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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(HKEX STOCK CODE: 1208)
(ASX STOCK CODE: MMG)

ANNOUNCEMENT ON ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors (Board) of MMG Limited (MMG or Company) is pleased to announce the consolidated results of the Company and its subsidiaries (Group) for the year ended 31 December 2015.

The financial information set out in this announcement does not constitute the Group's full financial statements for the year ended 31 December 2015, but represents an extract from those financial statements.

The financial information has been reviewed by the Company's Audit Committee and agreed by the Company's auditor.

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

HIGHLIGHTS

- First copper from commissioning activities achieved at Las Bambas with first shipment to customers of approximately 10,000 tonnes of copper concentrate in January 2016. Project construction is essentially complete with MMG expecting to produce 250,000–300,000 tonnes of copper in concentrate in 2016.
- Revenue down US$528.9 million or 21% on 2014 to US$1,950.9 million. Record copper production offset by lower average realised prices. Average realised prices for copper and zinc 20% and 11% lower respectively.
- Record copper sales due to outstanding production performance at Kinsevere and Sepon.
- Zinc sales volumes 12% lower due to Century processing final ore in November 2015, marginally offset by zinc-focused production at Golden Grove.
- Operating expenses down US$178.1 million, including US$114.3 million benefit from weaker Australian dollar exchange rate. Cost reductions include a US$30.6 million reduction in exploration expenses and a US$20.7 million reduction in administration expenses.
- Cashflow from operating activities of US$282.4 million demonstrates ability to deliver continued operational efficiencies.
- Underlying loss (after tax) of US$264.4 million due to lower average realised prices for all commodities and an increase to Century's 2014 mine rehabilitation provision of US$146.3 million.
- Non-cash impairment net of tax of US$784.3 million to asset accounting carrying values, primarily as a result of commodity price movements, resulting in a full year loss of US$1,048.7 million (after tax).
- Appointment of Mr Ross Carroll as Chief Financial Officer and member of the Executive Committee of the Company.
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2015.

YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Revenue	1,950.9	2,479.8	(21%)
EBITDA	420.9	780.8	(46%)
EBITDA margin	22%	31%	
EBIT – Underlying	(228.5)	243.7	(194%)
(Loss)/profit after tax – Underlying	(264.4)	99.2	(367%)
Impairment (net of tax)	(784.3)	-	
(Loss)/profit after tax – Statutory	(1,048.7)	99.2	
Net cash generated from operating activities	282.4	666.7	(58%)
Dividend per share	-	-	-
Basic and diluted (loss)/earnings per share	(US 19.4 cents)	US 1.96 cents	-
Basic and diluted (loss)/earnings per share – Underlying	(US 4.6 cents)	US 1.96 cents	-

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

For the purpose of the management discussion and analysis, the Group's results for the 12 months ended 31 December 2015 are compared with results for the 12 months ended 31 December 2014.

YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Revenue	**1,950.9**	**2,479.8**	**(21%)**
Operating expenses	(1,313.2)	(1,491.3)	12%
Exploration expenses	(42.4)	(73.0)	42%
Administration expenses	(90.8)	(111.5)	19%
Business acquisition expenses	-	(16.3)	100%
Other income and expenses	(83.6)	(6.9)	(1,112%)
EBITDA	**420.9**	**780.8**	**(46%)**
Depreciation and amortisation expenses	(649.4)	(537.1)	(21%)
EBIT - Underlying	**(228.5)**	**243.7**	**(194%)**
Net finance costs	(85.0)	(79.4)	(7%)
(Loss)/profit before income tax – Underlying	**(313.5)**	**164.3**	**(291%)**
Income tax benefit /(expense) – Underlying	49.1	(65.1)	175%
(Loss)/profit for the year – Underlying	**(264.4)**	**99.2**	**(367%)**
Impairment charge – net of income tax benefit	(784.3)	-	n/a
(Loss)/profit for the year – Statutory	**(1,048.7)**	**99.2**	**-**

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 (excluding Las Bambas) and corporate activities being classified as 'Other'. The Group's operations comprise Sepon, Kinsevere, Century, Rosebery, Golden Grove and Las Bambas.

YEAR ENDED 31 DECEMBER	REVENUE			EBITDA		
	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Sepon	496.9	620.2	(20%)	248.8	366.5	(32%)
Kinsevere	418.1	465.7	(10%)	131.8	189.3	(30%)
Century	613.6	853.3	(28%)	159.8	323.5	(51%)
Rosebery	201.1	247.5	(19%)	79.1	85.2	(7%)
Golden Grove	221.2	293.1	(25%)	19.5	29.0	(33%)
Las Bambas(i)	-	-		(72.1)	(42.3)	(70%)
Other	-	-		(146.0)	(170.4)	14%
Total	**1,950.9**	**2,479.8**	**(21%)**	**420.9**	**780.8**	**(46%)**

(i) MMG acquired Las Bambas as part of the acquisition of Xstrata Peru S.A. in July 2014. The financial results of Las Bambas have been consolidated from 31 July 2014.

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 revenue decreased by US$528.9 million to US$1,950.9 million due to lower realised prices for all commodities (US$506.4 million) and lower zinc sales volumes (US$109.8 million). These were partially offset by favourable sales volumes of copper (US$35.2 million), lead (US$30.4 million), gold (US$0.4 million) and silver (US$21.3 million).

REVENUE BY COMMODITY YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Copper	1,031.0	1,280.7	(20%)
Zinc	618.3	884.7	(30%)
Lead	144.3	142.9	1%
Gold	64.1	73.2	(12%)
Silver	93.2	98.3	(5%)
Total	**1,950.9**	**2,479.8**	**(21%)**

Price

Lower average LME prices across all MMG commodities in 2015 compared with 2014 had an unfavourable impact on revenue. Copper average realised price was favourably impacted by a steady decline in copper concentrate treatment charges and refinement charges (TC/RCs) during 2015, while higher TC/RCs for zinc unfavourably impacted the average realised price for the same period.

AVERAGE LME CASH PRICE YEAR ENDED 31 DECEMBER	2015	2014	CHANGE FAV/(UNFAV)
Copper (US$/tonne)	5,495	6,862	(20%)
Zinc (US$/tonne)	1,928	2,164	(11%)
Lead (US$/tonne)	1,784	2,096	(15%)
Gold (US$/ounce)	1,160	1,266	(8%)
Silver (US$/ounce)	15.68	19.08	(18%)

Sales volumes

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER	2015	2014	CHANGE FAV/(UNFAV)
Copper (tonnes)	197,338	192,909	2%
Zinc (tonnes)	459,715	524,828	(12%)
Lead (tonnes)	105,710	86,951	22%
Gold (ounces)	61,405	61,028	1%
Silver (ounces)	6,005,765	5,138,014	17%

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER 2015	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Sepon	88,752	-	-	-	-
Kinsevere	80,236	-	-	-	-
Century	-	343,109	81,014	-	2,603,507
Rosebery	2,749	74,083	19,354	34,302	1,867,721
Golden Grove	25,601	42,523	5,342	27,103	1,534,537
Total	**197,338**	**459,715**	**105,710**	**61,405**	**6,005,765**

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER 2014	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Sepon	88,377	-	-	524	718
Kinsevere	69,552	-	-	-	-
Century	-	419,484	60,786	-	1,626,930
Rosebery	2,351	73,051	22,894	35,572	2,446,196
Golden Grove	32,629	32,293	3,271	24,932	1,064,170
Total	**192,909**	**524,828**	**86,951**	**61,028**	**5,138,014**

Record copper sales volumes up 2% compared to 2014 was the result of record production at Kinsevere and stable production at Sepon despite challenging Type II ore that is harder and consumes more acid.

Zinc sales volumes were 12% lower than the previous year due to final processing of Century sourced ore in November 2015, marginally offset by Golden Grove's mine plan favouring zinc production in the fourth quarter.

Lead sales volumes increased by 22% when compared with 2014 due to increased mill throughput.

Operating expenses include expenses of operating sites, 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$178.1 million (12%), driven by a favourable Australian dollar exchange rate and a continued focus on strategic cost reduction across all operating sites. Lower freight and royalties costs also contributed to favourable operating expenses. The weaker Australian dollar is estimated to have resulted in a US$114.3 million favourable impact on total operating expenses (AUD:USD average rate of 0.7522 in 2015 versus 0.9022 in 2014).

Exploration expenses decreased by US$30.6 million (42%) to US$42.4 million when compared to 2014. This is consistent with the Company's plans to reduce discretionary spending in a lower commodity price environment. Exploration focused on mine district exploration in 2015 at Las Bambas, Kinsevere and Sepon.

Project generation spend was down US$2.7 million (69%), particularly in copper (down US$0.9 million) and nickel (down US$0.9 million).

New discovery spend was down US$14.5 million (44%) across all exploration sites, specifically Australia down US$2.1 million (27%), Africa down US$9.3 million (55%) and the Americas down US$3.0 million (37%).

The Group invested US$22.7 million in mine district exploration, a decrease of US$12.3 million (35%) compared to 2014. Exploration in 2015 focused on sustaining current Ore Reserves and increasing the mine life of existing assets with particular focus on Sepon and Kinsevere. Mine district exploration in Australia did not occur in 2015 compared with US$6.5 million invested in 2014.

Administrative expenses decreased by US$20.7 million (19%) to US$90.8 million in 2015. During the year, the Group has been focusing on driving greater business support and operational efficiency at the Las Bambas Project and existing operations. Cost savings were realised due to the absence of significant merger and acquisition costs when compared to 2014 when the Las Bambas asset was acquired.

The weaker Australian dollar also aided the lower administrative expenses.

Other income and expenses had an unfavourable US$83.6 million impact on EBIT in 2015 compared to a negative impact of $US6.9 million in 2014.

The increase in 2015 was largely driven by foreign exchange losses on the translation of Peruvian value added tax (VAT) receivables. The VAT is denominated in Peruvian sol which devalued against US dollars by 10% during the year. Other items impacting the result included losses on financial assets recognised at fair value through profit or loss, foreign exchange losses on the translation of monetary items, gains/(losses) on disposal of property, plant and equipment, investments and financial assets.

Depreciation and amortisation expenses increased by US$112.3 million (21%) to US$649.4 million in 2015. This was primarily due to the amortisation expense on the additional mine rehabilitation provision at Century of US$146.3 million, recognised at the end of 2014. Higher depreciation and amortisation expenses were also driven by higher ore mined and ore milled volumes at Sepon and Rosebery and higher ore milled at Kinsevere.

Net finance costs increased by US$5.6 million to US$85.0 million in 2015. The higher cost was driven by an increase of US$7.1 million in interest unwind associated with the increase in the mine rehabilitation provision for Century's closure in December 2014.

Income tax expense – underlying decreased by US$114.2 million to US$49.1 million tax benefit in 2015 reflecting the decrease in profit before income tax for the Group. The effective tax rate in 2015 was 15.7% and was partly due to the impact of non-creditable Peruvian withholding tax.

