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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)

MINERAL RESOURCES AND ORE RESERVES STATEMENT AS AT 30 JUNE 2016

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

The board of directors of the Company (Board) is pleased to report the Group's updated Mineral Resources and Ore Reserves Statement as at 30 June 2016 (Mineral Resources and Ore Reserves Statement).

The highlights of the Mineral Resources and Ore Reserves Statement as at 30 June 2016 include:

- The Group's Mineral Resources (contained metal) has increased for molybdenum (4%), remains unchanged for gold and nickel, and decreased for copper (1%), zinc (2%), lead (6%) and silver (5%).
- The Group's Ore Reserves (contained metal) has increased for copper (6%), silver (2%) and molybdenum (7%) and decreased for zinc (10%), lead (11%) and gold (5%).
- Mineral Resources and Ore Reserves Tonnes at Las Bambas increased by 117Mt and 7Mt respectively. The Las Bambas project is held by a joint venture company, of which 62.5% is owned by MMG.

All data reported here is on a 100% asset basis, with MMG's attributable interest shown against each asset within the Mineral Resources and Ore Reserves tables (pages 4 to 9).



MMG Limited
MINERAL RESOURCES AND ORE RESERVES STATEMENT
30 June 2016

MINERAL RESOURCES AND ORE RESERVES STATEMENT

A copy of the executive summary of the Mineral Resources and Ore Reserves Statement is annexed to this announcement.

The information referred to in this announcement has been extracted from the report titled Mineral Resources and Ore Reserves Statement as at 30 June 2016 published on 18 October 2016 and is available to view on www.mmg.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources and Ore Reserves Statement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Mineral Resources and Ore Reserves Statement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resources and Ore Reserves Statement.

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

Hong Kong, 18 October 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.



MMG Limited
MINERAL RESOURCES AND ORE RESERVES STATEMENT
30 June 2016

EXECUTIVE SUMMARY

Mineral Resources and Ore Reserves for MMG have been estimated as at 30 June 2016, and are reported in accordance with the guidelines in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and Chapter 18 of the Listing Rules. Mineral Resources and Ore Reserves tables are provided on pages 4 to 9, which include the 30 June 2016 and 2015 estimates for comparison. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources that convert to Ore Reserves. All supporting data is provided within the Technical Appendix, available on the MMG website.

Mineral Resources and Ore Reserves information in this statement has been compiled by Competent Persons (as defined by the 2012 JORC Code). Each Competent Person consents to the inclusion of the information in this report that they have provided in the form and context in which it appears. Competent Persons are listed on page 10.

MMG has established processes and structures for the governance of Mineral Resources and Ore Reserves estimation and reporting. MMG has a Mineral Resources and Ore Reserves Committee that regularly convenes to assist the MMG Governance and Nomination Committee and the Board of Directors with respect to the reporting practices of the Company in relation to Mineral Resources and Ore Reserves, and the quality and integrity of these reports of the Group.

Key changes to the Mineral Resources (contained metal) since the 30 June 2015 estimate include an increase in molybdenum, no change for gold and nickel, and reductions in copper, zinc, lead and silver. Metal reductions are mostly due to depletion¹, cut-off grade changes and drilling results at MMG's operations that have been partly offset by Mineral Resources additions, especially at Las Bambas.

The MMG Ore Reserves (contained metal) have increased since the 30 June 2015 statement for copper, molybdenum and silver principally due to increases at Las Bambas along with additions at Kinsevere. Decreases in Ore Reserves contained metal for lead, zinc and gold are mostly the result of depletion at Century, Golden Grove and Rosebery.

Tonnes of Mineral Resources and Ore Reserves have increased in total, more than replacing depletion. Las Bambas Mineral Resources and Ore Reserves have increased by 117Mt and 7Mt respectively.

Pages 11 and 12 provide further discussion of the Mineral Resources and Ore Reserves changes.

