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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)

CONNECTED TRANSACTION TERMINATION OF OPTION AND JOINT VENTURE AGREEMENT

TERMINATION OF THE OPTION AND JOINT VENTURE AGREEMENT

On 23 January 2015, MMG Exploration and Abra Mining signed the Option and Joint Venture Agreement granting MMG Exploration the Option to form an unincorporated joint venture with Abra Mining in relation to the Abra Project located in Western Australia.

MMG Exploration has elected to not exercise the Option to form an unincorporated joint venture with Abra Mining and has withdrawn from the Option and Joint Venture Agreement by giving 30 days written notice to Abra Mining in accordance with the terms of the Option and Joint Venture Agreement. The termination date of the Option and Joint Venture Agreement is the date of the notice, being 19 April 2016.

LISTING RULES IMPLICATIONS

Abra Mining is a wholly owned subsidiary of Hunan Non-Ferrous Metals, which is an indirectly owned subsidiary of CMC, and is therefore a connected person of the Company under the Listing Rules. As a result, the withdrawal from and termination of the Option and Joint Venture Agreement constitutes a connected transaction for the Company. As at least one of the applicable percentage ratios in relation to the withdrawal and termination is more than 0.1% but all of the applicable percentage ratios are less than 5%, the withdrawal and termination of the Option and Joint Venture Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

TERMINATION OF THE OPTION AND JOINT VENTURE AGREEMENT

On 23 January 2015, MMG Exploration and Abra Mining signed the Option and Joint Venture Agreement granting MMG Exploration the Option to form an unincorporated joint venture with Abra Mining in relation to the Abra Project located in Western Australia. Reference is made to the announcement by the Company on 23 January 2015 in relation to the Option and Joint Venture Agreement.

MMG Exploration has conducted preliminary exploration activities in relation to the Abra Project and spent a total of A\$2,824,277.92 (equivalent to HK\$17,708,222.6) in expenditure during the term of the Agreement. Having regard to the results of those activities, MMG Exploration has elected to not exercise the Option to form an unincorporated joint venture with Abra Mining and has withdrawn from the Option and Joint Venture Agreement by giving 30 days written notice to Abra Mining in accordance with the terms of the Option and Joint Venture Agreement. No consideration or compensation is payable by either party in relation to such election to withdraw and terminate. The termination date of the Option and Joint Venture Agreement is the date of the notice, being on 19 April 2016.

The Board, including the independent non-executive directors, considers the decision to withdraw and terminate the Option and the Joint Venture Agreement, to be fair and reasonable and on normal commercial term or better to the Group, to be in the ordinary and usual course of business of the Group, and to be in the interests of the Company and its shareholders as a whole. No director of the Company has any material interest in the withdrawal and termination which prohibits him or her from voting on the resolution of the Board to approve the withdrawal and termination of the Option and Joint Venture Agreement, and no director of the Company has abstained from voting on such resolution.

LISTING RULES IMPLICATIONS

Abra Mining is a wholly owned subsidiary of Hunan Non-Ferrous Metals, which is an indirectly owned subsidiary of CMC, and is therefore a connected person of the Company under the Listing Rules. As a result, the withdrawal from and termination of the Option and Joint Venture Agreement constitutes a connected transaction for the Company. As at least one of the applicable percentage ratios in relation to the withdrawal and termination is more than 0.1% but all of the applicable percentage ratios are less than 5%, the withdrawal and termination of the Option and Joint Venture Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ABOUT THE GROUP

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

INFORMATION ABOUT ABRA MINING AND THE PROPOSED UNINCORPORATED JOINT VENTURE

Abra Mining is a wholly owned subsidiary of Hunan Non-Ferrous Metals. Abra Mining is a base metals exploration and development company. Abra Mining's key asset is a 100% interest in the lead-silver-zinc-copper-gold deposit located within the Mulgul Project in central Western Australia.

As a consequence of the Company withdrawing from and terminating the Option and the Joint Venture Agreement, no unincorporated joint venture has been formed between MMG Exploration and Abra Mining. Accordingly, the unincorporated joint venture does not exist, and therefore has no book value, nor does it have any applicable net profits attributed to it or any of its underlying assets during the two financial years preceding the withdrawal from and termination of the Option and Joint Venture Agreement.

DEFINITIONS

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

Abra Mining	Abra Mining Pty Limited, a company incorporated in Australia, a wholly owned subsidiary of Hunan Non-Ferrous Metals
Board	the board of directors of the Company
CMC	中國五礦集團公司 (China Minmetals Corporation), a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
Company	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the securities of which are listed and traded on the main board of the Stock Exchange and the Australian Securities Exchange
Group	the Company and its subsidiaries from time to time
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Hunan Non-Ferrous Metals	Hunan Non-Ferrous Metals Corporation Ltd., a joint stock limited company incorporated in the PRC with limited liability, an indirectly owned subsidiary of CMC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
MMG Exploration	MMG Exploration Pty Ltd, a company incorporated in Australia, a wholly owned subsidiary of the Company
Option	the option granted by Abra Mining to MMG Exploration to form an unincorporated joint venture with Abra Mining in relation to the Abra Project pursuant to the Option and Joint Venture Agreement

Option and Joint Venture Agreement	the option and joint venture agreement dated 23 January 2015 entered into between MMG Exploration and Abra Mining
PRC	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan)
Stock Exchange	The Stock Exchange of Hong Kong Limited

Unless otherwise specified, conversion of A\$ into HK\$ in this announcement is based on the exchange rate of A\$1.00 = HK\$6.27 for the purpose of illustration only. No representation is made and there is no assurance that A\$ or HK\$ can be purchased or sold at such rate.

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

Hong Kong, 19 April 2016

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