Impairment charge net of income tax benefit in relation to changes to the recoverable amounts comprising the Dugald River (US$462.6 million), Izok Corridor Development Project (US$53.9 million), the Kinsevere exploration tenements (US$52.5 million), Kinsevere goodwill (US$211.4 million) and the Avebury held-for-sale asset (US$3.9 million), taking into account the extent of tax deductibility of accounting impairments in the relevant tax jurisdictions.

SEGMENT ANALYSIS

Sepon

YEAR ENDED 31 DECEMBER	2015	2014	CHANGE FAV/(UNFAV)
Production			
Ore mined (tonnes)	1,847,828	1,788,282	3%
Ore milled (tonnes)	2,116,501	1,909,018	11%
Copper cathode (tonnes)	89,253	88,541	1%
Gold (ounces)	-	364	(100%)
Payable metal in product sold			
Copper (tonnes)	88,752	88,377	0%
Gold (ounces)	-	524	(100%)
Silver (ounces)	-	718	(100%)

YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Revenue	**496.9**	**620.2**	**(20%)**
Operating expenses			
Production expenses			
Mining(i)	(28.9)	(24.6)	(17%)
Processing(i)	(140.4)	(132.7)	(6%)
Other(i)	(44.4)	(56.8)	22%
Total production expenses	**(213.7)**	**(214.1)**	**0%**
Freight (transportation)	(5.6)	(6.7)	16%
Royalties	(22.1)	(27.6)	20%
Other (ii)	4.4	(5.0)	188%
Total operating expenses	**(237.0)**	**(253.4)**	**6%**
Other income/(expenses)	(11.1)	(0.3)	(3,600%)
EBITDA	**248.8**	**366.5**	**(32%)**
Depreciation, and amortisation expenses	(114.4)	(98.9)	(16%)
EBIT	**134.4**	**267.6**	**(50%)**
EBITDA margin	**50%**	**59%**	

(i) The amounts disclosed in the prior period have been restated to align with the current period presentation.

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

Sepon achieved improved production and milling despite increased blending of harder Type II ore as a result of further improvements to plant optimisation and asset utilisation.

Despite stable copper sales of 88,752 tonnes of copper cathode, revenue decreased US$123.3 million (20%) compared to 2014 as a result of lower average realised copper price.

Mining and processing costs increased by US$4.3 million (17%) and US$7.7 million (6%) respectively which is in line with increased mining and milling rates, and increased consumption of acid and grinding media associated with the processing of harder Type II ore.

A focus on managing controllable costs, with a particular emphasis on contractors and employees, assisted in maintaining a strong EBITDA margin of 50% in 2015, down from 59% in 2014.

Depreciation and amortisation expenses have increased by US$15.5 million (16%) due to higher mining and milling volumes.

Kinsevere

YEAR ENDED 31 DECEMBER	2015	2014	CHANGE FAV/(UNFAV)
Production			
Ore mined (tonnes)	2,207,304	2,792,664	(21%)
Ore milled (tonnes)	2,183,905	1,798,258	21%
Copper cathode (tonnes)	80,169	69,624	15%
Payable metal in product sold			
Copper (tonnes)	80,236	69,552	15%

YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Revenue	**418.1**	**465.7**	**(10%)**
Operating expenses			
Production expenses			
Mining(i)	(28.0)	(36.6)	23%
Processing(i)	(114.2)	(108.1)	(6%)
Other(i)	(81.3)	(65.3)	(25%)
Total production expenses	**(223.5)**	**(210.0)**	**(6%)**
Freight (transportation)	(45.1)	(39.7)	(14%)
Royalties	(18.5)	(19.8)	7%
Other(ii)	(1.3)	(6.5)	80%
Total operating expenses	**(288.4)**	**(276.0)**	**(5%)**
Other income/(expenses)	2.1	(0.4)	625%
EBITDA	**131.8**	**189.3**	**(30%)**
Depreciation and amortisation expenses	(190.1)	(140.3)	(35%)
EBIT (Underlying)	**(58.3)**	**49.0**	**(219%)**
Impairment expenses	(263.9)	-	n/a
EBIT (Statutory)	**(322.2)**	**49.0**	**(758%)**
EBITDA margin	**32%**	**41%**	

(i) The amounts disclosed in the prior period have been restated to align with the current period presentation.

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

Kinsevere achieved its third year of record production, producing 80,169 tonnes of copper cathode, as the site delivered on further improvements to asset utilisation and current efficiency in the electrowinning plant. Lower commodity prices impacted the profitability of Kinsevere in 2015.

Revenue decreased by US$47.6 million (10%) compared to 2014, a result of lower average realised copper prices, partially offset by a 15% increase in copper sales volumes.

The non-cash impairment losses relate to revaluation of the interest in the exploration tenements obtained as consideration for the Mutoshi Project of US$52.5 million and US$211.4 million goodwill associated with the acquisition of Anvil.

Full year ore mined fell 21% compared to the same period in 2014, due to drawing down on stockpiles built up in previous years to maximise cash generation at lower copper prices. This strategic mine plan and lower diesel costs contributed to a US$8.6 million (23%) reduction in mining costs. Processing costs increased by US$6.1 million (6%) with a corresponding 21% increase in milled tonnes compared to the same period 2014.

Approximately 26% of power requirements were met from electricity sourced via diesel generation during 2015, down from 34% for the same period 2014. This is a result of further negotiations with providers and improved management of supply.

Depreciation and amortisation expenses increased by US$49.8 million (35%) corresponding to the increase in production volumes.

Century

YEAR ENDED 31 DECEMBER	2015	2014	CHANGE FAV/(UNFAV)
Production			
Ore mined (tonnes)	4,589,601	7,273,064	(37%)
Ore milled (tonnes)	6,811,181	7,109,879	(4%)
Zinc in zinc concentrate (tonnes)	392,667	465,696	(16%)
Lead in lead concentrate (tonnes)	79,153	64,426	23%
Payable metal in product sold			
Zinc (tonnes)	343,109	419,484	(18%)
Lead (tonnes)	81,014	60,786	33%
Silver (ounces)	2,603,507	1,626,930	60%

YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Revenue	**613.6**	**853.3**	**(28%)**
Operating expenses			
Production expenses			
Mining	(38.3)	(108.0)	65%
Processing	(205.6)	(244.0)	16%
Other	(66.7)	(65.2)	(2%)
Total production expenses	**(310.6)**	**(417.2)**	**26%**
Freight (transportation)	(33.5)	(51.3)	35%
Royalties	(29.1)	(30.6)	5%
Other[(i)]	(85.9)	(32.2)	(167%)
Total operating expenses	**(459.1)**	**(531.3)**	**14%**
Other income/(expenses)	5.3	1.5	253%
EBITDA	**159.8**	**323.5**	**(51%)**
Depreciation and amortisation expenses	(224.6)	(191.3)	(17%)
EBIT	**(64.8)**	**132.2**	**(149%)**
EBITDA margin	**26%**	**38%**	

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

Final ore was extracted from the Century open pit during August 2015, with final processing of Century-sourced ore occurring in November 2015. Production in 2015 was affected by reduced optionality and higher variability of ore sources that impacted the ability to blend ore for consistency.

Lower revenue was predominantly driven by the impact of lower average realised sales prices of zinc and lead of US$168.2 million and lower zinc sales volumes of US$71.4 million.

Mining costs reduced by US$69.7 million (65%) compared to 2014 as mining for the eight months focused on the last stage of the open-pit mine, along with benefitting from a lower strip ratio and subsequent reduction in related mining consumable costs.

Milling tonnes decreased by 4% with an associated US$38.4 million (16%) cost saving resulting from reduced ore availability.

Depreciation and amortisation expenses increased by US$33.3 million (17%) primarily due to the amortisation expense of US$146.3 million on the additional mine rehabilitation provision at the end of 2014. As a result of this mine rehabilitation provision, EBIT was significantly impacted compared to 2014.

Rosebery

YEAR ENDED 31 DECEMBER	2015	2014	CHANGE FAV/(UNFAV)
Production			
Ore mined (tonnes)	897,516	842,923	6%
Ore milled (tonnes)	898,573	879,288	2%
Copper in copper concentrate (tonnes)	2,937	2,305	27%
Zinc in zinc concentrate (tonnes)	92,104	83,507	10%
Lead in lead concentrate (tonnes)	21,312	23,409	(9%)
Gold (ounces)	13,340	10,164	31%
Silver (ounces)	6,991	5,904	18%
Payable metal in product sold			
Copper (tonnes)	2,749	2,351	17%
Zinc (tonnes)	74,083	73,051	1%
Lead (tonnes)	19,354	22,894	(16%)
Gold (ounces)	34,302	35,572	(4%)
Silver (ounces)	1,867,721	2,446,196	(24%)

YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Revenue	**201.1**	**247.5**	**(19%)**
Operating expenses			
Production expenses			
Mining(i)	(59.9)	(75.1)	20%
Processing(i)	(31.5)	(29.4)	(7%)
Other(i)	(14.7)	(27.4)	46%
Total production expenses	**(106.1)**	**(131.9)**	**20%**
Freight (transportation)	(5.0)	(6.4)	22%
Royalties	(4.7)	(7.4)	36%
Other(ii)	(8.0)	(19.5)	59%
Total operating expenses	**(123.8)**	**(165.2)**	**25%**
Other income/(expenses)	1.8	2.9	(38%)
EBITDA	**79.1**	**85.2**	**(7%)**
Depreciation and amortisation expenses	(66.6)	(46.5)	(43%)
EBIT	**12.5**	**38.7**	**(68%)**
EBITDA margin	**39%**	**34%**	

(i) The amounts disclosed in the prior period have been restated to align with the current period presentation.

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

An annual record in mined tonnes helped Rosebery achieve an annual zinc production record and strong sales for zinc and copper compared to 2014. As a result, Rosebery delivered another reliable EBITDA contribution to the Group, down only US$6.1 million (7%) despite lower average realised commodity prices and lower lead and silver sales volumes.

Mining and milling volumes were 6% and 2% higher respectively than the previous year. This was achieved through capital development drilling exceeding schedule and enabling constant ore feed, while also benefitting from lower fuel costs and better contractor management contributing to a US$15.2 million saving in mining costs.

Depreciation and amortisation expenses increased by US$20.1 million (43%) due to reductions in Ore Reserves, higher volumes of ore mined and ore milled.

Golden Grove

YEAR ENDED 31 DECEMBER	2015	2014	CHANGE FAV/(UNFAV)
Production			
Ore mined (tonnes)	1,562,232	1,262,975	24%
Ore milled (tonnes)	1,807,866	1,739,111	4%
Copper in copper concentrate (tonnes)	26,047	30,837	(16%)
Zinc in zinc concentrate (tonnes)	55,131	37,896	46%
Lead in lead concentrate (HPM, tonnes)	6,847	3,986	72%
Payable metal in product sold			
Copper (tonnes)	25,601	32,629	(22%)
Zinc (tonnes)	42,523	32,293	32%
Lead (tonnes)	5,342	3,271	63%
Gold (ounces)	27,103	24,932	9%
Silver (ounces)	1,534,537	1,064,170	44%

YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE FAV/(UNFAV)
Revenue	**221.2**	**293.1**	**(25%)**
Operating expenses			
Production expenses			
Mining[i]	(78.0)	(95.7)	18%
Processing[i]	(59.0)	(78.6)	25%
Other[i]	(28.9)	(20.3)	(42%)
Total production expenses	**(165.9)**	**(194.6)**	**15%**
Freight (transportation)	(8.6)	(11.3)	24%
Royalties	(9.0)	(13.1)	31%
Other[ii]	(22.0)	(46.4)	53%
Total operating expenses	**(205.5)**	**(265.4)**	**23%**
Other income/(expenses)	3.8	1.3	192%
EBITDA	**19.5**	**29.0**	**(33%)**
Depreciation and amortisation expenses	(44.6)	(44.2)	(1%)
EBIT	**(25.1)**	**(15.2)**	**(65%)**
EBITDA margin	**9%**	**10%**	

(i) The amounts disclosed in the prior period have been restated to align with the current period presentation.