¹ Depletion in this report refers to material treated by the mill and depleted from the Mineral Resources and Ore Reserves



MINERAL RESOURCES AND ORE RESERVES STATEMENT

30 June 2016

MINERAL RESOURCES²

All data reported here is on a 100% asset basis, with MMG's attributable interest shown against each asset within brackets.

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Las Bambas (62.5%)														
Ferrobamba Oxide Copper														
Indicated	16.8	2.0						21.3	1.9					
Inferred	0.7	1.9						5.7	1.7					
Total	17.4	2.0						27.0	1.8					
Ferrobamba Primary Copper														
Measured	529	0.68			3.3	0.06	198	388	0.76			3.7	0.07	204
Indicated	527	0.59			2.7	0.05	191	490	0.65			2.9	0.05	209
Inferred	397	0.57			2.1	0.03	146	452	0.56			2.2	0.03	148
Total	1,453	0.62			2.7	0.05	181	1,330	0.65			2.9	0.05	187
Ferrobamba Total	1,471							1,357						
Chalcobamba Oxide Copper														
Indicated	6.5	1.5						5.9	1.4					
Inferred	0.9	1.5						0.5	1.5					
Total	7.3	1.5						6.4	1.4					
Chalcobamba Primary Copper														
Measured	94	0.40			1.2	0.01	148	96	0.4			1.3	0.02	151
Indicated	196	0.63			2.4	0.03	145	190	0.6			2.3	0.03	138
Inferred	48	0.47			1.6	0.02	131	41	0.5			1.5	0.02	122
Total	338	0.55			1.9	0.02	144	327	0.5			1.9	0.02	140
Chalcobamba Total	345							334						
Sulfobamba Oxide Copper														
Inferred								0.02	2.8					
Total								0.02	2.8					
Sulfobamba Primary Copper														
Indicated	103	0.60			4.1	0.02	162	102	0.6			4.4	0.02	164
Inferred	201	0.44			4.0	0.02	119	214	0.5			4.2	0.02	117
Total	304	0.50			4.0	0.02	133	315	0.5			4.3	0.02	132
Sulfobamba Total	304							315						
Oxide Copper Stockpile														
Indicated	3.4	0.86												
Total	3.4	0.86												
Sulphide Stockpile														
Measured	0.37	0.72			3.1		214							
Total	0.37	0.72			3.1		214							
Las Bambas Total	2,124							2,007						

² S.I. units used for metals of value; Cu=copper, Zn=zinc, Pb=lead, Ag=silver, Au=gold, Mo=molybdenum, Ni=nickel.



MMG Limited

MINERAL RESOURCES AND ORE RESERVES STATEMENT

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MINERAL RESOURCES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Kinsevere (100%)														
Oxide Copper														
Measured	3.1	4.6						3.7	4.5					
Indicated	13.7	3.1						11.9	3.4					
Inferred	3.5	2.4						4.2	3.3					
Total	20.3	3.2						19.8	3.6					
Transition Mixed Copper Ore														
Measured	0.7	3.4												
Indicated	2.0	3.0												
Inferred	0.2	2.2												
Total	2.9	3.0												
Primary Copper														
Measured	0.4	3.1						1.6	3.2					
Indicated	18.5	2.6						10.9	2.2					
Inferred	2.2	2.0						14.6	2.4					
Total	21.2	2.5						27.1	2.3					
Stockpiles														
Measured								6.4	2.3					
Indicated	6.8	2.4												
Total	6.8	2.4						6.4	2.3					
Kinsevere Total	51.2							53.3						
Sepon (90%)														
Oxide Gold														
Indicated	1.6					3.0		1.1					3.0	
Inferred	0.4					2.1		0.2					2.1	
Total	2.0					2.8		1.2					2.9	
Partial Oxide Gold														
Indicated	1.3					4.2		0.6					5.4	
Inferred	0.1					2.9		0.01					4.1	
Total	1.3					4.1		0.6					5.4	
Primary Gold														
Indicated	7.8					4.0		7.5					3.4	
Inferred	0.1					3.5		0.3					2.5	
Total	7.9					4.0		7.8					3.4	
Supergene Copper														
Indicated	12.9	3.5						13.4	3.3					
Inferred	0.3	3.5						1.0	2.5					
Total	13.3	3.5						14.4	3.2					
Primary Copper														
Indicated	5.0	1.2						7.6	1.0					
Inferred	3.3	1.1						3.8	1.5					
Total	8.4	1.2						11.4	1.1					
Copper Stockpiles														
Measured								5.9	2.1					
Indicated	5.7	1.6												
Total	5.7	1.6						5.9	2.1					
Sepon Total	38.6							41.4						



