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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

CONNECTED TRANSACTIONS CONCENTRATE SALE AGREEMENTS

LEAD CONCENTRATE SALE AGREEMENTS

On 30 September 2015, MMG Golden Grove entered into the Lead Concentrate Sale Agreement No. 2 with Minmetals North-Europe in relation to the sale of the lead concentrate by MMG Golden Grove to Minmetals North-Europe.

On 30 September 2015, MMG Century entered into the Lead Concentrate Sale Agreement No. 3 with Minmetals North-Europe in relation to the sale of the lead concentrate by MMG Century to Minmetals North-Europe.

COPPER CONCENTRATE SALE AGREEMENT

On 30 September 2015, MMG Golden Grove entered into the Copper Concentrate Sale Agreement with Album Trading in relation to the sale of copper concentrate by MMG Golden Grove to Album Trading.

IMPLICATIONS UNDER THE LISTING RULES

Minmetals North-Europe and Album Trading are wholly owned subsidiaries of CMC, the ultimate controlling shareholder of the Company, and are therefore associates of CMC and a connected person of the Company under the Listing Rules. As a result, the Concentrate Sale Agreements constitute connected transactions for the Company.

As all of the relevant percentage ratios in respect of the Concentrate Sale Agreements (when aggregated with connected transactions already concluded this year) are more than 0.1% but less than 5%, the transactions constitute connected transactions which are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LEAD CONCENTRATE SALE AGREEMENT No. 2

On 30 September 2015, MMG Golden Grove entered into the Lead Concentrate Sale Agreement No. 2 with Minmetals North-Europe. The principal terms of the Lead Concentrate Sale Agreement No. 2 are set out below.

- Parties : (1) MMG Golden Grove
(2) Minmetals North-Europe
- Term : Commencing on 30 September 2015 and concluding on the date on which all of the obligations of the parties are fulfilled.
- Quantity of Lead Concentrate : 4,000 dry metric tonnes (+/- 10% at MMG Golden Grove's option).
- Pricing : The price shall be:
- calculated based on an agreed percentage of:
 - lead contained in the lead concentrate at the LME Cash Price for lead; and
 - silver contained in the lead concentrate at the LBMA silver price; and
 - gold contained in the lead concentrate at the LBMA gold price; and
 - copper contained in the lead concentrate at the LME Grade A Cash Price for copper,each averaged over the agreed quotational period;
 - less an agreed treatment charge and agreed silver refining charge which are consistent with those charges prevailing for comparable lead concentrate sold in 2015.
- Delivery Terms : MMG Golden Grove shall arrange and pay for bulk shipment of the lead concentrate during Q4 2015, subject to vessel availability, on a CIF basis to discharging port(s) nominated by Minmetals North-Europe.
- Payment Terms : The Provisional Payment and the Final Payment are to be made in US dollars.
- Transaction Value : If the transaction was executed on 30 September 2015, it would be valued at approximately US\$8.5 million.

The terms of the Lead Concentrate Sale Agreement No. 2 were arrived at after arm's length negotiations between MMG Golden Grove and Minmetals North-Europe and are consistent with terms offered by alternative buyers.

COPPER CONCENTRATE SALE AGREEMENT

On 30 September 2015, MMG Golden Grove entered into the Copper Concentrate Sale Agreement with Album Trading. The principal terms of the Copper Concentrate Sale Agreement are set out below.

- Parties : (1) MMG Golden Grove
(2) Album Trading
- Term : Commencing on 30 September 2015 and concluding on the date on which all of the obligations of the parties are fulfilled.
- Quantity of Copper Concentrate : 10,000 dry metric tonnes (+/- 10% at MMG Golden Grove's option).
- Pricing : The price shall be:
- calculated based on an agreed percentage of:
 - copper contained in the copper concentrate at the LME Grade A Cash Price for copper; and
 - silver contained in the copper concentrate at the LBMA silver price; and
 - gold contained in the copper concentrate at the LBMA gold price,each averaged over the agreed quotational period;
 - less an agreed treatment charge and agreed copper, silver and gold refining charge which are consistent with those charges prevailing for comparable copper concentrate sold by major copper concentrate producers to China in 2015.
- Delivery Terms : MMG Golden Grove shall arrange and pay for bulk shipment of the copper concentrate during Q4 2015, subject to vessel availability, on a CIF basis to discharging port(s) nominated by Album Trading.
- Payment Terms : The Provisional Payment and the Final Payment are to be made in US dollars.
- Transaction Value : If the transaction was executed on 30 September 2015, it would be valued at approximately US\$9.1 million.