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

The Golden Grove mine plan focused on lower-cost-zinc ore production in 2015, with a corresponding 46% increase in zinc in zinc concentrate production and 16% reduction in copper in copper concentrate produced.

Multiple factors have contributed to reducing production costs by US$28.7 million (15%), including reduced contractor costs with the cessation of mining from the copper oxide open pit, strategic cost initiatives and favourable foreign exchange movements compared to the same period in 2014.

Revenue decreased by US$71.9 million (25%) compared to 2014 due to lower average realised prices of all metals partially offset by higher zinc, lead, gold and silver sales volumes.

CASH FLOW ANALYSIS

Net cash flow

YEAR ENDED 31 DECEMBER	2015	2014
Net operating cash flows	282.4	666.7
Net investing cash flows	(1,997.5)	(3,932.8)
Net financing cash flows	2,062.2	3,379.9
Net cash inflows	**347.1**	**113.8**

Net operating cash inflows were lower reflecting lower EBITDA. Income tax payments (excluding non-creditable Peruvian withholding tax) were US$56.5 million, $37.4 million lower than the comparative period, reflecting lower profits and timing of cash flows.

Net investing cash outflows were largely associated with costs relating to the construction of the Las Bambas Project.

During 2015, the Group invested US$1,985.0 million (2014: US$1,085.9 million) in the purchase of property plant and equipment and the development of software. This included US$1,684.1 million (2014: US$772.4 million) on the construction of Las Bambas, US$61.4 million (2014: US$68.0 million) on the Dugald River project and US$90.5 million (2014: US$119.7 million) investment in mine property and development. During the year, the Group made the final instalment payment of US$12.2 million for the acquisition of Las Bambas, which was acquired in July 2014.

Net financing cash flows were an inflow of US$2,062.2 million in 2015 compared to an inflow of US$3,379.9 million in 2014.

Financing cash inflows in 2015 included the drawdown of US$1,540.5 million under the US$5,988.0 million Las Bambas Project Facility with syndicate lenders led by China Development Bank Corporation (CDB) and US$189.0 million under the US$300.0 million facility with ICBC.

Year 2015 inflows also included capital contribution from non-controlling shareholders of Las Bambas of US$250.5 million, US$417.5 million drawn under the US$2,262.0 million facility with MMG Shareholder Top Create and the proceeds from the repayment of a shareholder loan with Album Enterprises Limited (Album Enterprises) of US$80.0 million.

These were partially offset by repayments of borrowings and payments of interest and financing costs in line with contractual terms.

Financing cash inflows in 2014 included the drawdowns of $5,358.0 million under the Las Bambas Acquisition Facility and the Project Facility, capital contributions from non-controlling shareholders of Las Bambas of US$1,106.2 million and the drawdown of US$1,843.8 million from MMG Shareholder Top Create.

Financing outflows in 2014 included repayments of Las Bambas Seller's Group Intragroup loans of US$4,018.1 million, dividend payments by the Company and LXML of US$62.9 million to MMG Shareholders and Sepon minority shareholder the Government of Laos, repayments of borrowings and payment of interest and financing costs in line with contractual terms.

FINANCIAL RESOURCES AND LIQUIDITY

FOR THE YEAR ENDED 31 DECEMBER	2015 US$ MILLION	2014 US$ MILLION	CHANGE US$ MILLION
Total assets	14,660.0	13,490.0	1,170.0
Total liabilities	(12,484.8)	(10,515.4)	(1,969.4)
Total equity	**2,175.2**	**2,974.6**	**(799.4)**

Total equity decreased by US$799.4 million to US$2,175.2 million as at 31 December 2015, mainly reflecting the loss for the year and the dividends of US$8.0 million paid to the Government of Laos minority share interest holder of LXML, offset by US$250.5 million non-controlling interests' contribution to the Las Bambas joint venture.

The Group's objectives in managing capital are to safeguard its ability to continue as a going concern, support sustainable growth, enhance Shareholder value and provide capital for potential acquisitions and investment.

The Group manages the capital structure and makes adjustments in light of changes in economic conditions and business strategies. To maintain or adjust the capital structure, the Group may adjust the amount of dividend payments to Shareholders, issue new shares or raise/repay debts.

The Group monitors capital and manages its cash flow in accordance with financial covenants contained in Group debt facilities. MMG Group debt facilities (other than those of the MMG South America Group) are not secured against the assets of the MMG South America Group. As a result, the terms of relevant MMG Group debt facilities exclude certain MMG South America Group-related items for the purposes of measuring covenants.

Consistent with the above, excluded from the MMG Group gearing ratio calculation is shareholder debt held by MMG South America Company Limited. This debt was utilised to fund the MMG Group's equity contribution to the Las Bambas joint venture company, MMG South America Management Company Limited.

MMG GROUP (EXCLUDING MMG SOUTH AMERICA GROUP)	2015 US$ MILLION	2014 US$ MILLION
Total borrowings (excluding prepayments)	1,405.2	1,321.8
Less: cash and cash equivalents	431.2	91.9
Net debt	**974.0**	**1,229.9**
Total equity (including Shareholder borrowings)	950.9	1,922.5
Net debt + Total equity	**1,924.9**	**3,152.4**
Gearing ratio	**0.51**	**0.39**

The Group's objectives in managing the capital employed by MMG South America Management Group (the Las Bambas joint venture company and its subsidiaries) are to safeguard the MMG South America Management Group's ability to continue as a going concern, support the development of projects, enhance Shareholder value and provide capital for further investment.

The process used to manage and monitor the capital for the MMG South America Management Group is consistent with the process applied for the rest of the MMG Group.

MMG SOUTH AMERICA MANAGEMENT GROUP	2015 US$ MILLION	2014 US$ MILLION
Total borrowings (excluding prepayments)	6,691.4	5,150.8
Less: cash and cash equivalents	167.1	159.3
Net debt	**6,524.3**	**4,991.5**
Total equity	3,485.5	2,895.9
Net debt + Total equity	**10,009.8**	**7,887.4**
Gearing ratio	**0.65**	**0.63**

Available debt facilities

As at 31 December 2015, the MMG Group (excluding the MMG South America Management Group) had available undrawn facilities of US$850.0 million (2014: US$1,040.0 million), including US$750.0 million available under the Dugald River facility, which can only be used for the purpose of funding the Dugald River project. In the event financing arrangements for the Dugald River project cannot be finalised, that facility will no longer be available and amounts already drawn under it will need to be repaid.

As at 31 December 2015, the MMG South America Management Group had available undrawn facilities of US$265.7 million (2014: US$1,806.2 million).

Alternative funding options

The Group considers it has various alternate funding options available to it should the need arise, including the following:

- drawing down on the existing US$100 million revolving facility from Industrial and Commercial Bank of China Limited (ICBC);
- utilising the existing transactional and operational banking arrangements that the Group has in place with Bank of America Merrill Lynch for US$20 million;
- borrowing from the Group insurance captive of approximately US$20 million;
- a potential equity raising;
- disposal of investments or sale of non-core assets;
- traditional working capital and capital expenditure levers; and
- the Company also has the support of its major shareholder, CMC.

As at 31 December 2015, US$0.7 million of the facility provided by Top Create Resources Limited, a Shareholder of the Company, to fund the MMG Group's equity contributions to the MMG South America Management Group, remained undrawn (2014: US$418.3 million).

The Group's cash and cash equivalents at 31 December 2015 of US$598.3 million (31 December 2014: US$251.2 million) were denominated mainly in US dollars.

As at 31 December 2015, the Group's borrowings (excluding finance charge prepayments) were as follows:

- 76.2% were bank borrowings, 21.8% were loans from related parties and 2.0% related to balances associated with convertible redeemable preference shares;
- 100% were denominated in US$;
- 98.0% were priced based on floating interest rates and 2.0% based on fixed interest rates; and
- 2.7% were repayable within one year, 8.3% were repayable between one and two years, 39.7% were repayable between two and five years and 49.3% were repayable over five years.

The Group's capital commitments for purchases of property, plant and equipment and intangible assets as at 31 December 2015 were US$711.0 million (31 December 2014: US$1,229.8 million) as discussed further in Note 16.

PROJECT UPDATE

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

Las Bambas, Peru

Las Bambas is a large, long-life copper development project located in the Apurimac region of Peru. It produced its first copper concentrate from commissioning activities in the fourth quarter 2015, with the first shipment of approximately 10,000 tonnes of copper concentrate departing the Port of Matarani in January 2016. The copper concentrate plant has been successfully commissioned and is now under operations management and in production ramp-up phase.

Project construction is essentially complete with remaining activities largely associated with the Molybdenum Plant and new facilities at the Port of Matarani. Handover from the construction to operations team is ongoing and there has been significant demobilisation of project-related personnel.

MMG expects to produce 250,000–300,000[1] tonnes of copper in copper concentrate in 2016 as commissioning progresses and production ramp up. At this stage, it is expected that commercial production will be achieved during the second half 2016. C1 costs are expected to be within the range of US$0.80-US$0.90/lb[2] for those tonnes produced once the plant is at a steady state of production. C1 costs are forecast to be within the first quartile of the cost curve.

Projected capital cost from 1 January 2015 to completion of the Las Bambas Project remains within the US$1.9–2.4 billion guidance. Capital expenditure in 2015 was US$1,684.1 million. At the end of 2015 project construction was 98% completed with the molybdenum plant completed in early 2016 and the rail load out facility and port expected to be completed in the first half 2016. The final capital cost to completion is expected to be at the lower end of the forecast range.

Dugald River, Australia

Located in north-west Queensland, the Dugald River project is one of the largest and highest-grade deposits of zinc, lead and silver in the world. It has a Mineral Resource of 57.3 million tonnes at 13.2% zinc, 2.0% lead and 35g/t silver.

An updated development plan for the Dugald River project was approved by the Board on 28 July 2015, subject to financing. Negotiations are ongoing with existing syndicate members and other banks.

The updated development plan includes a mine production rate of 1.5Mtpa, construction of a concentrator and annual production of approximately 160,000 tonnes of zinc in zinc concentrate over an estimated 28-year mine life. This places Dugald River within the world's top ten zinc mines when operational. Dugald River will also produce significant by-products, including approximately 18,000 tonnes of lead and 981,000 ounces of silver per annum.

Under the updated development plan, construction of remaining infrastructure is to commence during 2016 with first production from a Dugald River concentrator delivered during the first half of 2018.