MINERAL RESOURCES AND ORE RESERVES STATEMENT

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MINERAL RESOURCES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Dugald River (100%)														
Primary Zinc														
Measured	5.5		14.2	2.0	64			5.7		14.5	2.0	63		
Indicated	27.1		12.9	2.2	50			25.9		13.3	2.2	51		
Inferred	28.5		12.0	1.7	13			25.7		12.7	1.8	13		
Total	61.1		12.6	1.9	34			57.3		13.2	2.0	35		
Primary Copper														
Inferred	4.4	1.8				0.2		4.4	1.8				0.2	
Total	4.4	1.8				0.2		4.4	1.8				0.2	
Dugald River Total	66.0							61.7						
Golden Grove (100%)														
Oxide Gold														
Indicated	0.7				61	3.2		0.6				89	3.2	
Inferred	0.01					1.5		0.04				55	2.8	
Total	0.7				60	3.1		0.6				87	3.2	
Partial Oxide Gold														
Indicated	0.01				115	5.1		0.1				130	2.6	
Inferred								0.01				71	2.0	
Total	0.01				115	5.1		0.1				123	2.5	
Primary Gold														
Indicated								0.1				54	2.2	
Inferred								0.01				49	2.1	
Total								0.1				53	2.2	
Primary Zinc														
Measured	1.8	0.52	14.7	1.8	109	2.8		2.7	0.54	11.3	1.3	89	1.7	
Indicated	1.8	0.57	14.4	1.5	96	1.8		2.0	0.33	11.0	1.5	108	1.5	
Inferred	4.3	0.27	14.7	0.7	50	0.6		3.7	0.45	13.7	0.5	40	0.6	
Total	7.9	0.39	14.6	1.1	74	1.4		8.4	0.45	12.3	1.0	72	1.1	
Partial Oxide Copper														
Indicated								0.3	2.2					
Inferred								0.004	2.1					
Total								0.3	2.2					
Primary Copper														
Measured	3.1	3.7			22	0.8		6.2	2.9			33	1.3	
Indicated	2.6	4.1			31	1.0		2.0	2.8			29	1.2	
Inferred	3.5	3.7			26	0.5		8.4	3.3			26	0.2	
Total	9.2	3.8			26	0.8		16.7	3.1			29	0.7	
Golden Grove Total	17.8							26.2						