The terms of the Copper Concentrate Sale Agreement were arrived at after arm's length negotiations between MMG Golden Grove and Album Trading.

LEAD CONCENTRATE SALE AGREEMENT No. 3

On 30 September 2015, MMG Century entered into the Lead Concentrate Sale Agreement No. 3 with Minmetals North-Europe. The principal terms of the Lead Concentrate Sale Agreement No. 3 are set out below.

Parties	:	(1) MMG Century (2) Minmetals North-Europe
Term	:	Commencing on 30 September 2015 and concluding on the date on which all of the obligations of the parties are fulfilled.
Quantity of Lead Concentrate	:	5,000 dry metric tonnes (+/- 10% at MMG Century's option).
Pricing	:	The price shall be: <ul style="list-style-type: none"> • calculated based on an agreed percentage of: <ul style="list-style-type: none"> ○ lead contained in the lead concentrate at the LME Cash Price for lead; and ○ silver contained in the lead concentrate at the LBMA silver price, • each averaged over the agreed quotational period; • less an agreed treatment charge and agreed silver refining charge which are consistent with those charges prevailing for comparable lead concentrate sold in 2015.
Delivery Terms	:	MMG Century shall arrange and pay for bulk shipment of the lead concentrate during Q4 2015, subject to vessel availability, on a CIF basis to discharging port(s) nominated by Minmetals North-Europe.
Payment Terms	:	The Provisional Payment and the Final Payment are to be made in US dollars.
Transaction Value	:	If the transaction was executed on 30 September 2015, it would be valued at approximately US\$4.0 million.

The terms of the Lead Concentrate Sale Agreement No. 3 were arrived at after arm's length negotiations between MMG Century and Minmetals North-Europe and are consistent with terms offered by alternative buyers.

REASONS FOR AND BENEFITS OF THE CONCENTRATE SALE AGREEMENTS

The Group's principal activities include the production and sale of metal products, including lead and copper concentrate. As part of its ordinary and usual course of business, the Group sells some of its products to the CMC Group at prices and on terms which are consistent with prevailing market rates and conditions for the relevant products.

Minmetals North-Europe has agreed to purchase the shipments of lead concentrate under the Lead Concentrate Sale Agreements on terms which are consistent with prevailing market rates and conditions for comparable lead concentrate. Album Trading has agreed to purchase the shipment of copper concentrate under the Copper Concentrate Sale Agreement on terms which are consistent with prevailing market rates and conditions for comparable copper concentrate.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the terms of the Concentrate Sale Agreements and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

No Director has any material interest in the transaction contemplated under either of the Concentrate Sale Agreements which prohibits him/her from voting on the resolution of the Board to approve the Concentrate Sale Agreements and no Director has abstained from approving such Board resolution.

IMPLICATIONS UNDER THE LISTING RULES

Minmetals North-Europe and Album Trading are wholly owned subsidiaries of CMC, the ultimate controlling shareholder of the Company, and are therefore associates of CMC and connected persons of the Company under the Listing Rules. As a result, the Concentrate Sale Agreements constitute connected transactions for the Company.

Pursuant to rule 14A.81 of the Listing Rules, the transactions contemplated under the Concentrate Sale Agreements are aggregated with each other and with the Previous Concentrate Sale Agreements. As all of the relevant percentage ratios in respect of the Concentrate Sale Agreements (when aggregated with the Previous Concentrate Sale Agreements) are more than 0.1% but less than 5%, they constitute connected transactions which are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the Listing Rules where applicable.

INFORMATION ABOUT THE GROUP

The Group is engaged in the exploration, development and mining of zinc, copper, gold, silver and lead deposits around the world.

INFORMATION ABOUT THE BUYERS

Minmetals North-Europe and Album Trading are wholly owned subsidiaries of CMC, the ultimate controlling shareholder of the Company.

Minmetals North-Europe is engaged in the purchase and sale of a wide range of non-ferrous metals including tungsten, rare earth, copper, alumina, lead and zinc.