Remaining capital expenditure to complete the project is expected to be around US$750 million plus interest costs. However, while final financing arrangements are underway MMG continues to review project fundamentals and seek further efficiencies in the development and construction of the Dugald River Project. Recent Australian dollar exchange rate movements and competitive bids from construction contractors are predicted to favourably impact final costs. Total capital expenditure for the Dugald River Project in 2015 totalled US$61.4 million.

[1] Production volumes include expected pre and post-commercial production volumes at Las Bambas. The exact split will be determined prior to Las Bambas declaring commencement of commercial operations.

[2] C1 cost forecast range once at steady state of production, not indicative for full year 2016 given commissioning and ramp-up activities.

CONTRACTS AND COMMITMENTS

Sepon

New and revised agreements were finalised with regard to various goods and services with improved terms and conditions including sulphuric acid, reagents, explosives, mining equipment and related parts and services, plant maintenance related parts and accessories as well as major capital equipment and infrastructure around the new scrubber.

Kinsevere

New and revised agreements were finalised with regard to various goods and services with improved terms and conditions including sulphuric acid, reagents, camp services, logistics-related contracts, power generation, explosives, laboratory services and maintenance-related parts and accessories

Rosebery

New and revised agreements were finalised with regard to various goods and services with improved terms and conditions including mining services, reagents, shotcreting services camp services, logistics-related contracts, power generation, explosives and maintenance-related parts and accessories. An extensive market engagement was conducted prior to the appointment of a provider to construct new tailings storage facilities.

Golden Grove

New and revised agreements were finalised with regard to various goods and services with improved terms and conditions including reagents, lime and cement, explosives, power, site services and outbound shipping services.

Century/Dugald River

With Century closure a number of contracts were terminated or revised given changes in activity at the end of the year. These included power-related contracts including gas contracts and compression services, labour services contracts for catering and transportation related to mining and site services contracts.

With regard to Dugald River, revised agreements were put in place for mine development, underground diamond drilling services and raiseboring. In addition, a competitive process was finalised for the completion of engineering services for the processing plant construction and related construction contracts as well as the commissioning of Primary Surface Ventilation Fans.

Las Bambas

Following extensive market engagements as the project moved into commissioning, a number of contracts were put in place across all areas. The most significant contracts included outbound concentrate logistics contracts relating to the bi-model (truck and rail) solution, a number of reagents contracts for the processing plant, labour services contracts, sites services contracts including catering and site transport and various parts and services contracts related to mobile and fixed plant.

PEOPLE

As at 31 December 2015, the Group employed a total of 5,953 full-time equivalent employees (31 December 2014: 5,109) in its operations (excluding contractors, casual employees, apprentices and trainees) with the majority of employees based in Australia, Laos, South America and the DRC.

Total employee benefits expenses for the Group's operations for the 12 months ended 31 December 2015, including Directors' emoluments, totalled US$381.7 million, a decrease of 15% (2014: US$446.6 million due to favourable foreign exchange movements). Employee short-term incentive (STI) for the year ended 31 December 2015 was capped at the threshold payment level due to the Company not achieving its overall financial targets.

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 12 months ended 31 December 2015.

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 which 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 program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not and is prohibited from entering into derivative contracts for speculative purposes.

Financial risk management is carried out by the Group Treasury function under proposals 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 below.

(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. There are no commodity hedges in place as at 31 December 2015 and 2014.

The following table details the sensitivity of the Group's trade receivables balance to movements in commodity prices. Trade receivables arising from revenue on provisionally priced sales are recognised at the estimated fair value of the total consideration of the receivable and subsequently remeasured at each reporting date. At the reporting date, if the commodity prices increased/(decreased) by 10% and all other variables were held constant, the Group's after-tax (loss)/profit would have changed as set out below.

	2015			2014		
Commodity	**Commodity price movement**	**Decreased loss US$ million**	**Increased loss US$ million**	**Commodity price movement**	**Increased profit US$ million**	**Decreased profit US$ million**
Zinc	10%	0.4	(0.4)	10%	3.5	(3.5)
Copper	10%	1.9	(1.9)	10%	4.7	(4.7)
Lead	10%	0.3	(0.3)	10%	2.3	(2.3)
Total		**2.6**	**(2.6)**		**10.5**	**(10.5)**

From 2016 the impact of commodity price changes will be significantly different with the closure of Century mine and the commencement of production at Las Bambas.

(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. Details of the Group's cash and cash equivalents have been disclosed in Note 11.

The Group regularly monitors its interest rate risk to ensure that there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the overall Group's exposure, the prevailing interest rate market and any funding counterparty requirements. Regular reporting that summarises the Group's debt and interest rates is provided to the Executive Committee. As at 31 December 2015 and 2014, if the interest rate had increased/(decreased) by 100 basis points with all other variables held constant, post-tax (loss)/profit and equity for the year would have changed as follows:

	2015				2014			
	+100 basis points		-100 basis points		+100 basis points		-100 basis points	
US$ MILLION	**Loss**	**Equity**	**Loss**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Financial assets								
Cash and cash equivalents	4.2	4.2	(4.2)	(4.2)	1.8	1.8	(1.8)	(1.8)
Financial liabilities								
Borrowings	(6.7)	(6.7)	6.7	6.7	(6.1)	(6.1)	6.1	6.1
Total	**(2.5)**	**(2.5)**	**2.5**	**2.5**	**(4.3)**	**(4.3)**	**4.3**	**4.3**

Interest on borrowings in relation to development projects is capitalised into Property, Plant and Equipment, and does not impact profit/loss or equity of the Group so is not included in the sensitivity analysis.

If the sensitivity analysis had included capitalised interest on borrowings in relation to development projects, the rate variation would have increased or decreased Plant, Property and Equipment by US$65.0 million with the corresponding offset in cash and cash equivalents.

(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 US dollars. The majority of revenue received by the Group is in US dollars. The Group's foreign currency exchange risk arises predominantly from the currency of the countries in which the Group's operations are located. Any decision to hedge foreign currency risk is assessed periodically in light of the Group's exposure, the prevailing foreign currency market and any counterparty requirements.

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

The Group tries to minimise its foreign exchange risk exposures through natural hedges wherever possible. For instance, external debt and surplus cash is denominated in US dollars. A portion of cash may be held in Peruvian sols or Australian dollars to meet operating costs.

The following table shows the foreign currency risk arising from the financial assets and liabilities, which are given in the currency of denomination.

US$ MILLION	US$	PEN	A$	HK$	OTHERS	TOTAL
As at 31 December 2015						
Financial assets						
Cash and cash equivalents	583.1	1.7	7.4	-	6.1	**598.3**
Trade receivables	38.1					**38.1**
Sundry receivables	134.0	2.9	11.4	-	-	**148.3**
Financial liabilities						
Trade and other payables	(398.2)	(43.9)	(85.5)	-	-	**(527.6)**
Borrowings (excluding prepayments)	(10,357.8)	-	-	-	-	**(10,357.8)**
	(10,000.8)	**(39.3)**	**(66.7)**	**-**	**6.1**	**(10,100.7)**
As at 31 December 2014						
Financial assets						
Cash and cash equivalents	216.6	27.2	6.1	0.1	1.2	**251.2**
Trade receivables	153.5	-	-	-	-	**153.5**
Sundry receivables	18.3	6.3	9.6	-	-	**34.2**
Financial liabilities						
Trade and other payables	(416.5)	(52.8)	(90.1)	-	(14.0)	**(573.4)**
Borrowings (excluding prepayments)	(8,316.4)	-	-	-	-	**(8,316.4)**
	(8,344.5)	**(19.3)**	**(74.4)**	**0.1**	**(12.8)**	**(8,450.9)**

Based on the Group's net financial assets and liabilities as at 31 December 2015 and 2014, a movement of the US dollar against the principal non-functional currencies as illustrated in the table below, with all other variables held constant, would change the (loss)/profit after taxation and equity as follows:

	2015				2014			
	Weakening of US dollar		Strengthening of US dollar		Strengthening of US dollar		Weakening of US dollar	
US$ MILLION	Loss	Equity	Loss	Equity	Profit	Equity	Profit	Equity
10% movement in A$ (2014: 10%)	4.7	4.7	(4.7)	(4.7)	5.2	5.2	(5.2)	(5.2)
10% movement in PEN (2014: 10%)	2.7	2.7	(2.7)	(2.7)	1.3	1.3	(1.3)	(1.3)
Total	**7.4**	**7.4**	**(7.4)**	**(7.4)**	**6.5**	**6.5**	**(6.5)**	**(6.5)**

(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, loan to a related party 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 of the Company. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure 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.

The Group's most significant customer is Nyrstar Sales and Marketing AG. The revenue earned from Nyrstar Sales and Marketing AG was approximately 27.6% of revenue for the year (2014: Nyrstar Sales and Marketing AG with 33.4%). The largest debtor at 31 December 2015 was Trafigura Ptd Ltd with a balance of US$9.4 million (2014: Nyrstar Sales and Marketing AB with a balance of US$74.9 million) and the five largest debtors accounted for 48.5% (2014: 88.2%) of the Group's trade receivables. Credit risk arising from sales to large-concentrate customers is managed by contracts that stipulate a provisional payment of at least 90% of the estimated value of each sale. This is payable either promptly after vessel loading or upon vessel arriving at the discharge port. Title to the concentrate does not pass to the buyer until this provisional payment is made. For most sales a second provisional payment is received within 60 days of the vessel arriving at the port of discharge. Final payment is made after completion of the quotation period and assaying. The credit risk by geographic location of customer was:

	AS AT 31 DECEMBER	
US$ MILLION	2015	2014
Australia	5.9	2.5
Europe	26.0	118.2
Asia	6.2	32.8
	38.1	**153.5**

(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 ensure appropriate liquidity buffers are maintained to support the Group's activities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

US$ MILLION	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2015					
Financial liabilities					
Trade and other payables (including accrued interest)	420.2	107.4	-	-	527.6
Borrowings (including unaccrued interest)	383.1	1,350.9	5,097.3	6,781.5	13,612.8
Forward foreign exchange contracts net settled	0.3	-	-	-	0.3
	803.6	**1,458.3**	**5,097.3**	**6,781.5**	**14,140.7**
At 31 December 2014					
Financial liabilities					
Trade and other payables	508.5	37.0	27.9	-	573.4
Borrowings (including unaccrued interest)	205.0	360.1	2,720.8	9,006.1	12,292.0
	713.5	**397.1**	**2,748.7**	**9,006.1**	**12,865.4**

The amounts presented in the tables above comprise the contractual undiscounted cash flows, and therefore will not agree with the amounts presented in the balance sheet.

(f) Equities price risk
Equity securities price risk arising from investments held by the Group is classified in the balance sheet as available-for-sale and fair value through profit and loss financial assets. All the Group's equity investments are publicly traded. The price risk of the Group's equity securities was not significant as at 31 December 2015 and 2014.

(g) Sovereign risk
The Group has operations in countries that carry higher levels of sovereign risk. Political and administrative change and reforms in law, regulations or taxation may impact the Group's future performance.