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MINERAL RESOURCES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Ni (%)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Ni (%)
Rosebery (100%)														
Rosebery														
Measured	5.4	0.25	8.1	2.9	107	1.3		9.0	0.25	8.6	2.8	96	1.2	
Indicated	5.7	0.25	7.6	2.6	102	1.2		6.4	0.25	7.3	2.5	103	1.1	
Inferred	11.2	0.26	8.0	2.7	95	1.4		7.0	0.29	7.4	2.8	96	1.4	
Total	22.3	0.26	7.9	2.7	100	1.3		22.4	0.26	7.9	2.7	98	1.2	
South Hercules														
Measured								0.1	0.15	4.6	2.5	151	3.8	
Indicated								0.02	0.13	3.7	1.8	161	4.3	
Total								0.2	0.15	4.5	2.4	152	3.9	
Rosebery Total	22.3							22.6						
Century (100%)														
Century Pit														
Indicated								0.7		9.7	1.4	36		
Total								0.7		9.7	1.4	36		
Stockpiles														
Measured								1.9		6.1	1.7	42		
Total								1.9		6.1	1.7	42		
Century Total								2.6						
High Lake (100%)														
Measured								7.9	3.0	3.5	0.3	83	1.3	
Indicated	7.9	3.0	3.5	0.3	83	1.3		7.9	3.0	3.5	0.3	83	1.3	
Inferred	6.0	1.8	4.3	0.4	84	1.3		6.0	1.8	4.3	0.4	84	1.3	
Total	14.0	2.5	3.8	0.4	84	1.3		14.0	2.5	3.8	0.4	84	1.3	
High Lake Total	14.0							14.0						
Izok Lake (100%)														
Measured								13.5	2.4	13.3	1.4	73	0.2	
Indicated	13.5	2.4	13.3	1.4	73	0.2		13.5	2.4	13.3	1.4	73	0.2	
Inferred	1.2	1.5	10.5	1.3	73	0.2		1.2	1.5	10.5	1.3	73	0.2	
Total	14.6	2.3	13.1	1.4	73	0.2		14.6	2.3	13.1	1.4	73	0.2	
Izok Lake Total	14.6							14.6						
Avebury (100%)														
Measured	3.8							3.8						1.1
Indicated	4.9							4.9						0.9
Inferred	20.7							20.7						0.8
Total	29.3							29.3						0.9
Avebury Total	29.3							29.3						



MINERAL RESOURCES AND ORE RESERVES STATEMENT

30 June 2016

ORE RESERVES³

All data reported here is on a 100% asset basis, with MMG's attributable interest shown against each asset within brackets.

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Las Bambas (62.5%)														
Ferrobamba Primary Copper														
Proved	492	0.71			3.4	0.07	201	424	0.71			3.4	0.08	187
Probable	340	0.71			3.5	0.06	202	360	0.64			2.8	0.06	187
Total	832	0.71			3.5	0.06	201	784	0.68			3.2	0.07	187
Chalcobamba Primary Copper														
Proved	53	0.51			1.7	0.02	151	77	0.46			1.5	0.02	155
Probable	136	0.75			2.8	0.03	135	150	0.70			2.6	0.03	137
Total	188	0.68			2.5	0.03	140	227	0.62			2.2	0.03	143
Sulfobamba Primary Copper														
Probable	66	0.78			5.5	0.03	176	68	0.76			5.5	0.03	176
Total	66	0.78			5.5	0.03	176	68	0.76			5.5	0.03	176
Sulphide Stockpile														
Proved	0.37	0.72			3.1		214							
Total	0.37	0.72			3.1		214							
Las Bambas Total	1,086							1,079						
Kinsevere (100%)														
Oxide Copper														
Proved	2.9	4.5						2.9	4.7					
Probable	9.8	3.5						6.6	3.9					
Total	12.7	3.7						9.4	4.1					
Oxide Copper Stockpiles														
Proved								1.4	3.7					
Probable	4.9	2.2						3.4	1.4					
Total	4.9	2.2						4.8	2.1					
Kinsevere Total	17.6							14.3						
Sepon (90%)														
Supergene Copper														
Probable	8.0	3.5						8.3	3.6					
Total	8.0	3.5						8.3	3.6					
Primary Copper														
Probable	2.3	0.8						2.9	1.1					
Total	2.3	0.8						2.9	1.1					
Copper Stockpiles														
Proved								5.7	2.1					
Probable	4.6	1.7												
Total	4.6	1.7						5.7	2.1					
Sepon Total	14.9							16.9						

³ S.I. units used for metals of value; Cu=copper, Zn=zinc, Pb=lead, Ag=silver, Au=gold, Mo=molybdenum.



