GQL
Sellers' Guarantor	Glencore International AG, a company incorporated in Switzerland with registration number CH-170.3.012.788-3
SFO	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Shareholder(s)	the shareholder(s) of the Company
Shareholders' Agreement	the subscription and shareholders' agreement dated 13 April 2014 between the Company, MMG SA, Elion Holdings, GXIIC, CITIC Metal Co., Ltd and the JV Company
Share Purchase Agreement	the share purchase agreement dated 13 April 2014 between the Sellers, the Sellers' Guarantor, the Purchasers and the Company in relation to the acquisition of Las Bambas project
Stock Exchange	The Stock Exchange of Hong Kong Limited

Target Company	Las Bambas Holdings S.A (formerly known as Xstrata Peru S.A.), a company incorporated in Lima, Peru and registered under registry file with registration number 11677748 of the registry of legal entities of Lima, Peru
Topstart	Topstart Limited, a company incorporated in the British Virgin Islands with limited liability and currently a wholly owned subsidiary of the Company
Top Create	Top Create Resources Limited, a company incorporated on 22 January 2004 in the British Virgin Islands with limited liability
Trading, fabrication and other operations	has the same meaning as disposal group
TRIFR	total recordable injury frequency rate
US$	United States dollar, the lawful currency of the United States of America
XSAL	Xstrata South America Limited, a company incorporated in the Cayman Islands with registration number 139719
Yingkou Orienmet	Yingkou Orienmet Plica Tube Company Limited

By order of the Board
MMG Limited
Andrew Gordon Michelmore
CEO and Executive Director

Hong Kong, 20 August 2014

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.