CONTINGENT ASSETS AND LIABILITIES

Legal proceedings

The Company and its subsidiaries are defendants from time to time in legal proceedings arising from the conduct of their businesses. 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 subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the year, 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 authority. These guarantees amount to US$491.2 million (2014: US$442.9 million). Provision is made in the financial statements for the anticipated costs of the mine rehabilitation obligations under the mining leases and exploration licences.

Contingent Assets – tax indemnities

The Group has been granted warranties and indemnities in relation to certain tax matters. No formal claims for reimbursement or compensation were made under tax warranties and indemnities by the Group during 31 December 2015.

Contingent Liabilities – tax related contingencies

Tax authorities conduct regular routine tax reviews and audits on the Group. The final outcome cannot be determined with sufficient reliability. The balance sheet currently reflects all probable taxation liabilities and reasonable steps are being undertaken in relation to all outstanding matters.

CHARGES ON ASSETS

As at 31 December 2015 the following banking facilities granted to the Group required certain assets to be charged:

- the US$751.0 million facility granted by CDB and 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$600.8 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$120.0 million;
- the A$400.0 million bank guarantee facility between MMG Management and BOC Sydney (A$400.0 million Facility);
- 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; and
- the US$969.0 million acquisition facility and US$5,988.0 million project facility granted by CDB, ICBC, BOC Sydney and EXIM to Minera Las Bambas SA with respect to a borrowing of approximately US$5,538.7 million, and the US$380.0 million bank guarantee facility between Minera Las Bambas SA and ICBC (together, the Las Bambas Facilities).

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$400.0 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 be limited recourse to the assets and shares of MMG Dugald River.

The charges in respect of the Las Bambas Facilities are:

- share security over 100% of the shares held in MMG South America Management Company Limited and each of its subsidiaries, including the borrower, Minera Las Bambas SA;
- a debenture over the assets of MMG South America Management Company Limited and an assets pledge agreement and production unit mortgage in respect of all of the assets of Minera Las Bambas SA; and
- assignments of Shareholder loans between MMG South America Management Company and its subsidiaries and security agreements over bank accounts of Minera Las Bambas SA.

FUTURE PROSPECTS

MMG expects to produce 415,000–477,000 tonnes of copper[3] and 120,000–135,000 tonnes of zinc in 2016.

Once commercial production has been declared at Las Bambas, currently estimated to occur in the second half 2016, and final financing arrangements have been made for the Dugald River Project, MMG will update the market on total capital expenditure guidance for 2016. In the interim, capital expenditure for all other operations for 2016 is expected to be approximately US$207 million.

MMG currently has no future plans for material investments or capital assets sanctioned by the Board other than those detailed in this report or announced to the market.

[3] Production volumes include expected pre and post-commercial production volumes at Las Bambas. The exact split will be determined prior to Las Bambas declaring commencement of commercial operations.

OTHER INFORMATION

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23 May 2016 to Wednesday, 25 May 2016, inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting of the Company (AGM) to be held on Wednesday, 25 May 2016,

(a) in respect of the shares registered with the share registrar of the Company in Hong Kong, all completed transfer forms accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm (Hong Kong time) on Friday, 20 May 2016; or

(b) in respect of the Chess Depositary Instruments (CDI) registered with the share registrar of the Company in Australia, all completed CDI transfer forms accompanied by the sellers identification requirements, must be lodged with Computershare Investor Services Pty Ltd, at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia not later than 5:00 pm (Australian Eastern Standard Time) on Thursday, 19 May 2016.

The record date for determining Shareholders' eligibility to attend and vote at the AGM will be on Wednesday, 25 May 2016.

CORPORATE GOVERNANCE

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 year ended 31 December 2015, except for the deviations from code provisions as explained under the section headed 'Re-election of Directors' and also disclosed below.

On 20 May 2015, Mr Anthony Larkin resigned as an Independent Non-executive Director, Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee of the Company. For a brief period due to the time taken to appoint a suitable replacement, the Company did not meet the requirements under Rules 3.10, 3.10A, 3.21, 3.25 and Code Provision A.5.1 in Appendix 14 of the Listing Rules until Ms Jennifer Seabrook was appointed as Independent Non-executive Director and the Chair of the Audit Committee of the Company on 17 July 2015. Following Ms Seabrook's appointment, the Company also appointed Professor Pei Ker Wei as an Independent Non-executive Director of the Company on 24 July 2015, increasing the total number of Independent Non-executive Directors of the Company to four.

On 29 June 2015, Mr Wang Lixin resigned as Non-executive Director of the Company. Following his resignation, the Remuneration and Nomination Committee of the Company comprises a majority of Independent Non-executive Directors as required under Rule 3.25 and Code Provision A.5.1 in Appendix 14 of the Listing Rules respectively.

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.

DIRECTORS' SECURITIES TRANSACTIONS

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

Specific enquiry with all the Directors has been made, and all confirmed that they have complied with the requirements set out in the Model Code and the Securities Trading Model Code during the year ended 31 December 2015.

RE-ELECTION OF DIRECTORS

Each of the Non-executive Directors entered into a service agreement with the Company for a specific term of three years, except for Dr Peter Cassidy and Mr Anthony Larkin. 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 with not less than one month's prior written notice. Mr Larkin was on a continuing contract terminable upon reasonable notice by either party prior to his resignation on 20 May 2015.

In accordance with the Company's articles of association, 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, is also subject to retirement from the Board by rotation at least once every three years at the AGM. He was re-elected by the Shareholders at the AGM held on 16 May 2011 and 22 May 2013 respectively. Dr Cassidy will retire by rotation at the forthcoming AGM and, being eligible, offer himself for re-election.

AUDIT COMMITTEE

The Audit Committee comprises five members including four Independent Non-executive Directors, namely Dr Peter Cassidy, Mr Leung Cheuk Yan, Ms Jennifer Seabrook and Professor Pei Ker Wei and one Non-executive Director, Mr Gao Xiaoyu. Ms Seabrook is the Chair of the Audit Committee.

The Audit Committee is accountable to the Board. After the restructure of the Board Committees in October 2015 and effective from 1 January 2016, the Audit Committee Terms of Reference has been amended so that the Audit Committee now focus primarily on financial reporting related matters, such as reviewing financial information and overseeing financial reporting related systems and controls and the newly formed Risk Management Committee will now advise the Board on high-level risk related matters, risk management and internal control, including advising on strategy and risk assessment. The revised terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. The Audit Committee has reviewed the financial statements of the Group for the year ended 31 December 2015.

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

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is also published on the websites of the Australian Securities Exchange (www.asx.com.au) and the Company (www.mmg.com). The Company's 2015 Annual Report will be despatched to Shareholders and made available on the websites of the Hong Kong Exchange and Clearing Limited (www.hkexnews.hk), the Australian Securities Exchange and the Company in due course.

CONSOLIDATED INCOME STATEMENT

	NOTE	YEAR ENDED 31 DECEMBER 2015 US$ MILLION	2014 US$ MILLION
Revenue	3	**1,950.9**	**2,479.8**
Other income	4	1.7	16.8
Expenses (excluding depreciation, amortisation and impairment expenses)	5.1	(1,531.7)	(1,715.8)
Earnings before interest, income tax, depreciation, amortisation and impairment expenses – EBITDA		**420.9**	**780.8**
Depreciation and amortisation expenses	5.1	(649.4)	(537.1)
Impairment expenses	5	(897.0)	-
(Loss) / earnings before interest and income tax – EBIT		**(1,125.5)**	**243.7**
Finance income	6	3.8	3.3
Finance costs	6	(88.8)	(82.7)
(Loss) / profit before income tax		**(1,210.5)**	**164.3**
Income tax credit / (expense)	7	161.8	(65.1)
(Loss) / profit for the year		**(1,048.7)**	**99.2**
(Loss) / profit for the year attributable to:			
Equity holders of the Company		(1,026.5)	103.8
Non-controlling interests		(22.2)	(4.6)
		(1,048.7)	**99.2**
(LOSS) / EARNINGS PER SHARE FOR (LOSS) / PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY			
Basic (loss) /earnings per share	8	(US 19.4 cents)	US 1.96 cents
Diluted (loss) /earnings per share	8	(US 19.4 cents)	US 1.96 cents

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	YEAR ENDED 31 DECEMBER 2015 US$ MILLION	2014 US$ MILLION
(Loss) / profit for the year		**(1,048.7)**	**99.2**
Other comprehensive (loss) / income			
Items that may subsequently be reclassified to profit or loss			
Change in fair value of available-for-sale financial assets		(11.4)	26.1
Items reclassified to profit or loss			
Gain on disposal of available-for-sale financial assets		-	(10.9)
Other comprehensive (loss) / income for the year, net of tax		**(11.4)**	**15.2**
Total comprehensive (loss) / income for the year		**(1,060.1)**	**114.4**
Total comprehensive (loss) / income attributable to:			
Equity holders of the Company		(1,037.9)	119.0
Non-controlling interests		(22.2)	(4.6)
		(1,060.1)	**114.4**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	NOTE	AS AT 31 DECEMBER 2015 US$ MILLION	 2014 US$ MILLION
ASSETS			
Non-current assets			
Property, plant and equipment		11,873.0	11,100.8
Intangible assets		628.6	839.0
Inventories		61.2	47.8
Deferred income tax assets		368.5	173.6
Other receivables	10	82.0	107.1
Other financial assets		12.4	12.3
		13,025.7	**12,280.6**
Current assets			
Inventories		281.7	285.1
Trade and other receivables	10	719.2	513.3
Loan to a related party		-	80.0
Current income tax assets		1.4	28.6
Other financial assets		14.9	26.8
Cash and cash equivalents	11	598.3	251.2
		1,615.5	1,185.0
Assets of disposal group classified as held for sale	15	18.8	24.4
		1,634.3	**1,209.4**
Total assets		**14,660.0**	**13,490.0**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		2,359.1	2,358.9
Reserves and retained profits		(1,692.5)	(672.6)
		666.6	1,686.3
Non-controlling interests		1,508.6	1,288.3
Total equity		**2,175.2**	**2,974.6**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET CONTINUED