MINERAL RESOURCES AND ORE RESERVES STATEMENT

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ORE RESERVES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Dugald River (100%)														
Primary Zinc														
Proved	4.6		12.3	1.7	55			0.5		15.5	1.4	38		
Probable	17.8		12.1	2.0	48			22.1		12.3	2.0	50		
Dugald River Total	22.5							22.5						
Golden Grove (100%)														
Primary Zinc														
Proved	1.0	0.72	12.1	1.7	97	3.4		1.1	0.54	12.0	1.6	103	3.2	
Probable	0.8	0.86	11.6	1.3	98	2.3		0.9	0.26	11.1	1.9	148	1.4	
Total	1.9	0.78	11.8	1.5	98	2.9		2.0	0.41	11.6	1.7	123	2.4	
Partial Oxide Copper														
Proved								0.1	2.8					
Probable								0.2	2.1					
Total								0.3	2.3					
Primary Copper														
Proved	1.3	3.5			21	1.1		1.8	3.1			24	1.3	
Probable	0.7	3.1			26	1.6		1.0	2.7			31	2.2	
Total	2.0	3.4			22	1.2		2.7	2.9			27	1.6	
Oxide Gold														
Probable	0.2				56	2.6								
Total	0.2				56	2.6								
Golden Grove Total	4.1							5.1						
Rosebery (100%)														
Proved	3.2	0.25	8.8	3.1	110	1.3		4.8	0.25	8.3	2.6	85	1.0	
Probable	2.2	0.22	7.5	3.0	118	1.3		2.6	0.18	6.0	2.4	100	1.0	
Rosebery Total	5.4							7.4						
Century (100%)														
Proved								1.9		6.1	1.7	42		
Probable								0.7		8.7	1.1	34		
Century Total								2.7						



MINERAL RESOURCES AND ORE RESERVES STATEMENT

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COMPETENT PERSONS

Deposit	Accountability	Competent Person	Professional Membership	Employer
MMG Mineral Resources and Ore Reserves Committee	Mineral Resources	Jared Broome ¹	FAusIMM(CP)	MMG
MMG Mineral Resources and Ore Reserves Committee	Ore Reserves	Nan Wang ¹	MAusIMM(CP)	MMG
MMG Mineral Resources and Ore Reserves Committee	Metallurgy: Mineral Resources / Ore Reserves	Reinhardt Viljoen ¹	MAusIMM	MMG
Las Bambas	Mineral Resources	Rex Berthelsen ¹	FAusIMM(CP)	MMG
Las Bambas	Ore Reserves	Yao Wu ¹	MAusIMM	MMG
Las Bambas	Metallurgy: Mineral Resources / Ore Reserves	Amy Lamb	SME	MMG
Sepon	Mineral Resources	Chevaun Gellie	MAusIMM	MMG
Sepon	Ore Reserves	Jodi Wright ¹	MAusIMM(CP)	MMG
Sepon	Metallurgy: Mineral Resources / Ore Reserves	Leonardo Paliza	MAusIMM	MMG
Kinsevere	Mineral Resources	Douglas Corley ¹	MAIG R.P.Geo.	MMG
Kinsevere	Ore Reserves	Jodi Wright ¹	MAusIMM(CP)	MMG
Kinsevere	Metallurgy: Mineral Resources / Ore Reserves	Mark Godfrey ¹	MAusIMM	MMG
Rosebery	Mineral Resources	James Pocoe	MAusIMM	MMG
Rosebery	Ore Reserves	Karel Steyn	MAusIMM	MMG
Rosebery	Metallurgy: Mineral Resources / Ore Reserves	Kevin Rees	MAusIMM(CP)	MMG
Golden Grove (Underground & Open Pit)	Mineral Resources	Paul Boamah	MAusIMM	MMG
Golden Grove - Underground	Ore Reserves	Karel Steyn	MAusIMM	MMG
Golden Grove - Open Pit	Ore Reserves	Jodi Wright ¹	MAusIMM(CP)	MMG
Golden Grove (Underground & Open Pit)	Metallurgy: Mineral Resources / Ore Reserves	Nigel Thiel ¹	MAusIMM(CP)	MMG
Dugald River	Mineral Resources	Douglas Corley ¹	MAIG R.P.Geo.	MMG
Dugald River	Ore Reserves	Karel Steyn	MAusIMM	MMG
Dugald River	Metallurgy: Mineral Resources / Ore Reserves	Shuhua He	MAusIMM	MMG
High Lake, Izok Lake	Mineral Resources	Allan Armitage	MAPEG ² (P.Geo)	Formerly MMG
Avebury	Mineral Resources	Peter Carolan	MAusIMM	Formerly MMG