Album Trading is engaged in the purchase and sale of a wide range of non-ferrous metals including copper, lead and zinc.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

Album Trading	Album Trading Company Limited, a company incorporated in Macau, which is an indirect wholly owned subsidiary of CMC
associates	has the meaning ascribed to it under the Listing Rules
Board	the board of directors of the Company
Century Mine	the zinc-lead mine located in north-west Queensland, Australia
CMC	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a State-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
CMC Group	CMC and its subsidiaries and associates from time to time (excluding the Group)
Company	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange
Concentrate Sale Agreements	the Copper Concentrate Sale Agreement, the Lead Concentrate Sale Agreement No. 2 and the Lead Concentrate Sale Agreement No. 3
connected person	has the meaning ascribed to it under the Listing Rules
controlling shareholder	has the meaning ascribed to it under the Listing Rules
Copper Concentrate	Copper concentrate produced by MMG Golden Grove at the Golden Grove Mine
Copper Concentrate Sale Agreement	the agreement dated 30 September 2015 between MMG Golden Grove and Album Trading in relation to the sale of the Copper Concentrate by MMG Golden Grove to Album Trading
Director(s)	the director(s) of the Company
Final Payment	the final payment made in accordance with usual market practice for the sale of metal products whereby the balance of the value of the entire shipment, based on the final weights, assays and prices as determined in accordance with the terms of the sale agreement, is paid by the buyer or the seller (as the case may be, having regard to the amount of the Provisional Payment) to the other party within 5 to 10 days of receipt of the seller's final invoice
Group	the Company and its subsidiaries from time to time

Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
LBMA	the London Bullion Market Association
Lead Concentrate	Lead concentrate produced by MMG Golden Grove at the Golden Grove Mine
Lead Concentrate Sale Agreement No. 1	the agreement dated 29 July 2015 between MMG Century and Minmetals North-Europe in relation to the sale of lead concentrate produced at the Century Mine by MMG Century to Minmetals North-Europe
Lead Concentrate Sale Agreement No. 2	the agreement dated 30 September 2015 between MMG Golden Grove and Minmetals North-Europe in relation to the sale of Lead Concentrate by MMG Golden Grove to Minmetals North-Europe
Lead Concentrate Sale Agreement No. 3	the agreement dated 30 September 2015 between MMG Century and Minmetals North-Europe in relation to the sale of lead concentrate produced at the Century Mine by MMG Century to Minmetals North-Europe
Lead Concentrate Sale Agreements	Lead Concentrate Sale Agreement No. 2 and Lead Concentrate Sale Agreement No. 3
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	the London Metal Exchange
Minmetals North-Europe	Minmetals North-Europe AB, a company incorporated in Sweden, which is an indirect wholly owned subsidiary of CMC
MMG Century	MMG Century Limited, a company incorporated on 25 November 1986 in Australia with limited liability which is an indirect 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 which is an indirect wholly owned subsidiary of the Company
PRC	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
Previous Concentrate Sale Agreements	the Zinc Concentrate Sales Agreement and the Lead Concentrate Sale Agreement No. 1

Provisional Payment	the provisional payment which is made in accordance with usual market practice for the sale of metal products whereby an agreed percentage amount of between 90% and 100% of the estimated value of the entire shipment based on shipped weights, seller's provisional assays and average prices of the relevant commodities over an agreed period, is paid by the buyer after receiving a full set of original documents which are issued by the seller promptly after shipment including bills of lading, certificate of insurance, seller's weight and moisture certificate and assay certificate, seller's provisional invoice and seller's certificate of origin
Stock Exchange	The Stock Exchange of Hong Kong Limited
subsidiary	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Zinc Concentrate Sales Agreement	the agreement dated 2 June 2015 between MMG Century and Minmetals North-Europe in relation to the sale of zinc concentrate by MMG Century to Minmetals North-Europe
%	Percentage

Unless otherwise specified, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.8 for the purpose of illustration only. No representation is made and there is no assurance that US\$ or HK\$ can be purchased or sold at such rate.

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

Hong Kong, 30 September 2015

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; two are non-executive directors, namely Mr Jiao Jian (Chairman) and Mr Gao Xiaoyu; and four are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan, Ms Jennifer Anne Seabrook and Professor Pei Ker Wei.