	NOTE	AS AT 31 DECEMBER 2015 US$ MILLION	2014 US$ MILLION
LIABILITIES			
Non-current liabilities			
Borrowings		9,986.2	8,092.2
Provisions		775.8	784.2
Other payables	13	134.6	64.9
Deferred income tax liabilities		744.0	769.9
		11,640.6	**9,711.2**
Current liabilities			
Borrowings		276.9	116.7
Provisions		137.7	102.6
Trade and other payables	13	393.0	508.5
Current income tax liabilities		31.8	71.9
Derivative financial instruments		0.3	-
		839.7	**799.7**
Liabilities of disposal group classified as held for sale	15	4.5	4.5
		844.2	**804.2**
Total liabilities		**12,484.8**	**10,515.4**
Total equity and liabilities		**14,660.0**	**13,490.0**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	NOTE	YEAR ENDED 31 DECEMBER 2015 US$ MILLION	2014 US$ MILLION
Cash flows from operating activities			
Receipts from customers		2,289.0	2,578.4
Payments to suppliers		(1,875.2)	(1,744.8)
Payments for exploration expenditure		(42.4)	(73.0)
Income tax paid		(89.0)	(93.9)
Net cash generated from operating activities		**282.4**	**666.7**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,959.0)	(1,037.9)
Purchase of intangible assets		(26.0)	(48.0)
Purchase of financial assets		(1.8)	(1.0)
Acquisition of subsidiaries, net of cash acquired	14	(12.2)	(2,950.1)
Proceeds from disposal of financial assets		0.2	101.2
Proceeds from disposal of property, plant and equipment		1.3	-
Proceeds from disposal of subsidiaries		-	3.0
Net cash used in investing activities		**(1,997.5)**	**(3,932.8)**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	NOTE	YEAR ENDED 31 DECEMBER 2015 US$ MILLION	2014 US$ MILLION
Cash flows from financing activities			
Proceeds from borrowings		1,729.5	5,358.0
Repayments of borrowings		(109.5)	(519.5)
Repayments of loans to former parent of acquired subsidiaries	14	-	(4,018.1)
Proceeds from repayments of loan to a related party		80.0	-
Loan to a related party		-	(80.0)
Proceeds from related party borrowings		417.5	1,843.8
Repayments of related party borrowings		-	(75.0)
Capital contribution from non-controlling interests		250.5	1,106.2
Proceeds from shares issued upon exercise of employee share options		0.2	-
Dividends paid to non-controlling interests		(8.0)	(10.0)
Dividends paid to the owners of the Company	9	-	(52.9)
Repayments of finance lease liabilities		-	(0.6)
Interest and financing costs paid		(301.4)	(174.1)
Interest received		3.4	2.1
Net cash generated from financing activities		**2,062.2**	**3,379.9**
Net increase in cash and cash equivalents		**347.1**	**113.8**
Cash and cash equivalents at 1 January		251.2	137.4
Cash and cash equivalents at 31 December	11	**598.3**	**251.2**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES

1. GENERAL INFORMATION

MMG Limited (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 main board of The Stock Exchange of Hong Kong Limited (HKEx) and on the Australian Securities Exchange (ASX). The Company was admitted to the official list of the ASX on 10 December 2015 as a Foreign Exempt Listing, and commenced trading on 14 December 2015. This is a secondary listing and the Company's primary listing remains with the HKEx.

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

The consolidated financial statements for the year ended 31 December 2015 are presented in United States dollars (US$) unless otherwise stated and were approved for issue by the Board of Directors (the Board) on 9 March 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) – a collective term that includes 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). These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments.

This report has been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Cash flow forecasting for the twelve months from the approval of the consolidated financial statements of the Company indicates that the Group will have sufficient liquidity to meet its operational, existing contractual debt service and capital expenditure requirements for the twelve month period from the approval of the consolidated financial statements, however, the Group may breach certain financial covenants based on the projection. The Group is currently in negotiation with its lenders in view of its various funding requirements. The Group also considers it has various contingencies available to it should a need arise.

Based on the reasons setout above, the directors are of the view that the Group will be able to meets its debts as and when they fall due and accordingly the directors have prepared the financial report on a going concern basis.

The financial report does not contain any adjustments relating to the recoverabiliy or classification of recorded assets nor to the amounts or classification of recorded assets or liabilities that might be necessary should the consolditated entity not be able to continue as a going concern.

The financial information relating to the years ended 31 December 2015 and 2014 included in this preliminary announcement of annual results 2015 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 2014, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The financial statements for the year ended 31 December 2015 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on these financial statements for the year ended 31 December 2014. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

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 being CEO and Executive General Manager – China and Group Strategy, Chief Financial Officer, Chief Operating Officer, 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 mining operation located in southern Laos.
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.
Las Bambas	The Las Bambas Project is a large, scalable, long-life copper development project with prospective exploration options. It is located in Cotabambas, Apurimac region of Peru. The project is at an advanced stage of construction.
Other	Includes exploration and development projects and other corporate entities that are not disclosed as separate segments. All other segments are immaterial by location.

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

The segment revenue and results for the years ended 31 December 2015 and 2014 are as follows:

FOR THE YEAR ENDED 31 DECEMBER 2015

US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Las Bambas[1]	Other unallocated items/ eliminations	Group
External revenue	366.4	418.1	591.7	201.1	214.3	-	-	1,791.6
Revenue from related parties	130.5	-	21.9	-	6.9	-	-	159.3
Revenue	**496.9**	**418.1**	**613.6**	**201.1**	**221.2**	**-**	**-**	**1,950.9**
EBITDA	**248.8**	**131.8**	**159.8**	**79.1**	**19.5**	**(72.1)**	**(146.0)**	**420.9**
Depreciation and amortisation expenses	(114.4)	(190.1)	(224.6)	(66.6)	(44.6)	-	(9.1)	(649.4)
EBIT (underlying)	**134.4**	**(58.3)**	**(64.8)**	**12.5**	**(25.1)**	**(72.1)**	**(155.1)**	**(228.5)**
Finance income								3.8
Finance costs								(88.8)
Income tax credit (underlying)								49.1
Loss for the year (underlying)								**(264.4)**
Impairment of assets	-	(52.5)	-	-	-	-	(633.1)	(685.6)
Impairment of goodwill	-	(211.4)	-	-	-	-	-	(211.4)
Income tax credit on impairment charge							112.7	112.7
Loss for the year								**(1,048.7)**
Loss attributable to equity holders of the Company								(1,026.5)
Loss attributable to non-controlling interests								(22.2)
								(1,048.7)
Other segment information:								
Additions to non-current assets	99.3	100.7	(42.3)	45.5	22.8	1,758.0	119.7	**2,103.7**

AS AT 31 DECEMBER 2015

US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Las Bambas[1]	Other unallocated items/ eliminations	Group
Segment assets	787.1	1,244.4	33.0	389.8	291.0	10,901.8	643.0[2]	14,290.1
Deferred income tax assets								368.5
Current income tax assets								1.4
								14,660.0
Segment liabilities	227.2	177.3	391.1	106.6	70.4	6,913.3	3,823.1[3]	11,709.0
Deferred income tax liabilities								744.0
Current income tax liabilities								31.8
								12,484.8

FOR THE YEAR ENDED 31 DECEMBER 2014

US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Las Bambas[1]	Other unallocated items/ eliminations	Group
External revenue	532.7	465.7	845.1	247.5	226.9	-	-	2,317.9
Revenue from related parties	87.5	-	8.2	-	66.2	-	-	161.9
Revenue	**620.2**	**465.7**	**853.3**	**247.5**	**293.1**	**-**	**-**	**2,479.8**
EBITDA	**366.5**	**189.3**	**323.5**	**85.2**	**29.0**	**(42.3)**	**(170.4)**	**780.8**
Depreciation and amortisation expenses	(98.9)	(140.3)	(191.3)	(46.5)	(44.2)	-	(15.9)	(537.1)
EBIT	**267.6**	**49.0**	**132.2**	**38.7**	**(15.2)**	**(42.3)**	**(186.3)**	**243.7**
Finance income								3.3
Finance costs								(82.7)
Income tax expense								(65.1)
Profit for the year								**99.2**
Profit attributable to equity holders of the Company								103.8
Loss attributable to non-controlling interests								(4.6)
								99.2
Other segment information:								
Additions to non-current assets	117.7	72.8	171.6	98.9	58.7	897.4	55.9	1,473.0

US$ MILLION	AS AT 31 DECEMBER 2014 Sepon	Kinsevere	Century	Rosebery	Golden Grove	Las Bambas[1]	Other unallocated items/ eliminations	Group
Segment assets	796.8	1,575.4	388.2	426.6	335.3	8,827.4	938.1[2]	13,287.8
Deferred income tax assets								173.6
Current income tax assets								28.6
								13,490.0
Segment liabilities	214.4	160.6	428.5	121.1	73.7	5,429.9	3,245.4[3]	9,673.6
Deferred income tax liabilities								769.9
Current income tax liabilities								71.9
								10,515.4

1. Las Bambas segment refers to MMG South America Management Company Limited and its subsidiaries. MMG South America Company Limited holds 62.5% of MMG South America Management Company Limited and is included in "Other unallocated items/eliminations" segment.
2. Included in segment assets of US$643.0 million (2014: US$938.1 million) for the Other segment are cash of US$381.9 million (2014: US$66.2 million) mainly held at Group treasury entities, property, plant and equipment of US$125.6 million (2014: US$626.7 million) for Dugald River, capitalised borrowing cost of US$107.4 million (2014: US$27.9 million) in MMG South America Company Limited in relation to Las Bambas Project and other financial assets of US$17.0 million (2014: US$30.6 million). These items do not fall into any of the six reportable segments.
3. Included in segment liabilities of US$3,823.1 million (2014: US$3,245.4 million) for the Other segment are borrowings of US$3,649.4 million (2014: US$3,086.0 million), which are managed at Group level, and do not fall into any of the six reportable segments.

4. OTHER INCOME

	2015 US$ MILLION	2014 US$ MILLION
Gain on disposal of financial assets	0.2	10.7
Gain/(loss) on disposal of property, plant and equipment	0.1	(0.9)
Other income	1.4	7.0
Total other income	**1.7**	**16.8**

5. EXPENSES

5.1 (Loss) /profit before income tax includes the following specific expenses:

	2015 US$ MILLION	2014 US$ MILLION
Changes in inventories of finished goods and work in progress	16.7	(42.5)
Write-down of inventories to net realisable value	(27.5)	(5.7)
Employee benefit expenses[1]	(269.7)	(327.1)
Contracting and consulting expenses	(201.3)	(235.6)
Energy costs	(176.7)	(214.4)
Stores and consumables costs	(331.4)	(358.6)
Depreciation and amortisation expenses[2]	(640.3)	(521.2)
Operating lease rental[3]	(31.4)	(17.3)
Other production expenses	(9.6)	(14.8)
Cost of goods sold	**(1,671.2)**	**(1,737.2)**
Other operating expenses	(100.8)	(61.4)
Royalty expenses	(83.6)	(98.5)
Selling expenses	(97.9)	(115.4)
Impairment expenses (Note 5.2)	(263.9)	-
Operating expenses including depreciation, amortisation and impairment	**(2,217.4)**	**(2,012.5)**
Exploration expenses[1,3]	(42.4)	(73.0)
Administrative expenses[1,3]	(90.8)	(111.5)
Business acquisition expenses	-	(16.3)
Auditor's remuneration	(1.9)	(1.9)
Foreign exchange (losses) / gains – net	(56.4)	1.4
Loss on financial assets at fair value through profit or loss	(2.2)	(10.9)
Impairment expenses in non-operating entities (Note 5.2)	(633.1)	-
Other expenses[1,2, 3]	(33.9)	(28.2)
Total expenses	**(3,078.1)**	**(2,252.9)**

Total expenses comprise:

	2015 US$ MILLION	2014 US$ MILLION
Expenses (excluding depreciation, amortisation and impairment expenses)	(1,531.7)	(1,715.8)
Depreciation, amortisation and impairment expenses	(1,546.4)	(537.1)
Total expenses	**(3,078.1)**	**(2,252.9)**

1. In aggregate US$112.0 million (2014: US$119.5 million) employee benefits expense by nature is included in the administrative expenses, exploration expenses and other expenses categories. Total employee benefits expenses are US$381.7 million (2014: US$446.6 million).