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by the listed Competent Persons, who are Members or Fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG) or a Recognised Professional Organisation (RPO) and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code). Each of the Competent Persons has given consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

¹ Participants in the MMG Long-Term Incentive Plans which may include Mineral Resources and Ore Reserves growth as a performance condition.

² Member of the Association of Professional Engineers and Geoscientists of British Columbia.



SUMMARY OF SIGNIFICANT CHANGES

MINERAL RESOURCES

Mineral Resources as at 30 June 2016 have changed since the 30 June 2015 estimate for a number of reasons with the most significant changes outlined in this section.

Mineral Resources (contained metal) have increased for molybdenum (4%), remain unchanged for gold and nickel, and have decreased for copper (1%), zinc (2%), lead (6%) and silver (5%).

Significant increases and decreases to Mineral Resources (contained metal) on an individual site basis are discussed below:

Increases:

Increases to the Mineral Resources (contained metal) for copper and molybdenum at Las Bambas are due to positive drilling results and increases in mineralised marble.

Sepon Mineral Resources contained gold increased as a result of pit shell adjustments related to metallurgical recovery.

Decreases:

Depletion at all MMG Operations has reduced Mineral Resources (contained metal), with the largest impacts on:

- Century (zinc, lead and silver) fully depleted as a result of mine closure;
- Golden Grove (copper, zinc, lead, silver, gold) as a result of depletion, increase in cut-off grade, and drilling reducing sulphide copper mineralisation;
- Sepon (copper) depletion; and
- Kinsevere (copper) depletion.

No changes have been made to the Mineral Resources at High Lake, Izok Lake and Avebury.



MINERAL RESOURCES AND ORE RESERVES STATEMENT

30 June 2016

ORE RESERVES

Ore Reserves as at 30 June 2016 (contained metal) have increased for copper (6%), silver (2%) and molybdenum (7%) and decreased for zinc (10%), lead (11%) and gold (5%). Ore Reserves tonnes have increased, more than replacing depletion across MMG.

Significant increases and decreases to Ore Reserves (contained metal) on an individual site basis are discussed below:

Increases:

Las Bambas Ore Reserves contained copper, silver and molybdenum metal increased due to the inclusion of mineralised marble following positive metallurgical results and additional drilling converting Mineral Resources to Ore Reserves.

Kinsevere contained copper increased as a result of lower cut-off grade due to changes in mill throughput and lower processing costs.

Decreases:

Depletion at all MMG operations has reduced Ore Reserves (contained metal) for zinc, lead and gold. The largest impacts are:

- Century (zinc, lead and silver) fully depleted as a result of mine closure;
- Rosebery (copper, zinc, lead, silver, gold) as a result of depletion;
- Golden Grove (copper, zinc, lead, silver, gold) as a result of depletion and cut-off grade increase; and
- Sepon (copper) depletion.

**MINERAL RESOURCES AND ORE RESERVES STATEMENT****30 June 2016****KEY ASSUMPTIONS****PRICES AND EXCHANGE RATES**

The following price and foreign exchange assumptions, set according to the relevant MMG Standard as at January 2016, have been applied to all Mineral Resources and Ore Reserves estimates. Price assumptions remain unchanged from the 2015 Mineral Resources and Ore Reserves statement except for gold, which was US\$1010/oz.

Table 1 : Price (real) and foreign exchange assumptions

	Ore Reserves	Mineral Resources
Cu (US\$/lb)	2.95	3.50
Zn (US\$/lb)	1.20	1.45
Pb (US\$/lb)	1.12	1.35
Au US\$/oz	1031	1212
Ag US\$/oz	21.10	25.50
Mo (US\$/lb)	11.1	15.0
AUD:USD	0.82	
USD:PEN	3.30	As per Ore Reserves



MINERAL RESOURCES AND ORE RESERVES STATEMENT

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CUT-OFF GRADES

Mineral Resources and Ore Reserves cut-off values are shown in Table 2 and Table 3 respectively.

Table 2 : Mineral Resources cut-off grades

Site	Mineralisation	Likely Mining Method ^a	Cut-Off Value	Comments
Las Bambas	Oxide Copper	OP	1% Cu	Cut-off is applied as a range that varies for each deposit and mineralised rock type at Las Bambas. <i>In-situ</i> Copper Mineral Resources constrained within US\$3.5/lb Cu pit shell.
	Primary Copper	OP	0.17-0.5% Cu	
Sepon	Oxide Gold	OP	1.1 – 1.2 g/t Au	Approximate cut-off grades shown in this table. Variable cut-off grade based on net value script accounting for costs, recoveries and metal prices within US\$1,212/oz pit shells.
	Partial Oxide	OP	1.7 – 2.0 g/t Au	
	Primary Gold	OP	1.6 – 1.9 g/t Au	
	Supergene Copper – Carbonate	OP	1.3- 1.5% Cu	Approximate cut-off grades shown in this table. Variable cut-off grade based on net value script accounting for costs, recoveries and metal prices within US\$3.5/lb pit shells.
	Supergene Copper - Chalcocite	OP	1.3% Cu	
	Primary Copper	OP	0.5% Cu	
Kinsevere	Oxide Copper & Stockpiles	OP	0.6% ASCu ^b	<i>In-situ</i> Copper Mineral Resources constrained within a US\$3.5/lb Cu pit shell.
	Transition Mixed Copper	OP	1.5% TCu ^c	
	Primary Copper	OP	1.1% TCu ^c	
Rosebery	Rosebery (Zn, Cu, Pb, Au, Ag)	UG	A\$153/t NSR ^d	Remnant upper mine areas A\$179/t NSR ^d
Golden Grove	Primary Zinc & Primary Copper (Zn, Cu, Pb, Au, Ag)	UG	A\$163/t NSR ^d	
	Oxide Gold - Scuddles	OP	0.5 g/t Au	<i>In-situ</i> Gold Mineral Resources constrained within a pit shell based on ore sales contract.
	Oxide & Partial Oxide Gold – Gossan Hill	OP	1.1 g/t Au	<i>In-situ</i> Gold Mineral Resources constrained within a US\$1212/oz Au pit shell.
Dugald River	Primary Zinc (Zn, Pb, Ag)	UG	A\$125/t NSR ^d	
	Primary Copper	UG	1%Cu	
Avebury	Ni	UG	0.4% Ni	
High Lake	Cu, Zn, Pb, Ag, Au	OP	2.0% CuEq ^f	CuEq ^f = Cu + (Zn×0.30) + (Pb×0.33) + (Au×0.56) + (Ag×0.01); based on Long-Term prices and metal recoveries at Au:75%, Ag:83%, Cu:89%, Pb:81% and Zn:93%
High Lake Izok Lake	Cu, Zn, Pb, Ag, Au Cu, Zn, Pb, Ag, Au	UG	4.0% CuEq ^f	CuEq ^f = Cu + (Zn×0.30) + (Pb×0.33) + (Au×0.56) + (Ag×0.01); based on Long-Term prices and metal recoveries at Au:75%, Ag:83%, Cu:89%, Pb:81% and Zn:93% ZnEq = Zn + (Cu×3.31) + (Pb×1.09) + (Au×1.87) + (Ag×0.033); prices and metal recoveries as per High Lake
		OP	4.0% ZnEq ^e	

^a : OP = Open Pit, UG = Underground, ASCu^b = Acid Soluble Copper, TCu^c = Total Copper, NSR^d = Net Smelter Return After Royalty, ZnEq^e = Zinc Equivalent, CuEq^f = Copper Equivalent, AuEq^g = Gold Equivalent.