2. In aggregate US$9.1 million (2014: US$15.9 million) depreciation and amortisation expenses are included in other expenses category. Total depreciation and amortisation expenses are US$649.4 million (2014: US$537.1 million).
3. In aggregate, an additional US$7.9 million (2014: US$10.3 million) operating lease rentals are included in administrative expenses, exploration expenses and other expenses categories. Total operating lease rentals are US$39.3 million (2014: US$27.6 million).

5.2 Impairment charges

For the year ended 31 December US$ MILLION	Note	Pre-tax 2015	Tax impact 2015	Post-tax 2015	Pre-tax 2014	Tax impact 2014	Post-tax 2014
Dugald River							
- Property, plant and equipment		573.6	(111.0)	462.6	-	-	-
Izok Corridor							
- Property, plant and equipment		53.9	-	53.9	-	-	-
Avebury							
- Assets held for sale	15	5.6	(1.7)	3.9	-	-	-
Sub-total other reportable segments	3	**633.1**	**(112.7)**	**520.4**	-	-	-
Kinsevere							
- Intangible assets - goodwill		211.4	-	211.4	-	-	-
- Property, plant and equipment		52.5	-	52.5	-	-	-
Sub-total Kinsevere segment	3	**263.9**	**-**	**263.9**	-	-	-
		897.0	**(112.7)**	**784.3**	**-**	**-**	**-**

(i) Impairment testing

The Group performs its impairment testing in accordance with its accounting policies.

(ii) Impacts

The following impairment losses were recognised by the Group at 31 December 2015. The impairment losses have been included in 'Impairment expenses' in the consolidated income statement.

Dugald River

An impairment loss of US$462.6 million, post tax, was recognised in relation to the Dugald River development project, located in Northern Queensland, Australia.

The recoverable amount of the Dugald River project was assessed on a fair value less cost to sell approach ('FVLCTS') based on external valuations. The impairment write-downs were recognised as a result of further weakening in commodity prices, and industry changes in the region having an adverse effect on the valuation of the Dugald River project. Following the impairment losses the recoverable amount of Dugald River amounted to US$116 million as at 31 December 2015.

The asset write-downs were attributable to the 'other' reportable segment, as described in Note 3, which includes exploration and development projects and other corporate entities which are not disclosed as separate segments.

Izok Corridor

An impairment loss of US$53.9 million, post-tax, was recognised in relation to the Izok Corridor Development project, located at the Slave Geological province in Nunavut, northern Canada.

The impairment write-downs were recognised pursuant to detailed assessments of the results of exploration activities which indicated unfavourable project economics for further investment in the project, resulting in these assets being fully written off.

The asset write-downs were attributable to the 'other' reportable segment, as described above.

Avebury

An impairment loss of US$3.9 million, post-tax, was recognised in relation to assets held for sale in Avebury. The recoverable amount of Avebury mine, which has been classified as held for sale, reflects its FVLCTS.

Kinsevere

An impairment loss of US$263.9 million, post-tax, was recognised in relation to the Kinsevere cash-generating unit ('CGU'), at 31 December 2015.

The impairment write-downs were recognised pursuant to detailed assessments of the results of activities to date which indicated a reduced value attributable to the exploration upside potential for Kinsevere.

Goodwill arising on acquisition of Anvil Mining, in 2012, of US$211.4 million post-tax, was fully written down and a write-off of US$52.5 million, post-tax, was made in relation to the exploration tenements, located adjacent to the Kinsevere mine. Following the above impairment losses the recoverable amount of the CGU amounted to US$1,080 million, equating to its FVLCTS.

The determination of FVLCTS used level 3 valuation techniques estimating post-tax cash flows in real terms until the end of life of mine plan including anticipated expansions. Commodity price and exchange rate assumptions are based on the latest internal forecasts benchmarked to analyst consensus forecasts. The long-term copper price assumption applied in determination of the FVLTCS was $2.95 per pound of copper. The long term cost assumptions have been based on past experience. The real post-tax cash flow forecasts are discounted at the real post-tax discount rate of 8.0% (2014: 8.0%).

The key assumptions to which the calculation of FVLCTS for Kinsevere is most sensitive are copper price, operating costs and post-tax discount rate. An adverse change of 5% in copper prices would decrease the recoverable amount by approximately US$180 million, an adverse change of 5% in operating costs would decrease the recoverable amount by approximately US$60 million, and an adverse change of 0.5% in post-tax discount rate will reduce the recoverable amount by approximately US$40 million. This sensitivity analysis assumes that the adverse change in the key assumptions occurs in isolation of changes to other key assumptions and that no mitigating action is taken by management.

(iii) Sensitivity analysis

Sepon, Rosebery and Golden Grove CGUs

In addition to the impairment testing performed at 31 December 2015, the Group also undertook a sensitivity analysis on its Sepon, Rosebery, and Golden Grove CGU's. These CGUs have fair values that exceed their carrying value. The recoverable amounts of these CGUs were assessed on a FVLCTS approach using level 3 valuation techniques including using a real post tax discount rate of 8% and a long term copper price of $2.95 per pound of copper. The valuations of these CGUs remain sensitive to price and a further deterioration in long term prices may result in future impairment write-downs.

6. FINANCE COSTS – NET

	2015 US$ MILLION	2014 US$ MILLION
Finance income		
Interest income on cash and cash equivalents	3.8	3.3
	3.8	**3.3**
Finance costs		
Interest expense on bank borrowings	(23.3)	(30.6)
Interest expense on convertible redeemable preference shares	(19.6)	(19.6)
Interest expense on related party borrowings	-	(0.5)
Unwinding of discount on provisions	(33.6)	(25.1)
Other finance cost on external borrowings	(12.3)	(4.3)
Other finance cost on related party borrowings	-	(2.6)
	(88.8)	**(82.7)**
Finance costs – net	**(85.0)**	**(79.4)**
Borrowing costs capitalised		
Borrowing costs capitalised on qualifying assets[1]	**352.2**	**135.8**

1. 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 general borrowings capitalised at the rate of 3.2% (2014: 3.0%) per annum representing the average interest rate on relevant general borrowings.

7. INCOME TAX CREDIT / (EXPENSE)

Hong Kong profits tax is provided at a rate of 16.5% where there are net assessable profits derived for the year. Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

	2015 US$ MILLION	2014 US$ MILLION
Current income tax		
– Hong Kong income tax	-	-
– Overseas income tax	(69.5)	(101.0)
	(69.5)	**(101.0)**
Deferred income tax		
– Hong Kong income tax	-	-
– Overseas income tax	231.3	35.9
	231.3	**35.9**
Income tax credit / (expense)	**161.8**	**(65.1)**

There is no deferred tax impact relating to items of other comprehensive income (2014: US$nil).

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable tax rate to profits of the consolidated companies as follows:

	2015 US$ MILLION	2014 US$ MILLION
(Loss) / profit before income tax	(1,210.5)	164.3
Calculated at domestic tax rates applicable to profits in the respective countries[1]	347.8	(65.4)
Net (non-deductible) / non-taxable amounts[2]	(84.4)	1.6
Net (unrecognised) / recognised deferred tax assets[3]	(77.5)	13.0
(Under) / overprovision in prior years	(1.8)	7.8
Non-creditable withholding tax[4]	(22.3)	(22.1)
Income tax credit / (expense)	**161.8**	**(65.1)**

1. The income tax rates applicable for the main jurisdictions in which the Group operates are: Australia (30.0%), Laos (33.3%), Peru (32.0%) and the DRC (30.0%). Tax rates for some jurisdictions are covered by historical legal agreements with governments.
2. Non-deductible amounts in 2015 comprise primarily of the tax effect impact of impairment to goodwill and African evaluation assets.
3. Amounts in 2015 are mainly due to unrecognised temporary differences arising in relation to MMG's Australian and Canadian assets.
4. Non-recoverable withholding tax paid under Peruvian tax law.

8. (LOSS) /EARNINGS PER SHARE

Basic (loss) / earnings per share is calculated by dividing the (loss) /profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted (loss) /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 the Company's share options and performance awards in issue, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined at the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and performance awards. 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 and performance awards.

The Group has also chosen to present an alternative earnings per share measure, with (loss) /profit adjusted for non-recurring items because it better reflects the Group's underlying performance.

	NUMBER OF SHARES	
	2015 '000	2014 '000
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	5,290,070	5,289,608
Weighted average number of ordinary shares used in the calculation of the diluted earnings per share[1]	5,290,070	5,289,608

1. Diluted earnings per share is the same as basic earnings per share for the years ended 31 December 2015 and 31 December 2014. The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options and performance awards since these are in an out-of-the-money position as at 31 December 2014 and 31 December 2015. The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options and performance awards since their exercise would result in an anti-dilutive effect on the basic earnings per share for the years ended 31 December 2015 and 31 December 2014.

	2015 US$ MILLION	2014 US$ MILLION
(Loss) / profit attributable to equity holders of the Company	(1,026.5)	103.8
Non-recurring items		
Impairment (Note 5)	897.0	-
Tax associated with impairment (Note 5.2)	(112.7)	-
Underlying (loss) / profit before non-recurring items	**(242.2)**	**103.8**

Earnings per share is calculated as follows:

	2015	2014
Basic (loss) / earnings per share	(US 19.4 cents)	US 1.96 cents
Diluted (loss) / earnings per share	(US 19.4 cents)	US 1.96 cents
Basic (loss) / earnings per share pre impairment charge	(US 4.6 cents)	US 1.96 cents
Diluted (loss) / earnings per share pre impairment charge	(US 4.6 cents)	US 1.96 cents

9. DIVIDENDS

The Directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2015. (2014: US$nil).

	2015 US$ MILLION	2014 US$ MILLION
Dividends paid/payable during the year		
MMG Limited 2013 final dividend	-	52.9
	-	52.9

10. TRADE AND OTHER RECEIVABLES

	2015 US$ MILLION	2014 US$ MILLION
Non-current other receivables		
Prepayments	20.2	25.2
Other receivables – government taxes	48.6	69.0
Sundry receivables	13.2	12.9
	82.0	**107.1**

Current trade and other receivables	2015 US$ MILLION	2014 US$ MILLION
Trade receivables[1]	49.1	153.5
Less: Allowance for impairment of trade receivables	(11.0)	-
Trade receivables (net)	38.1	153.5
Prepayments	47.0	41.8
Other receivables – government taxes[2]	499.0	296.7
Sundry receivables	135.1	21.3
	719.2	**513.3**

[1] As at 31 December 2015 and 2014, trade and other receivables of the Group mainly related to the mining operations and development projects. The majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received after delivery and the balance is due within 30 to 120 days from delivery. The ageing analysis of the trade receivables is as follows:

	2015		2014	
	US$ MILLION	%	US$ MILLION	%
Current trade receivables				
Less than 6 months	49.1	100.0	153.5	100.0
Current trade receivables	**49.1**	**100.0**	**153.5**	**100.0**

As at 31 December 2015, no trade receivables were past due but not impaired (2014: US$nil).

As at 31 December 2015, the Group's trade receivables included an amount of US$6.6 million (2014: US$6.5 million), which was due from a related company of the Group. The carrying amounts of the Group's trade receivables are all denominated in US$.