MINERAL RESOURCES AND ORE RESERVES STATEMENT

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Table 3 : Ore Reserves cut-off grades

Site	Mineralisation	Mining Method	Cut-Off Value	Comments
Las Bambas	Primary Copper Ferrobamba	OP	0.20-0.27%Cu, 0.31-0.64% Cu for marble ore	Range based on rock type recovery.
	Primary Copper Chalcobamba		0.21 – 0.31%Cu	
	Primary Copper Sulfobamba		0.23 – 0.27% Cu	
Sepon	Copper - chalcocite	OP	1.2-1.3% Cu	Variable cut-off grade based on net value script. Low grade float refers to stockpile reclaim. Approximate cut-off grades shown in this table.
	Copper - carbonate LAC ^a		1.5-1.6% Cu	
	Copper - carbonate HAC ^b		1.5-1.6% Cu	
	Copper - scubber carbonate HAC ^b		1.4-1.8% Cu	
	Copper - low grade float		0.6-0.8% Cu	
	Copper - Primary		0.5-0.6% Cu	
Kinsevere	Copper Oxide	OP	0.9% ASCu ^d	
		OP	0.8% ASCu	Stockpile reclaim
Rosebery	(Zn, Cu, Pb, Au, Ag)	UG	A\$153 NSR ^e /t	
Golden Grove	Primary Zinc and Primary Copper (Zn, Cu, Pb, Au, Ag)	UG	A\$163 NSR ^e /t	
	Oxide Gold	OP	0.5g/t Au	
Dugald River	Primary Zinc	UG	A\$125 NSR ^e /t	

LAC^a = Low Acid Consuming; HAC^b = High Acid Consuming, GAC^c = Gangue Acid Consuming, ASCu^d = Acid Soluble Copper, NSR^e = Net Smelter Return, ZnEq^f = Zinc Equivalent



MINERAL RESOURCES AND ORE RESERVES STATEMENT

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PROCESSING RECOVERIES

Output average processing recoveries are shown in Table 4. More detailed processing recovery relationships are provided in the Technical Appendix.

Table 4: Processing Recoveries

Site	Product	Recovery						Concentrate Moisture Assumptions
		Copper	Zinc	Lead	Silver	Gold	Mo	
Las Bambas	Copper Concentrate	82%	-	-	64%	60%		10%
	Molybdenum Concentrate						55%	5%
Century	Zinc Concentrate	-	79%	-	56%	-		-
	Lead Concentrate	-	-	68%	10%	-		-
Golden Grove - Underground	Zinc Concentrate		88%	-	-	13%		8.5%
	Lead Concentrate	60%	-	70%	74%	66%		8.5%
	Copper Concentrate	87%	-	-	67%	52%		8.5%
Golden Grove – Open Cut	Oxide Copper Concentrate	55%	-	-	-	-		16%
	Transition Copper Concentrate	55%	-	-	51%	64%		16%
Rosebery	Zinc Concentrate		87%		9%	6%		8%
	Lead Concentrate		6%	79%	39%	12%		6%
	Copper Concentrate	66%	1%	3%	42%	37%		9%
	Gold Doré ^a				0.2%	26%		
Dugald River	Zinc Concentrate	-	87%		30%	-		10%
	Lead Concentrate	-		83%	28%	-		12%
Sepon	Copper Cathode	86%	-	-	-	-		-
Kinsevere	Copper Cathode	85% (96% ASCu)	-	-	-	-		-

a: Silver for Rosebery gold doré is calculated as a constituent ratio to gold in the doré. Silver is set to 0.17 against gold being 20.7.

The Technical Appendix published on the MMG website contains additional Mineral Resources and Ore Reserves information (including the Table 1 disclosure).