[2] Current other receivables – government taxes:

	2015 US$ MILLION	2014 US$ MILLION
Peru[(i)]	456.5	255.6
Democratic Republic of the Congo (DRC)	33.5	35.2
Other	9.0	5.9
	499.0	**296.7**

(i) The amount mainly consists of VAT receivable in Las Bambas.

11. CASH AND CASH EQUIVALENTS

	2015 US$ MILLION	2014 US$ MILLION
Cash at bank and in hand	296.2	200.9
Short-term bank deposits[1]	302.1	50.3
Total[2]	**598.3**	**251.2**

1. The weighted average effective interest rate on short-term bank deposits as at 31 December 2015 was 0.82% (2014: 0.62%). These deposits have an average 20 days (2014: 7 days) to maturity from 31 December 2015 .
2. Total cash and cash equivalents include US$168.7 million (2014: US$ 159.8 million) of cash held limited to use on specific projects.

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	2015 US$ MILLION	2014 US$ MILLION
US dollars	583.1	216.6
Peruvian Sol	1.7	27.2
Australian dollars	7.4	6.1
Hong Kong dollars	-	0.1
Other	6.1	1.2
	598.3	**251.2**

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 has provided an undertaking (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 reserve (Special 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; and
- 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 Reserve shall not be treated as realised profit. It shall be treated as an undistributable reserve of the Company for the purposes of Part 6 of the Companies Ordinance. As at 31 December 2015, the standing to the credit of the Company's special capital reserve, which had been made in accordance with the Undertaking, amounted to US$9.4 million (2014: US$9.4 million).

13. TRADE AND OTHER PAYABLES

The analysis of the trade and other payables is as follows:

	2015	2014
	US$ MILLION	US$ MILLION
Non-current other payables		
Related party interest payable	107.4	27.9
Other payables and accruals	27.2	37.0
	134.6	**64.9**
Current trade and other payables		
Trade payables[1]		
Less than 6 months	149.5	245.2
Not less than 6 months	11.3	-
	160.8	245.2
Other payables and accruals	232.2	263.3
	393.0	**508.5**

1. As at 31 December 2015, the Group's trade payables included an amount of US$0.2 million (2014: US$1.1 million), which was due to a related company of the Group.

14. BUSINESS COMBINATION

(a) Summary of acquisition of Las Bambas

In the prior year, on 31 July 2014, the Group acquired the Las Bambas Project as part of a joint venture with two other parties. The acquisition was structured via an investment holding company established for the purpose of the acquisition, MMG South America Management Co Ltd (Las Bambas Joint Venture Company). Pursuant to the Shareholders' Agreement each participant subscribed for new shares in the Las Bambas Joint Venture Company such that the Las Bambas Joint Venture Company is owned as to 62.5% by the Group and as to 37.5% by other joint venture shareholders.

The Las Bambas Joint Venture 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 a consideration of US$2,968.1 million.

The majority of the purchase consideration was paid at the time of the acquisition, with a final instalment payment of US$12.2 million paid during the year. 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$4,018.1 million loan balances owed by the Project Company to Glencore subsidiaries (intra-group loans). There is no contingent consideration associated with the acquisition.

During the year ended 31 December 2014, the consideration and the repayment of intra-group loans were funded in combination with additional capital expenditure requirements relating to the period following acquisition. The amounts were funded as follows:

(i) Equity contributions of US$1,843.8 million made to the Las Bambas Joint Venture Company by the Group in proportion to its respective shareholding. The pro-rata share of equity contribution by the Group has been financed by a loan from Top Create, a Shareholder of the Company;

(ii) Equity contributions of US$1,106.2 million made to the Las Bambas Joint Venture Company by other parties in proportion to their respective shareholdings and measured at fair value commensurate with the purchase price paid as a percentage of net assets acquired; and

(iii) External bank borrowings of US$4,988.0 million.

In accordance with the terms of the Shareholders' Agreement, the Company is of the opinion that it has the ability to govern the financial and operating policies of the Las Bambas Joint Venture Company as the Las Bambas Joint Venture Company is a subsidiary of the Company. Therefore, the Group has consolidated the Las Bambas Joint Venture Company (and JV Group) in its consolidated financial statements since the acquisition date.

(b) Completion of provisional accounting

In accordance with HKFRS 3 'Business Combinations', the measurement period of the Las Bambas business combination concluded on 31 July 2015. There were no changes to the provisional assessment of the estimated fair value of net identifiable assets and liabilities during the measurement period.

The following table summarises the consideration paid, and the amounts of the assets acquired and liabilities assumed that were recognised at the acquisition date, on 31 July 2014. These amounts were reflected in the 31 December 2014 consolidated financial statements of the Group.

Total Purchase Consideration	US$ MILLION
Cash paid during the year ended 31 December 2014	2,955.9
Cash paid during the year ended 31 December 2015	12.2
	2,968.1

	AS AT 31 JULY 2014 FAIR VALUE US$ MILLION
Identifiable Assets Recognised and Liabilities Assumed	
ASSETS	
Non-current assets	
Property, plant and equipment	6,868.1
Intangible assets	1.4
Other receivables[1]	75.6
	6,945.1
Current assets	
Inventories	2.8
Trade and other receivables[1]	209.2
Current income tax assets	19.2
Cash and cash equivalents	5.8
	237.0
Total assets	**7,182.1**
LIABILITIES	
Non-current liabilities	
Deferred income tax liabilities	531.6
Provisions	30.7
	562.3
Current liabilities	
Trade and other payables	159.2
Provisions	2.9
	162.1
Total liabilities	**724.4**
Net identifiable assets acquired	**6,457.7**
Less: Repayments of loans to former parent of acquired subsidiaries	(4,018.1)
	2,439.6
Add: Goodwill[2]	528.5
Net Assets	**2,968.1**

1. There is no material difference between the gross contractual amounts receivable and their fair value.
2. The goodwill arises from the HKFRS requirement to recognise a deferred tax liability for the difference between the fair value of newly consolidated assets and liabilities and their tax bases. In accordance with HKFRS, no deferred tax liability is recognised from initial recognition of goodwill.

15. ASSETS AND LIABILITIES HELD FOR SALE

	2015 US$ MILLION	2014 US$ MILLION
Assets of disposal group classified as held for sale		
Property, plant and equipment	18.8	24.4
Total	**18.8**	**24.4**

Liabilities of disposal group classified as held for sale		
Mine rehabilitation, restoration and dismantling provisions	4.5	4.5
Total	**4.5**	**4.5**

MMG continues to classify the Avebury nickel mine, which is on care and maintenance, as held for sale. MMG is in active discussion with several parties interested in acquiring the mine and will continue to facilitate site visits and information sharing.

16. COMMITMENTS

(a) Operating leases

The Group leases various warehouses, offices and factory premises under non-cancellable operating leases. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 US$ MILLION	2014 US$ MILLION
Not later than one year	8.9	10.6
Later than one year but not later than five years	14.6	22.2
Later than five years	0.2	-
	23.7	**32.8**

(b) Capital commitments

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

	2015 US$ MILLION	2014 US$ MILLION
Property, plant and equipment		
Not later than one year	707.4	1,159.9
Later than one year but not later than five years	-	60.1
	707.4	**1,220.0**
Intangible assets		
Not later than one year	3.6	9.8
	3.6	**9.8**

Aggregate	2015 US$ MILLION	2014 US$ MILLION
Property, plant and equipment and intangible assets		
Contracted but not provided for	711.0	1,229.8
	711.0	**1,229.8**

17. CONTINGENT ASSETS AND LIABILITIES

Legal proceedings

The Company and its subsidiaries are defendants from time to time in legal proceedings arising from the conduct of their businesses. 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 subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the year, 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 authority. These guarantees amount to US$491.2 million (2014: US$442.9 million).

Contingent Assets - tax indemnities

The Group has been granted warranties and indemnities in relation to certain tax matters. No litigation has been undertaken in relation to these indemnities and warranties by the Group.

Contingent Liabilities - tax related contingencies

Tax authorities conduct regular routine tax reviews and audits on the Group. The final outcome cannot be determined with sufficient reliability. The balance sheet currently reflects all probable taxation liabilities and reasonable steps are being undertaken in relation to all outstanding matters.

18. EVENTS AFTER BALANCE SHEET DATE

Other than the matters outlined elsewhere in these financial statements, 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.

GLOSSARY

A$	Australian dollar, the lawful currency of Australia
AGM	Annual General Meeting of the Company
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
Anvil	Anvil Mining Limited, a company existing under the laws of the British Virgin Islands, 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
CEO	Chief Executive Officer
China	has the same meaning as PRC
CMC	China Minmetals 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, 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 and the Australian Securities Exchange
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong
DRC	Democratic Republic of the Congo
Director(s)	the director(s) of the Company
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
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
Group	the Company and its subsidiaries
g/t	grams per tonne
HK$	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
ICBC	Industrial and Commercial Bank of China Limited, Sydney Branch
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
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
Minerals and Metals Group	the collective brand name of the portfolio of international mining assets held by Album Resources
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 Finance Limited	a company incorporated on 15 June 2011 in Hong Kong 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 or MMG Limited	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
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
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
Securities Trading Model 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
SFO	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Shareholder(s)	the shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Topstart	Topstart Limited, a company incorporated on 6 February 1991 in the British Virgin Islands with limited liability and 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 and a wholly owned subsidiary of CMN
US$	United States dollar, the lawful currency of the United States of America
VAT	Value added tax

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

Hong Kong, 9 March 2016

As at the date of this announcement, the Board comprises eight directors, of which two are executive directors, namely Mr Andrew Gordon Michelmore 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.

CORPORATE DETAILS

MELBOURNE OFFICE
Level 23, 28 Freshwater Place
Southbank Victoria 3006 Australia
T (61) 3 9288 0888

HONG KONG OFFICE
Units 8501–8503, Level 85
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
T (852) 2216 9688

POSTAL ADDRESS
GPO 2982
Melbourne, Victoria, 3001, Australia

www.mmg.com
info@mmg.com

SHARE REGISTRARS

Hong Kong:

Computershare Hong Kong Investor
Services Limited
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

Australia:

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford
Victoria 3067
Australia

MMG LIMITED

EXECUTIVE COMMITTEE
Andrew MICHELMORE, Chief Executive Officer and Executive Director

Ross CARROLL, Chief Financial Officer

XU Jiqing, Executive General Manager China and Strategy and Executive Director

Marcelo BASTOS, Chief Operating Officer

Troy HEY, Executive General Manager – Stakeholder Relations

Greg TRAVERS, Executive General Manager – Business Support

IMPORTANT DATES
10 March 2016 – 2015 Annual Results Presentation

21 April 2016 – First Quarter 2016 Production Report

25 May 2016 – Annual General Meeting

MMG will present its financial results to investors at 2.30pm Hong Kong time at the Mandarin Oriental Hotel Thursday, 10 March 2016. This presentation will be available to Shareholders via webcast and teleconference for those who are unable to attend. For details please contact Investor Relations.

INVESTOR AND MEDIA RELATIONS
Sally Cox
General Manager – Corporate Affairs
T +61 3 9288 0850 (Australia)
M +61 417 144 524
sally.cox@mmg.com